

GLATFELTER P H CO  
Form DEF 14A  
March 29, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

P. H. GLATFELTER COMPANY  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Time and Date: Thursday, May 9, 2019

9:00 a.m. Eastern Time

Place: York County History Center

Historical Society Museum

250 E. Market Street

York, PA 17403

The 2019 Annual Meeting of Shareholders (“Annual Meeting”) of P. H. Glatfelter Company (“Glatfelter” or the “Company”), a Pennsylvania corporation, will be held on Thursday, May 9, 2019 at 9:00 a.m., to consider and act on:

1. the election of eight members of the Board of Directors of the Company (the “Board”) to serve until our 2020 Annual Meeting and until their successors are elected and qualified;
2. a proposal to ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. advisory approval of the Company’s named executive officer compensation; and
4. such other business as may properly come before the Annual Meeting.

Only holders of record of the Company’s common stock at the close of business on March 15, 2019 (the “Record Date”), will be entitled to notice of, and to vote at, the Annual Meeting.

It is important that your shares be represented and voted at the Annual Meeting. Whether you plan to attend the Annual Meeting or not, please vote your shares by telephone at 1-800-652-VOTE (8683), online at <http://www.investorvote.com/GLT> or by completing and signing the enclosed proxy card and returning it promptly in the enclosed envelope (requiring no postage if mailed in the U.S.). If you choose, you may still vote in person at the Annual Meeting, even if you previously voted by telephone, internet or mail.

Jill L. Urey, Secretary

March 29, 2019

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2019 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 9, 2019:**

P. H. Glatfelter Company’s proxy statement for the 2019 Annual Meeting of Shareholders and 2018 Annual Report are available via the Internet at [www.glatfelter.com/about\\_us/investor\\_relations/sec\\_filings.aspx](http://www.glatfelter.com/about_us/investor_relations/sec_filings.aspx)



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Proxy Summary

This Proxy Summary highlights information explained more fully elsewhere in this proxy statement. We ask that you read the entire proxy statement before voting.

**Time and Date:** Thursday, May 9, 2019, at 9:00 a.m. Eastern Time

**Place:** York County History Center  
 Historical Society Museum  
 250 E. Market Street  
 York, PA 17403

**Record Date:** March 15, 2019

**Voting:** Shareholders of Glatfelter as of the Record Date are entitled to vote. Each share of Glatfelter common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted upon at the Annual Meeting.

Proposals Requiring Your Vote

Your vote is very important to us and our business. Please cast your vote immediately on all proposals to ensure your shares are represented.

|  | Board<br>Recommendation | Page |
|--|-------------------------|------|
| <b>1</b> PROPOSAL 1 — Election of Directors<br>The eight director nominees possess the necessary qualifications and range of experience and expertise to provide effective oversight and advice to Management.   | FOR                     | 9    |
| <b>2</b> PROPOSAL 2 — Ratification of Appointment of Deloitte & Touche LLP<br>The Board, at the recommendation of the Audit Committee, approved the retention of Deloitte & Touche LLP as the Company’s independent auditor for fiscal year 2019. Shareholders are being asked to ratify the Audit Committee’s selection of the independent auditor. | FOR                     | 13   |
| <b>3</b> PROPOSAL 3 — Advisory Approval of Named Executive Officer Compensation<br>The Company’s executive compensation program is designed to create a direct linkage between shareholder interests and Management, with incentives specifically tailored to the achievement of financial, operational and stock performance goals.                 | FOR                     | 14   |

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

This proxy statement contains forward-looking statements within the meaning of federal securities laws. Forward-looking statements may be identified by words like “anticipate,” “expect,” “project,” “believe,” “plan,” “may,” “estimate,” “intend,” and other similar words. These forward-looking statements are based on our beliefs, assumptions, and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. Factors that may cause actual results to differ materially from those contemplated by the statements in this proxy statement can be found in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) and in the Quarterly Reports on Form 10-Q we have filed or will file with the SEC



hereafter under the headings “Risk Factors” and “Forward-Looking Statements”.

You are cautioned not to place undue reliance on any of our forward-looking statements. We disclaim any intention or obligation to publicly update or revise any forward-looking statements, except as required by law. This cautionary statement applies to all forward-looking statements contained in this document.

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## PROXY SUMMARY

## Corporate Responsibility

Glatfelter’s commitment to sustainability is one of our most important missions because the three interdependent aspects of sustainability—environmental, economic and social—work together to define our organization and ensure a long-standing and successful future. We take seriously our role as a corporate citizen and we are proud to share our sustainability program and objectives.

| Environmental                                  | Economic   | Social  |
|--|--|---|
| Being a responsible steward of our environment | Delivering sound financial performance that supports value creation for all stakeholders | Improving the quality of life for the communities in which we live and work |

## Core Values: Who We Are and What We Stand For

Our Core Values guide and capture the essence of the Company’s identity, establishing pillars upon which to build the business for the long-term. Our Core Values are:

|                              |   |
|------------------------------|---|
| Integrity                    | We act ethically and responsibly in all our business endeavors at all times.  |
| Financial Discipline         | We are responsible for the prudent management of the resources entrusted to us and for the generation of financial value for our constituents.  |
| Mutual Respect               | We treat each other with honesty and respect. We recognize that what we have and what we will achieve is through the efforts of our employees. We will strive to provide them with rewarding challenges and opportunities for advancement.  |
| Customer Focus               | We are dedicated to understanding and anticipating the needs of our customers and helping them to achieve their business objectives.  |
| Environmental Responsibility | We empower employees to take personal responsibility for environmental issues that arise on the job. We strive to prevent pollution by using natural resources efficiently, reducing waste, encouraging recycling and reuse, and reducing the adverse impacts relating to our operations, all with the goal to foster environmental sustainability worldwide for the benefit of future generations. |
| Social Responsibility        | We recognize our responsibility to contribute to the betterment of the communities in which we operate and the world in which we live.  |

PROXY SUMMARY

Our Board of Directors

Our directors have a diversity of experience that spans a broad range of industries in the public and not-for-profit sectors. They bring a wide variety of skills, qualifications and viewpoints that strengthen the Board's ability to carry out its oversight role on behalf of our shareholders. Glatfelter—and our shareholders—clearly benefit from their individual and collective business acumen, sound judgment, thoughtful decision-making and careful guidance.

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PROXY SUMMARY

Business Highlights

Glatfelter is a leading global supplier in the manufacturing of engineered materials. Headquartered in York, Pennsylvania, we own and operate manufacturing facilities in the United States, Canada, Germany, the United Kingdom, France, and the Philippines as well as sales and distribution offices in Russia, France, Italy and China. Our 11 manufacturing facilities have a combined production capacity of approximately 292,000 metric tons of composite fibers and airlaid products used in a wide array of applications. Additional information about our business can be found in our Annual Report posted at [http://www.glatfelter.com/about\\_us/investor\\_relations/annual\\_reports.aspx](http://www.glatfelter.com/about_us/investor_relations/annual_reports.aspx).

We operate under two separate business units: Advanced Airlaid Materials (“AMBU”) and Composite Fibers (“CFBU”). These businesses serve key, growing global markets such as hygiene, wipes and table top products, substrates for beverage filtration, and building and electrical applications. Our growth strategy is focused on expanding our engineered materials businesses.

Our strategy focuses on:

|  |   |
|--|---|
| Expanding our engineered materials businesses                    | <ul style="list-style-type: none"> <li>•Investing in organic growth and strategic acquisitions to expand capabilities and broaden scale</li> </ul>  |
| Driving continuous improvement and cost optimization initiatives | <ul style="list-style-type: none"> <li>•Driving innovation and growth by leveraging market-leading positions</li> <li>•Achieving more consistent operational excellence across the Company through robust continuous improvement</li> </ul> |
| Maintaining a healthy balance sheet and financial flexibility    | <ul style="list-style-type: none"> <li>•Managing cost structure to increase margins</li> <li>•Funding organic and inorganic growth opportunities</li> <li>•Applying disciplined capital spending</li> </ul>                                 |

During 2018, we made significant progress in the strategic transformation of our business into a leading global supplier of engineered materials. We achieved significant milestones to reshape our portfolio to a more growth-oriented platform.

1. We completed the AMBU capacity expansion project by building a new facility in Fort Smith, Arkansas to service the North American airlaid market;
2. We completed the acquisition of Georgia-Pacific’s European nonwovens business on October 1 including a state-of-the-art facility in Steinfurt, Germany. The Steinfurt facility produces high-quality airlaid products for table top, wipes, hygiene, food pad, and other nonwoven materials primarily used within consumer and industrial end-use applications; and
3. We completed the sale of the Specialty Papers business unit (“SPBU”) on October 31, which was a transformative event in the Company’s history. The divestiture provides Glatfelter the opportunity to invest greater energy and

resources in our faster-growing, higher-profit engineered materials businesses. The successful execution of these strategic transactions, and the opening of our new state-of-the-art facility in Fort Smith, Arkansas in 2018, were pivotal steps as we build the new Glatfelter. These transactions support our strategic focus and solidify our platform for long-term growth. As a result, our annual revenues approximate \$1 billion through two global operating units serving high-value, niche nonwovens growth markets and we are a less capital-intensive business.

PROXY SUMMARY

We've taken meaningful steps since 2010 to evolve Glatfelter from a U.S.-focused paper business to a global leading player in engineered materials.

Glatfelter Transformation History – Building Momentum in Engineered Materials

As a leading global supplier of engineered materials for consumer and industrial applications, we maintain leading positions in key segments serving markets that are growing commensurate with or in excess of gross domestic product (“GDP”). We partner with leading consumer product companies and other market leaders to provide high-quality, innovative solutions delivering outstanding performance to meet market requirements. Over the past several years, we have made investments to increase production capacity and improve our technical capabilities to ensure we are best positioned to serve the market demands and grow our revenue. We are committed to growing in our key markets and will make appropriate investments to support our customers and satisfy market demands.

In the first quarter of 2018, we produced and delivered our first commercial shipment of airlaid wipes product from our new \$90 million facility in Arkansas. This 20,000 metric-ton facility was built to meet the growing demands of the North American market. Throughout 2018, this facility continued to ramp up production and shipments of wipes and table top products to our growing customers. This investment, together with the Steinfurt acquisition, increases our total global airlaid materials capacity to approximately 150,000 metric tons.

We are committed to ensuring our cost structure is competitive. Our goals are to maintain and grow our leading market positions, partner with customers to provide innovative solutions for new markets and generate strong free cash flows driven by delivering on cost reduction and continuous improvement initiatives.

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PROXY SUMMARY

2018 Year in Review

On an adjusted basis, a non-GAAP measure, our earnings for 2018 totaled \$9.2 million, or \$0.21 per share, compared with \$26.4 million, or \$0.59 per diluted share, a year ago. These results were below our expectations and were adversely impacted by i) rapid and significant increases in input costs together with more aggressive competition in Composite Fibers; ii) slower than anticipated demand in Advanced Airlaid Materials; and (iii) a higher tax rate.

We used \$6.0 million of cash from operations in 2018 compared with \$53.2 million generated a year ago. The decrease in cash from operations primarily reflects higher use of cash for working capital predominantly in inventory, as well as strategic initiatives and higher payments for interest and taxes. During 2018 and 2017, capital expenditures totaled \$42 million and \$81 million, respectively, reflecting the completion in early 2018 of spending in connection with the completion of the airlaid capacity expansion project.

The following charts present financial information for the periods indicated. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) by business unit represents operating profit as presented in our 2018 Annual Report on Form 10-K, adjusted to exclude depreciation and amortization (totals exclude corporate unallocated costs and other income and expense items). A reconciliation of adjusted earnings per share to the nearest GAAP measure is incorporated by reference to Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 2018 Annual Report on Form 10-K.

<sup>†</sup>Results are from continuing operations with an assumed tax rate of 40% for 2016 – 2017.

PROXY SUMMARY

Compensation Highlights

The Compensation Committee designs compensation programs that reflect the Company’s financial performance and are market-competitive based on a person’s responsibilities, individual performance and ability to exemplify the Company’s Core Values (Integrity, Financial Discipline, Mutual Respect, Customer Focus, and Environmental and Social Responsibility). The objectives of the Company’s executive compensation programs are to attract, retain, motivate, and reward executives crucial to achieving the Company’s strategic plan and creating long-term shareholder value. Our compensation programs are organized around three principles:

| Pay for Performance   | Pay at Risk   | Shareholder Alignment  |
|---|---|--|
| Rewarding achievement of financial outcomes that increase shareholder value | Providing a mix of compensation with strong emphasis on short- and long-term incentives tied to the Company’s financial performance | Requiring executives to own a meaningful personal stake in the Company |

Total compensation for our executives consists of:

|                            |                           |                             |   |
|----------------------------|---------------------------|-----------------------------|---|
| <b>Base Salary</b>         | •Fixed Cash               | <b>Short-Term Incentive</b> | •Cash Bonus for Achievement of Annual Goals   |
| <b>Long-Term Incentive</b> | •Performance Share Awards | <b>Benefits</b>             | •Pension and 401(k)   |
|                            | •Restricted Stock Units   |                             | •Health & Welfare Benefits  |
|                            |                           |                             | •Severance  |
|                            |                           |                             | •Minimal Perquisites  |
|                            |                           |                             | Note: Program eligibility varies by individual and represents both current design and legacy retirement programs. |



Our Compensation Committee approved the following changes for 2018 compensation to further align the Company's compensation philosophy and executive compensation practices with shareholder expectations:

- Added a cumulative three-year relative Total Shareholder Return ("TSR") modifier to performance share awards beginning in 2018 to emphasize the long-term nature of the program and reward for outperformance versus peers; and
- Under the annual bonus plan for the Business Unit Presidents the weight of business unit operating profit metric results in the short-term incentive plan was increased from 40% to 70% to emphasize the need for continued growth of the engineered materials business.

Payout results under our 2018 compensation programs included the following, reinforcing the pay-for-performance nature of our incentive plans:

- No payouts were earned under the Company's short-term incentive plan due to below threshold performance achieved on the Company's operating net income, Business Unit operating profit and cash flow metrics.
- For the performance shares granted in 2017, a payout of 50.5% of target was earned based on cumulative EBITDA and average return on capital employed ("ROCE") performance for the performance period ending December 31, 2018. Service through December 31, 2019 is required for vesting and no TSR modifier applies to this grant.

## PROXY SUMMARY

## Governance and Best Practices

Comprised entirely of independent directors, the Compensation Committee regularly monitors and implements best practices in executive compensation and governance. The following practices demonstrate our commitment to strong governance within our executive compensation programs:

| What We Do  | What We Don't Do   |
|---|--|
| Maintain a pay mix that is heavily performance-based.   | X Provide for excise tax gross-ups in the event of a change in control, starting with newly eligible executives in 2011. |
| Establish compensation levels after consideration of peer group market data, generally targeted at the size-adjusted 50th percentile for total direct compensation (base, short- and long-term incentive), with the ability to pay higher or lower based on breadth of leadership experience. | X Backdate or reprice stock options or stock appreciation rights.  |
| Assess and design compensation programs to mitigate compensation-related risks.   | X Pay dividend equivalents on unearned performance awards.   |
| Maintain stock ownership guidelines for executives.   | X Permit hedging transactions or short sales.  |
| Use multiple performance metrics in the short- and long-term incentive plans to avoid heavy reliance on one definition of success.  | X Permit pledging or holding Company stock in a margin account.  |
| Maintain a clawback policy.   | X Provide excessive perquisites.   |
| Require double-trigger vesting of long-term incentives at change in control.  |  |
| Maintain holding requirements on equity grants.   |  |
| Regularly engage with shareholders to gather input and feedback on compensation program design.   |  |
| Retain an independent compensation consultant who meets regularly in executive session with the Compensation Committee.   |  |



Proposal 1: Election of Directors

At the Annual Meeting, the Company’s shareholders will vote to fill eight director positions, each for one-year terms expiring on the date of the Company’s 2020 Annual Meeting of Shareholders and until their respective successors are elected and qualified.

The Board recommends that shareholders vote “For” the following director nominees: Bruce Brown, Kathleen A. Dahlberg, Nicholas DeBenedictis, Kevin M. Fogarty, J. Robert Hall, Ronald J. Naples, Dante C. Parrini and Lee C. Stewart, each of whom is currently serving as a director of the Company for a one-year term expiring at the 2019 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified. Richard C. Ill, having reached the mandatory retirement age set forth in the Company’s By-laws, will not be standing for re-election. The Company thanks Mr. Ill for his service over the past fifteen years.

All nominees have consented to serve if elected to the Board. If at the time of the Annual Meeting a director nominee is unable to serve, an event the Board does not anticipate, the Proxy Holders (as defined in “Frequently Asked Questions”) will vote for a substitute nominee as may be designated by the Board unless the Board reduces the number of directors accordingly.

The following table highlights director nominee information.

| Name                   | Age | Director Since | Occupation                         | Other Public Boards | Committee Memberships |      |           |
|------------------------|-----|----------------|------------------------------------|---------------------|-----------------------|------|-----------|
|                        |     |                |                                    |                     | Audit                 | Comp | Nom & Gov |
| Bruce Brown*           | 60  | 2014           | Retired Chief Technology Officer,  | 2                   |                       |      |           |
| Kathleen A. Dahlberg*  | 66  | 2001           | Procter & Gamble CEO,              | --                  |                       |      |           |
| Nicholas DeBenedictis* | 73  | 1995           | G.G.I., Inc. Chairman Emeritus,    | 3                   |                       |      |           |
| Kevin M. Fogarty* (L)  | 53  | 2012           | Aqua America, Inc. President, CEO, |                     |                       |      |           |
|                        |     |                | Kraton Corporation, Inc.           | 1                   |                       |      |           |

|                   |    |      |  |    |  |   |
|-------------------|----|------|--|----|--|---|
|                   |    |      | CEO,   |    |  |   |
| J. Robert Hall*   | 66 | 2002 | Ole Smoky<br>Distillery<br>Chairman<br>Emeritus, | -- |  | C |
| Ronald J. Naples* | 73 | 2000 | Quaker<br>Chemical<br>Corp.<br>Chairman,<br>CEO, | 1  |  | C |
| Dante C. Parrini  | 54 | 2010 | P. H. Glatfelter<br>Company<br>Private           | 1  |  |   |
| Lee C. Stewart*   | 70 | 2002 | Financial<br>Consultant                          | 1  |  | C |

indicates Member\* indicates director is independent C indicates Committee Chair (L) indicates Lead Director

The Board recommends a vote “FOR” each of the director nominees.

PROPOSAL 1: ELECTION OF DIRECTORS

Additional Information about Director Nominees

**Bruce Brown**

Director Since: 2014 Mr. Brown joined the Company's Board in 2014. He retired in 2014 from his position as the Chief Technology Officer of Procter & Gamble, Inc. ("P&G"), a publicly-traded consumer goods company.  
Age at Annual Meeting: 60 With 34 years of experience at P&G, Mr. Brown's responsibilities included leadership for P&G's Innovation and Technology Program and Global Research & Development. Globally recognized as an innovation thought leader, Mr. Brown also serves on the Board of Directors for Nokia in Finland and the Board of Directors for Medpace Holdings, Inc. in the United States.

Board  
Committees:

Audit

Nominating and  
Corporate  
Governance

Specific qualifications and experience of particular relevance to the Company:

Mr. Brown is a proven leader in innovation, global expansion and organizational leadership development and he has familiarity with a number of the Company's products and materials. He

brings over three decades of business-building experience to our Board and has seven years of experience as a director of public companies.

Kathleen  
A.  
Dahlberg

Director Since: Ms. Dahlberg joined the Company's Board in 2001. Since 2006, she has been the Chief Executive Officer of G.G.I., Inc. (formerly known as 2Unify LLC), a private company specializing in strategic consulting for companies in various industries and sectors. She served as a director of Theragenics Corporation from May 2008 to November 2013. Ms. Dahlberg has held Vice President positions with BP Amoco, Viacom International, McDonald's Corporation, Grand Metropolitan PLC and American Broadcasting.

Age at Annual Meeting: 66

Board Committees:

Audit

Compensation

Specific qualifications and experience of particular relevance to the Company:

Ms. Dahlberg has significant experience in emerging technologies, acquisitions and divestitures, manufacturing, consumer

goods, professional services, international operations, strategic planning, operations and risk management and corporate governance. She has more than 20 years of experience as a director of public companies.

Nicholas DeBenedictis

Director Since: Mr. DeBenedictis joined the Company’s Board in 1995. He served as Chairman, Chief Executive Officer and President of Aqua America, Inc., a publicly-traded water company, from May 1992 until July 2015, when he retired as CEO and remained as Chairman of the Board through 2017. In January 2018, he became Chairman Emeritus at Aqua America. He has also served as a director of Exelon Corporation since 2003 and of Mistras Group, Inc. since October 2015. Prior to joining Aqua America, Mr. DeBenedictis was Senior Vice President of Corporate and Public Affairs for PECO Energy, a \$4 billion nuclear utility, responsible for government relations, overseeing development of economic and environmental policies and implementation of the utility’s public policy positions. Mr. DeBenedictis was President of the Greater Philadelphia Chamber of Commerce from 1986 to 1989. He also served in two Pennsylvania government cabinet positions: Secretary of the Department of Environmental Resources and Director of the Office of Economic Development, and has held senior-level positions with the U.S. Environmental Protection Agency.

Age at Annual Meeting: 73

Board Committees:

Audit

Compensation

Specific qualifications and experience of particular relevance to the Company:

Mr. DeBenedictis



has significant experience with government and public policy, regulated industries, public-company finance and financial reporting, as well as strategic planning, operations and risk management and corporate governance. He has more than 20 years of experience as a director of public companies.

PROPOSAL 1: ELECTION OF DIRECTORS

Kevin M. Fogarty

Director Since: Mr. Fogarty joined the Company's Board in 2012. He has been the President and Chief Executive Officer of Kraton Corporation, Inc., a leading global producer of styrenic block copolymers, specialty polymers and high-value performance products derived from pine wood pulping co-products, since 2008. Prior to being appointed President and Chief Executive Officer, Mr. Fogarty served as its Executive Vice President of Global Sales and Marketing from June 2005. He was named a director of Kraton in 2009, and a director of its principal operating subsidiary, Kraton Polymers LLC, in 2008. Prior to joining Kraton, Mr. Fogarty spent 14 years with the Koch Industries, Inc. family of companies, where he held a variety of roles, including President for Polymer and Resins at Invista and President of KoSa's Polymer and Intermediaries business. Since 2017, Mr. Fogarty is a Board member of the American Chemistry Council.

Independent  
Lead Director  
Age at Annual  
Meeting: 53

Board  
Committees:

Nominating  
and Corporate  
Governance

Specific qualifications and experience of particular relevance to the Company:

Mr. Fogarty has significant experience with manufacturing, international operations, strategic partnerships, public-company accounting and financial reporting and new product development, as well as strategic planning,

operations and risk management and corporate governance. He has more than ten years of experience as a director of public companies.

J.  
Robert  
Hall

Director Since: 2002 Mr. Hall joined the Company’s Board in 2002. He has been the Chief Executive Officer of Ole Smoky Distillery, a craft distillery in Tennessee, since July 2016. From January 2014 until June 2016, Mr. Hall served as a Managing Director of Centerview Capital, an operationally-oriented private equity firm focused on the U.S. consumer middle market. Previously, he was the Chief Executive Officer of Ardale Enterprises LLC, a private company specializing in acquisition-related activities in the food, beverage and consumer products industry, and in this role was a Senior Advisor to Centerview Capital since 2009. Prior to forming Ardale, Mr. Hall spent over 20 years in the food and consumer goods industry, holding various positions with Nabisco, Kraft and Nestle. While at Nabisco, he was President of Nabisco’s Specialty Products Company in the United States and President of Christie Brown & Company, Ltd., the maker of Nabisco cookies and crackers in Canada. Mr. Hall has also been President of Lenox Brands, Chairman of Wise Foods and has served on the board of Ault Foods Ltd., a \$1.3 billion dairy products company in Canada.

Age at Annual Meeting: 66

Board Committees: Nominating and Corporate Governance (Chair)

Compensation

Specific qualifications and experience of particular relevance to the Company:

Mr. Hall has significant experience in general management,

financial services, consumer goods, manufacturing, marketing, sales, new product development, strategic planning, M&A and corporate governance. Mr. Hall has 20 years of experience as a director of public companies.

Ronald J. Naples

**Director Since:** Mr. Naples joined the Company's Board in 2000. He served as Chairman of the Pennsylvania Stimulus 2000 Oversight Commission and Chief Accountability Officer for the Commonwealth of Pennsylvania, having been appointed to that position by the Governor of Pennsylvania, from April 2009 to February 2011. In this role he reviewed, monitored and advised on Pennsylvania's spending of American Recovery and Reinvestment Act funds. From 1997 to May 2009, Mr. Naples was the Chairman of Quaker Chemical Corporation, a publicly-held, specialty chemical company serving metalworking and manufacturing industries worldwide, and served as its Chief Executive Officer from 1995 to 2008.

**Age at Annual Meeting:** 73

**Board Committees:** From 1981 to July 1995, he was Chief Executive Officer of Hunt Manufacturing Company, a publicly-held consumer and commercial products company, and served as its Chairman from 1986 to 1995. Mr. Naples is a former White House Fellow and served in the Ford Administration as Assistant to the Counselor to the President for Economic Affairs and as a Special Assistant to the head of the Federal Energy Administration, and is a former Chairman of the Federal Reserve Bank of Philadelphia. Mr. Naples currently serves as a director of Glenmede Trust Company, the Philadelphia Contributionship and Penn National Gaming, Inc.

Specific qualifications and experience of particular relevance to the Company:

Mr. Naples has significant experience with government and public policy, professional services, manufacturing, international operations, public-company finance and financial reporting, strategic planning, operations and risk management and corporate governance. Mr. Naples has over 35 years of experience as a director of public companies.

PROPOSAL 1: ELECTION OF DIRECTORS

**Dante C. Parrini**

Director Since: Mr. Parrini joined the Company's Board in 2010. He is currently the Chairman, President and Chief Executive Officer of P. H. Glatfelter Company. He has been President and Chief Executive Officer since January 2011 and Chairman of the Board since May 2011. Mr. Parrini previously served as Glatfelter's Executive Vice President and Chief Operating Officer from 2005 until 2010. From 2003 to 2005, he was Senior Vice President and General Manager of the Company. Mr. Parrini joined Glatfelter in 1997 and, prior to 2003, held various executive positions responsible for the Company's operations, sales and marketing. He has served on the board of H. B. Fuller Company since 2012.

2010  
Age at Annual Meeting: 54  
Board Committees:

Specific qualifications and experience of particular relevance to the Company:

Mr. Parrini has significant experience leading worldwide operations, including international and domestic sales, marketing, research and development, global supply chain, information

technology and corporate program management, overseeing legal and human resource functions and leading strategy development. His more than 24 years of executive experience include eight years as a director of public companies.

Lee C. Stewart

Director Since: Mr. Stewart joined the Company's Board in 2002. He is a private financial consultant with over 25 years of experience as an investment banker. He was a Vice President at Union Carbide Corporation from 1996 to 2001, responsible for various treasury and finance functions, and from 2001 to 2002 was Chief Financial Officer of Foamex International, Inc. Mr. Stewart was a director of ITC Holdings Corp., a New York Stock Exchange-listed electricity transmission company, from 2005 through 2016 when ITC was acquired by Fortis. Mr. Stewart also serves on the Board of Aqua America, Inc. since August 2018, and served as a director of AEP Industries, Inc. from 1996 until it was sold in 2017. He served as a director of Marsulex, Inc., a chemical company listed on the Toronto Stock Exchange, from 2000 until its sale in 2011, and Momentive Performance Materials Inc., a specialty chemical company in silicone and advanced materials, from May 2013 through its successful emergence from bankruptcy in October 2014. Mr. Stewart also serves on the Boards of Mood Media, Inc. and Hexion, Inc.

Specific qualifications and experience of particular relevance to the

Company:

Mr. Stewart has significant experience with professional services, financial services, finance and banking, public-company accounting and financial reporting, strategic planning, operations and risk management and corporate governance. Mr. Stewart has over 20 years of experience as a director of public companies.



## Proposal 2: Ratification of Independent Registered Public Accounting Firm

The Audit Committee of the Board has appointed Deloitte & Touche LLP (“Deloitte”) as the Company’s independent registered public accounting firm for the fiscal year 2019. Deloitte audited the Company’s consolidated financial statements for the fiscal year ended December 31, 2018.

Although shareholder ratification is not required by our organizational documents or applicable law, the Board believes that it is a sound corporate governance practice to seek shareholder ratification of the appointment of Deloitte. In the event the shareholders fail to ratify the appointment, the Audit Committee will reconsider its selection.

A Deloitte representative is expected to attend the Annual Meeting and will be available to respond to appropriate shareholder questions.

What did the Company pay its independent registered public accounting firm in 2017 and 2018?

For the years ended December 31, 2017, and December 31, 2018, fees paid to Deloitte by the Company were as follows:

|                                   | 2017        | 2018        |
|-----------------------------------|-------------|-------------|
| Audit Fees <sup>(1)</sup>         | \$3,002,418 | \$3,030,181 |
| Audit Related Fees <sup>(2)</sup> | 311,991     | \$564,470   |
| Tax Fees <sup>(3)</sup>           | 238,000     | \$463,209   |
| Total Fees                        | \$3,552,409 | \$4,057,860 |

(1) Audit Fees - were for professional services rendered for the annual audits of the consolidated financial statements of the Company including the audits of internal control over financial reporting, review of quarterly financial statements included in the Company's quarterly reports on Form 10-Q, and statutory audits and regulatory filings in foreign jurisdictions.

(2) Audit-Related Fees – were for assurance and related services reasonably related to the performance of the audit or review of the Company’s consolidated financial statements, including, in 2017 and 2018, the audit of carve-out financial statements.

(3) Tax Fees – were primarily for tax compliance, tax advice and tax planning services, including tax planning and consultations.

All of Deloitte’s 2018 services for the Company were permissible under applicable laws and regulations. The Audit Committee’s Audit and Non-Audit Services Pre-Approval Policy (“Pre-Approval Policy”) provides for the pre-approval of audit and non-audit services performed by Deloitte. Under the Pre-Approval Policy, the Audit Committee must pre-approve specific services, including fee levels, to be performed by the independent registered public accounting firm in a designated category (audit, audit-related, tax services and all other services). For fiscal year 2018, 100% of all Fees were approved by the Audit Committee. The Audit Committee may delegate this authority in writing to one or more of its members, and in such case the member or members to whom such authority is delegated must report their decisions to the Audit Committee at its next scheduled meeting.

The Board recommends a vote “FOR” ratification of the appointment of Deloitte as the Company’s independent registered public accounting firm.

Proposal 3: Advisory Approval of Named Executive Officer Compensation (“Say-on-Pay” Vote)

Executive compensation is an important topic for our shareholders. At the core of our executive compensation philosophy is the belief that compensation should reflect performance; be fair, competitive and reasonable; and be determined in a manner consistent with the Company’s long-term strategy, competitive industry practice, sound corporate governance principles and shareholder interests. We believe our compensation program is strongly aligned with the long-term interests of our shareholders. We urge our shareholders to read the Compensation Discussion and Analysis (“CD&A”) section of this proxy statement for additional details on the Company’s compensation philosophy and objectives and the 2018 compensation of the NEOs.

Pursuant to Section 14A of the Securities Exchange Act of 1934 (as amended, the “Exchange Act”), we are asking shareholders to vote on the following resolution:

RESOLVED, that the compensation paid to the Company’s Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED.

As an advisory vote, the results on this proposal are non-binding. Nevertheless, the Board and the Compensation Committee value the opinions of our shareholders and will consider the outcome of the vote when making future compensation decisions for our NEOs.

The Board has adopted a policy providing for annual say-on-pay advisory votes. The next say-on-pay advisory vote will be held at our 2020 Annual Meeting.

The Board recommends a vote “FOR” the non-binding resolution approving the compensation paid to the NEOs, as disclosed pursuant to Item 402 of Regulation S-K, including in the Compensation Discussion and Analysis, compensation tables and narrative discussion.



## Ownership of Company Stock

To the best of the Company's knowledge, the following table sets forth information regarding ownership of the Company's outstanding common stock as of March 15, 2019, (except as otherwise noted) by: (1) each person who is known by the Company to own beneficially more than 5% of the common stock of the Company; (2) each director, director nominee and NEO; and (3) all directors, director nominees and executive officers as a group. Except as otherwise indicated and subject to applicable community property laws, each owner has sole voting and investment powers for the securities listed. The number of shares beneficially owned by each person is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under SEC rules, all shares to which a person has the right to acquire beneficial ownership within 60 days are considered beneficially owned by that person.

## Security Ownership of Certain Beneficial Owners and Management

| Name of Beneficial Owner   | Shares                            |            |
|--|-----------------------------------|------------|
|  | Beneficially Owned <sup>(1)</sup> | % of Class |
| BlackRock, Inc. <sup>(2)</sup>   | 6,410,919                         | 14.56%     |
| The Vanguard Group, Inc. <sup>(3)</sup>  | 3,747,039                         | 8.51 %     |
| Dimensional Fund Advisors LP <sup>(4)</sup>  | 3,660,206                         | 8.31 %     |
| NWQ Investment Management Company, LLC <sup>(5)</sup>  | 3,307,723                         | 7.51 %     |
| Franklin Mutual Advisers, LLC <sup>(6)</sup>   | 2,883,500                         | 6.55 %     |
| Fuller & Thaler Asset Management, Inc. <sup>(7)</sup>  | 2,802,349                         | 6.37 %     |
| Silvercrest Asset Management Group LLC; Silvercrest L.P.; Silvercrest Asset Management Group Inc. <sup>(8)</sup> | 2,425,161                         | 5.51 %     |

| Name of Beneficial Owner | Position  | Total Number of Shares Beneficially Owned <sup>(9)</sup> |            |
|--------------------------|---|--|------------|
|                          |   | Owned <sup>(9)</sup>                                     | % of Class |
| Dante C. Parrini         | Chairman of the Board & Chief Executive Officer         | 282,850  | *          |
| John P. Jacunski         | Executive V. P. & Chief Financial Officer               | 112,267  | *          |
| Martin Rapp              | Senior V.P. & Business Unit President, Composite Fibers | 66,454   | *          |

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|   |  |         |       |
|---|--|---------|-------|
| Nicholas DeBenedictis   | Director   | 68,016  | *     |
| Kathleen A. Dahlberg  | Director   | 55,364  | *     |
| Ronald J. Naples  | Director   | 53,330  | *     |
| J. Robert Hall  | Director   | 52,114  | *     |
| Richard C. Ill  | Director   | 51,044  | *     |
| Christopher W. Astley   | Senior V.P. & Business Unit President,<br>Advanced Airlaid Materials | 28,882  | *     |
| Lee C. Stewart  | Director   | 50,364  | *     |
| Samuel L. Hillard   | V.P., Corporate Development & Strategy                               | 8,366   | *     |
| Kevin M. Fogarty  | Director   | 22,666  | *     |
| Bruce Brown   | Director   | 12,510  | *     |
| All directors and executive officers as a group<br>(15 individuals) |  | 906,945 | 2.06% |

\* indicates ownership of < 1%

(1) For purposes of the table, shares of common stock are considered beneficially owned by a person if such person has, or shares, voting or investment power for such stock. As a result, more than one person may beneficially own the same security and, in some cases, the same shares are listed opposite more than one name in the table. The table includes, in some cases, shares beneficially held by spouses or minor children, as to which beneficial ownership is disclaimed. The address of each director, director nominee and NEO of the Company is c/o P. H. Glatfelter Company, 96 South George Street, Suite 520, York, PA 17401.

(2) Pursuant to a Schedule 13G filed on January 29, 2019, consists of shares beneficially owned, as of December 31, 2018, by BlackRock, Inc., a parent holding company with sole voting authority over 6,285,980 shares and sole investment authority over 6,410,919 shares. BlackRock (Netherlands) B.V., BlackRock Advisors LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Limited and BlackRock Investment Management, LLC are subsidiaries of BlackRock, Inc. that have acquired the shares reported by BlackRock, Inc. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

## OWNERSHIP OF COMPANY STOCK

- (3) Pursuant to a Schedule 13G filed on February 12, 2019, consists of shares beneficially owned, as of December 31, 2018, by The Vanguard Group, Inc., an investment advisor which has sole voting and investment authority over 43,732 shares and 3,693,283 shares, respectively, and shared voting and investment authority over 15,652 and 53,756 shares, respectively. Vanguard Fiduciary Trust Company is a wholly-owned subsidiary of the Vanguard Group, Inc and is the beneficial owner of 38,104 of the shares reported by The Vanguard Group, Inc. Vanguard Investments Australia, Ltd. is a wholly-owned subsidiary of the Vanguard Group, Inc and is the beneficial owner of 21,280 of the shares reported by The Vanguard Group, Inc. The address of The Vanguard Group, Inc., is 100 Vanguard Boulevard, Malvern, PA 19355.
- (4) Pursuant to a Schedule 13G filed on February 8, 2019, consists of shares beneficially owned, as of December 31, 2018, by Dimensional Fund Advisors LP, an investment advisor with sole voting power over 3,513,935 shares and sole investment authority over 3,660,206 shares. All 3,660,206 shares are owned by four investment companies registered under Section 203 of the Investment Advisors Act of 1940, to which Dimensional Fund Advisors LP furnishes investment advice. Dimensional Fund Advisors LP disclaims beneficial ownership of such shares. Dimensional Fund Advisors LP serves as investment manager for certain other commingled group trusts and separate accounts. The address of Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, TX 78746.
- (5) Pursuant to a Schedule 13G filed on February 14, 2019, consists of shares beneficially owned as of December 31, 2018, by NWQ Investment Management Company, LLC, an investment advisor which has sole voting power and investment authority over 3,307,723 shares. All 3,307,723 shares reported on this Schedule 13G are beneficially owned by clients which may include investment companies registered under the Investment Company Act and/or employee benefit plans, pension funds, endowment funds or other institutional clients. The address of NWQ Investment Management Company, LLC is 2049 Century Park East, 16<sup>th</sup> Floor, Los Angeles, CA 90067.
- (6) Pursuant to a Schedule 13G filed on January 31, 2019, consists of shares beneficially owned, as of December 31, 2018, by Franklin Mutual Advisers, LLC, an investment advisor with sole voting power over 2,662,800 shares and investment authority over 2,883,500 shares. All 2,883,500 shares are beneficially-owned by one or more open-end investment companies or other managed accounts that are investment management clients of Franklin Mutual Advisers, LLC, an indirect wholly-owned subsidiary of Franklin Resources, Inc. The address of Franklin Mutual Advisers, LLC is 101 John F. Kennedy Parkway, Short Hills, NJ 07078-2789.
- (7) Pursuant to a Schedule 13G filed on February 15, 2019, consists of shares beneficially owned, as of December 31, 2018, by Fuller & Thaler Asset Management, Inc., an investment adviser deemed to be the beneficial owner of 2,802,349 shares pursuant to separate arrangements whereby it acts as investment adviser to certain persons. Fuller & Thaler Asset Management, Inc., has sole voting power over 2,743,504 shares, and sole dispositive power over 2,802,349 shares. Each person for whom Fuller & Thaler Asset Management, Inc. acts as investment adviser has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the common stock of the Company. The Undiscovered Managers Behavioral Value Fund, an open-end management investment company, has an economic interest in more than 5% of the subject securities reported in this Schedule 13G. The address of Fuller & Thaler Asset Management, Inc. is 411 Borel Avenue, Suite 300, San Mateo, CA 94402.
- (8) Pursuant to a Schedule 13G filed on February 14, 2019, consists of shares beneficially owned, as of December 31, 2018, by Silvercrest Asset Management Group LLC, Silvercrest L.P., and Silvercrest Asset Management Group Inc., investment advisors and a parent holding company or control person which have shared voting power over 2,425,161 shares. Shares reported represent shares held by investment advisory clients of Silvercrest Asset Management Group LLC. Silvercrest L.P. is the sole member of Silvercrest Asset Management Group LLC. Silvercrest Asset Management Group Inc. is the general partner of Silvercrest L.P. Each of the Reporting Persons disclaims beneficial ownership of the shares reported except to the extent of its pecuniary interest

therein. The address of Silvercrest Asset Management Group LLC, Silvercrest L.P., and Silvercrest Asset Management Group Inc. is 1330 Avenue of the Americas, 38<sup>th</sup> Floor, New York, NY 10019.

(9) Shares beneficially owned by each owner as noted below:

| Name of Beneficial Owner                        | Directly |                  | Options to Acquire Stock <sup>(a)</sup> |
|---|----------|------------------|---|
|   | Owned    | Indirectly Owned |   |
| Dante C. Parrini <sup>(b)</sup>                 | 270,264  | 7,370            | 5,216                                   |
| John P. Jacunski <sup>(c)</sup>                 | 106,284  | 3,657            | 2,326                                   |
| Martin Rapp                                     | 66,454   | —                | —                                       |
| Nicholas DeBenedictis                           | 68,016   | —                | —                                       |
| Kathleen A. Dahlberg                            | 55,364   | —                | —                                       |
| Ronald J. Naples <sup>(d)</sup>                 | 22,466   | 30,864           | —                                       |
| J. Robert Hall                                  | 52,114   | —                | —                                       |
| Richard C. III                                  | 51,044   | —                | —                                       |
| Christopher W. Astley <sup>(e)</sup>            | 25,750   | 1,050            | 2,082                                   |
| Lee C. Stewart                                  | 50,364   | —                | —                                       |
| Samuel L. Hillard                               | 8,366    | —                | —                                       |
| Kevin M. Fogarty                                | 22,666   | —                | —                                       |
| Bruce Brown                                     | 12,510   | —                | —                                       |
| All Directors and executive officers as a group | 840,156  | 45,815           | 20,974                                  |

(a) Represents the gross number of shares of common stock that would be issued upon exercise of vested stock-only stock appreciation rights (“SOSARs”) on the Record Date. As of the Record Date, Mr. Parrini had 737,882 vested SOSARs; Mr. Jacunski had 305,966 vested SOSARs; Mr. Astley had 158,578 vested SOSARs; Mr. Hillard had 42,191 vested SOSARs; and Mr. Rapp had 111,829 vested SOSARs.

(b) Consists of 7,370 shares held by Mr. Parrini through the Company’s 401(k) Plan.

(c) Consists of 3,657 shares held by Mr. Jacunski through the Company’s 401(k) Plan.

(d) Represents shares owned by Mr. Naples’ spouse.

(e) Consists of 1,050 shares held by Mr. Astley through the Company’s 401(k) Plan.



## OWNERSHIP OF COMPANY STOCK

## Equity Compensation Plan Information

The following table provides certain information as of December 31, 2018, regarding the Company's equity compensation plans.

| Plan Category  | (a)<br>Number of securities<br>remaining available<br>for future issuance<br>to be issued upon<br>exercise of<br>outstanding options,<br>warrants and<br>rights <sup>(1)</sup> | (b)<br>Weighted-average<br>exercise price of<br>outstanding<br>options, warrants<br>and rights <sup>(2)</sup> | (c)<br>Number of securities<br>remaining available<br>for future issuance<br>under equity<br>compensation plans<br>(excluding securities<br>reflected in column<br>(a)) <sup>(3)(4)</sup> |
|--|--|---|---|
| Equity compensation plans approved by security holders     | 3,091,528  | \$ 18.08  | 1,990,742   |
| Equity compensation plans not approved by security holders | —  | —   | —   |
| Total  | 3,091,528  | \$ 18.08  | 1,990,742   |

(1) Includes 459,004 restricted stock units ("RSUs"); 297,782 performance share awards ("PSAs"); and 2,334,742 stock-only stock appreciation rights ("SOSARs"). For purposes of this calculation, it is assumed that PSAs will be paid at 100% of target.

(2) Weighted average exercise price is based on outstanding SOSAR prices only.

(3) Represents the securities remaining available for issuance under the Amended and Restated Long-Term Incentive Plan.

(4) For purposes of this calculation, it is assumed that PSAs will be paid at 100% of target.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors and executive officers and persons who own more than ten percent (10%) of a registered class of the Company's equity securities ("10% Holders") to file reports of holdings and transactions in the Company's common stock with the SEC and the New York Stock Exchange ("NYSE"). Based on the

Company's review of such reports (and amendments thereto), the Company believes that in 2018 its directors, executive officers and 10% Holders filed all required reports of holdings and transactions in the Company's common stock on a timely basis.

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## Corporate Governance and Board of Directors

### Corporate Governance Principles

The Board and Management are dedicated to effective corporate governance. The Board has adopted Corporate Governance Principles that provide a framework for the Company's governance. The Board has also adopted a Code of Business Conduct and a Code of Business Ethics for our CEO and Senior Financial Officers. The Corporate Governance Principles are set forth in full on the Corporate Governance page of the Company's website at [www.glatfelter.com/about\\_us/corporate\\_governance](http://www.glatfelter.com/about_us/corporate_governance), which contains the Company's Articles of Incorporation and By-laws, its Code of Business Conduct, a list of the directors and executive officers of the Company, the charters of each of the

Committees of the Board, and the Company's Code of Business Ethics for the CEO and Senior Financial Officers. Copies of these materials are available, in print at no charge, upon request to the Secretary of the Company at 96 South George Street, Suite 500, York, PA 17401-1434.

The Company intends to satisfy the disclosure requirement for any future amendments to, or waivers from, its Code of Business Conduct or Code of Business Ethics for the CEO and Senior Financial Officers by posting such information on its website.

### Board Composition and Leadership

The Board currently consists of nine members, but Mr. Ill will not be standing for re-election. Based on the smaller size of the Company the Board will be reduced to eight members effective on the date of the 2019 Annual Meeting of Shareholders. Each year, the Board elects one of its members to serve as Chair. Under the Board's governance structure, the Chair:

- presides at all meetings of the Board, other than executive sessions;
- identifies strategic issues to be considered for the Board agenda; and
- consults with directors on the development of the schedule, agenda and materials for all meetings of the Board.

When considering the election of a Chair, the Board reviews its governance structure and the qualifications of each director and determines who is best qualified to chair the Board. The Board believes the Company and its shareholders are best served by having a Chair who has wide-ranging, in-depth knowledge of the Company's business operations and the Company's industry and who can best execute the Company's strategic plan. Based on his extensive experience and knowledge of the Company's operations, industry, competitive challenges and opportunities,

the Board has determined that Dante C. Parrini is the director best qualified to serve in the role of Chair. The Board nominated Mr. Parrini in February 2019 as Chair, subject to his re-election as a director at the Annual Meeting.

The Board has also determined that when the same person serves as both Chair and CEO, the interests of the Company and the shareholders are best served by appointment of an independent Lead Director. In February 2019, the Nominating and Corporate Governance (“NCG”) Committee recommended, and the independent directors approved, Kevin M. Fogarty to continue as the independent Lead Director, effective on the date of the 2019 Annual Meeting, subject to his re-election as a director at the Annual Meeting. The Lead Director presides over the executive sessions of the Board and coordinates and develops the agenda for those sessions. The Lead Director communicates to the Chair and CEO regarding the discussions at executive sessions as appropriate. In the absence or disability of the Chair, the Lead Director assumes the authority of and performs the duties of the Chair, as provided in Section 2.18 of the Company’s By-laws, including presiding at any Board meeting at which the Chair is not in attendance.

## Board Independence

The Corporate Governance Principles and the Company’s policies and procedures provide for an empowered, independent Board and the full involvement of the independent members of the Board in the Board’s operations and decision making.

In the Company’s Corporate Governance Principles, the Board has adopted the NYSE standards for determining the independence of directors, which require that a director not have a material relationship with the Company.

Annually, each member of the Board is required to complete a questionnaire designed, in part, to provide information to assist the Board in determining if the director is independent under

NYSE rules and our Corporate Governance Principles. In addition, each director or nominee for director has an affirmative duty to disclose to the NCG Committee relationships between and among that director (or an immediate family member), the Company, and/or Management. The Board has determined the following directors nominees are independent and have no material relationship with the Company: Ms. Dahlberg and Messrs. Brown, DeBenedictis, Fogarty, Hall, Naples and Stewart. The Board has determined Mr. Parrini, as the Company’s CEO, is not an independent director as defined under the NYSE listing standards and the Company’s Corporate Governance Principles.

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## CORPORATE GOVERNANCE AND BOARD OF DIRECTORS

### Evaluation of Board Nominees

The NCG Committee reviews all director nominations submitted to the Company, including individuals recommended by shareholders, directors or members of Management. When evaluating whether to recommend an individual for nomination or re-nomination, the NCG Committee will consider, at a minimum and in accordance with the Company's Corporate Governance Principles, the candidate's independence, availability to serve on the Board, knowledge, experience, skills, expertise, wisdom, integrity, business acumen and understanding of the Company's business environment.

In evaluating director candidates, the NCG Committee considers a wide variety of qualifications, attributes and other factors and recognizes that a diversity of viewpoints and practical experiences can enhance the effectiveness of the Board. Accordingly, as part of its evaluation of each director candidate, the NCG Committee takes into account how that candidate's background, experience, qualifications, attributes and skills meet the changing needs of the Company, and may complement, supplement or duplicate those of other prospective candidates.

The NCG Committee reviews the qualifications of each incumbent director, including the director's understanding of the Company's businesses and the environment in which the Company operates, attendance and participation at meetings and independence, including any relationships with the

Company. Prior to nomination, each candidate for director must consent to stand for election, and each director nominee must agree in writing to abide by the Company's majority voting policy.

After the NCG Committee has completed its evaluation of all director candidates, it presents a recommended slate of directors to the Board for consideration and approval. The NCG Committee also discusses with the Board any candidates considered by the NCG Committee but not recommended for election or re-election as a director.

We will report any material change to this procedure in a quarterly or annual filing with the SEC. In addition, we will make any changes to this procedure available promptly by posting that information on the Corporate Governance section of our website at [http://www.glatfelter.com/about\\_us/corporate\\_governance](http://www.glatfelter.com/about_us/corporate_governance).

Based on the process described above, the NCG Committee recommended, and the Board approved to nominate, each of the incumbent directors for re-election at the Annual Meeting. These decisions were based on the individual experience, qualifications, attributes and skills of each candidate, including as described in the skills matrix on page 3. The NCG Committee and the Board assessed these factors in light of the Company's business, which provides diverse lines of engineered materials.

### Resignation and Majority Voting Policy

### Director Nominee Irrevocable Resignation

Each person who is nominated to stand for election as director must, as a condition to such nomination, tender an irrevocable resignation in advance of the meeting for the election of directors. Such resignation will be effective if, pursuant to the Company's By-laws, (a) the person does not receive a majority vote at the next meeting for the election of directors, or (b) in the case of a nominee who is an incumbent director, the Board accepts the resignation.

### Majority Voting

**Contested Election.** In an election of directors, where the Board determines that the number of nominees exceeds the number of directors to be elected, the directors shall be elected by a plurality of the votes cast.

**Uncontested Election.** If in an election of directors in which the number of nominees does not exceed the number of directors to be elected, any nominee who is not an incumbent director and receives a plurality of the votes cast but does not receive a majority of the votes cast, the nominee's resignation will be automatically accepted. If the nominee is an incumbent director

and receives a plurality but not majority of the votes cast, the NCG Committee will make a recommendation to the Board on whether to accept the director's resignation or whether other action should be taken. The incumbent director not receiving a majority of the votes cast will not participate in the NCG Committee's recommendation or the Board's decision regarding the tendered resignation. The independent members of the Board will consider the NCG Committee's recommendation and publicly disclose the Board's decision and the basis for that decision within 90 days from the date of the certification of the final election results.

A director whose resignation is not accepted by the Board will continue to serve until the next annual meeting at which he or she is up for election and until his or her successor is duly elected, or until his or her earlier resignation or removal. If a director's resignation is accepted by the Board, or if a nominee for director who is not an incumbent director is deemed to have been elected and to have automatically resigned, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to the Company's By-laws, or may amend the Company's By-laws to decrease the size of the Board.

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## CORPORATE GOVERNANCE AND BOARD OF DIRECTORS

### Board Meetings

The Board held eight meetings during 2018. The standing committees established by the Board held a total of 17 meetings in 2018 (including one meeting held by the Finance Committee, which was dissolved in May 2018). Each incumbent director attended at least 90% of the total number of Board and Committee meetings on which he or she served in 2018. Independent directors meet in regularly scheduled executive sessions (without Management), presided by the Lead Director.

The Company does not have a policy regarding director attendance at the Annual Meeting, though all directors traditionally attend the Annual Meeting. Eight of our nine directors attended the 2018 Annual Meeting.

### Committees of the Board of Directors

Our Board has three standing committees: Audit, Compensation and Nominating & Corporate Governance (NCG). In May 2018, the Finance Committee was dissolved and its duties assumed by the Board and other Board Committees. Each committee has its own Charter, which is available, at no charge, from the Secretary or on the Company's website at [http://www.glatfelter.com/about\\_us/corporate\\_governance](http://www.glatfelter.com/about_us/corporate_governance).

The Board determined that all members of each of the Audit, Compensation, and NCG Committees are independent as required under the current listing standards of the NYSE and the SEC's applicable rules and regulations.

The following chart provides a summary of each committee's duties and responsibilities.

| Board Committees  |   |   |  |
|---|---|---|--|
| Committee   | Responsibilities and Duties   | Members   | Meetings in 2018                               |
| Audit Committee   | The Audit Committee assists the Board with oversight of (1) the quality and integrity of the accounting, auditing, and financial reporting practices of the Company; (2) the compliance by the Company, its directors and officers with applicable laws and regulations and its Code of Business Conduct; (3) the independent auditor's qualifications and independence; (4) the performance of the Company's internal audit function and independent auditors; and (5) financial policies and other matters of financial significance to the Company.  | Ronald J. Naples w<br>* **<br><br>Kathleen A. Dahlberg **<br><br>Bruce Brown **<br><br>Nicholas DeBenedictis * **<br><br>Richard C. III * **<br>(Mr. III is retiring as of the 2019 Annual Meeting)<br>Lee C. Stewart w | 7<br><br><br><br><br><br><br><br><br><br><br>6 |
| Compensation Committee  | The Compensation Committee is responsible for an executive compensation policy designed to support overall business strategies and objectives; attract, retain, motivate and reward key executives; link compensation with organizational performance while appropriately balancing risk and reward; align executives' interests with those of the Company's shareholders; provide competitive and reasonable compensation opportunities; and review and approve non-employee director compensation. The Compensation Committee also oversees the Company's executive compensation and incentive plans. | Kathleen A. Dahlberg<br><br>Nicholas DeBenedictis<br><br>J. Robert Hall   |  |
| Nominating & Corporate Governance Committee                             | The NCG Committee advises the Board on all corporate governance matters, monitors the Company's compliance with corporate governance guidelines, and periodically reviews such guidelines to ensure that they are appropriate for the Company and comply with the requirements of the SEC and the NYSE.   | J. Robert Hall w<br><br>Bruce Brown<br><br>Kevin M. Fogarty<br><br>Ronald J. Naples   | 3  |
| w Committee Chair   |   |   |  |
| *Financial Expert, as defined in the applicable SEC regulations         |   |   |  |
| **Financially literate within the meaning of the NYSE listing standards |   |   |  |



## CORPORATE GOVERNANCE AND BOARD OF DIRECTORS

### Continuing Board Education

We believe that our shareholders are best served by a Board that is well versed in subject matter relevant to board service and thoroughly comprehends the role and responsibilities of an effective board in the oversight and management of the Company. We feel it is appropriate for our directors to have access to educational programs on an ongoing basis to assist them in discharging their duties as directors. Since November

2017, the Company has been a member of the National Association of Corporate Directors. This membership provides continuing education programs, research data, conferences and other resources for the Company's directors and executives. The NCG Committee periodically reviews and oversees orientation programs for newly-elected directors and continuing education programs for incumbent directors.

### Risk Oversight

The Board performs its oversight role using several different levels of review. For its reviews of the Company's business unit operations and corporate functions, the Board reviews and considers the primary risks associated with those units and functions. The Board also reviews risks associated with the Company's strategic plan at an annual strategic planning session and periodically throughout the year as part of its consideration of the Company's strategy.

Each Committee also oversees the management of Company risks falling within the Committee's areas of responsibility. In

performing this oversight function, each Committee has full access to Management as well as the ability to engage advisors. At each Board meeting, the Chair of each Committee reports to the Board on the Committee's oversight activities.

The Company continues to manage its enterprise risks through a variety of policies, programs and internal control functions and processes designed to identify the primary risks and protect the Company's operations and reputation while ensuring legal compliance. The below chart summarizes the Board's risk- governance framework.

Oversees the management of risks inherent in the operation of the Company's businesses and the implementation of its strategic plan.

| Audit Committee   | Compensation Committee  | Management  | Internal Audit  |
|---|---|---|---|
| Reviews policies and guidelines with respect to risk assessment and management, including reporting on the Company's processes to manage and report risks related to litigation, foreign exchange rates, contingent liabilities and similar matters that may constitute significant financial exposure. | Reviews all compensation policies and procedures, including the incentives that such policies create and factors that may reduce the likelihood of excessive risk taking, to determine whether such policies present a significant risk to the Company. | Oversees, supervises and administers policies, programs and internal control functions and processes designed to identify, assess and quantify significant organizational and business risks and to develop strategies and controls to protect the Company. | Assists the Company in identifying, evaluating and implementing risk management controls and methodologies to address identified risks. The Company's Vice President, Internal Audit functionally reports to the Audit Committee. |

## CORPORATE GOVERNANCE AND BOARD OF DIRECTORS

## Director Compensation

| Payments to Directors in 2018   |                      |                     |                     |                    |
|---------------------------------|----------------------|---------------------|---------------------|--------------------|
| Name <sup>(1)</sup>             | Fees Earned or Stock |                     | All Other           | Compensation Total |
|                                 | Paid in Cash         | Awards              | Compensation        |                    |
|                                 | (\$) <sup>(2)</sup>  | (\$) <sup>(3)</sup> | (\$) <sup>(4)</sup> | (\$)               |
| Bruce Brown                     | \$ 74,500            | \$ 114,996          | \$ 3,329            | \$ 192,825         |
| Kathleen A. Dahlberg            | 76,000               | 114,996             | 3,329               | 194,325            |
| Nicholas DeBenedictis           | 76,000               | 114,996             | 3,329               | 194,325            |
| Kevin M. Fogarty <sup>(5)</sup> | 90,000               | 114,996             | 3,329               | 208,325            |
| J. Robert Hall                  | 84,500               | 114,996             | 3,329               | 202,825            |
| Richard C. Ill                  | 88,000               | 114,996             | 3,329               | 206,325            |
| Ronald J. Naples                | 75,000               | 114,996             | 3,329               | 193,325            |
| Lee C. Stewart                  | 88,000               | 114,996             | 3,329               | 206,325            |

(1) Only non-employee directors receive compensation for service on the Board. Mr. Parrini does not receive compensation for his services as a director.

(2) The amounts include annual retainer fees, meeting fees and chair fees paid in cash.

(3) In accordance with ASC Topic 718 the amount shown for all directors is based on the fair market value of \$16.33 per share for RSUs granted on May 3, 2018, which vest one year after the grant date. As of December 31, 2018, each Director held 11,615 RSUs, 3,049 of which were vested. RSUs granted to directors prior to 2017 had 3-year ratable vesting.

(4) Represents dividend equivalents paid in cash. The Company paid cash dividend equivalents on outstanding director RSUs granted through 2016.

(5) Mr. Fogarty's compensation includes a Lead Director fee paid in cash.

Non-employee directors receive compensation for their service that is designed to compensate them fairly for the time, effort and accountability required of a Board member and align their interests with our stockholders. In making its recommendation to the Board on independent director compensation, the Compensation Committee considers the results of an analysis of director compensation provided by Meridian Compensation Partners LLC, independent compensation consultant. In 2018, Meridian conducted a competitive assessment of the Company's compensation program for non-executive directors. The assessment included a review of annual cash retainers, annual equity grants, meeting fees and Committee fees compared to the Company's compensation peer group (see page 29 regarding the 2018 Compensation Peer Group). The results of the assessment determined that non-executive director total compensation approximates the median of the peer group, and that the Company's pay policies are aligned with market.

### Cash Compensation

In 2018 each non-employee director received an annual retainer fee of \$70,000, paid in cash. In addition to the annual retainer, non-employee directors were paid in cash \$1,500 for each Committee meeting they attended in excess of eight Committee meetings per year. The director serving as Chair of the Audit Committee was paid an additional \$20,000 in cash for his service; the director serving as Chair of the Compensation Committee was paid an additional \$15,000 in cash for his service; the directors serving as Chair of the Finance Committee and the NCG Committee each received an additional \$10,000 in cash for their service. The Lead Director received an additional \$20,000 for his service in that capacity. All accrued, but unpaid, director cash compensation payments are made twice annually, on May 1 and November 1.

### Equity Compensation

In 2018, each non-employee director received an annual RSU award valued at \$115,000 on the grant date. Such awards vest 100%, all restrictions lapse and the shares are paid out on the first anniversary of the grant date. During the one-year vesting period, quarterly dividends accrue in the form of additional RSUs (but are not paid until the awards vest). RSUs granted to directors will immediately vest upon a change in control. In the event of the death or disability of the director, all unvested RSUs will become immediately vested, and the restrictions will lapse.

### Deferred Compensation

Pursuant to the Company's Deferred Compensation Plan for Directors, every year each director may elect to defer 50%, 75% or 100% of his or her annual retainer for serving on the Board, but any fees paid to a director for attending meetings of any Committee or for serving as a Chair may not be deferred. No deferral elections were made in 2018.

### Other Benefits and Coverage

Each non-employee director is covered by the Company's director and officer liability insurance policy, has entered into an indemnification agreement with the Company, and is covered under the Company's travel accident insurance policy.

### Share Ownership Guidelines

The Company has established share ownership guidelines for non-employee directors to enhance their alignment with shareholders' interests. The share ownership guidelines preclude the sale of shares by a director until he or she holds shares with a value equal to 5X the annual Board retainer of \$70,000. Directly held shares and unvested RSUs count toward attainment of the guideline.





## Corporate Responsibility

### Sustainability: The Glatfelter Way

Glatfelter enhances everyday life for millions of people around the world through the products we make, the manner in which we conduct our business and the value that we generate for all stakeholders. "Sustainability" means striking the appropriate balance between our environmental responsibilities, financial performance, and social responsibilities. Only through continually achieving this balance can we truly be sustainable.

Every day, Glatfelter PEOPLE bring this sustainability mindset to the workplace and the communities we call home. Most of our facilities are located in small communities where our actions make a lasting impact. As an employer, we understand the

integral role we play in these communities because of the taxes we pay, the jobs we create that sustain families, and the philanthropic endeavors we support. We actively encourage our 2,600 employees to be involved in their communities and the activities important to them.

For 154 years we have taken seriously our role as a responsible corporate citizen. The confidence and trust our customers, employees, and communities have placed in us must be consistently earned over time through our performance and commitment to building a better tomorrow.

## Environmental Responsibility

Looking at our products' lifecycles, incorporating sustainable materials and creating products that conserve resources and improve everyday life are some of the ways we protect the environment. Air emission methods, water discharge practices and production processes are all thoughtfully examined. Increasing our use of environmentally-friendly raw materials and renewable fibers, as well as reducing waste by recycling any off-quality products, helps to reduce our environmental footprint.

Glatfelter focuses on finding new and beneficial ways of using the waste and byproduct of our airlaid manufacturing process, alone or in combination with other materials, to meet needs that exist in our society. Thanks to airlaid's high-fluid absorption and retention properties, additional applications in North America include animal bedding, spill control, and agricultural functions. Last year, Glatfelter's AMBU waste

prevention, re-use, and recycling initiatives successfully diverted 96 percent of airlaid byproducts away from landfills and incinerators.

When Unilever wanted to offer its customers a fully biodegradable tea bag through its PG Tips brand, the company turned to Glatfelter's Dynagreen filter paper. Glatfelter developed the paper, which uses a plant-based biopolymer rather than a more traditional crude oil polymer, as the heat-sealable component in the paper—making it fully biodegradable. It was an environmentally-driven decision to create this alternative for our customers.

Conservation and innovation are necessary to sustain the Earth's natural resources, which is why we are working with our customers and suppliers to create value and develop sustainable, global solutions.

#### Economic Sustainability

Since 1864, Glatfelter has been a secure and profitable investment for the communities in which we operate, our skilled and dedicated employees, the countless suppliers who rely on us to help keep their small businesses in operation, and our investors, who provide us the opportunity to grow stronger and return value.

We have built a business model around high-value niche markets using speed, flexibility, innovation, solid operational performance and customer intimacy. This model has enabled us to build strong customer relationships and enhance shareholder value. It has also positioned us to reinvest in our business to develop new world-class products.

In June 2018, Glatfelter celebrated the grand opening of its state-of-the-art manufacturing facility in Fort Smith, Arkansas, which began operations earlier in the year. It is Glatfelter's first newly-constructed facility and first airlaid facility located within

the United States. The opening of the Fort Smith facility made Glatfelter the world's largest producer of airlaid material and cemented our position as a leader in the personal care market.

In October 2018, Glatfelter further expanded its airlaid capacity by acquiring Georgia-Pacific's European Nonwovens business with operations located in Steinfurt, Germany and sales offices in France and Italy. The Steinfurt facility produces high-quality airlaid products for the table top, wipes, hygiene, food pad, and other nonwoven materials markets. The acquisition complemented Glatfelter's existing business, provided immediate financial benefit and marked a key milestone in accelerating the growth of our engineered materials businesses.

With a strong balance sheet and investments in new products, Glatfelter is strategically positioned for continual growth and to become the global supplier of choice in the markets we serve.

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## CORPORATE RESPONSIBILITY

### Social Responsibility

From a well-established safety management system to ongoing training efforts and charitable giving programs, Glatfelter encourages a work environment that is safe, promotes healthy living and gives back to the community.

Globally, Glatfelter completed 2018 with a total case incident rate (“TCIR”) of 1.08. Half of all our facilities have safety rankings among the industry’s top 25% or better. With every injury-free day that passes we get closer to earning world-class safety performance.

Concern and caring for current and future generations is a critical part of sustainability. By investing in employee education through U.S.-based tuition reimbursement and European-based apprenticeship programs, Glatfelter is helping to strengthen communities in the regions in which we operate by living our Core Values and providing opportunities to others.

The ability to develop highly skilled workers is a key competitive advantage, and one that our leaders in Gernsbach, Germany leverage through a proven apprenticeship program. Apprentices alternate for three years between a vocational education classroom and the Gernsbach facility, receiving real-world experience to become proficient as paper technology engineers, industrial clerks (office workers), electrical technicians, and industrial mechanics, careers that depend on internship-trained workers. A similar apprenticeship program was implemented in 2017 for our United Kingdom manufacturing operations.

Nearly all apprentices complete their on-the-job training and 92% go on to become loyal employees. In fact, more than 40% of Gernsbach’s 650 employees are former apprentices. Gernsbach’s training and apprenticeship programs are just one example of Glatfelter’s dedication to developing a world-class workforce with the technical know-how and commitment to customer service that customers have come to rely on for more than 150 years.

Through philanthropy and volunteerism, we impact many communities—and many countries—in positive ways, helping to ensure the sustainability of our business, employees, customers, and fellow world residents. Volunteer services embrace many areas of the community, including the arts, education, economic development and the environment.

Our facility in Gernsbach, Germany supported local cultural organizations and partnered with educators to sustain healthy families. In Ober-Schmittgen, Germany, Glatfelter PEOPLE participated in an annual challenge run for charity, while the Falkenhagen, Germany facility lent charitable support to the local art club, “Friends of Art – Pritzwalk.”

Glatfelter’s Fort Smith, Arkansas, PEOPLE engaged in a variety of projects supporting community organizations like the United Way of Fort Smith and Hope Humane Society, while the Corporate Office partnered with the York, Pennsylvania-based water company and health system and underwrote a Summer Reading Program for more than 10,000 local children. Our facility in Gatineau, Canada, sponsored a year-long urban ecology and community engagement program for teenagers.

In the Philippines, we facilitate an abaca sustainability initiative aimed at improving people’s lives. Since its inception, the program has offered agricultural education, training and certification coordination for hundreds of local farmers, and it has established and supported a women’s handicraft group, generating income for many families in the area. The Philippines Team also demonstrated incredible commitment to the local community with donations of water, food and personal hygiene supplies to the Marawi Relief Operation and Relief Center.

Together, Glatfelter PEOPLE are contributing to the betterment of the communities in which we operate and live around the world.

## Executive Compensation

## Compensation Discussion and Analysis

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## INTRODUCTION

This Compensation Discussion and Analysis (“CD&A”) describes the Company’s executive compensation philosophy and programs, the 2018 compensation decisions made by the Compensation Committee and the factors influencing their decisions. The CD&A focuses on the compensation of the following 2018 named executive officers (“NEOs”):

• Dante C. Parrini, Chairman of the Board and Chief Executive Officer (“CEO”)

• John P. Jacunski, Executive Vice President (“EVP”) and Chief Financial Officer (“CFO”)

• Christopher W. Astley, Senior Vice President (“SVP”) and Business Unit President, Advanced Airlaid Materials (“AMBU”)

• Samuel L. Hillard, Vice President (“VP”), Corporate Development & Strategy

• Martin Rapp, SVP and Business Unit President, Composite Fibers (“CFBU”)

On February 28, 2019, the Board appointed Mr. Hillard to the position of Senior Vice President, Chief Financial Officer, effective March 1, 2019. Mr. Hillard succeeds Mr. Jacunski, who will be leaving the Company effective March 31, 2019. In addition, Mr. Rapp will be leaving the Company effective October 1, 2019. The responsibilities of Mr. Rapp’s role will be redefined as part of the migration from a business unit structure to a functional operating model, as announced in the Company’s March 1, 2019 press release.

Upon execution of severance agreements, the Company will disclose the terms of such agreements by filing Current Reports on Form 8-K pursuant to Item 5.02(e).

## SAY-ON-PAY VOTE AND SHAREHOLDER ENGAGEMENT

### Overview

An advisory shareholder vote on the Company's executive compensation practices ("Say-on-Pay") was held at the 2018 Annual Meeting of Shareholders, with 96% of the shares voting in favor of the Company's NEO compensation. During 2017, we engaged in extensive shareholder engagement to solicit feedback on our executive compensation programs and implemented several changes between 2017 and 2018 to improve alignment with shareholder expectations. The following changes took effect in 2018:

For 2018, the Compensation Committee approved short-term incentive compensation targets based on Company growth and financial improvement from year to year, tied directly to the 2018 operating plan. The rigorous targets took into consideration the expected market conditions from each business unit, including gains in key markets, recently developed new products, the completion of major capital investments, and cost optimization initiatives, with an overall focus on adjusting to pressures in specialty paper markets and gains in engineered products;

The Compensation Committee added a cumulative three-year relative Total Shareholder Return ("TSR") as a modifier to PSAs; and

Under the annual bonus plan for Business Unit Presidents, the weight of business unit operating profit metric results in the short-term incentive plan was increased from 40% to 70% to emphasize the need for continued growth of the engineered materials business.

These actions were intended to further align the Company's compensation philosophy and executive compensation practices with shareholder expectations, enhancing pay for performance and pay at risk, as reflected in our favorable Say-on-Pay vote in 2018.

## EXECUTIVE COMPENSATION

### EXECUTIVE SUMMARY

#### 2018 Year in Review

In 2018 our strategy focused on leveraging organic growth and growth through acquisitions in global engineered materials businesses. Our business has undergone a significant strategic transformation into a leading global supplier of engineered materials. Milestones achieved in 2018 include:

1. The successful production of airlaid wipes product from our new \$90 million facility in Arkansas. This facility, with 20,000 metric-ton capacity, was built to meet the growing demands of the North American market;
2. The acquisition of a European nonwovens business based in Steinfurt, Germany for \$181 million. The facility is a state-of-the-art, 32,000-metric-ton-capacity manufacturing facility that employs approximately 220 people; and
3. Delivered on commitment to evaluate strategic alternatives for the Specialty Papers business unit by successfully completing its sale for \$360 million.

These actions were pivotal steps as we build the new Glatfelter, which is more focused on businesses with attractive growth profiles, wider margins and lower capital investment. The new Glatfelter is approximately a \$1 billion revenue business with two global operating units serving high-valued, niche nonwovens growth markets.

For 2018, we reported the following key financial results (from continuing operations giving effect to Specialty Papers business unit as a discontinued operation):

• Consolidated net sales totaled \$866.3 million compared with \$800.4 million in 2017; and  
• Adjusted income totaled \$9.2 million, or \$0.21 per share, compared with \$26.4 million or \$0.59 per share in 2017. Additionally, as we seek to optimize the efficiency of our business, in the third quarter of 2018 we launched plans to right-size our corporate headquarters which is expected to generate \$14 million to \$16 million of annual savings by the end of 2019.

From an operating perspective our 2018 results were below expectations. Results were adversely impacted by:

• Rapid and significant increases in input costs together with limited selling price increases due to competitive environment in CFBU;  
• Slower than anticipated ramp-up of North American capacity in AMBU together with extended qualification period for new customers; and  
• A higher tax rate due in part to the new U.S. tax laws and lower domestic earnings as a result of the divestiture of SPBU.

The following provides a summary for each of our business units' performance in 2018.



## ADVANCED AIRLAID MATERIALS

- Net sales increased \$55.3 million and totaled \$311.4 million in 2018, primarily due to higher shipping volumes reflecting 5.6% organic growth and the Steinfurt acquisition.
- The Steinfurt acquisition and the Fort Smith facility increased production capacity by 52,000 metric tons.
- Operating income totaled \$29.9 million in 2018, substantially in-line with the prior year.

## COMPOSITE FIBERS

- Net sales increased \$10.6 million, or 1.9%, and totaled \$554.9 million in 2018. On a constant currency basis, net sales declined 1.5% and shipping volumes declined 4.4%.
- Higher raw material and energy prices adversely impacted results by \$17.1 million.
- Operating income decreased \$13.9 million to \$48.4 million in 2018 primarily due to significantly higher input costs.

## EXECUTIVE COMPENSATION

## 2018 Compensation Overview

The elements of our executive compensation programs for 2018 included base salary, short- and long-term incentives, minimal perquisites, and retirement and other benefits, as summarized in the following table:

| Primary Elements of Compensation |   |  |
|----------------------------------|---|--|
| Element                          | Form  | Relation to Performance  |
| Base Salary                      | Fixed Cash  | Reflects each executive's performance, responsibilities, skills and value to the Company   |
| Short-Term Incentive ("STI")     | Annual Cash Bonus<br>(Management Incentive Plan)  | Variable pay motivates and rewards executives for achieving annual financial results   |
| Long-Term Incentives ("LTI")     | Performance Share Awards ("PSAs")   | Variable pay motivates and rewards executives for achieving cumulative business results derived from the Company's strategic plan; directly aligns Management's interests with shareholders' interests |
|                                  | Restricted Stock Units ("RSUs")   | Promotes retention of key executives that is aligned with Company stock price and supports execution of the Company's strategic plan   |
| Other Benefits                   | Pension and 401(k) plan, supplemental retirement plans, health and welfare benefits, severance arrangements and minimal perquisites | Market-competitive offerings to attract and retain high caliber executive talent   |

## 2018 NEO Compensation Overview and Highlights

The NEOs received the following compensation, with short- and long-term incentives linked to Company performance:

**Base salaries:**

- o All NEOs received salary increases in 2018, following 2017 when all NEO salaries were frozen. The average of all increases was 4.5% and increases were based on individual performance and market-competitive compensation levels for the roles.

**Short-term incentive ("STI") awards payable under the Management Incentive Plan ("MIP"):**

- o The NEOs' annual incentives under the MIP were contingent on the achievement of Operating Net Income ("ONI") and Free Cash Flow (each as defined under Elements of Compensation; Short-Term Incentives: The Management Incentive Plan section), to encourage the executives to focus on earnings and cash flow generation at the corporate level. STI awards for business unit leaders (Messrs. Astley and Rapp) were also based on the operating profit aligned to the performance of their respective business units.
- o Individual STI target bonus opportunities were unchanged for 2018, except that Mr. Hillard received a five percent target increase to align with market-competitive levels (i.e. market median).
- o Financial performance and payout results:
  - Results for ONI, Free Cash Flow, and AMBU and CFBU operating profits all fell below the threshold as compared to the financial targets established by the Compensation Committee at the start of the performance period. As a result, none of the NEOs received STI payouts for fiscal year 2018 performance.
- o Long-term incentives ("LTI"):
  - o The Company provided all NEOs with market-competitive equity awards tied to long-term performance measures derived from the Company's strategic plan.
  - o The long-term incentive program ("LTIP") is primarily performance-based with 60% of a NEOs equity value (at target) awarded in PSAs tied directly to the achievement of Return on Capital Employed ("ROCE") and EBITDA goals. The remaining value is in time-vested RSUs.
    - PSAs have a three-year vesting period and provide an opportunity to receive shares of Company common stock contingent upon the achievement of two-year performance goals tied to ROCE and cumulative EBITDA and excluding unusual items. A three-year relative cumulative TSR modifier also applies to grants beginning in 2018. The Compensation Committee added this metric to the program after receiving feedback from key shareholders following an outreach program conducted in 2017.
    - RSUs cliff vest at the end of a three-year vesting period based on continued service and are designed to promote retention and provide motivation to increase share value. RSUs are not subject to a TSR modifier.
  - o The PSAs granted in 2016, which vested at the end of the three-year period on December 31, 2018, resulted in a 93.4% payout based on cumulative EBITDA and average ROCE performance for the performance period which ended on December 31, 2017. The 2016 PSAs are not subject to a TSR modifier. Additional details regarding these performance results are provided on page 34.
  - o For the PSAs granted in 2017, which are earned based on cumulative EBITDA and average ROCE performance for the performance period ending December 31, 2018, a payout of 50.5% of target was achieved. Service through December 31, 2019 is required for vesting and no TSR modifier applies to this grant. Additional details regarding the performance results are provided on page 35.
  - o To recognize his achievements with the SPBU divestiture and nonwoven acquisition during 2018, Mr. Hillard received a one-time retention grant of 31,170 RSUs on December 20, 2018, in addition to his annual grants under the LTIP. Mr. Hillard must remain employed for three years to vest in the award.

EXECUTIVE COMPENSATION

In addition to total direct compensation (consisting of base salary, STI and LTI) the Company provides retirement benefits to NEOs which are important for long-term retention. Messrs. Parrini and Jacunski participate in legacy pension plans that the Compensation Committee considers prior commitments based on their long service. The legacy pension plans (qualified and non-qualified) have been closed to new entrants since 2007. Changes in the pension value illustrated in the proxy Summary Compensation Table are legacy pension agreements and

determined in substantial part by actuarial factors outside the Compensation Committee’s direct control (see footnote 4 of the Summary Compensation Table for additional details regarding change in pension values).

Additional details regarding the compensation programs are included in the Compensation Programs and Elements of Compensation and Target Pay Mix sections of the CD&A.

COMPENSATION PROGRAMS

Compensation Program Objectives

The objectives of the Company’s executive compensation programs are to attract, retain, motivate, and reward those executives crucial to the success of the Company and to create long-term shareholder value. Our programs are organized around three principles:

| Pay for Performance   | Pay at Risk   | Shareholder Alignment  |
|---|---|--|
| Rewarding achievement of financial outcomes that increase shareholder value | Providing a mix of compensation with strong emphasis on short- and long-term incentives tied to the Company’s financial performance | Requiring executives to own a meaningful personal stake in the Company |

## Overview

The Compensation Committee believes compensation should reflect the Company's financial performance and be competitive based on a person's responsibilities, individual performance and ability to exemplify the Company's Core Values of Integrity, Financial Discipline, Mutual Respect, Customer Focus, and Environmental and Social Responsibility. The Compensation Committee recommends approval of the Company's compensation philosophy to the Board and oversees the compensation programs for the NEOs and other executive officers of the Company. All compensation decisions impacting the Chief Executive Officer are approved by the Compensation Committee and require the ratification and approval of the independent members of the Board.

Total compensation for the NEOs and other Company executive officers consists of base salary, short-term and long-term incentives, retirement and other benefits, and minimal perquisites. The Company's executive compensation programs generally target total compensation at the size-adjusted 50th percentile of the peer group. A significant portion of each NEO's compensation is tied to the Company's financial performance. The opportunity to earn incentive compensation, and the level of pay at risk, generally increases commensurate with the NEO's level of responsibility.

The Compensation Committee reviews the incentive plans annually, as discussed in the Risk Oversight section of this proxy statement, to determine whether they present undue risk to the Company.

## Determination of Compensation Levels

The Compensation Committee seeks input from certain NEOs, external advisors and other Company executives when determining compensation decisions. Specifically:

The Compensation Committee retains an independent compensation consultant ("Consultant") that meets in executive session regularly at each meeting to provide advice, information and analysis on executive compensation and benefits. The Compensation Committee confers with the Consultant, the CEO, the CFO, and the Vice President of Human Resources to design compensation programs and obtain background on the Company's key financial objectives, metrics and performance, and design of the Company's short- and long-term incentive compensation programs. Compensation decisions pertaining to the CEO are ratified by the independent members of the Board, based on recommendations by the Compensation Committee and guidance from the Consultant. Compensation decisions pertaining to the NEOs, other than the CEO, are made by the Compensation Committee with consideration of recommendations from the CEO and guidance from the Consultant. The Company's legal counsel and Human Resources staff provide legal, governance and technical input to the Compensation Committee with oversight by the Consultant.



## EXECUTIVE COMPENSATION

The Compensation Committee may invite NEOs to attend portions of its meetings; however, the Compensation Committee meets in executive session alone and with and without the Consultant to reach final decisions regarding NEO compensation.

To assist with reviewing NEO compensation, the Compensation Committee considers market benchmark data, pay history, tally sheets, vested and unvested equity holdings and required share ownership. The Compensation Committee uses this information, in addition to market compensation data, individual and Company performance, and the Company's succession planning when making compensation decisions for each NEO.

Consistent with the prior year, the Compensation Committee continued to retain the services of Meridian Compensation Partners, LLC ("Meridian") as the Consultant during 2018. The role of the Consultant is to assist with:

- providing competitive compensation market data;
- assessing the competitiveness of the executive compensation programs;
- making recommendations regarding program design based on prevailing market practices and business conditions; and
- advising the Compensation Committee on:
  - the level of each NEO's compensation;
  - composition of the compensation peer group;
  - incentive plan performance metrics and design;
  - external trends and regulatory developments;
  - revisions or additions to the Company's executive compensation policies; and
  - Say-on-Pay guidance and input.

### Compensation Peer Group and Benchmarking Process

To determine market levels, the Company targets the size-adjusted 50th percentile, and the Compensation Committee reviews target total compensation for similarly situated

executives from peer group companies ("Compensation Peer Group") where data is available, as well as from multiple nationally-recognized compensation survey sources including:

- William H. Mercer's Executive Compensation Database;
- Willis Towers Watson's Executive Compensation Database; and
- Korn Ferry Hay Group's Executive Compensation Database.

A market analysis is performed annually for the CEO and CFO and biennially for the remaining executives, unless market conditions warrant a market study for additional executive roles for the year. For 2018 compensation decisions, the market review included the total compensation of the CEO and CFO and all other NEOs.

The Compensation Committee annually reviews the Company's Compensation Peer Group to establish a relevant and appropriate peer group size. For 2018, AEP Industries was removed due to its acquisition by Berry Global. The annual revenues of the companies in the 2018 Compensation Peer Group range from \$599 million to \$6.1 billion with median revenue of \$3.4 billion.

The Compensation Committee believes the current peer group was appropriate for 2018 as it consists of companies within a reasonable revenue range compared to Glatfelter (subject to size-adjusting as described below) in the paper, packaging and forest products industries. In selecting peer companies, the Compensation Committee targets consistency in the Company’s Compensation Peer Group to ensure it continues to reflect companies within its industry for which the Company competes for talent.

Recognizing that the median annual revenue of the Company’s Compensation Peer Group is greater than the Company’s 2018 annual revenue, the Company targets the size-adjusted revenue at the 50th percentile through regression analysis to determine appropriate market levels in setting competitive pay. The Compensation Committee believes the methodology of benchmarking pay to regressed peer compensation levels is a widely-accepted and appropriate methodology.

The following is a list of companies included in the Compensation Peer Group for 2018:

| 2018 Compensation Peer Group     |  |
|----------------------------------|--|
| Aptar Group, Inc.                | Neenah Inc.                            |
| Avery Dennison Corp.             | Packaging Corp. of America             |
| Bemis Company Inc.               | Potlatch Corp.                         |
| Clearwater Paper Corp.           | Rayonier, Inc.                         |
| Domtar Corp.                     | Resolute Forest Products, Inc.         |
| Graphic Packaging Holding Co.    | Schweitzer-Mauduit International, Inc. |
| Greif, Inc.                      | Silgan Holdings, Inc.                  |
| KapStone Paper & Packaging Corp. | Sonoco Products Co.                    |

Although the revenue size of the Company has been reduced significantly following the sale of SPBU, the Committee has decided to keep the Compensation Peer Group unchanged as it considers 2019 pay changes. The peer group companies remain those for whom we compete with for business and for talent, and the statistical analyses used to size-adjust the data compensates for the size variances that exist among the group. Going forward, we plan to continue to monitor the Compensation Peer Group and also analyze a sub-set of the group (which eliminates those companies with revenues over \$5 billion) to ensure that these companies do not skew the overall results of the existing group.





## EXECUTIVE COMPENSATION

### TARGET PAY MIX

Annually, the Compensation Committee reviews the mix of base salary, STI and LTI, which comprises total target direct compensation, for each NEO to ensure an appropriate level of the executives' recurring target compensation is tied to Company performance. The Compensation Committee believes this approach is appropriate to provide year-over-year consistency in analyzing the pay mix when compared to the peer group.

The mix of compensation varies for each NEO with an average of 61% of target pay considered at risk. This average does not include pension or other benefits. Mr. Parrini has the greatest level of STI and LTI opportunity, with 73% of his total target direct compensation considered at risk. The Compensation Committee believes this level is appropriate for Mr. Parrini given his responsibility as CEO to deliver and sustain shareholder value.

### CEO Compensation Mix All Other NEO Average Compensation Mix

#### Base Salary

The Compensation Committee believes base salary, which contributes to the Company's compensation objectives of attracting and retaining talented executives, is an important element of compensation. The base salaries of the NEOs are approved annually by the Compensation Committee and, in the case of the CEO, by the independent members of the Board. The Compensation Committee considers several factors, without any assigned relative weightings, when determining base salary increases for NEOs:

- salary recommendations from the CEO for the NEOs other than himself;
- Company and individual NEO performance;
- the accountability and complexity of the NEO's role in attaining Company objectives;
- the external competitiveness of the NEO's compensation;
- Company executive succession planning; and
- internal equity and retention considerations.

For 2018, the following NEO base salary increases were approved, in each case, to more closely approximate the market median and to account for individual performance (following 2017, when base salaries for NEOs were frozen):

| NEO Base Salaries (Annualized) |                   |                   |        |
|--------------------------------|-------------------|-------------------|--------|
|                                | Prior Base Salary | New Base Salary   |        |
|                                | (effective        | (effective        | %      |
| NEO                            | February 1, 2017) | February 1, 2018) | change |
| Parrini                        | \$ 973,865        | \$ 998,212        | 2.5%   |
| Jacunski                       | \$ 529,024        | \$ 550,185        | 4.0%   |
| Astley                         | \$ 368,051        | \$ 393,815        | 7.0%   |
| Hillard                        | \$ 315,000        | \$ 327,600        | 4.0%   |
| Rapp <sup>(1)</sup>            | € 346,495         | € 363,820         | 5.0%   |

(1)Mr. Rapp's salary is paid in Euros; average 2018 exchange rate was 1.1815\$/Euro.

## EXECUTIVE COMPENSATION

## Short-Term Incentives: The Management Incentive Plan

The Company provides an annual STI bonus opportunity to the NEOs under the Company's MIP. The Compensation Committee approves a target bonus for each NEO expressed as a percentage of the NEO's base salary. The Compensation Committee establishes target bonuses for the NEOs at the 50th percentile of the market. There were no changes to NEO target bonuses for 2018 except for Mr. Hillard, whose target was increased by five percentage points for closer alignment to market-competitive levels.

2018 NEO target bonus opportunities were as follows:

| NEO MIP Target Bonus |                                     |
|----------------------|-------------------------------------|
| 2018 Target Bonus    |                                     |
| NEO                  | (as percentage of 2018 Base Salary) |
| Parrini              | 100%                                |
| Jacunski             | 65%                                 |
| Astley               | 55%                                 |
| Hillard              | 50%                                 |
| Rapp                 | 55%                                 |

In February each year, the Compensation Committee, in consultation with the Audit Committee, determines the degree to which the pre-established MIP performance metrics have been met. The Compensation Committee then decides whether to award bonuses to the NEOs, and at what level. The amount ultimately earned by the NEOs depends on the achievement of performance metrics. The Compensation Committee may in its discretion adjust downward any bonus earned by any NEO or other executive based on their judgment of management's achievement of the financial outcomes. The use of downward discretion was last used in determining payouts of 2017 MIP. Any downward adjustment to the CEO's bonus requires ratification and approval by the independent members of the Board.

For 2018, the Compensation Committee adopted a MIP design generally consistent with the design used in 2017 with a floor of 80% achievement of target performance which pays 50% of the target award and a ceiling of 140% achievement, which pays 200% of target. Performance below threshold levels results in a zero payout. The 2018 MIP incorporated the following two metrics for all NEOs:

● **ONI** – (weighted 80% for corporate positions and 24% for business unit positions). ONI is defined as net income determined in accordance with accounting principles generally accepted in the United States ("US GAAP"), adjusted to exclude after-tax pension expense, the cost of strategic initiatives, and certain other items as specified by the Compensation Committee.

● **Free Cash Flow** – (weighted 20% for corporate positions and 6% for business unit positions). Free Cash Flow is defined as cash flows from operations determined in accordance with US GAAP less capital expenditures (adjusted to exclude spending related to strategic initiatives), and certain other adjustments as specified by the Compensation Committee.

Business Unit Operating Profit – (weighted 70% for business unit positions only). Operating profit is determined in accordance with US GAAP and excludes pension expense and certain non-recurring items as determined by the Compensation Committee. For 2018 the business unit NEOs' weighting for business unit operating profit was increased from 40% to 70% to emphasize the need for continued growth in the engineered materials business. These metrics are intended to focus NEOs and other key executives on generating earnings and effectively managing cash flow. The Compensation Committee supported continuing to use these metrics in 2018 to reinforce the Company's operational and strategic objectives.

In 2018, the performance metrics were weighted as follows for the NEOs:

Corporate Positions Business Unit Positions

EXECUTIVE COMPENSATION

The targeted performance levels of ONI, Free Cash Flow, and business unit operating profit or EBITDA were derived from the Company’s 2018 budgeted levels as approved by the Board. Developing the budget involves a variety of factors and assumptions including the Company’s strategic planning process and an assessment of the expected business environment. The Compensation Committee incorporates a requirement that the Company achieve minimum performance (“Threshold”) for each metric separately before any bonus may be earned (“Threshold”) on the respective portions of the overall award.

The Compensation Committee set rigorous MIP goals with targets above the prior year actual results to emphasize the importance of year-over-year growth. In setting performance goals for 2018, the Compensation Committee considered, among other factors, expectations of projected growth in many

markets with a focus on markets across engineered products. The Compensation Committee considered major capital projects expected to be completed, with ongoing long-term investments in AMBU. In addition, the Compensation Committee considered the increasingly challenging business environment due to secular declines in demand in the former Specialty Papers business unit, increasing competition, and excess capacity in many key markets. Furthermore, the Compensation Committee considered the risk that adverse global economic conditions could impact our target markets resulting in decreased demand for our products. In determining 2018 performance results, the Compensation Committee made an adjustment for the last two months of 2018 to account for the sale of the Specialty Papers business unit on October 31.

The following table outlines the approved threshold, target and maximum payment opportunities and financial goals for the NEOs under the 2018 MIP, as well as the weighted payout results based on the performance metric weights. Because all metrics fell below the required threshold performance, no MIP payouts were earned by any NEOs for 2018 performance.

| NEO MIP Performance Metrics and Payout Levels |                 |                  |                  |              |               |                                |
|---|-----------------|------------------|------------------|--------------|---------------|--------------------------------|
|   | Plan Goals      |                  |                  | 2018 Results |               | Weighted<br>MIP<br>Payout<br>% |
|   | Threshold       | Target           | Maximum          | Achievement  | Actual Factor |                                |
| Below Threshold<br>(0% Payout)                | (50%<br>Payout) | (100%<br>Payout) | (200%<br>Payout) |              |               |                                |

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|   |           |         |   |         |   |          |   |         |    |       |
|---|-----------|---------|---|---------|---|----------|---|---------|----|-------|
| Achievement against Financial Goals           | < 80%     | 80      | % | 100     | % | 140      | % | --      | -- | --    |
| Performance metric (millions)                 |           |         |   |         |   |          |   |         |    |       |
| Operating Net Income <sup>(1)(2)</sup>        | < \$ 45.7 | \$ 45.7 |   | \$ 57.1 |   | \$ 79.9  |   | \$ 24.2 | 0  | % 0 % |
| Free Cash Flow <sup>(1)(2)</sup>              | < \$ 70.2 | \$ 70.2 |   | \$ 87.7 |   | \$ 122.8 |   | \$ 24.6 | 0  | % 0 % |
| Advanced Airlaid Materials                    |           |         |   |         |   |          |   |         |    |       |
| Business Unit Operating Profit <sup>(2)</sup> | < \$ 31.6 | \$ 31.6 |   | \$ 39.5 |   | \$ 55.3  |   | \$ 27.6 | 0  | % 0 % |
| Composite Fibers Business Unit                |           |         |   |         |   |          |   |         |    |       |
| Operating Profit <sup>(2)</sup>               | < \$ 56.7 | \$ 56.7 |   | \$ 70.9 |   | \$ 99.3  |   | \$ 48.9 | 0  | % 0 % |

(1) Corporate NEO metric weighting: 80% ONI and 20% Free Cash Flow.

(2) Business unit NEO metric weighting: 24% ONI, 6% Free Cash Flow, 70% Business Unit Operating Profit.

No payouts were earned for any NEOs as shown below:

| NEO MIP Payments     |          |           |            |            |        |
|----------------------|----------|-----------|------------|------------|--------|
| 2018 Target Bonus    |          | 2018 MIP  |            |            |        |
| (as a percentage     | Eligible | Target    | 2018       | 2018       |        |
| of 2018 Base Salary) | Salary   | Bonus     | MIP Payout | MIP Payout |        |
| NEO                  |          |           | Percent    |            |        |
| Parrini              | 100%     | \$998,212 | \$998,212  | 0          | % \$ 0 |
| Jacunski             | 65%      | \$550,185 | \$357,620  | 0          | % \$ 0 |
| Astley               | 55%      | \$393,815 | \$216,598  | 0          | % \$ 0 |
| Hillard              | 50%      | \$327,600 | \$163,800  | 0          | % \$ 0 |
| Rapp <sup>1</sup>    | 55%      | €363,820  | €200,101   | 0          | % € 0  |

(1) Mr. Rapp's salary is paid in Euros; performance period year-end exchange rate for comparison purposes only to USD: 1.145 \$/Euro.

#### Long-Term Incentives: The Long-Term Incentive Plan

The Compensation Committee believes long-term compensation provides strong incentives for executives to deliver and sustain long-term financial performance to its shareholders. Annually, the Compensation Committee determines the target opportunity of LTI compensation to be granted to executives by targeting the size-adjusted 50th percentile of the market, but reserves flexibility to deviate from the target.

The Company's 2018 LTIP design consisted of

- Performance-based PSAs, which vest over three years with a two-year absolute performance period and a three-year cumulative relative TSR modifier, and
- Time-based RSUs, which vest over three years based on continued service.

PSAs comprise the majority of the total annual target value at 60% of the award value and the remaining 40% as RSUs.





## EXECUTIVE COMPENSATION

The 2018 LTIP design is summarized below:

| 2018 LTIP Equity Vehicle |   |   |   |
|--------------------------|---|---|---|
| (Weight)                 | Compensation Opportunity  | Financial Performance Metrics   | Objective   |
| PSAs<br>(60%)            | <ul style="list-style-type: none"> <li>- Ability to earn shares of Company common stock upon the attainment of pre-established two-year performance goals (January 1, 2018 through December 31, 2019), plus a three-year cumulative TSR modifier; vesting occurs at the end of the three-year period, assuming continued employment.</li> <li>- Threshold performance level: 60% achievement results in a 20% of target payout.</li> <li>- Maximum performance level: 140% achievement results in a 200% of target payout.</li> </ul> | <ul style="list-style-type: none"> <li>- Weighted 60% on average ROCE – two-year average</li> <li>- Weighted 40% on cumulative adjusted EBITDA (excluding unusual items) over two years</li> <li>- Three-year relative TSR modifier (S&amp;P SmallCap 600 Index)</li> </ul> | <ul style="list-style-type: none"> <li>- Align executives' and shareholders' interests to drive stock price appreciation.</li> <li>- Drive long-term earnings growth and effective utilization of capital.</li> </ul> |
| RSUs<br>(40%)            | <ul style="list-style-type: none"> <li>- Ability to earn shares of Company common stock based on continued employment over a three-year period.</li> </ul>  | <ul style="list-style-type: none"> <li>- Value increases as the Company stock price increases.</li> </ul>   | <ul style="list-style-type: none"> <li>- Promote retention of key executives to support execution of the Company's strategic plan.</li> </ul>   |

The Compensation Committee determined that changes to the general design of the LTI awards would be made for 2018 to incorporate a relative TSR modifier to align compensation with performance using an established and appropriate index. PSAs remain tied to the Company's EBITDA and ROCE performance, with the addition of a three-year relative TSR modifier to be measured against the S&P SmallCap 600 index.

EBITDA is a commonly used measure of the cash earnings that are generated. ROCE measures how effectively capital is being employed and the return from capital management decisions. ROCE, in general terms, is calculated as adjusted earnings divided by a capital base. These metrics are appropriate due to the focus on efficient use of resources and longer-term profitability across the business units.

PSAs have a two-year performance period and a three-year vesting period, so that a NEO must remain employed for one year after the end of the performance period to receive the underlying shares. In 2018, the Company added a three-year cumulative relative TSR modifier as part of the PSA design. The Compensation Committee believes that a two-year performance period is appropriate for PSAs at this time, in order to give more accurate visibility to goal setting. In determining to establish a two-year performance measurement period for PSAs granted in 2018, the Compensation Committee considered (1) the need to provide line-of-sight to incent executives to achieve capital productivity and earnings goals over the longer-term and (2) the inability to forecast performance goals beyond the two-year period due to cyclical downturns in our business and adverse global economic conditions. The Compensation Committee decided to set two-year performance goals, with one additional year of time-based vesting (assuming achievement of the performance goals), in

order to promote sustained performance focus, encourage long-term retention and align with a three-year vesting period. The TSR modifier will apply a positive or negative 25% modifier if the Company's TSR is in the first or fourth quartile, respectively. An overall maximum payment of 200% will be applied regardless of any TSR modifier.

Given their relationship to our annual operating plan and business strategy, the pre-established ROCE and EBITDA goals and their specific target levels for the 2018-2019 performance period are confidential and commercially-sensitive information that we do not publicly disclose until after the performance period is completed. We believe that such information would provide our competitors, customers and other third parties with significant insights regarding our confidential business strategies and could cause us substantial competitive harm. The Compensation Committee set 2018-2019 ROCE and EBITDA targets for the PSAs at a level that it believed would be challenging, but possible, for the Company to achieve.

The RSUs cliff-vest at the end of a three-year period, based on continued service. The Compensation Committee determined that three-year vesting is appropriate for RSUs because it aligns with the Company's strategic planning cycle and supports retention. RSUs are not subject to a TSR modifier.

In addition to his annual LTI grant, Mr. Hillard received a one-time retention grant of 31,170 RSUs on December 20, 2018 to recognize his achievements with the SPBU divestiture and nonwoven acquisition during 2018. Mr. Hillard must remain employed for three years to vest in the award.

EXECUTIVE COMPENSATION

The PSAs and RSUs granted to the NEOs during 2018 were based on NEOs’ overall responsibilities and individual performance, and information provided by the Consultant based on a market benchmarks for each position. The following table provides a summary of the RSU and PSA (at target) awards granted in 2018:

| 2018 LTI Grants <sup>(1)</sup> |        |  |                                     |   |  |
|--------------------------------|--------|--|-------------------------------------|---|--|
| NEO                            | RSUs   | Minimum Shares<br>(0% payout<br>below threshold) | PSAs<br>Performance                 |   |  |
|                                |        |  | Share<br>Target<br>(100%<br>payout) | Maximum Shares<br>(200% payout at<br>Maximum) |  |
| Parrini                        | 32,289 | 0  | 48,433                              | 96,866  |  |
| Jacunski                       | 11,572 | 0  | 17,358                              | 34,716  |  |
| Astley                         | 7,425  | 0  | 11,138                              | 22,276  |  |
| Hillard                        | 37,052 | 0  | 8,824                               | 17,648  |  |
| Rapp                           | 6,133  | 0  | 9,200                               | 18,400  |  |

(1) Additional details regarding the NEOs’ 2018 LTI grants can be found in the Grants of Plan-Based Awards table.

(2) Includes 5,882 RSUs granted to Mr. Hillard as part of his annual 2018 LTI award, plus 31,170 RSUs granted to Mr. Hillard on December 20, 2018 to recognize his achievements with the SPBU divestiture and nonwoven acquisition during 2018.

Vesting of Performance Share Grants

The chart below illustrates the overlapping performance cycles for PSA grants:



2018

Additional year vesting tail and subject to cumulative  
3-year TSR modifier

PSAs that were granted in 2016 vested on December 31, 2018 following the conclusion of a two-year performance period (ending December 31, 2017) and three-year vesting requirement. The following table illustrates the pre-determined performance goals, as well as the final results and payout level based on actual performance delivered during the performance period:

| 2016 Performance Share Performance Goals |              |               |
|--|--------------|---------------|
| Cumulative                               |              |               |
|  | Adjusted     | ROCE          |
|  | EBITDA       | (three        |
|  | (millions)   | year average) |
|  | Weighted 40% | Weighted 60%  |
| Maximum                                  | \$467.1      | 9.7%          |
| Target                                   | 333.6        | 6.9           |
| Threshold                                | 200.2        | 4.1           |
| Actual                                   | 319.0        | 6.9           |
| Percent Achievement                      | 86.8%        | 97.8%         |
| Payout Percent                           | 93.4%        |               |

The resulting payouts from the 2016-2018 PSA cycle reflecting performance against the goals are shown below.

| NEO Performance Share Earned from 2016 Grant |             |                           |         |
|--|-------------|---------------------------|---------|
|  | Target      |                           | Actual  |
| NEO  | Performance | Payout (as a % of Target) | Shares  |
|  | Shares      |                           | Awarded |
|  |             |                           | (1)     |
| Parrini                                      | 48,611      | 93.4%                     | 45,402  |
| Jacunski                                     | 17,862      | 93.4%                     | 16,683  |
| Astley                                       | 10,873      | 93.4%                     | 10,155  |
| Hillard                                      | 8,167       | 93.4%                     | 7,627   |
| Rapp   | 8,543       | 93.4%                     | 7,979   |

(1) Actual shares earned include dividends accrued during the performance period.

For more information regarding the 2016 PSAs, see page 53 of our proxy statement filed on March 30, 2017.



## EXECUTIVE COMPENSATION

PSAs that were granted in 2017 were based on performance through December 31, 2018. The following table illustrates the performance goals for the two-year performance period (2017-2018), the final results and payout levels based on actual performance delivered during the performance period. Payouts are subject to time-based vesting through December 31, 2019.

|                     | 2017 Performance Share Performance Goals |               |
|---------------------|--|---------------|
|                     | Cumulative                               |               |
|                     | Adjusted                                 |               |
|                     | EBITDA                                   | ROCE – (three |
|                     | (millions)                               | year average) |
|                     | Weighted 40%                             | Weighted 60%  |
| Maximum             | \$515.1                                  | 10.5%         |
| Target              | 367.9                                    | 7.5           |
| Threshold           | 220.7                                    | 4.5           |
| Actual              | 328.6                                    | 5.9           |
| Percent Achievement | 67.9%                                    | 38.8%         |
| Payout Percent      | 50.5%                                    |               |

For more information regarding the 2017 PSAs, see page 34 of our proxy statement filed on March 29, 2018.

## PERQUISITES

Perquisites at Glatfelter are very limited. The Compensation Committee believes perquisites should be a minimal part of executive compensation. Perquisites include a club membership for Mr. Parrini and a car allowance for Mr. Rapp, as is customary for executives in Europe. All NEOs are eligible to receive a Company-paid executive physical and executive long-term disability coverage. More information on the perquisite costs can be found in the Summary Compensation Table.

## POST-EMPLOYMENT COMPENSATION

The Compensation Committee believes offering post-employment compensation allows the Company to attract, retain, and motivate qualified employees and executives in the current competitive marketplace.

The Company provides qualified and non-qualified pension plans for U.S.-based employees and other arrangements for those outside of the U.S. Regarding the qualified pension plan, eligible employees who were hired prior to 2007 participate in a traditional pension formula and those hired beginning in 2007 and later participate in a cash balance pension formula.

Non-qualified pension plans consist of a Supplemental Executive Retirement Plan (“SERP”) and a Supplemental Management

Pension Plan (“SMPP”). The SERP is tied to the qualified pension plan and provides post-employment benefits for eligible NEOs. The SMPP provides an Early Retirement Supplement for certain NEOs. Details regarding pension benefits and potential payments to the NEOs under these plans are discussed in the Pension Benefits section.

All plans except the qualified cash balance and SERP Restoration for cash balance are closed to new entrants.

The NEOs participate in the following pension plans:

| Qualified Pension Plan   | Non-Qualified Pension Plans |                         |      |                   |
|--------------------------|-----------------------------|-------------------------|------|-------------------|
|                          | SERP                        |                         |      | Non-U.S. Plans    |
| Traditional Cash Balance | Restoration                 | SERP FAC <sup>(1)</sup> | SMPP | Other Arrangement |

Parrini  
 Jacunski  
 Astley  
 Hillard  
 Rapp<sup>(2)</sup>

(1) The SERP Final Average Compensation (“FAC”) pension applies only to Mr. Parrini and is offset by his SERP Restoration Pension and qualified plan pension.

(2) Mr. Rapp is a German citizen and does not participate in the U.S. plans. He has a separate individual retirement pension contract with the Company.



## EXECUTIVE COMPENSATION

### ADDITIONAL COMPENSATION POLICIES AND PRACTICES

#### Executive Severance Guidelines

The Company has executive severance guidelines to serve as the basis for determining the severance benefits available to the CEO, EVP, SVPs and other VPs in the case of certain terminations of employment from the Company (other than for cause, resignation, death or disability). The severance guidelines do not apply in circumstances in which change in control agreements apply. The Compensation Committee retains the authority to modify or terminate severance arrangements, in its discretion, as circumstances may warrant. Additional details on severance guidelines and potential payments in the event of a termination of employment are discussed in the “Potential Payments upon Termination or Change in Control” section.

#### Change in Control Arrangements and Double Trigger Equity Grant Vesting

The Company has entered into Change in Control (“CIC”) Agreements with each of the NEOs and certain other executives. The Compensation Committee believes these arrangements will serve as an incentive for executives to act in the interest of shareholders in the event of a CIC, without regard to personal risks to their continued employment resulting from a CIC. Generally, these agreements provide for severance and other benefits to be paid to executives upon a qualifying CIC. Since 2011, new CIC Agreements do not provide a tax gross-up provision for excise taxes imposed under the Internal Revenue Code of 1986, as amended (the “Code”). Therefore, Messrs. Astley and Hillard do not have any tax gross-up provisions. The legacy CIC agreements of Messrs. Parrini, Jacunski and Rapp, which were entered into before 2011, contain tax gross-up provisions.

The Company’s equity grant agreements include “double trigger” provisions that accelerate vesting in the event of a CIC if the executive is terminated without cause or resigns with good reason (as defined in the applicable agreement). The Compensation Committee believes that the double trigger provision will ensure continuity of Management during mergers and acquisitions and assist with retaining key executives, ultimately benefitting shareholders. Additional details on the CIC agreements and potential payments in the event of a CIC are discussed in the “Potential Payments upon Termination or Change in Control” section.

#### Executive Share Ownership Guidelines

The Compensation Committee believes it is important to require the Company’s senior executives, including NEOs, to meet minimum stock ownership guidelines.

The executive share ownership guidelines align the interests of the shareholders with the Company’s long-term growth strategy. The Compensation Committee determines the guidelines using a multiple of each senior executive’s base

salary. Depending on the executive’s position, the executive share ownership guidelines require the executive to own Company stock that ranges in value from two to five times the senior executive’s base salary as follows:

| 2018 Share Ownership Guidelines |                           |
|---------------------------------|---------------------------|
| Ownership Guideline             |                           |
| Position                        | (Relative to Base Salary) |
| CEO                             | 5X                        |
| CFO                             | 3X                        |
| Other Executives                | 2X                        |

The value of required ownership is adjusted annually for salary increases and the number of shares needed to be owned will be affected by changes in stock price. Directly-owned shares, beneficially-owned shares held indirectly (e.g., by family members, trusts, etc.) and shares held in the 401(k) plan are eligible for satisfying ownership guidelines. The share ownership guidelines also include unvested restricted stock and RSUs, and earned, but unvested PSAs, consistent with market practices.

#### Holding Requirement

Until the executive share ownership guideline level is attained, executives must retain 50% of net after-tax profit shares realized at exercise of SOSARs and payment of PSAs and RSUs. The Compensation Committee reviews executives’ progress toward satisfying the requirements annually.

#### Clawback Policy

The Compensation Committee has discretion to recover or “claw back” incentive compensation when the basis for recouping performance-based compensation is triggered by a material financial restatement. The Compensation Committee may recoup performance-based compensation, including cash and equity incentive awards, that is paid within three years prior to a restatement and in excess of the amount the NEO or executive officer would have otherwise received without the material noncompliance. Recoupment is applicable to an executive who is directly accountable for the cause of the restatement and could apply to any officer in an upward reporting hierarchy to the responsible individual. In addition, a recoupment could be made for compensation paid in a fiscal year in which an officer engages in intentional misconduct in performing his or her duties.

#### Hedging and Pledging Policies

All executives and directors, including the NEOs, are subject to an insider trading policy under which hedging transactions, including put or call options, short selling or similar hedging activities involving Company stock, and pledging of Company stock are prohibited.

Tax Deductibility under Code Section 162(m)

Section 162(m) of the Code generally imposes a \$ 1 million deduction limitation on compensation paid to certain executive officers of a publicly-held corporation during the year. For 2018, the executive officers to whom the Section 162(m) deduction limit applies include the Company's Chief Executive Officer and Chief Financial Officer, the next three most highly compensated executive officers, and any such "covered employee" for a year after 2016. The Compensation Committee reserves discretion to award compensation that is not deductible under Section 162(m), as the Compensation Committee deems appropriate.

## EXECUTIVE COMPENSATION

### ROLE OF THE COMPENSATION COMMITTEE AND CONSULTANT INDEPENDENCE

The Compensation Committee is responsible for approving NEO compensation, and, in the case of the CEO, submits his pay for ratification and approval by the independent members of the Board. The Chair of the Compensation Committee is responsible for leading the Compensation Committee. The Compensation Committee may form subcommittees and delegate authority. The meetings of the Compensation Committee are regularly attended by the Consultant. The CEO, CFO, and Vice President of Human Resources also generally attend the Compensation Committee meetings. All members of Management present at the meeting, including the CEO, are excused from the meeting prior to any discussion of their compensation. The Compensation Committee holds a final executive session with only Compensation Committee members present before approving any compensation.

The Compensation Committee has the authority to engage compensation consultants, legal counsel or other advisors, as needed. The Compensation Committee provides oversight and approves related fees and retention terms of the consultants, counsel or advisors, and may select a compensation consultant, legal counsel or other advisor after assessing that person's independence from Management or members of the Compensation Committee.

During 2018, the Compensation Committee retained Meridian Compensation Partners LLC, an executive compensation consulting firm (the "Consultant"), to provide advice and

assistance to the Compensation Committee and to Management in the area of executive and non-employee directors' compensation for the Company. The Consultant reports directly to the Compensation Committee and has been authorized by the Compensation Committee to work with certain executive officers of the Company and other employees in the Company's human resources, legal and finance departments.

The Compensation Committee has established several practices to ensure the Consultant's independence, candor and objectivity. The Consultant is engaged by and reports directly to the Compensation Committee, frequently meets separately with the Compensation Committee with no members of Management present and consults with the Compensation Committee's Chair between meetings as needed. Management periodically reports to the Compensation Committee the fees paid for services performed by the Consultant, and the Compensation Committee approves the annual work plan and budget for the Consultant. In 2018, the Compensation Committee assessed the independence of the Consultant and other outside advisors as required under the NYSE listing rules, and considered and assessed all relevant factors, including those required by the SEC that could give rise to potential conflict of interests with respect to the Consultant. Based on this review, the Compensation Committee did not identify any conflict of interest raised

by the work conducted by the Consultant for 2018.

#### Report of the Compensation Committee

The Compensation Committee has reviewed and discussed the Company's Compensation Discussion and Analysis with Management. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement for the year ended December 31, 2018.

The information disclosed in this Report shall not be considered as "soliciting material," or to be "filed" with the SEC. This information is not subject to Regulation 14A, 14C or the liabilities of Section 18 of the Exchange Act.

The foregoing Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates the Report by reference therein.

Lee C. Stewart (Chair)

Kathleen A. Dahlberg

Nicholas DeBenedictis

J. Robert Hall

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## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table sets forth compensation information for the Chief Executive Officer of the Company, the Chief Financial Officer of the Company and the Company's three most highly compensated executive officers in 2018 other than the Chief Executive Officer and the Chief Financial Officer.

| Name and<br>Principal<br>Position in<br>2018   | Year | Salary    | Bonus | Stock<br>Awards <sup>(1)</sup> | Option<br>Awards <sup>(2)</sup> | Non-Equity<br>Incentive<br>Plan<br>Compensation <sup>(3)</sup> | Change in               | Non-Qualified<br>Deferred<br>Comp <sup>(4)</sup> | All Other<br>Compen-<br>sation <sup>(5)</sup> | Total |
|--|------|-----------|-------|--------------------------------|---------------------------------|--|-------------------------|--|---|-------|
|  |      |           |       |                                |                                 |  | Earnings <sup>(4)</sup> |  |   |       |
| Dante C.<br>Parrini<br>Chairman &<br>Chief<br>Executive<br>Officer                       | 2018 | \$996,183 | \$—   | \$1,771,525                    | \$—                             | \$—  | \$—                     | \$22,199   | \$2,789,907                                   |       |
|  | 2017 | 973,865   | —     | 1,564,808                      | —                               | 557,051  | 1,824,000               | 18,955   | 4,938,679                                     |       |
| John P.<br>Jacunski<br>Executive<br>Vice<br>President<br>& Chief<br>Financial<br>Officer | 2016 | 971,501   | —     | 782,400                        | 782,410                         | 1,288,423  | 1,612,000               | 19,522   | 5,456,256                                     |       |
|  | 2018 | \$548,422 | \$—   | \$634,898                      | \$—                             | \$—  | \$—                     | 10,222   | \$1,193,542                                   |       |
|  | 2017 | 530,842   | —     | 574,994                        | —                               | 197,367  | 432,000                 | 11,985   | 1,747,188                                     |       |
|  | 2016 | 609,775   | —     | 787,494                        | 287,505                         | 545,582  | 208,000                 | 11,050   | 2,449,406                                     |       |
| Christopher<br>W. Astley<br>Senior Vice<br>President &<br>Business Unit<br>President,    | 2018 | \$391,668 | \$—   | \$407,384                      | \$—                             | \$—  | \$29,000                | 8,608  | \$836,660                                     |       |
|  | 2017 | 368,051   | —     | 350,019                        | —                               | 147,570  | 26,000                  | 8,596  | 900,236                                       |       |
| AMBU<br>Samuel L.<br>Hillard <sup>(6)</sup>  | 2016 | 367,158   | —     | 174,997                        | 175,003                         | 254,857  | 25,000                  | 8,177  | 1,005,192                                     |       |
|  | 2018 | \$326,550 | \$—   | \$650,335                      | \$—                             | \$—  | \$19,000                | 5,014  | \$1,000,899                                   |       |

|  |      |           |     |           |         |         |           |        |             |
|--|------|-----------|-----|-----------|---------|---------|-----------|--------|-------------|
| Vice President, Corporate Development & Strategy | 2017 | 315,000   | —   | 295,001   | —       | 81,081  | N/A       | 12,784 | 703,867     |
| Martin Rapp <sup>(7)</sup>                       | 2018 | \$428,157 | \$— | \$336,498 | \$—     | \$—     | \$348,000 | 17,295 | \$1,129,950 |
| Senior Vice President & Business Unit President, | 2017 | 391,193   | —   | 267,492   | —       | 161,816 | 441,000   | 15,022 | 1,276,523   |
| CFBU   | 2016 | 383,431   | —   | 137,504   | 137,501 | 226,796 | 249,000   | 14,724 | 1,148,956   |

(1) The amounts reflect the grant date fair value of RSUs and/or PSAs granted in 2018, 2017 and 2016 determined in accordance with ASC Topic 718. The method used to calculate these amounts is set forth in note 10 to the Company's audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. If the PSAs granted in 2018 were earned at the maximum level (200% of target), the following amounts would become issuable: Mr. Parrini - \$2,203,702; Mr. Jacunski - \$789,789; Mr. Astley - \$506,779; Mr. Rapp - \$418,600; and Mr. Hillard - \$401,492.

(2) The amounts reflect the grant date fair value of SOSARs granted in 2016 determined in accordance with ASC Topic 718. The method used to calculate these amounts is indicated in note 10 to the Company's audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

|                          | 2016    |
|--------------------------|---------|
| Dividend yield           | 2.85%   |
| Risk-free rate of return | 1.34    |
| Volatility               | 31.97   |
| Term                     | 6 years |

(3) The 2018, 2017 and 2016 amounts reflect cash payments under the Company's MIP. See discussion of the MIP in the "Compensation Discussion and Analysis section."

(4) For each of the NEOs, the estimated amounts reflect the actuarial increase in the present value of benefits under all pension plans established by the Company, based on interest rate and mortality assumptions that are consistent with those used in the Company's financial statements. The assumptions relating to the same are disclosed in the 2018 Pension Benefits table. These amounts may reflect benefits which the NEOs are not currently entitled to receive, to the extent that such amounts are not vested. The amounts shown only include the change in pension value. They do not include any above-market earnings on nonqualified defined contribution plans. There are no deferred compensation plans. The Company did not make any changes to the pension benefits during 2018.

For Mr. Parrini, the change in pension value was a reduction of \$860,000, which is reported as \$0 for purposes of summary compensation table reporting. The change in actuarial present value of his pension value is attributable to three factors. First, higher discount rate assumptions were used to estimate the value of the benefit. A higher discount rate produces a lower pension value. Second, as Mr. Parrini worked for a full year in 2018, his pension benefits increased because he earned an additional year of benefit service for pension purposes. Third, Mr. Parrini's pay decreased, as measured by his average compensation over the five years immediately preceding his assumed retirement. Mr. Parrini's total compensation decreased by 44% compared to 2017. Overall, the increase in discount rates and decrease in pay more than offset any increase due to service. As described in "Pension Benefits," a significant portion of Mr. Parrini's SERP benefit is unvested.

Mr. Jacunski's change in pension value was a reduction of \$10,000, which is reported as \$0 for purposes of summary compensation table reporting. The actuarial present value of his pension is attributable to three factors. First, higher

discount rate assumptions were used to estimate the value of the benefit. A higher discount rate produces a lower pension value. Second, as Mr. Jacunski worked for a full year in 2018, his pension benefits increased because he earned an additional year of benefit service. Third, Mr. Jacunski's reported change in the pension value is attributable to a decrease in his pay for 2018, which resulted in only a modest increase in his final average compensation for purposes of the Restoration Pension. Overall, the increase in discount rates more than offset any increases due to service and changes in final average compensation.



## EXECUTIVE COMPENSATION

(5) Other compensation includes the following:

|          | 401(k)<br>Match | Perquisites<br>(i, ii) | Life<br>Insurance<br>Premium<br>(iii) | Other<br>Compensation<br>(iv) | Total    |
|----------|-----------------|------------------------|---------------------------------------|-------------------------------|----------|
| 2018     |                 |                        |                                       |                               |          |
| Parrini  | \$4,125         | \$ 8,481               | \$ 2,550                              | \$ 7,043                      | \$22,199 |
| Jacunski | 4,125           | -                      | 1,653                                 | 4,444                         | 10,222   |
| Astley   | 4,125           | -                      | 382                                   | 4,101                         | 8,608    |
| Hillard  | 4,125           | -                      | 268                                   | 621                           | 5,014    |
| Rapp     | 0               | 15,991                 | 1,304                                 | -                             | 17,295   |

i. The amount included in the “Perquisites” column for Mr. Parrini represents dues for a club paid by the Company.

ii. The amount in the “Perquisites” column for Mr. Rapp represents a car allowance paid for by the Company.

iii. The amounts included in the “Life Insurance Premium” column represent the annual premium paid by the Company. For Mr. Rapp, the amount is paid in Euros (€). Amounts presented here have been converted to United States dollars (\$) using the average exchange rate for 2018, or 1.1815 \$/€.

iv. The amounts included in the “Other Compensation” column consist of premiums for executive long-term disability coverage and the cost of annual executive physicals paid by the Company.

(6) Mr. Hillard received a one-time grant of 31,170 RSUs on December 20, 2018, in addition to his annual LTI grant, to recognize his achievements with the SPBU divestiture and nonwoven acquisition during 2018. The RSUs have three-year cliff vesting.

(7) Mr. Rapp’s cash compensation is paid in Euros (€). Amounts presented here have been converted to United States dollars (\$) using the average exchange rate for 2018, or 1.1815 \$/€. Mr. Rapp’s cash compensation (not including automobile expense reimbursement) was 363,820 € in 2018 and 346,495 € in both 2017 and 2016.

## CEO Pay Ratio

We are providing information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Parrini, our CEO, as required by Item 402(u) of Regulation S-K.

For 2018, our ratio was estimated as follows:

| Name | Annual Total Compensation |
|------|---------------------------|
|------|---------------------------|

|                 | (in 000x) <sup>1</sup> |
|-----------------|------------------------|
| CEO             | \$2,808.1              |
| Median Employee | \$69.0                 |
| CEO Pay Ratio   | 41:1                   |

(1) Annual total compensation includes compensation calculated for purposes of the summary compensation table as well as benefit premiums for the CEO and the median employee.

To identify the median employee, the methodology and the material assumptions, adjustments and estimates we used were as follows:

• We continued to use October 1 as the date to determine the median employee, which for 2018 included SPBU and Steinfurt employees.

• All employees throughout our global operations were considered.

• Given the geographical distribution of our employee population, we use a variety of pay elements to structure the compensation arrangements of employees, with cash compensation being the most commonly used form of annual pay. Consequently, for purposes of measuring the compensation in determining the median employee, we selected base salary or wages, overtime and short-term incentives as the most appropriate measure of compensation. In making this determination we annualized the compensation of permanent employees hired between January 1, 2018 and October 1, 2018.

• Using this methodology, we determined the appropriate median employee to be a full-time employee in Germany. The 2017 median employee could no longer be used as the employee's employment was terminated during 2018.

• For purposes of this determination, we applied the appropriate exchange rate to U.S. dollars of the average exchange rate for October 2018 as to our non-US employees.

When calculating the Annual Total Compensation of the CEO, we used the amount reported in the "Total" column of our Summary Compensation Table included in this proxy statement as well as benefit premiums paid by the Company. We used the same methodology for calculating the Annual Total Compensation for the median employee.

## EXECUTIVE COMPENSATION

## 2018 Grants of Plan-Based Awards

The following table, including footnotes, sets forth information concerning grants of plan-based awards in 2018:

| Name and<br>Grant Date   | Estimated Possible Payouts<br>Under Non-Equity Incentive<br>Plan Awards <sup>(1)</sup> |          |           | Estimated Possible Payouts<br>Under Equity Incentive<br>Plan Awards <sup>(2)</sup> |        |         | All<br>Other<br>Stock<br>Awards:<br>Number<br>of<br>Shares<br>of<br>Stock<br>or<br>Underlying<br>Options<br>Awards | All Other<br>Awards:<br>Number of<br>or Base<br>Price of<br>Option<br>Awards | Grant<br>Date | Fair Value<br>of Stock<br>and<br>Option<br>Awards |
|--------------------------|--|----------|-----------|--|--------|---------|--|--|---------------|---|
|                          | Threshold  | Target   | Maximum   | Threshold  | Target | Maximum |  |  |               |   |
|                          | (\$)   | (\$)     | (\$)      | (#)  | (#)    | (#)     | (#) <sup>(3)</sup>   | (#)  |               |   |
| Dante C. Parrini         |  |          |           |  |        |         |  |  |               |   |
| 2/21/2018                | 499,106  | 998,212  | 1,996,424 | 9,687  | 48,433 | 96,866  |  | —  | N/A           | 1,101,851   |
| 2/21/2018                |  |          |           |  |        |         | 32,289   |  |               | 669,674   |
| John P. Jacunski         |  |          |           |  |        |         |  |  |               |   |
| 2/21/2018                | 178,810  | 357,620  | 715,241   | 3,472  | 17,358 | 34,716  |  | —  | N/A           | 394,895   |
| 2/21/2018                |  |          |           |  |        |         | 11,572   |  |               | 240,003   |
| Christopher W.<br>Astley |  |          |           |  |        |         |  |  |               |   |
| 2/21/2018                | 101,214  | 216,598  | 433,197   | 2,228  | 11,138 | 22,276  |  | —  | N/A           | 253,390   |
| 2/21/2018                |  |          |           |  |        |         | 7,425  |  |               | 153,995   |
| Samuel L.<br>Hillard     |  |          |           |  |        |         |  |  |               |   |
| 2/21/2018                | 81,900   | 163,800  | 327,600   | 1,765  | 8,824  | 17,648  |  | —  | N/A           | 200,746   |
| 2/21/2018                |  |          |           |  |        |         | 5,882  |  |               | 121,993   |
| 12/20/2018               |  |          |           |  |        |         | 31,170   |  |               | 327,597   |
| Martin Rapp              |  |          |           |  |        |         |  |  |               |   |
| (4)                      |  |          |           |  |        |         |  |  |               |   |
| 2/21/2018                | €100,051   | €200,101 | € 400,202 | 1,840  | 9,200  | 18,400  |  | —  | N/A           | 209,300   |
| 2/21/2018                |  |          |           |  |        |         | 6,133  |  |               | 127,198   |

(1) The amounts shown represent target, threshold and maximum awards under the Company's Management Incentive Plan. Threshold payments equal 50% of the target amount and maximum payments equal 200% of the target amount shown. For 2018 achievement of the performance goals resulted in no MIP payments as described in the

“NEO MIP Payments” table of the CD&A.

- (2) The amounts shown reflect the threshold, target and maximum amount of PSAs granted to the NEOs under the LTIP. PSAs vest over three-year period based on performance measured over two years as well as a three-year relative TSR modifier, and three-year service-based vesting. The actual number of shares paid out will range from 0% to 200% of the target amount, depending upon attainment of performance goals.
- (3) The amounts shown reflect grants of RSUs to the NEOs under the LTIP. RSUs are subject to three-year cliff vesting.
- (4) Mr. Rapp’s non-equity incentive is paid in euros (€). Amounts presented here have been converted to U.S. dollars (\$) using the year-end exchange rate of 1.145.

## EXECUTIVE COMPENSATION

## 2018 Outstanding Equity Awards at Fiscal Year-End

The following table, including footnotes, sets forth information concerning outstanding equity awards as of December 31, 2018:

| Name             | Option and Stock Awards    |               | Exercise Price (\$) | Option Expiration Date | Stock That Have Not Vested (#) <sup>(2)</sup> | Stock That Have Not Vested (\$) <sup>(3)</sup> | Equity Incentive Plan Awards:                  | Equity Incentive Plan Awards:                   |
|------------------|----------------------------|---------------|---------------------|------------------------|---|--|--|---|
|                  | Options (#) <sup>(1)</sup> | Unexercisable |                     |                        |   |  | Market   | Market  |
|                  | Number of Securities       |               |                     |                        |   |  | Unearned Shares, Units or Other                | Unearned Shares, Units or Other                 |
|                  | Underlying                 | Unexercised   | Option              | Option                 | Stock That                                    | Stock That                                     | Rights That Have Not Vested (#) <sup>(4)</sup> | Rights That Have Not Vested (\$) <sup>(3)</sup> |
|                  | Options (#) <sup>(1)</sup> | Unexercisable | Price (\$)          | Date                   | Have Not Vested (#) <sup>(2)</sup>            | Have Not Vested (\$) <sup>(3)</sup>            | Have Not Vested (#) <sup>(4)</sup>             | Have Not Vested (\$) <sup>(3)</sup>             |
| Dante C. Parrini | 169,510                    | —             | 9.91                | 5/5/2019               | 59,479  | 580,515  | 89,219   | 870,777   |
|                  | 66,300                     | —             | 13.95               | 3/3/2020               |   |  |  |   |
|                  | 88,140                     | —             | 12.56               | 3/3/2021               |   |  |  |   |
|                  | 85,130                     | —             | 15.61               | 3/6/2022               |   |  |  |   |
|                  | 98,010                     | —             | 18.36               | 3/5/2023               |   |  |  |   |
|                  | 82,997                     | —             | 29.89               | 2/26/2024              |   |  |  |   |
|                  | 119,627                    | —             | 24.94               | 2/26/2025              |   |  |  |   |
|                  | 131,785                    | 65,893        | 17.27               | 2/25/2026              |   |  |  |   |
| John P. Jacunski | 101,170                    | —             | 9.91                | 5/5/2019               | 15,892  | 155,106  | 32,345   | 315,687   |
|                  | 44,880                     | —             | 13.95               | 3/3/2020               | 24,728  | 241,345  |  |   |
|                  | 39,300                     | —             | 12.56               | 3/3/2021               | 21,563  | 210,455  |  |   |
|                  | 33,790                     | —             | 15.61               | 3/6/2022               |   |  |  |   |
|                  | 39,780                     | —             | 18.36               | 3/5/2023               |   |  |  |   |
|                  | 30,230                     | —             | 29.89               | 2/26/2024              |   |  |  |   |

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|                       |        |        |       |           |        |         |        |         |
|-----------------------|--------|--------|-------|-----------|--------|---------|--------|---------|
|                       | 45,347 | —      | 24.94 | 2/26/2025 |        |         |        |         |
|                       | 48,426 | 24,213 | 17.27 | 2/25/2026 |        |         |        |         |
| Christopher W. Astley | 8,000  | —      | 11.92 | 7/23/2020 | 10,371 | 101,221 | 20,261 | 197,747 |
|                       | 20,710 | —      | 12.56 | 3/3/2021  | 13,507 | 131,828 |        |         |
|                       | 21,730 | —      | 15.61 | 3/6/2022  |        |         |        |         |
|                       | 21,600 | —      | 18.36 | 3/5/2023  |        |         |        |         |
|                       | 16,070 | —      | 29.89 | 2/26/2024 |        |         |        |         |
|                       | 26,253 | —      | 24.94 | 2/26/2025 |        |         |        |         |
|                       | 29,477 | 14,738 | 17.27 | 2/25/2026 |        |         |        |         |
| Samuel L. Hillard     | 42,191 | 21,095 | 19.38 | 3/21/2026 | 11,008 | 107,438 | 16,513 | 161,167 |
|                       |        |        |       |           | 31,170 | 304,219 |        |         |
| Martin Rapp           | 18,530 | —      | 15.61 | 3/6/2022  | 14,988 | 146,283 | 16,172 | 157,839 |
|                       | 22,170 | —      | 18.36 | 3/5/2023  | 10,781 | 105,223 |        |         |
|                       | 14,730 | —      | 29.89 | 2/26/2024 |        |         |        |         |
|                       | 21,659 | —      | 24.94 | 2/26/2025 |        |         |        |         |
|                       | 23,160 | 11,580 | 17.27 | 2/25/2026 |        |         |        |         |

- (1) Represents SOSARs with a 10-year term, which vest ratably on the first, second and third anniversaries of the grant date. All SOSARs are settled in shares of the Company's common stock.
- (2) Includes RSUs that vest 100% on the fifth anniversary of the grant date. Mr. Jacunski was granted 15,892 units on February 26, 2014 and 24,728 units on April 6, 2016; Mr. Astley was granted 10,371 units on February 26, 2014; and Mr. Rapp was granted 14,988 units on February 26, 2014. All others are RSUs granted as part of the 2017 and 2018 annual grants with three-year vesting requirements, except Mr. Hillard's one-time grant of 31,170 units on December 20, 2018 which also has three-year cliff vesting.
- (3) Calculated based on the closing price of the Company's common stock on December 29, 2018 (\$9.76).
- (4) The amount shown reflects the aggregate target amount of PSAs granted February 25, 2016, February 23, 2017 and February 22, 2018 vesting December 31, 2018, December 31, 2019 and December 31, 2020, respectively. The actual number of shares to be paid out ranges from 0% to 200% of the target amount, depending upon attainment of performance goals. PSAs granted in 2016 were earned at 93.4% as confirmed by the Board in February 2018. In February 2019, the Board confirmed a payout of 50.5% was achieved for the PSAs granted on February 23, 2017; payouts are subject to time-based vesting through December 31, 2019.

## EXECUTIVE COMPENSATION

## 2018 Options Exercised and Stock Vested

The following table, including footnotes, sets forth information concerning stock grants that vested during fiscal 2018. No options were exercised by the NEOs during fiscal 2018.

|                       | Stock Awards        |                     |                     |                     | Total Value |
|-----------------------|---------------------|---------------------|---------------------|---------------------|-------------|
|                       | No. of Shares       |                     | Value Realized on   |                     |             |
| Acquired              | on Vesting          | Value Realized on   | Value Realized on   | Realized            |             |
|                       | (Payout)            | Vesting             | Vesting             | from all            |             |
|                       |                     |                     |                     | Exercised           |             |
|                       |                     |                     |                     | and Vested          |             |
|                       | PSAs <sup>(1)</sup> | RSUs <sup>(2)</sup> | PSAs <sup>(3)</sup> | RSUs <sup>(4)</sup> | Grants      |
| Dante C. Parrini      | 59,287              | 112,365             | \$716,658           | \$1,270,848         | \$1,987,506 |
| John P. Jacunski      | 21,946              | —                   | 266,507             | —                   | 266,507     |
| Christopher W. Astley | 13,202              | —                   | 159,139             | —                   | 159,139     |
| Samuel L. Hillard     | 12,070              | —                   | 161,967             | —                   | 161,967     |
| Martin Rapp           | 10,493              | —                   | 127,401             | —                   | 127,401     |

(1) Represents PSAs granted on February 26, 2015, with a performance period of January 1, 2015–December 31, 2017, and a vesting date of December 31, 2017, for which shares were paid out on February 12, 2018, and PSAs granted on February 25, 2016 with a performance period of January 1, 2016–December 31, 2017, and a vesting date of December 31, 2018, for which shares were paid out on December 31, 2018.

(2) Represents shares received by Mr. Parrini upon vesting of 100,000 RSUs granted December 12, 2013 and accrued dividend equivalents in the form of additional RSUs.

(3) Based on the closing price of the Company's common stock of \$19.70 for shares paid out on February 12, 2018 and \$9.76 for shares paid out on December 31, 2018.

(4) Based on the closing price of the Company's common stock of \$11.31 on the December 12, 2018 payout date.

## 2018 Pension Benefits

## PENSION PLAN OVERVIEW

## QUALIFIED PLANS

All U.S.-based NEOs participate in the Qualified Pension Plan, which is a tax-qualified defined benefit pension plan. The Qualified Pension Plan has two methods under which participant benefits are determined: the traditional pension and the cash balance pension.

Traditional Pension (closed to new entrants since 2007)

Messrs. Parrini and Jacunski were plan participants on January 1, 2007, and are eligible for a normal unreduced retirement pension (“traditional pension”) beginning at age 65 equal to:

|   |   |   |
|---|---|---|
| 1.4% of final average compensation multiplied by years of benefit service<br>(to a maximum of 25) | + | 0.5% of final average compensation for each year of benefit service in excess of 25 |
|---|---|---|

Final average compensation (“FAC”) means the participant’s highest average compensation over any consecutive five-year period that spans the ten-year period preceding the year of the participant’s retirement.

Eligible compensation includes salary as listed in the Summary Compensation Table, plus paid non-equity incentive plan compensation (to a maximum of the IRS limit, which was \$275,000 for 2018).

The Qualified Pension Plan provides for early retirement benefits for participants who retire at or after age 55 and prior to age 65.

The amount of the monthly early retirement pension is reduced due to early commencement at the rate of 2.5% per year.

#### Cash Balance Pension

Messrs. Astley and Hillard were hired after January 1, 2007, and therefore participate in the cash balance pension. At the end of each month, the Company determines contribution credits equal to 5.5% of their eligible monthly base pay. Interest is accrued on the account balance at the end of each month based on an external index (Moody’s AA Nominal bond yield). Full vesting occurs after three years of service.

#### Mr. Rapp’s Pension Agreement

Mr. Rapp is covered under a Retirement Pension Contract, dated October 31, 2007, negotiated with the Company at the time of his hire to offset loss from his prior employer. Under this

arrangement, he is eligible for a normal retirement benefit after having attained age 65.



Mr. Rapp's normal retirement benefit is based on 1.5% of his pensionable income multiplied by his years of service. Pensionable income is the average of his base pay plus bonus for the five years immediately preceding his retirement. Mr. Rapp is eligible for an early retirement benefit after reaching age 60. His early retirement benefit equals his normal retirement benefit reduced by 2.5% per year. Mr. Rapp's normal form of benefit is a 60% joint-and-survivor annuity.

EXECUTIVE COMPENSATION

NON-QUALIFIED PENSION PLANS

The Company also sponsors for certain executives non-qualified pension plans, providing benefits that coordinate with and supplement the pension plan benefits.

Supplemental Executive Retirement Plan (SERP)

The SERP consists of post-employment benefits for certain NEOs who have been approved for participation by the Compensation Committee, or by the independent members of the Board in the case of the CEO.

|   |  |
|---|--|
| <p>Restoration Pension Benefit</p>        | <p>The Restoration Pension under the SERP provides those executives whose benefits under the Qualified Pension are reduced due to legal limits with a supplemental pension benefit. The supplemental benefit restores the portion of the pension benefit that was earned but not able to be paid under the Qualified Pension because of the legal limits provided in the Code. The Restoration Pension is generally paid in the form of an annuity, except that small benefit amounts are paid in a lump sum. Employees will generally be eligible for the Restoration Pension if they have at least one year of pensionable compensation in excess of the Code’s annual compensation limit for qualified pension plans. Participants are vested in their Restoration Pension, except in the event of termination for cause and after meeting certain service requirements.</p>  |
| <p>Final Average Compensation Pension</p> | <p>The FAC Pension under the SERP pays a pension benefit equal to 2% of the executive’s average compensation over the five years immediately preceding his retirement, multiplied by the participant’s years of benefit service under the Qualified Pension Plan, up to a maximum of 27.5 years. The FAC Pension benefits are offset against the Restoration Pension and Traditional Pension Plan benefits.</p> <p>The FAC Pension only vests at age 55 and is payable following the executive’s retirement on or after age 55. If the FAC Pension is payable prior to age 62, the monthly amount of the benefit is reduced to reflect its early commencement. A survivor benefit is also payable under the FAC Pension to the participant’s surviving spouse in the event of the participant’s death before the FAC Pension commences.</p> <p>Only Mr. Parrini is eligible for the FAC Pension. If Mr. Parrini receives a FAC Pension, his benefit will be paid in a lump sum. In the event of a change in control of the Company, the FAC Pension will vest regardless of age, and his FAC Pension benefit will be fixed at 55% of his average final compensation as though he reached normal retirement as defined under the plan. Mr. Parrini’s FAC Pension is currently unvested.</p> |

Supplemental Management Pension Plan (SMPP)

The SMPP provides an Early Retirement Supplement to benefits otherwise provided by the Qualified Pension Plan if the participant retires early. Normal retirement age under the Qualified Pension Plan is age 65; however, under the Qualified Plan, a participant who is at least age 55 may either:

• Elect early retirement and receive a reduced monthly early retirement pension that begins immediately following retirement, or

• Postpone the start of the pension until a later date, but not later than age 65.

If the participant agrees to postpone his or her Qualified Pension Plan pension until at least 36 months following the early retirement date, then the Early Retirement Supplement will pay a supplemental benefit during the 36-month period. The Early Retirement Supplement is equal to the sum of the monthly amount of the Qualified Pension Plan benefit in the form of a single life annuity. The benefit begins on the first day of the month following early retirement and continues for 36 months (or until normal retirement date), at which time the Qualified Pension Plan pension begins to be paid, subject to a six-month delay as applicable under Section 409A of the Code. Mr. Jacunski is the only NEO eligible to participate in the SMPP. Mr. Parrini does not participate in the SMPP since he is eligible for the FAC pension benefits.

## EXECUTIVE COMPENSATION

## CURRENT PENSION BENEFITS OF NEOS

The following table, including footnotes, sets forth information concerning pension benefits during fiscal year 2018.

| Name                                 | Age | Plan Name                  | Number of Years Credited Services (#) | Present  | Payments                     |
|--------------------------------------|-----|----------------------------|---------------------------------------|--|------------------------------|
|                                      |     |                            |                                       | Value of Accumulated Benefit (\$) <sup>(1)</sup> | During Last Fiscal Year (\$) |
| Dante C. Parrini <sup>(2)</sup>      | 54  | Traditional Pension        | 21                                    | 772,000  | —                            |
|                                      |     | SERP - FAC Pension         | 21                                    | 2,701,000  | —                            |
|                                      |     | SERP - Restoration Pension | 21                                    | 4,040,000  | —                            |
| John P. Jacunski                     | 53  | Traditional Pension        | 15                                    | 472,000  | —                            |
|                                      |     | SERP - Restoration         | 15                                    | 911,000  | —                            |
|                                      |     | SMPP                       | 15                                    | 100,000  | —                            |
| Christopher W. Astley <sup>(3)</sup> | 45  | Cash Balance Pension       | 8                                     | 135,000  | —                            |
|                                      |     | SERP - Cash Balance        | 8                                     | 24,000   | —                            |
| Samuel L. Hillard <sup>(4)</sup>     | 37  | Cash Balance               | 2                                     | 40,000   | —                            |
|                                      |     | SERP                       | 2                                     | 5,000  | —                            |
| Martin Rapp <sup>(5)</sup>           | 59  | Pension Agreement          | 16                                    | 2,760,000  | —                            |

(1) The present value of accumulated benefits above is based on actuarially determined assumptions including (i) discount rates of 4.4% (traditional Pension), 4.54% (SERP-FAC, Restoration and Cash Balance), 4.23% (SMPP) and 2.05% (Mr. Rapp); (ii) mortality rates for U.S.-based employees are derived from RP-2014 generational mortality tables backed off to 2006 and projected forward using the MP-2018 projection scale and for Mr. Rapp, the Heubech Richtafeln 2018G mortality table; and (iii) assumed retirement ages based on the earliest retirement age for an unreduced pension based on plan provisions with no pre-retirement terminations from the plan assumed. Assumed commencement ages by plan:

| Name     | Traditional or Cash Balance Pension/Pension Agreement | SERP-Restoration or SMPP | SERP-FAC Pension |
|----------|---|--------------------------|------------------|
| Parrini  | 63  | 63                       | 62               |
| Jacunski | 65  | 65 (SMPP-62)             | N/A              |
| Astley   | 65  | 65                       | N/A              |
| Hillard  | 65  | 65                       | N/A              |
| Rapp     | 65  | N/A                      | N/A              |

(2) Mr. Parrini's FAC Pension benefit under the SERP is unvested. As of December 31, 2018, his vested SERP benefit was the amount shown as the Restoration Pension. The FAC Pension shown is the FAC Pension after offset

against the Restoration Pension and the Traditional Pension.

(3) The accrued value of Mr. Astley's cash balance pension benefit is approximately \$166,000.

(4) The accrued value of Mr. Hillard's cash balance pension benefit is approximately \$49,000.

(5) Mr. Rapp's years of credited service include four years of pre-participation service granted under his contractual agreement. The portion of the present value of Mr. Rapp's accumulated benefit attributable to this four-year service credit is \$690,000.

## EXECUTIVE COMPENSATION

### Potential Payments upon Termination or Change in Control

## EXECUTIVE TERMINATION GUIDELINES

Payments made to a NEO upon involuntary termination by the Company without cause are made in accordance with the Company's executive termination guidelines. The executive termination guidelines do not apply if the NEO is eligible to receive payments under a Change in Control Agreement upon a termination of employment. The table on the following page describes benefits payable under the executive termination guidelines.

## CHANGE IN CONTROL AGREEMENTS AND DOUBLE TRIGGER EQUITY VESTING

The Company has entered into a Change in Control Agreement with each NEO as described in the CD&A. Under these agreements, each executive's employment with the Company will continue for two years from the date of a change in control or each executive will become entitled to severance payments and benefits upon termination under certain conditions within such two-year period. During such period, the employee will continue in a position at least equal to the position held prior to the change in control and will receive compensation and benefits from the Company at least equal to those paid prior to the change in control. The table below describes the benefits payable under the Change in Control Agreements.

Change in Control. Under Change in Control Agreements, change in control means:

- the acquisition of direct or indirect beneficial ownership of 20% or more of the combined voting power of the Company's outstanding voting securities by any person, entity or group, excluding the Company, its subsidiaries, any employee benefit plan of the Company or its subsidiaries; and any purchaser or group of purchasers who are descendants of, or entities controlled by descendants of, P. H. Glatfelter;
- in any 12-month period, the ceasing of individuals who constitute the Board to constitute at least a majority of the Board, other than any person becoming a director whose election was approved by at least a majority of incumbent directors, excluding any such person whose initial election occurs as a result of an actual or threatened election contest; or
- the consummation of (i) a reorganization, merger or consolidation in which shareholders of the Company immediately prior to such event do not, immediately thereafter, beneficially own more than 50% of the combined voting power of the reorganized, merged or consolidated company's then outstanding voting securities; or (ii) a liquidation or dissolution of the Company, or the sale of all or substantially all of the assets of the Company to a third party.

Tax Gross-Up Payments. For Change in Control Agreements in effect before 2011 (including Messrs. Parrini, Jacunski and Rapp), if any payment contingent on a change in control is subject to excise tax under the Code, then an additional payment will be made to the executive so that the amount he receives on a net basis will be the same amount he would have received without the excise tax. Beginning in 2011, the provision for excise tax gross-ups was

eliminated from the new Change in Control Agreements for Company executives. Messrs. Astley and Hillard's Change in Control Agreements, therefore, do not contain a tax gross-up provision.

“Double Trigger” Provisions. Under equity grant agreements, a double trigger provision accelerates vesting in the event of a change in control if the executive is terminated without cause or resigns with good reason (as those terms are defined in the agreements).

EXECUTIVE COMPENSATION

The following table describes how each element of the NEO’s post-employment compensation would be treated in the event of termination, with and without a change in control:

| Type of Post-Employment Compensation/Treatment upon Termination | Termination without Cause by the Company or for Good Reason by the NEO following a Change in Control  | Termination Not in Connection with a Change in Control   |
|---|---|--|
| Cash Severance  | <p>The NEO receives a severance payment in an amount equal to</p> <ul style="list-style-type: none"> <li>•two times the NEO’s annual base salary (at the highest rate achieved before the date of termination), plus</li> <li>•the NEO’s annual bonus, defined as the greater of the NEO’s three-year average bonus or the NEO’s target bonus.</li> </ul>   | <p>The Compensation Committee may authorize severance benefits if determined to be appropriate. In the past, the Company has agreed to provide severance benefits to departing executive officers in exchange for definitive termination agreements.</p> <p>In the event of termination by the Company without cause, the executive termination guidelines provide for cash severance amounts equal to one month’s pay (including base salary plus 1/12 of a notional bonus) per year of service up to the following maximums (the severance period), depending on an executive’s level:</p> <ul style="list-style-type: none"> <li>oChief Executive Officer: 24 months</li> <li>oExecutive Vice Presidents and Senior Vice Presidents: 18 months</li> </ul> |
| Health & Welfare Benefits                                       | <p>For a period of two years after the date of termination, the Company continues to provide group medical, prescription, dental, disability, salary continuance, group life, accidental death and dismemberment and travel accident insurance benefits at levels substantially equal to those that would have been provided if the NEO’s employment had not been terminated. Outplacement assistance will be</p> | <p>In the event of termination by the Company without cause, the executive termination guidelines provide for continuation of health benefits through the length of the severance period, Employee Assistance Program support, and payment of any accrued unused vacation. Outplacement assistance will be offered.</p>  |



|  |   |  |
|--|---|--|
| <p>Short-Term Incentive Compensation (“MIP”)</p> | <p>offered.<br/>The NEO receives a pro-rated bonus payment, based on the greater of the NEO’s three-year average bonus or the NEO’s target bonus.</p>   | <p>The Compensation Committee may authorize a pro-rata bonus payment if determined to be appropriate in order to enter into definitive termination agreement.</p>  |
| <p>Long-Term Incentives (“LTI”)</p>              | <p>A “double trigger” provision applies, under which RSUs, SOSARs and PSAs will accelerate vesting upon involuntary termination or good reason termination upon or following a change in control.</p> <p>PSAs will generally be deemed to have been earned at the greater of target or actual performance through the change in control.</p>  | <p>In the case of termination due to death, disability, or retirement, the NEO receives a pro-rated award based on performance.</p> <p>RSUs: If the NEO ceases employment other than upon death, disability or retirement, unvested RSUs are forfeited. If the NEO is terminated for cause, outstanding RSUs, vested or unvested, are forfeited.</p>   |
|  | <p>In the event of a change in control in which the Company’s stock is no longer the stock of the surviving entity, the Company will cause the surviving entity to issue replacement RSUs and PSAs. A value restoration payment with respect to any vested replacement SOSARs, RSUs or PSAs will be paid based on the difference between the fair market value of the surviving entity’s common stock on the date of the change in control and, if less, the fair market value of the surviving entity’s common stock on the vesting date (which will include the date of the Participant’s involuntary Separation from Service other than for Cause, or voluntary Separation from Service for Good Reason). Any value restoration payment will include interest (at the prime rate of interest of the Company’s principal bank in effect on the vesting date for the period between the date of the change in control and the vesting date) and will be paid in cash within thirty (30) days after the vesting date.</p> | <p>For grants prior to 2013 upon death, disability or retirement, unvested RSUs are pro-rated. For grants beginning in 2013, upon death or disability, vesting of RSUs is accelerated and upon retirement, unvested RSUs are pro-rated.</p> <p>SOSARs: If the NEO ceases employment other than upon death, disability, retirement or termination for cause, then, for a period of 90 days following such termination, the NEO may exercise any vested SOSARs. Unvested SOSARs are forfeited. If the NEO is terminated for cause, outstanding SOSARs, vested or unvested, are forfeited. Upon retirement, there is pro-rated vesting of SOSARs, and the SOSARs are exercisable for a period of 3 years or if shorter, until the end of the term. In the case of death or disability, all unvested SOSARs will accelerate and become fully vested and exercisable for three years from the date of such death or disability, or if shorter, until the end of the term.</p> |

PSAs: If the NEO ceases employment, other than upon death, disability or retirement, unvested PSAs are forfeited. Upon death, disability or retirement after year one of the performance period, the NEO is entitled to receive a pro-rated award based on performance after the end of the performance period.

EXECUTIVE COMPENSATION

| Type of Post-Employment Compensation/Treatment upon Termination | Termination without Cause by the Company or Termination for Good Reason by the NEO following a Change in Control  | Termination Not in Connection with a Change in Control  |
|---|---|---|
| 401(k) & Pension  | <p>In the event that the NEO’s vesting service is insufficient to have earned (a) a vested interest in matching contributions under the Company’s 401(k) plan, and (b) a vested interest in an accrued benefit under the Company’s Pension Plan, the Company will pay to the NEO an amount equal to the sum of:</p> <ul style="list-style-type: none"> <li>- the NEO’s unvested matching contribution account under the 401(k) plan; and</li> <li>- the actuarial present value of the NEO’s unvested normal retirement pension under the Pension Plan.</li> </ul> <p>If the NEO is a participant in the Restoration Pension or the FAC Pension under the SERP, the NEO will become fully vested in the accrued benefit upon the change in control.</p> | <p>If a NEO leaves the Company before full vesting in the employer-matching contributions under the 401(k) plan, the non-vested portion is forfeited, except upon attainment of age 65 or death which would accelerate vesting. Employee deferrals and rollover contributions are always vested.</p> <p>Qualified Pension Plan:</p> <p>Traditional – Participants are fully vested.</p> <p>Cash Balance – Benefits under the plan generally vest upon three years of service, or upon death or attaining age 65, if earlier.</p> <p>SERP and SMPP:</p> <p>FAC Pension - Unvested FAC Pension is forfeited.</p> <p>Restoration Pension – NEO participants are currently vested in the Restoration Pension (except forfeiture in the event of termination for cause).</p> |

SMPP - Participants vest upon the attainment of age 55.

Other:

Mr. Rapp is eligible for a pension benefit through a special contractual agreement, with normal retirement benefits payable after age 65 and early retirement benefits at age 60 (normal retirement benefits reduced by 2.5% per year prior to age 65).

## EXECUTIVE COMPENSATION

## QUANTIFICATION OF PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following table, including the footnotes that follow, describes the potential payments to the NEOs upon termination of employment or due to a change in control of the Company as if such termination or change in control occurred on December 31, 2018.

| Name                          | Death or Disability | Retirement        | Involuntary Termination Without Cause | Termination Following Change in Control |
|-------------------------------|---------------------|-------------------|---------------------------------------|---|
| <b>Dante C. Parrini</b>       |                     |                   |                                       |   |
| Severance Payments (1)        | N/A                 | N/A               | \$ 3,245,878                          | \$4,991,060                             |
| RSUs (2)                      | \$580,515           | \$ 253,541        | \$ 0                                  | \$580,515                               |
| SOSARs (2)                    | \$ 0                | \$ 0              | \$ 0                                  | \$ 0                                    |
| PSAs (2)(3)                   | \$ 141,800          | \$ 141,800        | \$ 0                                  | \$685,406                               |
| Health & Welfare Benefits (4) | N/A                 | N/A               | \$ 65,772                             | \$75,168                                |
| Outplacement Assistance       | N/A                 | N/A               | \$ 40,000                             | \$40,000                                |
| Pension (5)(7)                | N/A                 | N/A               | N/A                                   | \$4,990,000                             |
| Excise Tax Gross-Up           | N/A                 | N/A               | N/A                                   | \$4,369,168                             |
| <b>Total</b>                  | <b>\$722,315</b>    | <b>\$ 395,341</b> | <b>\$ 3,351,650</b>                   | <b>\$ 15,731,317</b>                    |
| <b>John P. Jacunski</b>       |                     |                   |                                       |   |
| Severance Payments (1)        | N/A                 | N/A               | \$ 1,090,967                          | \$2,173,231                             |
| RSUs (2)                      | \$606,906           | \$ 374,654        | \$ 0                                  | \$606,906                               |
| SOSARs (2)                    | \$ 0                | \$ 0              | \$ 0                                  | \$ 0                                    |
| PSAs (2)(3)                   | \$ 52,105           | \$ 52,105         | \$ 0                                  | \$247,572                               |
| Health & Welfare Benefits (4) | N/A                 | N/A               | \$ 43,160                             | \$69,056                                |
| Outplacement Assistance       | N/A                 | N/A               | \$ 30,000                             | \$30,000                                |
| Pension (5)                   | N/A                 | N/A               | N/A                                   | \$ 0                                    |
| Excise Tax Gross-Up           | N/A                 | N/A               | N/A                                   | \$ 0                                    |
| <b>Total</b>                  | <b>\$659,011</b>    | <b>\$ 426,760</b> | <b>\$ 1,164,127</b>                   | <b>\$3,126,765</b>                      |
| <b>Christopher W. Astley</b>  |                     |                   |                                       |   |
| Severance Payments (1)        | N/A                 | N/A               | \$ 370,235                            | \$1,437,425                             |
| RSUs (2)                      | \$233,049           | \$ 155,337        | \$ 0                                  | \$233,049                               |
| SOSARs (2)                    | \$ 0                | \$ 0              | \$ 0                                  | \$ 0                                    |
| PSAs (2)(3)                   | \$ 31,713           | \$ 31,713         | \$ 0                                  | \$156,277                               |
| Health & Welfare Benefits (4) | N/A                 | N/A               | \$ 25,494                             | \$76,482                                |
| Outplacement Assistance       | N/A                 | N/A               | \$ 30,000                             | \$30,000                                |
| Pension (5)                   | N/A                 | N/A               | N/A                                   | \$ 0                                    |
| <b>Total</b>                  | <b>\$264,762</b>    | <b>\$ 187,050</b> | <b>\$ 425,729</b>                     | <b>\$1,933,233</b>                      |
| <b>Samuel L. Hillard</b>      |                     |                   |                                       |   |

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|                               |           |           |            |              |
|-------------------------------|-----------|-----------|------------|--------------|
| Severance Payments (1)        | N/A       | N/A       | \$ 75,623  | \$ 1,195,740 |
| RSUs (2)                      | \$411,657 | \$ 50,282 | \$ 0       | \$411,657    |
| SOSARs (2)                    | \$ 0      | \$ 0      | \$ 0       | \$ 0         |
| PSAs (2)(3)                   | \$26,729  | \$ 26,729 | \$ 0       | \$126,216    |
| Health & Welfare Benefits (4) | N/A       | N/A       | \$ 5,249   | \$62,988     |
| Outplacement Assistance       | N/A       | N/A       | \$ 30,000  | \$30,000     |
| Pension (5)(8)                | N/A       | N/A       | N/A        | \$5,000      |
| Unvested 401(k) Match (6)     | N/A       | N/A       | N/A        | \$8,577      |
| Total                         | \$438,386 | \$ 77,011 | \$ 110,872 | \$ 1,840,178 |
| Martin Rapp                   |           |           |            |              |
| Severance Payments (1)        | N/A       | N/A       | \$ 611,615 | \$ 1,568,964 |
| RSUs (2)                      | \$105,222 | \$ 45,045 | \$ 0       | \$105,222    |
| SOSARs (2)                    | \$ 0      | \$ 0      | \$ 0       | \$ 0         |
| PSAs (2)(3)                   | \$24,237  | \$ 24,237 | \$ 0       | \$126,148    |
| Health & Welfare Benefits (4) | N/A       | N/A       | \$ 1,264   | \$2,528      |
| Outplacement Assistance       | N/A       | N/A       | \$ 30,000  | \$30,000     |
| Pension (5)                   | N/A       | N/A       | N/A        | \$ 0         |
| Excise Tax Gross-Up (9)       | N/A       | N/A       | N/A        | \$623,077    |
| Total                         | \$129,459 | \$ 69,283 | \$ 642,879 | \$2,455,939  |

(1) In the event of an involuntary termination without cause, cash severance amounts equal to one month's pay (including base salary plus 1/12 of a notional bonus) per year of service up to 24 months for the CEO and 18 months for the NEOs other than the CEO. The notional bonus is calculated as the lesser of (i) the target bonus for the terminated executive in the year of termination or (ii) the average of annual bonuses paid to the terminated executive with respect to the three fiscal years preceding the year of termination.

EXECUTIVE COMPENSATION

- (2) The values above represent awards for which vesting fully or partially accelerates upon termination as a result of death, disability or retirement, as applicable. The values are calculated (a) based on the closing price of \$9.76 of the Company's common stock on December 31, 2018, and (b) as if death, disability or retirement had occurred on December 31, 2018. For change in control, the value assumes vesting (as determined under applicable award agreements) and exercise on December 31, 2018. Upon an involuntary termination without cause, unvested RSUs, SOSARs and PSAs are forfeited.
- (3) Assumes achievement of a target performance level at the end of the performance period, except that PSAs for 2017-2018 performance period are based on the earned number of shares (including dividend equivalent shares), which are subject to one year of additional service-based vesting on December 31, 2019.
- (4) Based on current type of coverage and premium levels.
- (5) Represents the actuarial present value of unvested retirement plans based on the maximum applicable benefit formula level. Present values have been calculated consistent with calculations in the Pension Benefits table. In the event of termination on December 31, 2018, Mr. Jacunski, would not be entitled to an Early Retirement Supplement under the SMPP, because he would have been under the age of 55 at the time of termination.
- (6) Represents the value of unvested portion of Company matching contributions under the 401(k) plan.
- (7) Mr. Parrini has not attained age 55, so he has not vested in the FAC Pension. He would have received the Restoration Pension (and no FAC Pension) upon termination as of December 31, 2018 in the absence of a change in control. In the event of a change in control, his FAC Pension will vest. The FAC Pension is offset against the Restoration Pension and his qualified plan benefits. The amount shown is the incremental value of the FAC Pension above these benefits.
- (8) Mr. Hillard has not earned three years of vesting service, so he has not vested in his pension benefits. In the event of a change in control, his Restoration Pension will vest.
- (9) Subject to applicability.

## Certain Relationships and Related Transactions

### Related Party Transactions Policy

The NCG Committee (or its Chair, under some circumstances) will review the relevant facts of all proposed Related Person Transactions and either approve or disapprove of the entry into the Related Person Transaction.

For purposes of this review, as defined in the NCG Committee Charter, a “Related Person Transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) involving an amount that is at least \$120,000, and in which the Company was, is or will be a participant, and in which any Related Person had, has or will have a direct or indirect material interest. A “Related Person” is generally any person who is, or at any time since the beginning of the Company’s last fiscal year was, (i) a director or executive officer of the Company or a nominee to become a director of the Company; (ii) any person who is known to be the beneficial owner of more than 5% of any class of the Company’s voting securities; (iii) any immediate family member of any of the foregoing persons; or (iv) any firm, corporation or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position, or in which such person has a 5% or greater beneficial ownership interest. There were no Related Person Transactions during 2018.

Related Person Transactions are approved only if they are determined to be in, or not inconsistent with, the best interests of the Company and its shareholders. No director may participate in any consideration or approval of a Related Person Transaction in which he or she, or any of his or her immediate family members or related entities, is the Related Person.

If a Related Person Transaction that has not been previously approved or ratified is discovered, the NCG Committee, or its Chair, will promptly consider all of the relevant facts. If the

transaction is ongoing, the NCG Committee will consider all options and may ratify, amend or terminate the Related Person Transaction. If the transaction has been completed, the NCG Committee will consider if rescission of the transaction is appropriate and if disciplinary action is warranted. The NCG Committee will review all ongoing Related Person Transactions on an annual basis to determine whether to continue, modify or terminate the Related Person Transaction.

In reviewing the relevant facts related to all proposed Related Person Transactions, the NCG Committee, or its Chair, will take the following considerations into account, along with other factors it deems appropriate:

- the benefits to the Company of the transactions;
- the impact on a director’s independence, in the event the “Related Person” is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer;
- the availability of other sources for comparable products or services;
- the terms of the transaction; and
- the terms available from unrelated third parties or to employees generally.

To the extent that the NCG Committee, or its Chair, needs additional information to make an informed decision regarding a proposed Related Person Transaction, the NCG Committee, or its Chair, may consult with Management of



the Company or other members of the Board.

#### Compensation Committee Interlocks and Insider Participation

The current members of the Company's Compensation Committee are Lee C. Stewart (Chair), Kathleen A. Dahlberg, Nicholas DeBenedictis and J. Robert Hall. No executive officer of the Company has served as a director or member of the

Compensation Committee (or other committee serving an equivalent function) of any other entity whose executive officers served as a director or member of the Compensation Committee of the Company.

## Report of the Audit Committee

The Audit Committee has reviewed and discussed the Company's audited consolidated financial statements for the year ended December 31, 2018 with the Company's Management and its independent registered public accounting firm. The Company's Management has advised the Audit Committee that such audited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

The Audit Committee has discussed with Deloitte, the Company's independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 1301, "Communications with Audit Committees," as issued by the Public Company Accounting Oversight Board. The Audit Committee has also discussed with Deloitte its independence from the Company and its Management. The Audit Committee has received a letter and written disclosures from Deloitte required by applicable requirements of the Public Company Accounting Oversight Board, disclosing all relationships between Deloitte and its related entities and the Company. In addition to the information provided by Deloitte, the Audit Committee

considered the level of non-audit and tax services provided by Deloitte in determining that it was independent. Based on the review and discussions described above, the Audit Committee recommended to the Company's Board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the SEC.

The foregoing Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates the Report by reference therein.

Ronald J. Naples (Chair)

Bruce Brown

Kathleen A. Dahlberg

Nicholas DeBenedictis

Richard C. III



## Frequently Asked Questions

### When and where is the Annual Meeting?

The 2019 Annual Meeting of Shareholders will be held on Thursday, May 9, 2019, at 9:00 a.m., at the York County History Center, Historical Society Museum, 250 East Market Street, York, PA 17403.

### Who may attend the meeting and what else is required for admittance?

Only shareholders of the Company's common stock on March 15, 2019 (the "Record Date") may attend the Annual Meeting, and those shareholders attending in person must present an admission ticket or other proof of stock ownership to be admitted to the Annual Meeting. For example, a shareholder may present an account statement or a letter from his/her bank or broker confirming that the shareholder owned Company common stock on the Record Date.

For registered shareholders of the Company, an admission ticket is attached to their proxy card. Registered shareholders planning to attend the Annual Meeting are requested to vote in advance of the Annual Meeting by telephone, internet or mail by completing and mailing in their proxy card, retaining the admission ticket and presenting the ticket at the Annual Meeting if they plan to attend.

Shareholders whose shares are registered in the name of a bank, broker or other institution are referred to as "beneficial owners" of Company stock. Beneficial owners should have received voting instructions or a proxy card from their broker or agent rather than from the Company and should follow the voting instructions provided by their broker or agent to ensure that their votes are counted.

### What is the difference between a registered shareholder and a beneficial owner?

If your shares are registered in your name in the records of our transfer agent, Computershare, you are a "registered shareholder," also sometimes called a shareholder (or stockholder) of record. If you are a registered shareholder, we sent this Notice directly to you.

If your shares are held in the name of your broker or bank, your shares are held in "street name" and you are considered the "beneficial owner." This Notice has been forwarded to you by your broker, bank or other holder of record, who is considered the shareholder of record for those shares. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote your shares by following the voting instructions included in the mailing.

### Why did I receive these materials?

You are receiving these materials because, as a shareholder, the Company is soliciting your vote on matters to be considered at the 2019 Annual Meeting. The Notice of Annual Meeting, this proxy statement, the accompanying proxy card and our 2018 Annual Report to shareholders, were first sent or given to shareholders on March 29, 2019. Please read this proxy statement and vote your shares by mailing the attached proxy card, voting online, by telephone

or in person at the Annual

Meeting. The Board has appointed directors J. Robert Hall and Lee C. Stewart, or either of them (the “Proxy Holders”) with power of substitution, to vote all properly-executed proxies received from shareholders entitled to vote at the Annual Meeting or at any adjournment of the Annual Meeting.

Who is entitled to vote?

Shareholders of record as of the close of business on March 15, 2019, the Record Date, may vote at the Annual Meeting. At the close of business on March 15, 2019, there were 44,023,064 shares of the Company’s common stock issued and outstanding and eligible to vote at the Annual Meeting.

How do I vote?

If you are a registered shareholder, meaning you hold your shares in your own name as a holder of record, you may vote in person at the Annual Meeting or instruct the Proxy Holders named in the enclosed proxy card how to vote your shares. You may vote your proxy by telephone at 1-800-652-VOTE (8683), online at <http://www.investorvote.com/GLT> or by completing and signing the enclosed proxy card and returning it promptly in the enclosed envelope (requiring no postage if mailed in the United States). Please make certain you mark, sign and date your proxy card prior to mailing. All valid proxies received and not revoked prior to the Annual Meeting will be voted in accordance with your instructions.

If you are a beneficial owner, meaning your shares are held by a brokerage firm, bank or other nominee (i.e., in “street name”), you should receive directions from your bank or broker that you must follow in order to have your shares voted.

Will my shares be voted if I do not sign and return my proxy card?

If a shareholder of record signs and returns the accompanying proxy card, but does not make any selections, the Board’s appointed Proxy Holders will have discretion to vote the shareholder’s shares on behalf of the shareholder at the Annual Meeting as recommended by the Board.

If a beneficial owner of shares does not provide the bank or broker holding such shares with specific voting instructions, under the rules of various national and regional securities exchanges, the shareholder’s bank or broker may generally vote on routine matters but cannot vote on non-routine matters. Proposal 1 (election of directors) and Proposal 3 (advisory vote on executive compensation) are non-routine matters. Proposal 2 (ratification of auditors) is routine.

If a shareholder’s bank or broker does not receive the shareholder’s instructions on how to vote the shareholder’s shares on a non-routine matter, the shareholder’s bank or broker will inform the Company it does not have the beneficial owner’s authority to vote on the non-routine matter. We encourage beneficial shareholders to provide voting instructions to the bank, broker or agent holding their shares by carefully following the instructions in the notice provided by the shareholder’s bank, broker or agent.

## FREQUENTLY ASKED QUESTIONS

How do I change my vote or revoke my proxy, if I wish to do so?

Shareholders of record can revoke their proxy at any time before their shares are voted if they (1) deliver a written revocation of their proxy to the Company's Secretary; (2) submit a later-dated proxy (or voting instruction form if they hold their shares in street name); or (3) vote in person at the Annual Meeting. Shareholders who are beneficial owners should follow the instructions provided by their respective broker or bank to change their vote.

What is the required quorum to hold this Annual Meeting?

As of March 15, 2019, 44,023,064 shares of the Company's common stock were outstanding and entitled to vote. The presence of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter will constitute a quorum for the purposes of such matter. Abstentions or broker "non-votes" are counted as present and entitled to vote for purposes of determining a quorum. A broker "non-vote" occurs when a broker or bank holding shares for a beneficial owner does not vote on a particular matter because the broker or bank does not have discretionary voting authority to vote on the proposal, and the beneficial owner has not provided voting instructions.

May shareholders ask questions at the Annual Meeting?

Yes. After the formal business of the Annual Meeting has concluded and adjourned, the chair of the meeting will answer questions from shareholders during the designated question and answer period of the meeting. To provide an opportunity for everyone wishing to ask a question, shareholders will be limited to three (3) minutes each to present their question. When speaking, shareholders must direct questions to the chair and limit their questions to matters relating directly to the business of the meeting. Shareholders will not be permitted to make statements.

Who pays for the proxy solicitation related to the Annual Meeting?

The Company pays the cost of preparing, printing, assembling and mailing this proxy statement and other proxy solicitation materials. The Company will also reimburse brokers and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding the proxy statement and other proxy solicitation materials to beneficial owners. In addition to the solicitation of proxies by mail, some of our directors, officers, other employees and agents may solicit proxies personally, by telephone and by other means. The officers and directors who may solicit proxies personally receive no special compensation for any solicitation activities.

What proposals will be acted upon at the meeting, and what number of votes is needed for the proposals to be adopted?

| Proposal  | Vote Required                                   | Broker Discretionary Voting Allowed? | Effect of Abstention | Effect of Broker Non-Votes                  |
|---|---|--------------------------------------|----------------------|---|
| 1 Election of Directors for a One-Year Term                                 | Plurality of Votes Cast<br>(as described below) | No                                   | Not counted          | Not counted                                 |
| 2 Ratification of Deloitte as Independent Registered Public Accounting Firm | Majority of Votes Entitled to be Cast           | Yes                                  | Vote Against         | Not applicable, as this is a routine matter |
| 3 Approval of Named Executive Officer Compensation                          | Majority of Votes Entitled to be Cast           | No                                   | Vote Against         | Not counted                                 |

**Election of Directors.** As required by our By-laws, each of the eight nominees for election has submitted an irrevocable resignation in advance. Because each of the nominees is an incumbent director, the following procedure applies if the nominee receives a plurality, but not a majority of votes cast. Although the nominee will have been elected, the Board will determine whether to accept the nominee’s advance irrevocable resignation, since the nominee did not receive a majority of the votes cast for each director. For more information regarding the election of directors and the resignation procedure, see the discussion of the “Director Voting and Resignation Policy” in the “Corporate Governance and Board” section of this proxy statement.

**Ratification of Independent Registered Public Accounting Firm.** A majority of the votes entitled to be cast at the meeting, in person or by proxy, must vote “For” the ratification of Deloitte & Touche LLP as the Company’s independent public accounting firm for the proposal to be adopted.

**Approval of Named Executive Officer Compensation.** This proposal gives you, as a shareholder, the opportunity to endorse, not endorse, or take no position on our compensation program for the NEOs. A majority of the votes entitled to be cast at the meeting, in person or by proxy, must vote “For” the proposal to approve NEO compensation for fiscal year 2018. While the Board intends to carefully consider the shareholder vote on this proposal, this vote is not binding on the Company and is advisory in nature.

## FREQUENTLY ASKED QUESTIONS

What are the Board of Directors' recommendations for voting on these proposals?

The Board recommends a vote:

**FOR** the election of the eight nominees for director;

**FOR** the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal year 2019; and

**FOR** approval of named executive officer compensation.

What are my options for voting on these proposals?

A shareholder is entitled to one vote per share of stock owned on the Record Date, on each item of business presented at the Annual Meeting, except each shareholder has cumulative voting rights for electing directors. Cumulative voting means a shareholder is entitled to as many votes in electing directors as is equal to the number of shares of common stock owned by the shareholder on the Record Date, multiplied by the number of directors to be elected. Accordingly, for the election of eight directors, a shareholder may either cast that total number of votes "For" or "Withhold" all of those votes from a single nominee. The shareholder may also distribute or withhold the total number of votes among the eight nominees as the shareholder determines, up to the number of shares of common stock owned by the shareholder on the Record Date, multiplied by eight. To utilize cumulative voting, a shareholder must check the appropriate box on the proxy card.

For the proposal to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019, a shareholder may either vote "For" or "Against" the proposal or "Abstain" from voting.

For the non-binding advisory vote on executive compensation, commonly known as a "say on pay" vote, a shareholder may either vote "For" or "Against" the proposal or "Abstain" from voting.

Aside from these proposals, will any other business be acted upon at the meeting?

No. The Company's By-laws required shareholders to submit to the Company, by November 30, 2018, notice of all director nominations and shareholder proposals to be considered at the 2019 Annual Meeting, regardless of whether shareholders sought inclusion of their nomination or proposal in this proxy statement or intended to solicit proxies on their own. Because the Company did not receive any such notice of nominations or proposals, no other director nominations, shareholder proposals or other matters will be considered at the 2019 Annual Meeting.

How may a shareholder present a proposal for next year's Annual Meeting?

A shareholder wishing to present a proposal at the 2020 Annual Meeting must submit it to the Company's Secretary pursuant to the requirements of Rule 14a-8 under the Exchange Act and the Company's By-laws prescribe the procedures a shareholder must follow. To present a proposal for consideration at the 2020 Annual Meeting, whether or not the shareholder wishes to include the matter in the proxy statement for that meeting, a notice including all of the



information required by the Company's By-laws must be submitted in writing to the Company's Secretary and delivered to, or mailed and received by, the Company no later than the close of business on November 29, 2019, regardless of delivery method.

How may a shareholder nominate a candidate to sit on the Board of Directors?

A shareholder may recommend nominees for consideration by the Board's Nominating and Corporate Governance Committee for nomination for election to the Board. Shareholder recommendations for director nominees will receive the same consideration by the Nominating and Corporate Governance Committee that all other director nominee recommendations receive. If a shareholder wishes to recommend a nominee for director, the shareholder must submit such recommendation in writing, together with any supporting materials deemed appropriate, to the Company's Secretary. Such recommendation must be made in accordance with the procedures described herein and in the Company's By-laws. To nominate a candidate for director at the 2020 Annual Meeting, notice of the nomination must be in writing and delivered to, or mailed and received by, the Company no later than the close of business on November 29, 2019.

What must be included in the notice to submit a shareholder proposal or to nominate a director candidate?

Requirements for the notice are as follows:

- ▲ a proposal submitted by a shareholder must include a description of the business desired to be brought before the meeting, the reasons for conducting the business at the meeting and any material interest the shareholder has in the business.
- ▲ a nomination for election to the Board must include information regarding the nominee (name, address, occupation, number of shares held and a representation by both shareholder and nominee that there are no undisclosed voting arrangements).
- The notice must include:
  - the shareholder's name and address, a description of the shares held, and a description of any arrangement or agreement with other shareholders or the nominee with respect to the nomination;
  - a representation that the shareholder will attend the 2020 Annual Meeting, in person or by proxy, and will submit the proposal or make the nomination;
    - a description of any hedging arrangements for Company stock into which the shareholder has entered; and
  - a statement whether the shareholder intends to solicit, or participate in the solicitation of, proxies for the proposal or nomination.

This is a general description of the notice required to submit a proposal or nomination for consideration at the 2020 Annual Meeting. The Company's By-laws contain a complete description of the notice requirements for shareholder proposals. Copies of the Company's By-laws may be obtained from the Company's website at [http://www.glatfelter.com/Files/about\\_us/](http://www.glatfelter.com/Files/about_us/corporate_governance/GLT-By-Laws.pdf)

[corporate\\_governance/GLT-By-Laws.pdf](http://www.glatfelter.com/Files/about_us/corporate_governance/GLT-By-Laws.pdf) or at no charge from the Company's Secretary. The proposal and notice must otherwise comply with the requirements of Rule 14a-8 under the Exchange Act.



## FREQUENTLY ASKED QUESTIONS

How may a shareholder communicate with the Company's Board or the non-management directors of the Company?

A shareholder may address written correspondence to the Board or any individual director (whether management or non-management), c/o Company Secretary, P. H. Glatfelter Company, 96 South George Street, Suite 500, York, PA 17401-1434. The Company's Board has approved a process whereby the Secretary of the Company will receive, review and, as appropriate, forward any communications addressed to the Board or a director to the chair of the Committee responsible for the matter addressed in the communication. All communications regarding accounting, internal controls or auditing matters will be forwarded to the chair of the Audit Committee. Alternatively, the Board has established a method for interested parties to communicate directly with the entire Board or any non-management director by calling the Company's toll-free Integrity Helpline at 800-346-1676.

2019 PROXY STATEMENT > 55

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## Additional Information

### Annual Report on Form 10-K

Copies of the Company's Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC, are being mailed to shareholders with this proxy statement. A shareholder may obtain a copy of the Annual Report, this proxy statement, and form of proxy, relating to this Annual Meeting and future

meetings of shareholders, without charge by writing to: Investor Relations, P. H. Glatfelter Company, 96 South George Street, Suite 520, York, PA 17401. The 10-K, proxy statement and Annual Report can also be obtained through our website, [www.glatfelter.com](http://www.glatfelter.com) on the Investor Relations page.

### Other Business

As of the date of this proxy statement, the Board knows of no business that will be presented for consideration at the Annual Meeting other than the items referred to above. If any other matter is properly brought before the Annual Meeting for action

by shareholders, the persons named in the accompanying proxy will have discretionary authority to vote proxies for such matter in accordance with their best judgment.

### “Householding”

The Company is permitted by SEC regulations to deliver a single Annual Report or proxy statement to any household at which two or more registered shareholders have the same last name and address, unless the Company has received instructions to the contrary from one or more of the shareholders. This is known as “householding” and is intended to save the cost of delivering multiple duplicate copies of the proxy materials to the same address. The Company will

continue to include a separate proxy card for each registered shareholder account.

The Company will deliver promptly, upon written or oral request, a separate copy of the Annual Report or proxy statement, as

applicable, to a shareholder at a shared address to which a single copy of the documents was delivered. The shareholder should send a written request to Investor Relations, P. H. Glatfelter Company, 96 South George Street, Suite 520, York, PA 17401, or call us at (717) 225-2719, if the shareholder (1) wishes to receive a separate copy of an Annual Report or proxy statement for this Annual Meeting; (2) wishes to receive separate copies of those materials for future meetings; or (3) is sharing an address and wishes to request delivery of a single copy of Annual Reports or proxy statements if the shareholder is now receiving multiple copies of Annual Reports or proxy statements.

p. h. glatfelter company vote your vote matters – here’s how to vote! you may vote online or by phone instead of mailing this card. votes submitted electronically must be received by 11:59 p.m., eastern time, on may 8, 2019. online go to [www.investorvote.com/glt](http://www.investorvote.com/glt) or scan the qr code — login details are located in the shaded bar below. phone call toll free 1-800-652-vote (8683) within the usa, us territories and canada save paper, time and money! sign up for electronic delivery at [www.investorvote.com/glt](http://www.investorvote.com/glt) using a black ink pen, mark your votes with an x as shown in this example. own in this example. please do not write outside the designated areas. annual meeting proxy card if voting by mail, sign, detach and return the bottom portion in the enclosed envelope. a proposals — the board of directors recommends a vote for all the a nominees listed and for proposals 2 and 3. 1. election of directors: mark here to vote for all nominees mark here to withhold vote from all nominees for all except – to withhold a vote for one or more nominees, mark the box to the left and the corresponding numbered box(es) to the right 01 - bruce brown 02 - kathleen a. dahlberg 03 - nicholas debenedictis 04 - kevin m. fogarty 05 - j. robert hall 06 - ronald j. naples 07 - dante c. parrini 08 - lee c. stewart cumulative voting: director nominees number of votes 01 - bruce brown votes for 02 - kathleen a. dahlberg votes for 03 - nicholas debenedictis votes for 04 - kevin m. fogarty votes for 05 - j. robert hall votes for 06 - ronald j. naples votes for 07 - dante c. parrini votes for 08 - lee c. stewart votes for total votes cast cumulative voting: if you desire to allocate your votes to individual nominees on a cumulative basis, as explained in the proxy statement, mark the cumulative voting box and indicate the number of votes that you would like to cast for each nominee. the total of the votes you cast on this proxy may not exceed the number of shares you own times 8. note: if you wish to use cumulative voting, you must vote your proxy by mail. 2. proposal to ratify the appointment of deloitte & touche llp as the independent registered public accounting firm for the company for the fiscal year ending december 31, 2019. 3. advisory approval of the company’s named executive officer compensation for the fiscal year ended december 31, 2018. b. authorized signatures — this section must be completed for your vote to count. please date and sign below. in voting by mail this section must be completed for your vote to be counted. please sign exactly as name(s) appear hereon. joint owners should each sign. when signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title. date (mm/dd/yyyy) — please print date below. signature 1 — please keep signature within the box. signature 2 — please keep signature within the box. 1 u p x 030v1c

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2019 annual meeting admission ticket thursday, may 9, 2019 at 9:00 a.m. york county history center, historical society museum 250 e. market street, york, pa 17403 upon arrival, please present this admission ticket and photo identification at the registration desk. driving instructions to the york county history center, historical society museum, 250 e. market street, york, pa 17403: from the south: take i-83 north to exit 15 (s. george street - business 83). follow george st. into the center square of york (market & george st. intersection). make a right on market st. and go 3 blocks to 250 e. market on your right. from the north: take i-83 to exit 22 (n. george street). follow george st. south to traffic light at market st. make a left on market st. and go 3 blocks to 250 e. market st. on your right. from the east: take route 30 west and make a left onto george street (just past i-83) and follow directions from the north above. from the west: take route 462 (w. market street) from route 30. follow market street into town to 250 e. market st. on your right. important notice regarding the availability of proxy materials for the 2019 annual meeting of shareholders to be held may 9, 2019. p. h. glatfelter company's proxy statement for the 2019 annual meeting of shareholders and the annual report for the year ended december 31, 2018, are available via the internet at:

[www.glatfelter.com/about\\_us/investor\\_relations/sec\\_filings.aspx](http://www.glatfelter.com/about_us/investor_relations/sec_filings.aspx) and also at [www.investorvote.com/glt](http://www.investorvote.com/glt) small steps

make an impact. help the environment by consenting to receive electronic delivery, sign up at

[www.investorvote.com/glt](http://www.investorvote.com/glt) if voting by mail, sign, detach and return the bottom portion in the enclosed envelope.

proxy — p. h. glatfelter company york, pennsylvania proxy solicited on behalf of the board of directors of the company for the annual meeting of shareholders to be held may 9, 2019, 9:00 a.m. the undersigned shareholder of p. h.

glatfelter company hereby appoints lee c. stewart and j. robert hall and each of them, attorneys and proxies, with power of substitution in each of them, to vote and act for and on behalf of the undersigned at the annual meeting of shareholders of the company to be held at the york county history center, historical society museum, 250 e. market st.,

york, pa 17403 on thursday, may 9, 2019, and at all adjournments thereof, according to the number of shares which the undersigned would be entitled to vote if then personally present, as indicated hereon and in their discretion, to the

extent permitted by applicable law, rule or regulation, upon such other business as may come before the meeting and

hereby ratifies and confirms all that said attorneys and proxies may do or cause to be done by virtue hereof. when

properly executed, this proxy will be voted as directed herein. it is agreed that, if no direction is given or directed on

the other side of this proxy card, said attorneys and proxies are appointed with authority to vote for the re-election of

each of the directors listed and for proposals 2 and 3. (please fill in, sign and date on the other side and return

promptly in the enclosed envelope) (continued and to be signed on reverse side) c non-voting items change of address —

please print new address below. comments — please print your comments below.