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Investor “Say on Pay” Discussion

April 2017

2017 Proxy Statement – Annual "Say-on-Pay" Vote

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- Shareowners are asked annually to vote on a non-binding resolution to approve the compensation of our named executive officers ("Say-on-Pay" proposal), as disclosed in our proxy statement
- To assist you in casting your 2017 Say-on-Pay vote, please review the following slides together with the more detailed information contained in our proxy statement dated April 6, 2017, including the:
  - Proxy summary
  - Compensation Discussion and Analysis ("CD&A") section
  - Related compensation tables and footnotes
  - Related narrative disclosure
- This year, shareowners are also being asked to cast a "Say-on-Frequency" vote on the preferred frequency of the Say-on-Pay vote in future years: every one, two or three years.

2016 Financial Highlights

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- Strong cash flow and 7th consecutive year of adjusted ROIC in excess of cost of capital
- World's premier manufacturer of fluff and specialty pulp through new Global Cellulose Fibers business
- 5th consecutive year of dividend increases
- Continuing to repay debt and make strategic investments to position Company for future profitable growth
- Total Shareholder Return (TSR) of 47% in 2016 and 115% over the last five years

Compensation Architecture

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The primary elements of our executive compensation program include:

- Base salary
- Short-term (annual) Incentive (STI) Compensation
  - This is our Management Incentive Plan or “MIP”
- Long-term Incentive (LTI) Compensation
  - This is our Performance Share Plan or “PSP”
- Built on a pay-for-performance philosophy that aligns with shareowner expectations

2016 Executive Compensation Highlights

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- Strong pay-for-performance correlation
- Robust compensation governance
- LTI/PSP plan based solely on Company performance
- For 2016, all SLT members received same performance achievement in STI/MIP plan – based solely on Company performance
- For 2016, modified STI/MIP performance metrics and respective weightings to shift to adjusted EBITDA and increase its weighting

Why Make the Change in the STI/MIP plan?

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- Achieving our annual earnings target is important to the Company’s ongoing success
  - Adjusted EBITDA is widely used by our investors to measure the Company’s performance
- We set goals for adjusted EBITDA and track performance each month and quarter
  - Establishes an important and transparent performance metric for a larger population
  - Our constant focus, tracking and dialogue around adjusted EBITDA enables us to identify needed adjustments
  - Our teams become more engaged in improvement efforts throughout the year with this line of sight
- Enterprise-wide Cash Flow from Operations, while important, is impacted by factors outside of business performance – i.e., interest expense, taxes
  - Less visible and less widely used to measure performance at the business level
- Enhances our focus on earnings growth and operating profitability

Continued Emphasis on Pay for Performance

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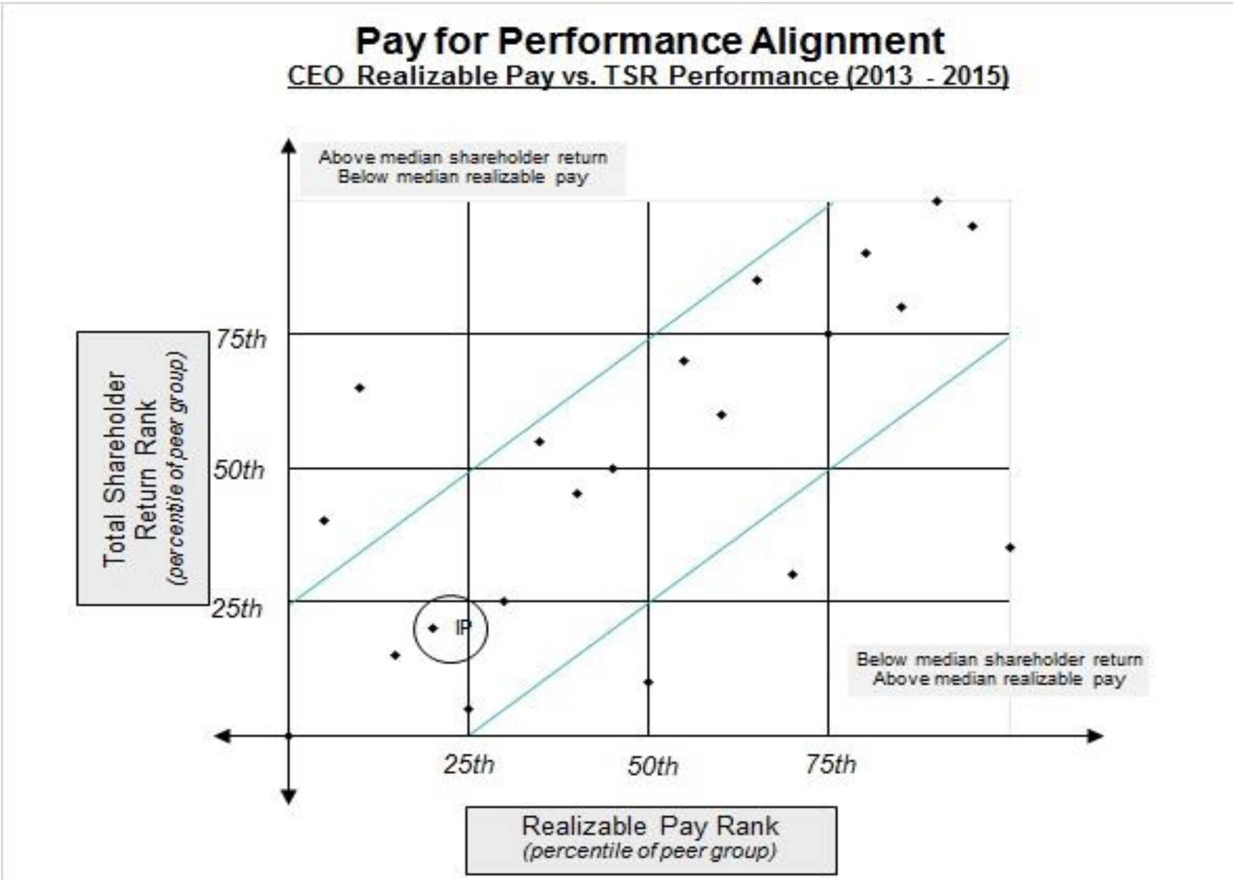

IP compares well:
CEO pay at 20th percentile of Compensation Comparator Group (CCG) and TSR is at 20th percentile

Continued Emphasis on Pay for Performance

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Three-Year Performance Period	Our CEO's Realizable Pay Rank (percentile of CCG)	Our Company's TSR Rank (percentile of CCG)
2013 – 2015	20th	20th
2012 – 2014	65th	60th
2011 – 2013	50th	80th
2010 – 2012	85th	80th
2009 – 2011	60th	100th

This table demonstrates the close correlation between our CEO's pay and Company's performance over the past five three-year performance periods.

Continued Emphasis on Pay for Performance

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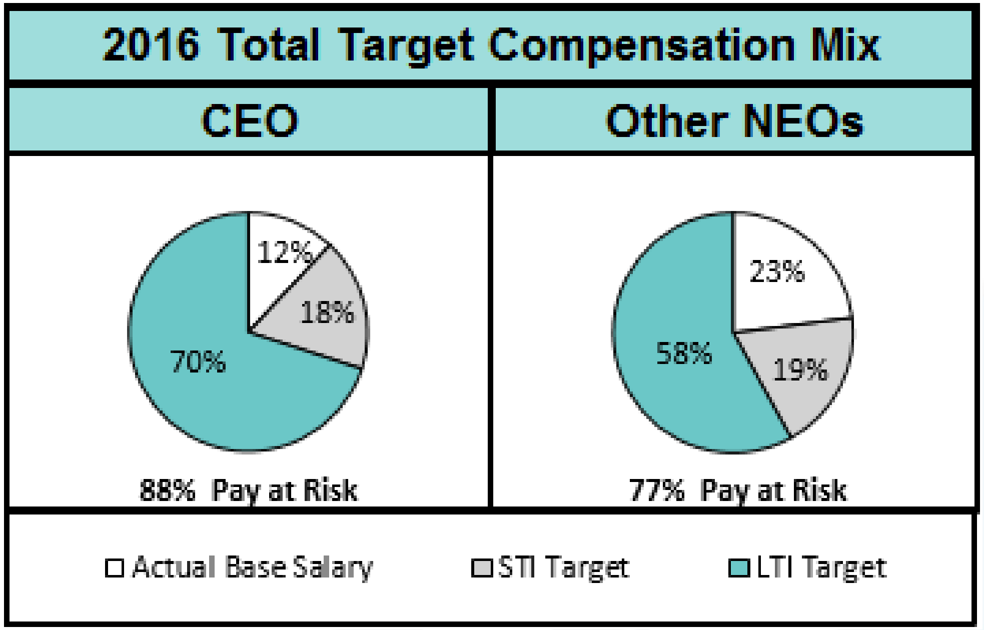

This chart illustrates our commitment to pay at risk. For 2016, 88% of our CEO's target compensation was based on performance – and therefore at risk.

Questions?

Please contact our Investor Relations Team

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