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SPECIAL RETIREMENT BENEFITS ANNOUNCEMENT FOR SALARIED EMPLOYEES WHO PARTICIPATE IN THE RETIREMENT PLAN OF INTERNATIONAL PAPER COMPANY

Dear International Paper Employee:

International Paper regularly reviews its benefit plans and programs to ensure that benefits for all employees are market competitive and enable us to meet the company's business needs.

Over the past few years, there has been a growing trend among companies to move away from providing retirement benefits through Defined Benefit pension plans (such as our Pension Plan) and instead make Defined Contribution savings plans (such as our Salaried Savings Plan) the primary tool for employees to use to build savings for the future. Experience shows Defined Contribution plans provide employees with greater control over the investment of their retirement assets while providing companies with a more predictable way of managing and funding their retirement programs.

With this in mind, we are announcing the following change to our Defined Benefit pension plan. Effective January 1, 2019, International Paper will "freeze" participation for all salaried employees in the Retirement Plan of International Paper Company and the Temple-Inland Retirement Plan. This means:

- The pension benefits you have accrued under our pension plan through December 31, 2018, will remain available to you once you have terminated employment and have reached retirement age as defined by the plan; and
- Your retirement benefits for service to the company on and after January 1, 2019, will be earned through the Salaried Savings Plan in the form of:
 - your own Salaried Savings Plan contributions,
 - the company's matching contributions to your Salaried Savings Plan account and,
 - **a newly established Retirement Savings Account (RSA) fully funded by the company.**

Although this change is five years away, we want to provide you as much advance notice as possible to support your retirement planning.

What Happens Next

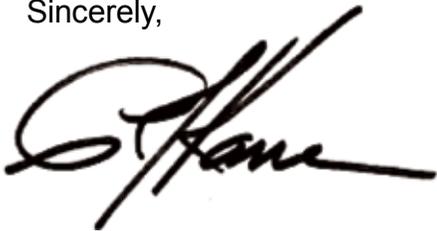
Helping you prepare for a financially sound retirement is a shared responsibility between you and International Paper. In addition to providing retirement benefits, International Paper will offer ongoing education, communications and other resources to help you plan for retirement.

We have partnered with The Ayco Company, L.P., one of the nation's leading providers of financial counseling and education services, to work with you throughout 2014. Beginning February 28, and ending December 31, 2014, you will have access to Ayco's online financial planning tools as well as one-on-one telephonic financial counseling with a trained financial counselor, both at no cost to you. Ayco's professional financial counselors will be available Monday through Friday, 9 a.m. to 5 p.m., Eastern Time; evening appointments also will be available Monday through Thursday until 8 p.m., Eastern Time.

Also, you can obtain an estimate of your Retirement Plan benefit or Savings Plan account balance by going to **My-IP** at work or **www.my-ip.com** at home, or by contacting a retirement specialist at the Employee Service Center at **1-888-372-2968**.

We encourage you to take advantage of the tools and resources that International Paper is providing to help build financial security for you and your family. Developing a retirement planning strategy today can make a real difference in the future. I also encourage you to refer to the enclosed Frequently Asked Questions for additional details about the resources available to you. Please look for more communications on our retirement program throughout 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Karre", written in a cursive style.

Paul J. Karre
Senior Vice President
Human Resources and Communications

International Paper Retirement Program Changes

Questions and Answers

General

1. Why is International Paper changing the retirement program for salaried employees?

International Paper is changing our retirement program for salaried employees to better align it with the needs of a diverse workforce and to keep the program competitive with the retirement benefit programs offered by other companies. Over the past few years, there has been a growing trend among companies to move away from providing retirement benefits through Defined Benefit pension plans (such as our Defined Benefit pension plan) and instead make Defined Contribution savings plans (such as our Salaried Savings Plan) the primary tool for employees to use to build savings for the future.

2. Is the company making these changes to save money?

No. International Paper is not changing the retirement program to save money. The company will maintain a substantial overall level of investment in our retirement benefits program. These kinds of changes provide companies with a more predictable way of managing risk and funding their retirement benefit programs.

3. Who is impacted by this change?

The transition to earning retirement benefits under a Retirement Savings Account (RSA) will affect all salaried employees who are participants in our Defined Benefit pension plan on December 31, 2018. Many salaried employees, including legacy IP salaried employees hired before July 1, 2004, and Temple-Inland salaried employees hired before March 1, 2007, currently accrue pension benefits through the salaried pension plan and will continue to do so through December 31, 2018, as long as they remain employed with the company. Salaried employees who do not participate in the salaried pension plan will not be affected by the January 1, 2019, change; nor will hourly employees (including hourly non-bargaining and hourly employees with salaried benefits). For hourly represented employees, pension benefits are subject to bargaining.

4. What exactly does “freezing” the pension plan mean?

Effective January 1, 2019, International Paper will “freeze” participation for all salaried employees who participate in our Defined Benefit pension plan. This means:

- a. Employees will no longer accrue retirement benefits through the Defined Benefit pension plan, but will begin to receive employer benefit contributions in a new way,
- b. The pension benefits accrued under our Defined Benefit pension plan through December 31, 2018, will remain available once you have terminated employment and have reached retirement age as defined by the plan, and

- c. Retirement benefits for service to the company on and after January 1, 2019, will be earned through the Salaried Savings Plan in the form of your own Salaried Savings Plan contributions, the company's matching contributions to your Salaried Savings Plan account, and beginning January 1, 2019, a company-funded Retirement Savings Account.

5. What's the difference between terminating the plan and freezing it?

When a plan is frozen, benefit accruals stop (as outlined in question #4), but the plan still exists. You will not lose your accrued benefit, and you will have the same payment options when you decide to receive your benefit as you would have if the plan wasn't frozen.

When a plan is terminated, the plan no longer exists. All plan provisions cease, including benefit accruals and service counting toward determining benefits. Accrued vested benefits are usually paid to participants at the plan's termination. International Paper is not terminating our pension plan.

6. Does freezing the plan mean I will lose my pension benefits?

No. You will continue to accrue pension benefits through December 31, 2018, provided you remain actively employed at International Paper, and you will not lose any pension benefits earned through that date. Your frozen accrued pension benefit will still be an important part of your overall International Paper retirement benefits.

7. When my Retirement Plan benefit is calculated at the time of the freeze, will my Final Average Earnings be based on my five final years of employment, or will the average include the five years before the freeze?

Your Final Average Earnings used to calculate your pension benefit will be based on your five highest consecutive years of pay during the final 10 years immediately preceding the earlier of: (a) your termination of employment or (b) the pension plan freeze. For details on how your plan benefit is calculated, see your Summary Plan Description or call the Employee Service Center at **1-888-372-2968**.

8. Does freezing the plan impact early retirement factors or other plan provisions?

No. The requirements for early retirement have not changed. Benefits are unreduced if you retire at age 65, at age 62 with at least 10 years of service, or at age 61 with at least 20 years of service. However, employees who are at least age 55 with at least 10 years of vesting service at termination will remain eligible to receive an early retirement benefit.

9. I will not be eligible for an early retirement benefit as of December 31, 2018. Does this mean I will receive a vested termination benefit?

No. Your age and vesting service will continue to increase after December 31, 2018, while you are employed with the company. Early retirement provisions are determined based on your age and vesting service when you leave the company.

10. Why is the freeze happening five years from now?

The company wanted to give all employees affected by this change as much advance notice as possible in order to best support them in properly planning for retirement.

11. Will any employees be grandfathered (to continue their Retirement Plan participation) or offered special/enhanced retirement packages as a result of this change?

No. The company is providing employees with five years of advance notice of the intent to freeze the pension plan. During that period, you will have access to resources and information to help you take maximum advantage of the Salaried Savings Plan to supplement your pension plan benefit at retirement.

12. How does this change impact the funding of the Retirement Plan?

This change will have no impact on the funding of the Retirement Plan until 2019. Beginning in 2019, it is expected to slightly reduce the minimum required contributions. International Paper has made contributions to the Retirement Plan of \$1.5 billion over the last five years and will continue to comply with all IRS contribution and funding requirements for the Retirement Plan. Each year, International Paper will send you an Annual Funding Notice that provides information regarding the funding status of the Retirement Plan.

13. How do I estimate the amount of my Retirement Plan benefit when the plan freezes?

You may estimate the amount of your Retirement Plan benefit as follows: Sign on to My-IP (or www.my-ip.com from home), select *Manage My Savings and Retirement Plans* under *Benefits*, click on the www.myipretirement.com link, and select the Pension Benefits link to be directed to the *Your Benefits Resources* site. On *Your Benefits Resources* you can project estimates of your Retirement Plan benefit. Certain individuals with complicated pension calculations – e.g., service with multiple predecessor companies to IP – may not be able to receive an estimate online. If that is the case, please call the Employee Service Center at **1-888-ESC-2YOU (1-888-372-2968)**, and they will be able to provide a pension estimate for you.

14. Will funds remain in the current Retirement Plan until I leave International Paper? Can I roll over my Retirement Plan benefit into the Salaried Savings Plan or an IRA?

International Paper will continue to fund your Retirement Plan benefit. However, you will not be able to move your Retirement Plan benefits to the Salaried Savings Plan or an IRA.

15. Will the payment options under the pension plan remain the same as they are now?

Although the company reserves the right to change the plan at any time, there are no plans at this time to change any of the pension plan's available payment options outlined in the Summary Plan Description and Appendix.

16. How will this change affect my pension benefit earned at another company prior to its acquisition by International Paper?

Most Defined Benefit pension plans that have come to IP through mergers and acquisitions (Union Camp, Champion International, etc.) were merged with the Retirement Plan of International Paper Company soon after the merger or acquisition. Any grandfathered benefits under those plans are now payable under the IP Defined Benefit pension plan and will be affected by the freeze as outlined in the accompanying announcement letter and throughout this Q&A.

The Temple-Inland Pension Plan is the only acquired Defined Benefit pension plan that has not yet been merged with the IP plan. Although, Temple-Inland employees who were a part of the 2012 acquisition and whose most recent Temple-Inland hire date was before March 1, 2007, began participating in the IP pension plan on January 1, 2013. The January 1, 2019, freeze applies to both the Temple-Inland and the IP pension plans. The pension benefits you have accrued under both plans through December 31, 2018, will remain available to you once you have terminated employment and have reached retirement age.

17. Is my pension benefit guaranteed by the government?

The Pension Benefit Guaranty Corporation (PBGC), a federal government entity, guarantees a portion of employee pensions in cases of company bankruptcy where pension plan funds are inadequate to pay benefits. International Paper has always paid the required premiums to ensure PBGC protection for the company's pension plans. Note that the changes taking effect January 1, 2019, do not modify the PBGC's protections in any way.

18. Can I begin drawing my International Paper pension benefit after the freeze but while I am still employed?

No. You are not permitted to commence distribution of your IP pension benefit until you retire from the company.

19. What impact will this change have on my Social Security benefits?

Your Retirement Plan benefit does not have an impact on your Social Security benefits.

20. What about retiree medical coverage? How will that benefit be affected by this change?

Your eligibility for retiree medical coverage will not be affected by this change.

21. Does the company plan to make more changes in the future?

International Paper regularly reviews its benefit plans and programs to ensure that benefits for all employees are competitive and enable the company to meet its business needs. As a result, our plans and programs are always subject to change, and International Paper reserves the right to make such changes as needed. In the event of any changes, you will be notified.

The Retirement Savings Account (RSA) and the Salaried Savings Plan

22. How will I continue to earn benefits for my retirement after December 31, 2018?

Your retirement benefits for service to the company on and after January 1, 2019, will be earned through the Salaried Savings Plan in the form of your own Salaried Savings Plan contributions, the company's matching contributions to your savings plan account, and, beginning January 1, 2019, a company-funded Retirement Savings Account (RSA).

23. How will the RSA amount be determined?

Beginning January 2019, your RSA will be funded by a company contribution each pay period based on your age and pay, as shown in the chart below:

Age	RSA Contribution from International Paper
Below age 40	2.75% of your pay
Age 40 – 49	4% of your pay
Age 50 and above	5% of your pay

You will note this table shows a contribution of 5% for those participants age 50 and above. This 5% contribution is a higher contribution amount than those newly hired employees.

Pay includes your base pay, overtime, shift differentials, commissions, gain sharing and other incentive compensation, but excludes severance pay, signing bonuses, retention bonuses and equity awards.

24. Will I still have an RSA even if I don't contribute to the Salaried Savings Plan?

Yes. An account will be set up for you regardless of whether you make contributions to the Salaried Savings Plan.

25. Is the company match to the Salaried Savings Plan changing?

No. The company match will remain the same. All employees are strongly encouraged to save the amount needed to receive the full company match. The company matches 70% of the contributions you make on the first 4% of your pay and 50% of the contributions you make on the next 4% of pay you save.

26. Will I automatically be vested in the RSA, or do I have to wait three years to vest?

You are fully vested in the RSA after you complete three years of vesting service; however, since vesting service includes your past employment with the company, you should already be vested.

27. How will company contributions be invested?

RSA contributions will be invested according to your elections in the Salaried Savings Plan. If you have not made an investment election in the Salaried Savings Plan, the funds in your RSA will be invested in the Smart Mix Moderate Fund. You may change your investment elections at any time.

28. How does the RSA compare with the current Retirement Plan?

Your current Retirement Plan benefit is based on a formula specified by the plan, and the benefit calculated for you is paid as a fixed monthly annuity payment.

The Salaried Savings Plan, including the company's RSA contributions, gives you both the flexibility and responsibility to invest International Paper's contributions, as well as any employee contributions you make to the Salaried Savings Plan. Your Salaried Savings Plan benefit will be based on investments you make and any earnings on those investments. At retirement, you have the option of taking your RSA benefit as a lump sum or in installments.

29. Can I take a loan or withdrawal from my RSA?

RSA funds will be available to borrow or withdraw, subject to the rules for loans and withdrawals under the Salaried Savings Plan.

30. Do I need to do anything as a result of the changes?

You do not need to do anything to receive the company RSA contribution. You will receive this contribution automatically beginning in January 2019 (as long as your active employment continues) whether or not you participate in the Salaried Savings Plan. However, it is your responsibility to plan financially for your future, learn about the Salaried Savings Plan, utilize the tools and resources that International Paper provides and educate yourself about investing for retirement. Because you will be responsible for investing IP's RSA contributions, as well as your Salaried Savings Plan account, you may want to take a more active role in learning about your investment options and monitoring your results. Refer to questions 34-40 for information on tools and resources available to you.

31. If my pay exceeds the IRS compensation limit and I am eligible to participate in the Deferred Compensation Savings Plan (DCSP), will the company contribute to an RSA under that plan in addition to the Salaried Savings Plan?

Yes. If you are eligible to receive RSA contributions in the Salaried Savings Plan, the company will continue to make these contributions in the DCSP (equal to 2.75% of your pay if you are under age 40, 4% ages 40 to 49 and 5% of your pay if you are age 50 or above) once your RSA contributions cease in the Salaried Savings Plan due to your reaching the IRS compensation limit.

32. I am currently enrolled in the DCSP. Can I increase my contribution percentage immediately to either the Salaried Savings Plan or the DCSP?

Under IRS rules, you are not allowed to make any immediate changes to either your Salaried Savings Plan or your DCSP contribution percentages. IRS regulations only allow changes to the DCSP in December of each year. Therefore, your first opportunity to make a change will be during the 2015 DCSP open enrollment period, which occurs in December 2014.

33. What can I do to take the best advantage of the Salaried Savings Plan?

Since your contributions and the company match grow over time, it is a good idea to start saving as early as you can and contribute at least the amount needed to receive the full company match. Also, saving in the Salaried Savings Plan offers significant tax advantages. Company and employee contributions and any investment gains on those contributions grow tax-deferred until you take them out of the plan.

Education, Tools and Resources

34. How can I learn more about planning and saving for retirement?

International Paper will offer ongoing education, communication and resources to help you plan for retirement. We have partnered with The Ayco Company, L.P.,¹ one of the nation's leading providers of financial counseling and education services, to work with you during 2014. You will have access to Ayco's online financial planning tools, a recorded financial counseling webinar and one-on-one financial counseling over the phone to help you evaluate your options and plan for a secure financial future.

¹ *Ayco AnswerLine*® and *Aycofn*® are trademarks of The Ayco Company, L.P., a Goldman Sachs Company. These services are provided exclusively by The Ayco Company, L.P. Used with permission.

35. Will Ayco's services only be offered to employees with a pension, or to employees who currently have an RSA as well?

Ayco's services will be available only to International Paper employees impacted by the change.

36. Will I be able to speak with an Ayco counselor?

Yes. Ayco financial counselors are available on via the *Ayco AnswerLine*[®] service at **1-866-325-2105** (**1-800-437-6380** if you are hearing impaired), Monday through Friday 9 a.m. to 5 p.m., Eastern Time (evening appointments are also available Monday to Thursday until 8 p.m., ET). Counselors can provide confidential assistance with all areas of personal finance, including retirement planning and Salaried Savings Plan investments. To get the most from your counseling session, be sure to have your personal Salaried Savings Plan and pension plan benefits information on hand. For directions on how to obtain an estimate of your pension plan benefits, please refer to question #13.

37. Does The Ayco Company, L.P. have online services available, too?

Yes, the online Ayco Financial Network website — *Aycofn*[®] — gives you access to MyLearning Center, where you can learn at your own pace with videos, interactive eLearning and informative articles. Plus, there is a variety of modelers and tools including: Retirement Modeler, Asset Allocation Modeler, College Funding Modeler and more. So be sure to visit www.aycofn.com/ip.afn.

38. What additional Ayco resources will be available?

Ayco will provide online access to a recorded financial counseling webinar beginning on March 28, 2014. The webinar will include information on the plan changes, investment strategies and resources available to employees.

39. Whom do I contact with pension-related questions?

Please contact the Employee Service Center at **1-888-ESC-2YOU (1-888-372-2968)** for any questions related to the salaried pension plan.

40. What other resources will be available to me?

J.P. Morgan Retirement Plan Services will be able to provide answers to questions about the investment options available to you and we encourage you to use all of the tools and resources available to you. In addition, International Paper will provide ongoing communications about this change.

Special Circumstances

41. What happens if you are an hourly to salaried transfer and need to get five years of service under the salaried Retirement Plan formula?

If you are an hourly to salaried transfer who achieves five years of salaried service by December 31, 2018, your pension benefit will be calculated as if you were salaried your entire career. If you do not achieve five years of salaried service by December 31, 2018, then you will have an hourly benefit for the period of time prior to transferring to salaried, and you will have the salaried benefit for the period after the transfer.

42. What happens if I am receiving long-term disability (LTD) benefits?

If you are receiving LTD benefits at the time the changes become effective, your Retirement Plan benefit will be frozen as of December 31, 2018. We are continuing to explore options for your post-2018 retirement benefits. You will receive more details once decisions regarding these benefits are finalized.

43. What happens to the International Paper Company Restoration Plan for Salaried Employees, the International Paper Company Unfunded Supplemental Retirement Plan for Senior Managers and the Temple-Inland Supplemental Executive Retirement Plan?

If you are eligible for the Restoration Plan and/or the SERP all future benefit accruals in those plans will also be frozen as of December 31, 2018.

DISCLAIMER AND RESERVATION OF RIGHTS International Paper continues to retain the right to change or modify the provisions described above. The applicable plan documents and summary plan descriptions ("SPD") contain the official rules and procedures governing the employee benefit plans for which you are eligible to participate. You should refer to the applicable plan document and SPD for a complete explanation of benefits, eligibility requirements, administrative rules and procedures, and your obligations. This communication is not part of any employee benefit plan document or SPD and may not be relied upon. If there is any conflict between the information in this communication and the provisions of any plan document or SPD, the plan document and SPD will always control. You may obtain copies of SPDs via the My-IP website or by contacting the Employee Service Center at 1-888-ESC-2YOU (1-888-372-2968).