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NEENAH PAPER INC

FORM 10-K
(Annual Report)

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Industry	Paper & Paper Products
Sector	Basic Materials
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-32240

NEENAH PAPER, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-1308307**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3460 Preston Ridge Road Alpharetta, Georgia	**30005**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(678) 566-6500**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Stock — $0.01 Par Value Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates on June 30, 2012 (based on the closing stock price on the New York Stock Exchange) on such date was approximately $422,000,000.

As of February 22, 2013, there were 15,935,000 shares of the Company's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the definitive proxy statement for the Company's Annual Meeting of Stockholders to be held on May 30, 2013 is incorporated by reference into Part III hereof.

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PART I

In this report, unless the context requires otherwise, references to "we," "us," "our," "Neenah" or the "Company" are intended to mean Neenah Paper, Inc., its consolidated subsidiaries and predecessor companies.

Item 1. Business

Overview

We are organized into two primary businesses: a specialty, performance-based, technical products business and a premium fine papers business.

Our technical products business is a leading international producer of transportation and other filter media and durable, saturated and coated substrates for industrial products backings and a variety of other end markets. The business is focused on categories where we believe we are a market leader or have a competitive advantage, including, among others, transportation and other filter media, specialty tape, label, abrasive, medical packaging, nonwoven wall coverings and image transfer and customer-specific applications in furniture veneer backing and durable print and cover applications. Our customers are located in more than 70 countries. Our technical products manufacturing facilities are located in Munising, Michigan and near Munich and Frankfurt, Germany.

We believe our fine paper business is the leading supplier of premium writing, text and cover papers, bright papers and specialty papers in North America. Our premium writing, text, cover and specialty papers are used in commercial printing and imaging applications for corporate identity packages, invitations, personal stationery and corporate annual reports, as well as premium labels and luxury packaging. Our bright papers are used in applications such as direct mail, advertising inserts, scrapbooks and marketing collateral. Our products include some of the most recognized and preferred fine paper brands in North America, where we enjoy leading market positions in many of our product categories. We sell our products primarily to authorized paper distributors, converters, specialty businesses and major retail customers. Our fine paper manufacturing facilities are located in Appleton, Neenah and Whiting, Wisconsin. On January 31, 2012, we purchased certain premium fine paper brands and other assets from Wausau Paper Mills, LLC, a subsidiary of Wausau Paper Corp. ("Wausau").

Recent Developments

On January 31, 2013, we completed the purchase of certain premium business paper brands from the Southworth Company ("Southworth"). These brands, including Southworth®, which is the leading writing, text and cover brand sold in the retail channel, are sold largely to major retail customers. Annual sales from the acquired brands are expected to be approximately $20 million. The purchase was financed through our existing credit facility and cash on hand.

Company Structure

Our corporate structure consists of Neenah Paper, Inc., and five direct wholly owned subsidiaries.

Neenah Paper, Inc. is a Delaware corporation that holds our trademarks and patents related to all of our U.S. businesses (except Neenah Paper FVC, Inc), all of our U.S. inventory, the real estate, mills and manufacturing assets associated with our fine paper operations in Neenah and Whiting, Wisconsin, and all of the equity in our subsidiaries listed below. The common stock of Neenah is publicly traded on the New York Stock Exchange under the symbol "NP."

Neenah Paper Michigan, Inc. is a Delaware corporation and a wholly owned subsidiary of Neenah that owns the real estate, mill and manufacturing assets associated with our U.S. technical products business.

Neenah Paper FVC, LLC is a Delaware limited liability company and wholly owned subsidiary of Neenah that owns all of the equity of Neenah Paper FR, LLC. Neenah Paper FR, LLC is a Delaware limited liability company that owns the real estate, mills and manufacturing assets associated with our fine paper operation in Appleton, Wisconsin.

Neenah Paper International Holding Company, LLC is a Delaware limited liability company and wholly owned subsidiary of Neenah that owns all of the equity of Neenah Paper International, LLC. Neenah Paper International, LLC is a Delaware limited liability company that owns all of the equity of Neenah Germany GmbH and in conjunction with Neenah Germany GmbH all of the equity of Neenah Services GmbH & Co. KG.

NPCC Holding Company LLC is a Delaware limited liability company and wholly owned subsidiary of Neenah that owns all of the equity of Neenah Paper Company of Canada ("Neenah Canada"). Neenah Canada is a Nova Scotia unlimited liability corporation that holds certain post-employment liabilities of our former Canadian operations.

Neenah Paper International Finance Company BV is a private company with limited liability organized under the laws of the Netherlands and a wholly owned subsidiary of Neenah that facilitates the financing of our international operations.

History of the Businesses

Neenah was incorporated in April 2004 in contemplation of the spin-off by Kimberly-Clark Corporation ("Kimberly-Clark") of its technical products and fine paper businesses in the United States and its Canadian pulp business (collectively, the "Pulp and Paper Business"). We had no material assets or activities until Kimberly-Clark's transfer to us of the Pulp and Paper business on November 30, 2004. On that date, Kimberly-Clark completed the distribution of all of the shares of our common stock to the stockholders of Kimberly-Clark (the "Spin-Off"). Following the Spin-Off, we are an independent public company and Kimberly-Clark has no ownership interest in us.

Technical Products. In 1952, we purchased what is now our Munising, Michigan mill. Subsequent to the purchase, we converted the mill to produce durable, saturated and coated papers for sale and use in a variety of industrial applications for our technical products business. In October 2006, we purchased the outstanding interests of FiberMark Services GmbH & Co. KG and the outstanding interests of FiberMark Beteiligungs GmbH (collectively "Neenah Germany"). The Neenah Germany assets consist of two mills located near Munich, Germany and a third mill near Frankfurt, Germany, that produce a wide range of products, including transportation and other filter media, nonwoven wall coverings, masking and other tapes, abrasive backings, and specialized printing and coating substrates.

Fine Paper. The fine paper business was incorporated in 1885 as Neenah Paper Company, which initially operated a single paper mill in Neenah, Wisconsin. We acquired the mill in 1956. In 1981, we purchased an additional mill located in Whiting, Wisconsin to increase the production capacity of the fine paper business. In the late 1980s and early 1990s, we expanded the capacity of the fine paper business by building two new paper machines at the Whiting mill, rebuilding two existing paper machines at the Whiting mill and completing a major expansion of the Neenah facility with the installation of a new paper machine, a new finishing center, a new customer service center and a distribution center expansion.

In March 2007, we acquired Fox Valley Corporation (now named Neenah Paper FVC, LLC), which owned Fox River Paper Company, LLC ("Fox River," now named Neenah Paper FR, LLC). The Fox River assets consisted of four U.S. paper mills and various related assets, producing premium fine papers with well-known brands including STARWHITE®, SUNDANCE®, ESSE® and OXFORD®. In integrating the operations of Fox River with those of our existing fine paper mills, we closed three of the Fox River paper mills. We closed the Housatonic mill, located near Great Barrington, Massachusetts in May 2007, the fine paper mill located in Urbana, Ohio during the second quarter of 2008 and the fine paper mill located in Ripon, California in May 2009.

In January 2012, we purchased certain premium fine paper brands and other assets from Wausau. In January 2013, we completed the purchase of certain premium business paper brands from Southworth.

Pulp. At the Spin-Off, our pulp operations consisted of mills located in Terrace Bay, Ontario and Pictou, Nova Scotia and approximately 975,000 acres of related woodlands.

- In June 2006, we sold approximately 500,000 acres of woodlands in Nova Scotia.
- In August 2006, we transferred our Terrace Bay mill and related woodlands operations to certain affiliates of Buchanan Forest Products Ltd.
- In June 2008, we sold the Pictou Mill to Northern Pulp Nova Scotia Corporation ("Northern Pulp").
- In March 2010, we sold the remaining approximately 475,000 acres of woodland assets in Nova Scotia (the "Woodlands") to Northern Timber Nova Scotia Corporation, an affiliate of Northern Pulp (collectively, "Northern Pulp").

The sale of the Woodlands in March 2010 substantially completed our exit from pulp operations.

Business Strategy

Our mission is to create value by improving the image and performance of everything we touch. We expect to create value by growing in specialized markets where we have competitive advantages. Strategies to deliver this value include:

Leading in profitable, specialty niche markets — We will increase our participation in niche markets that can provide us with leading positions and value our core competencies in performance-based fiber and non-wovens media production, coating and saturating. In addition, we will grow in image-driven products such as premium papers, labels and luxury packaging.

Increasing our size, growth rate and portfolio diversification — We will grow with our customers to expand our current product portfolio in new geographies and enter into adjacent markets that are growing and profitable. We will do this both through organic initiatives that build on our technologies and capabilities, and through acquisitions that fit with our competencies and provide attractive financial returns.

Delivering consistent, attractive returns to our shareholders with disciplined financial management — We will continue to use Return on Invested Capital ("ROIC") as a key metric to evaluate investment decisions and measure performance and will maintain a prudent capital structure and deploy our cash flows in ways that can create value, including maintaining a meaningful dividend.

Products

Technical Products. The technical products business is a leading producer of filtration media and durable, saturated and coated substrates for a variety of end uses. In general, our technical products are sold to other manufacturers as key components for their finished products. Several of our key market segments served, including filtration, tape and abrasives, are global in scope. JET-PRO®SofStretch™, KIMDURA®, MUNISING LP®, PREVAIL™, NEENAH®, GESSNER® and varitess® are brands of our technical products business. Our technical products business had net sales of approximately $407 million, $421 million and $384 million in 2012, 2011 and 2010, respectively.

The following is a description of certain key products and markets:

Filtration media primarily for induction air, fuel, oil, and cabin air applications in automotive transportation. Transportation filtration media are sold to suppliers of automotive companies as original equipment on new cars and trucks as well as to the automotive aftermarket, which represents the majority of sales. This business is primarily in Europe.

Tape including both saturated and unsaturated crepe and flat paper tapes sold to manufacturers to produce finished pressure sensitive products for sale in automotive, transportation, manufacturing, building construction, and industrial general purpose applications, including sales in the consumer-do-it-yourself retail channel.

Finished lightweight abrasive paper is sold in the automotive, construction, metal and woodworking industries for both waterproof and dry sanding applications.

Wall covering substrates made from saturated and coated wet-laid nonwovens are marketed to converters serving primarily European commercial and consumer-do-it-yourself markets.

Label and tag products made from both saturated base label stock and purchased synthetic base label stock, with coatings applied to allow for high quality variable and digital printing. The synthetic label stock is recognized as a high quality, UV (ultra-violet) stable product used for outdoor applications. Label and tag stock is sold to pressure sensitive coaters, who in turn sell the coated label and tag stock to the label printing community.

Other latex saturated and coated papers for use by a wide variety of manufacturers. Premask paper is used as a protective over wrap for products during the manufacturing process and for applying signs, labeling and other finished products. Medical packaging paper is a polymer impregnated base sheet that provides a breathable sterilization barrier that provides unique properties.

Image transfer papers to transfer an image from paper to tee shirts, hats, coffee mugs, and other surfaces using a proprietary imaging coating for use in digital printing applications. Image transfer papers are primarily sold through large retail outlets and through distributors. Decorative components papers are made from light and medium weight latex saturated papers which can then be coated for printability. Decorative components papers are primarily sold to coater converters, distributors, publishers and printers for use in book covers, stationery and fancy packaging. Other products include clean room papers, durable printing papers, release papers and furniture backers.

Fine Paper. The fine paper business manufactures and sells world-class branded premium writing, text, cover and specialty papers and envelopes used in corporate identity packages, invitations, personal stationery and corporate annual reports, as well as premium labels and luxury packaging. Often these papers are characterized by distinctive colors and textures. Our fine paper business had net sales of approximately $373 million, $275 million and $273 million in 2012, 2011 and 2010, respectively.

Premium writing papers are used for business and personal stationery, corporate identity packages and similar end-use applications. Market leading writing papers are sold by the fine paper business under the CLASSIC®, ENVIRONMENT®, CAPITOL BOND® and ROYAL SUNDANCE® trademarks, which are denoted by a brand watermark in each sheet of writing paper. Our fine paper business has an exclusive agreement to manufacture, market and distribute Crane & Co.'s CRANE'S CREST®, CRANE'S BOND®, and CRANE'S LETTRA®, branded fine papers. The fine paper business also sells private watermarked paper and other specialty writing papers.

Text and cover papers and envelopes are used in applications such as corporate brochures, pocket folders, corporate annual reports, advertising inserts, direct mail, business cards, hang tags, scrapbooks, and a variety of other uses where colors, textured finishes or heavier weight papers are desired. Our brands in this category include CLASSIC®, CLASSIC CREST®, ESSE® ENVIRONMENT® and ROYAL SUNDANCE®. We also sell a variety of custom colors, paper finishes, and duplex/laminated papers.

Bright papers are used in applications such as direct mail, advertising inserts, scrapbooks and marketing collateral. Our brands in this category include ASTROBRIGHTS® and EXACT BRIGHTS®

On January 31, 2013 we purchased certain premium business paper brands from Southworth. These brands, including Southworth®, which is the leading writing, text and cover brand sold in the retail channel, are sold largely to major retail customers.

The fine paper business also produces and sells other specialty papers; including envelopes, premium label base stock for applications such as wine labels, luxury packaging, and specialty paper products that address a consumer's need for enhanced image such as translucent papers, art papers, papers for optical scanning and other specialized applications.

Markets and Customers

Technical Products. The technical products business sells its products globally into product categories generally used as base materials in the following applications: filtration, tape, component materials for manufactured products such as tape and abrasives, and other specialized product uses such as graphics and identification.

Several products (filtration media, wall coverings, abrasives, tapes, labels) are used in markets that are directly affected by economic business cycles. Other market segments such as image transfer papers used in small/home office and consumer applications are relatively stable. Most products are performance-based and require qualification at customers; however, certain categories may also be subject to price competition and the substitution of lower cost substrates in some less demanding applications.

The technical products business relies on a team of direct sales representatives and customer service representatives to market and sell approximately 95 percent of its sales volume directly to customers and converters.

The technical products business has over 500 customers worldwide. The distribution of sales in 2012 was approximately 60 percent in Europe, 25 percent in North America and 15 percent in Latin America and Asia. Customers typically convert and transform base papers and film into finished rolls and sheets by adding adhesives, coatings, and finishes. These transformed products are then sold to end-users.

Sales to the technical products business's three largest customers represented approximately 25 percent of its total sales in 2012. Although a complete loss of any of these customers would cause a temporary decline in the business's sales volume, the decline could be partially offset by expanding sales to existing customers, and further offset over a several month period with the addition of new customers.

Fine Paper. We believe our fine paper business is the leading supplier of premium writing, text and cover papers, bright papers and specialty papers in North America. The stationery segment of the premium fine papers market is divided into cotton and sulfite grades and includes writing papers and envelopes. The text and cover paper segment of the market, used in corporate identification applications, is split between smooth papers and textured papers. Text papers have traditionally been utilized for special, high end collateral material such as corporate brochures, annual reports and special edition books. Cover papers are primarily used for business cards, pocket folders, brochures and report covers including corporate annual reports. Bright papers are generally used by consumers for flyers, direct mail and packaging. In addition, our fine paper business includes other products such as food and beverage labels and high-end packaging materials such as specialty boxes used for luxury retail goods.

The fine paper business has historically sold its products through our sales and marketing organizations primarily in three channels: authorized paper distributors, converters and direct sales. With the purchase of Wausau brands, products are also sold into the retail channel through major national retailers. Sales to distributors, including distributor owned paper stores, account for approximately 60 percent of revenue in the fine paper business. During 2012, approximately eight percent of the sales of our fine paper business were exported to markets outside North America.

Sales to the three largest customers of the fine paper business represented approximately 30 percent of its total sales in 2012. We practice selective sales distribution to improve our ability to control the marketing of our products. Although a complete loss of any of these customers would cause a temporary decline in the business's sales volume, the decline could be partially offset by expanding sales to existing customers, and further offset over a several month period with the addition of new customers.

Concentration. For the years ended December 31, 2012, 2011 and 2010, no customer accounted for more than 10 percent of our consolidated net sales.

The following tables present further information about our businesses by geographic area (dollars in millions):

	Year Ended December 31,		
	2012	2011	2010
Net sales			
United States	$ 543.4	$ 416.2	$ 413.6
Europe	265.4	279.8	244.1
Consolidated	$ 808.8	$ 696.0	$ 657.7

	December 31,		
	2012	2011	2010
Total Assets			
United States	$ 322.5	$ 286.4	$ 308.9
Canada	0.2	0.3	0.1
Europe	288.0	278.4	297.7
Consolidated	$ 610.7	$ 565.1	$ 606.7

Net sales and total assets are attributed to geographic areas based on the physical location of the selling entities and the physical location of the assets. See Note 13 of Notes to Consolidated Financial Statements "Business Segment and Geographic Information" for information with respect to net sales, profits and total assets by business segment.

Raw Materials

Technical Products. Softwood pulp, specialty pulp and latex are the primary raw materials consumed by our technical products business. The technical products business purchases softwood pulp, specialty pulp and latex from various suppliers. The technical products business purchases substantially all of its raw material requirements externally. We believe that all of the raw materials for our technical products operations, except for certain specialty latex grades and specialty softwood pulp, are readily available from several sources and that the loss of a single supplier would not cause a shutdown of our manufacturing operations.

Our technical products business acquires all of its specialized pulp requirements from two global suppliers and certain critical specialty latex grades from four suppliers. In general, these supply arrangements are not covered by formal contracts, but represent multi-year business relationships that have historically been sufficient to meet our needs. We expect these relationships to continue to operate in a satisfactory manner in the future. In the event of an interruption of production at any one supplier, we believe that each of these suppliers individually would be able to satisfy our short-term requirements for specialized pulp or specialty latex. In the event of a long-term disruption in our supply of specialized pulp or specialty latex, we believe we would be able to substitute other pulp grades or other latex grades that would allow us to meet required product performance characteristics and incur only a limited disruption in our production. As a result, we do not believe that the substitution of such alternative pulp or latex grades would have a material effect on our operations.

Fine Paper. Hardwood pulp is the primary fiber used to produce products of the fine paper business. Other significant raw material inputs in the production of fine paper products include softwood pulp, recycled fiber, cotton fiber, dyes and fillers. The fine paper business purchases all of its raw materials externally. We believe that all of the raw materials for our fine paper operations, except for certain cotton fiber which represent less than five percent of the total fiber requirements of our fine paper business, are readily available from several sources and that the loss of a single supplier would not cause a shutdown of our manufacturing operations.

We believe that a partial or total disruption in the production of cotton fibers at our two primary suppliers would increase our reliance on "spot market" purchases with a likely corresponding increase in cost. Since we have the ability to source cotton fiber on the "spot market" if faced with a supply disruption, we would not expect cotton fiber supply issues to have a material effect on our operations.

Energy and Water

The equipment used to manufacture the products of our technical products and fine paper businesses use significant amounts of energy, primarily electricity, natural gas, oil and coal. We generate substantially all of our electrical energy at the Munising mill and approximately 40 percent and 15 percent of the electrical energy at our mills in Appleton, Wisconsin and Bruckmühl, Germany, respectively. We also purchase electrical energy from external sources, including electricity generated from renewable sources.

Availability of energy is not expected to be a problem in the foreseeable future, but the purchase price of such energy can and likely will fluctuate significantly based on changes in demand and other factors.

An adequate supply of water is needed to manufacture our products. We believe that there is an adequate supply of water for this purpose at each of our manufacturing locations.

Working Capital

Technical Products. The technical products business maintains approximately 25 to 30 days of raw materials and supplies inventories to support its manufacturing operations and approximately 25 to 35 days of finished goods and semi-finished goods inventory to support customer orders for its products. Sales terms in the technical products business vary depending on the type of product sold and customer category. Extended credit terms of up to 120 days are offered to customers located in certain international markets. In general, sales are collected in approximately 45 to 55 days and supplier invoices are paid within 20 to 30 days.

Fine Paper. The fine paper business maintains approximately 10 days of raw material inventories to support its paper making operations and about 55 days of finished goods inventory to fill customer orders. Fine paper sales terms range between 20 and 30 days with discounts of zero to 2 percent for customer payments, with discounts of 1 percent and 20-day terms used most often. Extended credit terms are offered to customers located in certain international markets. Supplier invoices are typically paid within 30 days.

Competition

Technical Products. Our technical products business competes in global markets with a number of large multinational competitors, including Ahlstrom Corporation, Munksjö, ArjoWiggins SAS, Wausau Paper Corp. and Hollingsworth & Vose Company. It also competes in some, but not all, of these segments with smaller regional manufacturers, such as Monadnock Paper Mills, Inc., Fortress Paper, Ltd., Potsdam Specialty Paper, Inc. and Paper Line S.p.A. We believe the bases of competition in most of these segments are the ability to design and develop customized product features to meet customer specifications while maintaining quality, customer service and price. We believe our research and development program gives us an advantage in customizing base papers to meet customer needs.

Fine Paper. We believe our fine paper business is the leading supplier of premium writing, text and cover papers, bright papers and specialty papers in North America. Our fine paper business also competes globally in the premium segment of the uncoated free sheet market. The fine paper business competes directly in North America with Mohawk Fine Papers Inc. and other smaller companies. We believe the primary bases of competition for premium fine papers are brand recognition, product quality, customer service, product availability, promotional support and variety of colors and textures. Price also can be a factor particularly for lower quality printing needs that may compete with opaque and offset papers. We have and will continue to invest in advertising and other programs aimed at graphic designers, printers and corporate end-users in order to maintain a high level of brand awareness as well as communicate the advantages of using our products.

Research and Development

Our technical products business maintains research and development laboratories in Feldkirchen-Westerham, Germany, Roswell, Georgia and Munising, Michigan to support its strategy of developing new products and technologies, and to support growth in its existing product lines and other strategically important markets. We have continually invested in product research and development with spending of $5.6 million in 2012, $5.4 million in 2011 and $5.3 million in 2010. During 2011, we centralized our German research and development centers in a new state-of-the-art building and invested additional capital in various test equipment to advance our filtration and other businesses there.

Intellectual Property

The KIMDURA® and MUNISING LP® trademarks have made a significant contribution to the marketing of synthetic film and clean room papers of the technical products business. The GESSNER® and varitess® trademarks have played an important role in the marketing of Neenah Germany product lines.

We own more than 40 patents and have multiple pending patent applications in the United States, Canada, Western Europe and certain other countries covering image transfer paper, abrasives and medical packaging. We believe our image transfer patents have contributed to establishing the technical products business as a leading supplier of image transfer papers.

We own more than 50 trademarks with registrations in approximately 50 countries. Our fine paper business has built its market leading reputation on trademarked brands that date back as far as 1908. The CLASSIC® family of brands is one of the most well known and respected trademarks in the printing and writing industry. The CLASSIC® family includes CLASSIC CREST®, CLASSIC® Laid, CLASSIC® Linen, CLASSIC COLUMNS® and CLASSIC COTTON® papers. Our branded products, which also include the ENVIRONMENT® brand and brands such as STARWHITE®, SUNDANCE® and ESSE®, have played an important role in the marketing of the product lines of the fine paper business, which are recognized as an industry leader for quality, consistency and printing applications. Our fine paper business has an exclusive licensing agreement to market and distribute Crane's CRANE'S CREST®, CRANE'S BOND®, CRANE'S LETTRA®, CRANE'S PALETTE™ and CRANE'S® Choice Papers branded fine papers. In conjunction with the acquisition of the Wausau fine paper business in January 2012, we acquired the ASTROBRIGHTS®, ASTROPARCHE® and ROYAL premium writing, text and cover brands. In conjunction with the acquisition of the Southworth premium business paper business in January 2013, we acquired the Southworth® premium business paper brand.

Backlog and Seasonality

Technical Products. In general, sales and profits for the technical products business have been relatively stronger in the first half of the year with reductions in the third quarter due to reduced customer converting schedules and in the fourth quarter due to a reduction in year-end inventory levels by our customers. The order flow for the technical products business is subject to seasonal peaks for several of its products, such as the larger volume grades of tape, abrasives, premask, and label stock used primarily in the downstream finished goods manufacturing process. To assure timely shipments during these seasonal peaks, the technical products business provides certain customers with finished goods inventory on consignment. Historically, consignment sales have represented approximately 15 percent of the technical products business's annual sales. Orders are typically shipped within six to eight weeks of receipt of the order. However, the technical products business periodically experiences periods where order entry levels surge, and order backlogs can increase substantially. Raw materials are purchased and manufacturing schedules are planned based on customer forecasts, current market conditions and individual orders for custom products. The order backlog in the technical products business on December 31, 2012 was approximately $90 million and represented approximately 20 percent of prior year sales. The order backlog in the technical products business on December 31, 2011 was approximately $100 million and represented approximately 20 percent of prior year sales. We have previously filled the order backlog from December 31, 2011 and expect to fill the order backlog from December 31, 2012 within the current fiscal year.

Fine Paper. The fine paper business has historically experienced a steady flow of orders. Orders for stock products are typically shipped within two days, while custom orders are shipped within two to three weeks of receipt. Raw material purchases and manufacturing schedules are planned based on a combination of historical trends, customer forecasts and current market conditions. The order backlogs in the fine paper business on December 31, 2012 and 2011 were $8.4 million and $8.8 million, respectively, which represent approximately 8 days of sales and 11 days of sales, respectively. The order backlogs from December 31, 2012 and 2011 were filled in the respective following years.

The operating results at each of our businesses are influenced by the timing of our annual maintenance downs, which are generally scheduled in the third quarter.

Employee and Labor Relations

As of December 31, 2012, we had approximately 1,870 regular full-time employees of whom 725 hourly and 345 salaried employees were located in the United States and 495 hourly and 305 salaried employees were located in Germany.

Hourly employees at the Whiting, Neenah, Munising and Appleton paper mills are represented by the United Steelworkers Union (the "USW"). The collective bargaining agreement between the Whiting paper mill and the USW expired on January 31, 2013. The collective bargaining agreements between the Neenah, Munising and Appleton paper mills and the USW expire on June 30, 2013, July 14, 2013 and May 31, 2014, respectively. Separately, the Whiting, Neenah, Munising and Appleton paper mills have bargained jointly with the union on pension matters. The agreement on pension matters will remain in effect until September 2019.

Approximately 50 percent of salaried employees and 80 percent of hourly employees of Neenah Germany are eligible to be represented by the Mining, Chemicals and Energy Trade Union, Industriegewerkschaft Bergbau, Chemie and Energie (the "IG BCE"). In December 2011, the IG BCE and a national trade association representing all employers in the industry signed a new collective bargaining agreement covering union employees of Neenah Germany that expires in May 2013.

We believe we have satisfactory relations with our employees covered by collective bargaining agreements. In February 2013, we reached agreement with the USW on new collective bargaining agreements for all of our U.S. paper mills. The new agreements between the Whiting, Neenah, Munising and Appleton paper mills and the USW expire on January 31, 2018, June 30, 2018, July 14, 2018 and May 31, 2019, respectively.

Environmental, Health and Safety Matters

Our operations are subject to federal, state and local laws, regulations and ordinances relating to various environmental, health and safety matters. Our operations are in compliance with, or we are taking actions designed to ensure compliance with, these laws, regulations and ordinances. However, the nature of our operations exposes us to the risk of claims concerning non-compliance with environmental, health and safety laws or standards, and there can be no assurance that material costs or liabilities will not be incurred in connection with those claims. Except for certain orders issued by environmental, health and safety regulatory agencies with which we believe we are in compliance and which we believe are immaterial to our financial condition, results of operations and liquidity, we are not currently named as a party in any judicial or administrative proceeding relating to environmental, health and safety matters.

Greenhouse gas ("GHG") emissions have increasingly become the subject of political and regulatory focus. Concern over potential climate change, including global warming, has led to legislative and regulatory initiatives directed at limiting GHG emissions. All the states in which we operate are currently considering GHG legislation or regulations, either individually and/or as part of regional initiatives, that are independent of any federal proposals. While not all are likely to become law it is reasonably possible that additional climate change related mandates will be forthcoming, and it is expected that they may adversely impact our costs by increasing energy costs and raw material prices, requiring operational or equipments modifications to reduce emissions and creating costs to comply with regulations or to mitigate the financial consequences of such compliance.

While we have incurred in the past several years, and will continue to incur, capital and operating expenditures in order to comply with environmental, health and safety laws, regulations and ordinances, we believe that our future cost of compliance with environmental, health and safety laws, regulations and ordinances, and our exposure to liability for environmental, health and safety claims will not have a material effect on our financial condition, results of operations or liquidity. However, future events, such as changes in existing laws and regulations, new legislation to limit GHG emissions or contamination of sites owned, operated or used for waste disposal by us (including currently unknown contamination and contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs which could have a material effect on our financial condition, results of operations or liquidity.

We have planned capital expenditures to comply with environmental, health and safety laws, regulations and ordinances during the period 2013 through 2015 of approximately $1 million to $2 million annually. Our anticipated capital expenditures for environmental projects are not expected to have a material effect on our financial condition, results of operations or liquidity.

AVAILABLE INFORMATION

We are subject to the reporting requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934. As such, we file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). Our SEC filings are available to the public on the SEC's web site at www.sec.gov. You may also read and copy any document we file at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our common stock is traded on the New York Stock Exchange under the symbol NP. You may inspect the reports, proxy statements and other information concerning us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

Our web site is www.neenah.com. Our reports on Form 10-K, Form 10-Q and Form 8-K, as well as amendments to those reports, are and will be available free of charge on our web site as soon as reasonably practicable after we file or furnish such reports with the SEC. In addition, you may request a copy of any of these reports

(excluding exhibits) at no cost upon written request to us at: Investor Relations, Neenah Paper, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005.

Item 1A. Risk Factors

You should carefully consider each of the following risks and all of the other information contained in this Annual Report on Form 10-K. Some of the risks described below relate principally to our business and the industry in which we operate, while others relate principally to our indebtedness. The remaining risks relate principally to the securities markets generally and ownership of our common stock.

Our business, financial condition, results of operations or liquidity could be materially affected by any of these risks, and, as a result, the trading price of our common stock could decline. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Business and Industry

Our business will suffer if we are unable to effectively respond to decreased demand for some of our products due to conditions in the global economy or secular decline of some markets.

We have experienced and may experience in the future decreased demand for some of our products due to slowing or negative global economic growth, uncertainty in credit markets, declining consumer and business confidence, fluctuating commodity prices, increased unemployment and other challenges affecting the global economy. The North American uncoated free sheet market has been declining two to four percent annually due to the increasing use of electronic media for communication. For 2012, the Pulp and Paper Products Council (the "PPPC") reported a 4.7 percent year-over-year industry decline in the uncoated free sheet paper category. Premium fine papers represent approximately two and a half to three percent of the North American uncoated free sheet market. In addition, our customers may experience deterioration of their businesses, cash flow shortages, and difficulty obtaining financing. If we are unable to implement business strategies to effectively respond to decreased demand for our products, our financial position, cash flows and results of operations would be adversely affected.

Changes in international conditions generally, and particularly in Germany, could adversely affect our business and results of operations.

Our operating results and business prospects could be adversely affected by risks related to the countries outside the United States in which we have manufacturing facilities or sell our products, including Germany, the Eurozone and elsewhere. Downturns in economic activity, adverse tax consequences, fluctuations in the value of local currency versus the U.S. dollar, or any change in social, political or labor conditions in any of these countries or regions could negatively affect our financial results.

For example, the European sovereign debt crisis has negatively affected economic conditions in Europe and globally. We have significant operations and financial relationships based in Europe. Europe has historically accounted for over 40 percent of our net revenues. If the European sovereign debt crisis continues or deepens, economic conditions in Europe may further deteriorate. In that case, our business in Europe and elsewhere, as well as the businesses of our customers and suppliers, may be adversely affected.

The availability of and prices for raw materials and energy will significantly impact our business.

We purchase a substantial portion of the raw materials and energy necessary to produce our products on the open market, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand and government regulation. We do not have significant influence over our raw material or energy prices and our ability to pass increases in those prices along to purchasers of our products may be challenged, unless those increases coincide with increased demand for the product. Therefore, raw material or energy prices could increase at the same time that prices for our products are steady or decreasing. In addition, we may not be able to recoup other cost increases we may experience, such as those resulting from inflation or from increases in wages or salaries or increases in health care, pension or other employee benefits costs, insurance costs or other costs.

Our technical products business acquires all of its specialized pulp requirements from two global suppliers and certain critical specialty latex grades from four suppliers. In general, these supply arrangements are not covered by

formal contracts, but represent multi-year business relationships that have historically been sufficient to meet our needs. We expect these relationships to continue to operate in a satisfactory manner in the future. In the event of an interruption of production at any one supplier, we believe that each of these suppliers individually would be able to satisfy our short-term requirements for specialized pulp or specialty latex. In the event of a long-term disruption in our supply of specialized pulp or specialty latex, we believe we would be able to substitute other pulp grades or other latex grades that would allow us to meet required product performance characteristics and incur only a limited disruption in our production.

Our fine paper business acquires a substantial majority of the cotton fiber used in the production of certain branded bond paper products pursuant to annual agreements with two North American producers. The balance of our cotton fiber requirements are acquired through "spot market" purchases from a variety of other producers. We believe that a partial or total disruption in the production of cotton fibers at our two primary suppliers would increase our reliance on "spot market" purchases with a likely corresponding increase in cost.

Our operating results are likely to fluctuate.

Our operating results are subject to substantial quarterly and annual fluctuations due to a number of factors, many of which are beyond our control. Operating results could be adversely affected by general economic conditions causing a downturn in the market for paper products. Additional factors that could affect our results include, among others, changes in the market price of pulp, the effects of competitive pricing pressures, production capacity levels and manufacturing yields, availability and cost of products from our suppliers, the gain or loss of significant customers, our ability to develop, introduce and market new products and technologies on a timely basis, changes in the mix of products produced and sold, seasonal customer demand, the relative strength of the Euro versus the U.S. dollar, increasing interest rates and environmental costs. The timing and effect of the foregoing factors are difficult to predict, and these or other factors could materially adversely affect our quarterly or annual operating results.

We face many competitors, several of which have greater financial and other resources.

We face competition in each of our business segments from companies that produce the same type of products that we produce or that produce lower priced alternative products that customers may use instead of our products. Some of our competitors have greater financial, sales and marketing, or research and development resources than we do. Greater financial resources and product development capabilities may also allow our competitors to respond more quickly to new opportunities or changes in customer requirements.

We cannot be certain that our tax planning strategies will be effective and that our net operating losses ("NOLs") will continue to be available to offset our tax liability.

We are continuously undergoing examination by the Internal Revenue Service (the "IRS") as well as taxing authorities in various state and foreign jurisdictions in which we operate. The IRS and other taxing authorities routinely challenge certain deductions and credits reported on our income tax returns.

In November 2010, we received a tax examination report from the German tax authorities challenging the validity of certain interest expense deductions claimed on our tax returns for the years 2006 and 2007. We are indemnified by FiberMark, Inc. for any tax liabilities arising from the operations of Neenah Germany prior to October 2006. In August 2011, we received tax assessments totaling €3.7 million from the German tax authorities and submitted an appeal challenging these assessments. We believe that the finding which invalidates the deductibility of certain interest expense deductions is improper and are vigorously contesting the finding. As of December 31, 2011, no amounts were reserved related to these issues. In November 2011 and January 2012, we paid a total of €1.9 million against the August 2011 tax assessments. We reflected these payments as assets ($2.5 million in "Income taxes receivable" on the consolidated balance sheet as of December 31, 2012) in recognition that such amounts would be treated as prepayments against any assessments ultimately owed. During 2012, we submitted additional information to the German tax authorities to support the validity of our interest expense deductions; however, as of December 31, 2012, they had not rendered a decision on our appeal.

In the fourth quarter of 2012, legislation was proposed in the German legislature that would eliminate certain previously allowable interest expense deductions on a prospective and retroactive basis. The legislation was subsequently enacted in the first quarter of 2013. We believe the retroactive application of the legislation is unconstitutional and the likelihood of it being sustained is remote. As of December 31, 2012, we recorded a liability for uncertain income tax positions based on an assessment of the likelihood of alternative outcomes, including, the possibility of a potential compromise related to this issue for the 2006 and 2007 tax years and for

subsequent periods through 2012. We believe it is remote that our liability for unrecognized tax benefits related to these matters will significantly increase within the next 12 months. While we believe that retroactive application of this legislation is remote, should retroactive application of the legislation be sustained, the outcome could have a material effect on our results of operations, cash flows and financial position.

As of December 31, 2012, we had approximately $65.9 million of U.S. Federal and $76.9 million of U.S. State tax NOLs which may be used to offset taxable income in the future. In order to utilize the NOLs, we must generate consolidated taxable income. If not used, substantially all of the NOLs will expire in various amounts between 2028 and 2030. The availability of NOLs to offset taxable income could also be substantially reduced if we were to undergo an "ownership change" within the meaning of Section 382(g)(1) of the Internal Revenue Code. We will be treated as having had an "ownership change" if there is more than a 50% increase in stock ownership during a three-year "testing period" by "5% stockholders."

In accordance with Accounting Standards Codification ("ASC") Topic 740, *Income Taxes* ("ASC Topic 740"), as of December 31, 2012, we have recorded a liability of $4.8 million for uncertain tax positions where we believe it is "more likely than not" that the benefit reported on our income tax return will not be realized. There can be no assurance, however, that the actual amount of unrealized deductions will not exceed the amounts we have recognized for uncertain tax positions.

We have significant obligations for pension and other postretirement benefits.

We have significant obligations for pension and other postretirement benefits which could require future funding beyond that which we have funded in the past or which we currently anticipate. At December 31, 2012, our projected pension benefit obligations were $325.3 million and exceeded the fair value of pension plan assets by approximately $86.0 million. In 2012, we made total contributions to qualified pension trusts of $15.3 million. In addition, during 2012 we paid pension benefits for unfunded qualified and supplemental retirement plans of $8.9 million. At December 31, 2012, our projected other postretirement benefit obligations were $46.7 million. No assets have been set aside to satisfy our other postretirement benefit obligations. In 2012, we made payments for postretirement benefits other than pensions of $3.0 million. A material increase in funding requirements or benefit payments could have a material effect on our cash flows.

The outcome of legal actions and claims may adversely affect us.

We are involved in legal actions and claims arising in the ordinary course of our business. The outcome of such legal actions and claims against us cannot be predicted with certainty. The legal actions and claims against us could have a material effect on our financial condition, results of operations and liquidity.

Labor interruptions would adversely affect our business.

Substantially all of our hourly employees are unionized. In addition, some key customers and suppliers are also unionized. Strikes, lockouts or other work stoppages or slow downs involving our unionized employees could have a material effect on us. As of December 31, 2012, 645 hourly employees in the United States were covered by collective bargaining agreements that have expired or will expire within the next 12-months. Under German law union membership is voluntary and does not need to be disclosed to us. As a result, the number of employees covered by the collective bargaining agreement with the IG BCE that expires in May 2013 cannot be determined. For the current status of our U.S. collective bargaining agreements see "Part I Item 1 — Business, Employee and Labor Relations."

Future dividends on our common stock may be restricted or eliminated.

For the year ended December 31, 2012, we paid cash dividends of $0.48 per common share or approximately $7.8 million. In November 2012, our Board of Directors approved a 25 percent increase in the annual dividend on our common stock to $0.60 per share. The dividend will be paid in four equal quarterly installments beginning in March 2013. Dividends are declared at the discretion of our Board of Directors, and future dividends will depend on our future earnings, cash flow, financial requirements and other factors. Our ability to pay cash dividends on our common stock is limited under the terms of both our bank credit agreement and the indenture for our $90 million of ten-year senior notes due November 2014 (the "Senior Notes"). As of December 31, 2012, under the most restrictive terms of the indenture for the Senior Notes, our ability to pay cash dividends on our common stock is limited to a total of $8 million in a 12-month period. However, we can pay dividends in excess of $8 million in a 12-month period by making restricted payments as defined in the indenture for the Senior Notes. There can be no assurance that we will continue to pay dividends in the future.

If we have a catastrophic loss or unforeseen or recurring operational problems at any of our facilities, we could suffer significant lost production and/or cost increases.

Our technical products and fine paper businesses may suffer catastrophic loss due to fire, flood, terrorism, mechanical failure, or other natural or man-made events. If any of our facilities were to experience a catastrophic loss, it could disrupt our operations, delay production, delay or reduce shipments, reduce revenue, and result in significant expenses to repair or replace the facility. These expenses and losses may not be adequately covered by property or business interruption insurance. Even if covered by insurance, our inability to deliver our products to customers, even on a short-term basis, may cause us to lose market share on a more permanent basis.

Fluctuations in currency exchange rates could adversely affect our results.

Exchange rate fluctuations for the Euro do not have a material effect on the operations or cash flows of our German technical products business. Our German technical products business incurs most of its costs and sells most of its production in Europe and, therefore, its operations and cash flows are not materially affected by changes in the exchange rate of the Euro relative to the U.S. dollar. Changes in the Euro exchange rate relative to the U.S. dollar will, however, have an effect on our balance sheet and reported results of operations. See "Quantitative and Qualitative Disclosures About Market Risk — Foreign Currency Risk."

In addition, because we transact business in other foreign countries, some of our revenues and expenses are denominated in a currency other than the local currency of our operations. As a result, changes in exchange rates between the currency in which the transaction is denominated and the local currency of our operations into which the transaction is being recorded can impact the amount of local currency recorded for such transaction. This can result in more or less local currency revenues or costs related to such transaction, and thus have an effect on our reported sales and income before income taxes.

Our activities are subject to extensive government regulation, which could increase our costs, cause us to incur liabilities and adversely affect the manufacturing and marketing of our products.

Our operations are subject to federal, state and local laws, regulations and ordinances in the United States and Germany relating to various environmental, health and safety matters. The nature of our operations requires that we invest capital and incur operating costs to comply with those laws, regulations and ordinances and exposes us to the risk of claims concerning non-compliance with environmental, health and safety laws or standards. We cannot assure that significant additional expenditures will not be required to maintain compliance with, or satisfy potential claims arising from, such laws, regulations and ordinances. Future events, such as changes in existing laws and regulations or contamination of sites owned, operated or used for waste disposal by us (including currently unknown contamination and contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs that could require significantly higher capital expenditures and operating costs, which would reduce the funds otherwise available for operations, capital expenditures, future business opportunities or other purposes.

We are subject to risks associated with possible climate change legislation and various cost and manufacturing issues associated with such legislation.

GHG emissions have increasingly become the subject of political and regulatory focus. Concern over potential climate change, including global warming, has led to legislative and regulatory initiatives directed at limiting GHG emissions. All the states in which we operate are currently considering GHG legislation or regulations, either individually and/or as part of regional initiatives, that are independent of any federal proposals. While not all are likely to become law it is reasonably possible that additional climate change related mandates will be forthcoming, and it is expected that they may adversely impact our costs by increasing energy costs and raw material prices, requiring operational or equipments modifications to reduce emissions and creating costs to comply with regulations or to mitigate the financial consequences of compliance.

Risks Relating to Our Indebtedness

We may not be able to fund our future capital requirements internally or obtain third-party financing.

We may be required or choose to obtain additional debt or equity financing to meet our future working capital requirements, as well as to fund capital expenditures and acquisitions. To the extent we must obtain financing from external sources to fund our capital requirements, we cannot guarantee financing will be available on

favorable terms, if at all. As of December 31, 2012, we have required debt payments of $94.6 million during the year ending December 31, 2014. Such required debt payments include $90 million on our Senior Notes.

We may not be able to generate sufficient cash flow to meet our debt obligations, including the Senior Notes.

Our ability to make scheduled payments or to refinance our obligations with respect to the Senior Notes, our other debt and our other liabilities will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to certain financial, business and other factors beyond our control. If our cash flow and capital resources are insufficient to fund our debt obligations and other liabilities, we could face substantial liquidity problems and may be forced to reduce or delay scheduled expansions and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. We cannot assure that our operating performance, cash flow and capital resources will be sufficient to repay our debt in the future. In the event that we are required to dispose of material assets or operations or restructure our debt to meet our debt and other obligations, we can make no assurances as to the terms of any such transaction or how quickly any such transaction could be completed.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;
- our senior secured lenders could terminate their commitments and commence foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

If our operating performance declines in the future or we breach our covenants under the revolving credit facility, we may need to obtain waivers from the lenders under our revolving credit facility to avoid being in default. We may not be able to obtain these waivers. If this occurs, we would be in default under our revolving credit facility.

We have significant indebtedness which subjects us to restrictive covenants relating to the operation of our business.

As of December 31, 2012, we had $90 million of Senior Notes, $55.7 million in senior secured revolver borrowings, $30.0 million in Term Loan borrowings and $6.6 million of project financing outstanding. In addition, availability under our bank credit agreement was approximately $48.6 million. Our leverage could have important consequences. For example, it could:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the Senior Notes and our other indebtedness;
- place us at a disadvantage to our competitors;
- require us to dedicate a substantial portion of our cash flow from operations to service payments on our indebtedness, thereby reducing funds available for other purposes;
- increase our vulnerability to a downturn in general economic conditions or the industry in which we operate;
- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate and other purposes; and
- limit our ability to plan for and react to changes in our business and the industry in which we operate.

The terms of our indebtedness, including our bank credit agreement and the indenture governing the Senior Notes, contain covenants restricting our ability to, among other things, incur certain additional debt, make specified restricted payments, pay dividends, authorize or issue capital stock, enter into transactions with our affiliates, consolidate or merge with or acquire another business, sell certain of our assets or liquidate, dissolve or wind-up our company. As of December 31, 2012, under the most restrictive terms of the indenture for the Senior Notes, our ability to pay cash dividends on our common stock is limited to a total of $8 million in a 12-month period. However, we can pay dividends in excess of $8 million in a 12-month period by making restricted payments as defined in the indenture for the Senior Notes.

In addition, the Credit Agreement contains covenants with which we must comply during the term of the agreement. Among other things, such covenants restrict our ability to incur certain additional debt, make specified restricted payments, authorize or issue capital stock, enter into transactions with affiliates, consolidate or merge with or acquire another business, sell certain of its assets, or dissolve or wind up. In addition, if we have

outstanding borrowings under the Term Loan or if borrowing availability under the Second Amended and Restated Credit Agreement is less than $20 million, we are required to achieve a fixed charge coverage ratio (as defined in the Second Amended and Restated Credit Agreement) of not less than 1.1 to 1.0 for the preceding 12-month period, tested as of the end of such quarter. As of December 31 2012, we were in compliance with all terms of the Second Amended and Restated Credit Agreement.

Our Term Loan and revolving credit facilities accrue interest at variable rates. As of December 31, 2012, we had 55.7 million of senior secured revolver borrowings outstanding and $30.0 million in Term Loan borrowings outstanding. We may reduce our exposure to rising interest rates by entering into interest rate hedging arrangements, although those arrangements may result in us incurring higher interest expenses than we would incur without the arrangements. If interest rates increase in the absence of such arrangements, we will need to dedicate more of our cash flow from operations to make payments on our debt. For more information on our liquidity, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

Our failure to comply with the covenants contained in our revolving credit facility or the indenture governing the Senior Notes could result in an event of default that could cause acceleration of our indebtedness.

Our failure to comply with the covenants and other requirements contained in the indenture governing the Senior Notes, our revolving credit facility or our other debt instruments could cause an event of default under the relevant debt instrument. The occurrence of an event of default could trigger a default under our other debt instruments, prohibit us from accessing additional borrowings and permit the holders of the defaulted debt to declare amounts outstanding with respect to that debt to be immediately due and payable. Our assets or cash flows may not be sufficient to fully repay borrowings under our outstanding debt instruments, and we may be unable to refinance or restructure the payments on indebtedness on favorable terms, or at all.

Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more indebtedness, which may increase the risks created by our substantial indebtedness.

Because the terms of our bank credit agreement and the indenture governing the Senior Notes do not fully prohibit us or our subsidiaries from incurring additional indebtedness, we and our subsidiaries may be able to incur substantial additional indebtedness in the future, some of which may be secured. If we or any of our subsidiaries incur additional indebtedness, the related risks that we and they now face may intensify.

Our bank credit agreement is secured by a majority of our North American assets.

Our bank credit agreement, as amended, is secured by a majority of our North American assets, including the capital stock of our subsidiaries. Neenah Germany is not a borrower or guarantor with respect to the bank credit agreement.

Availability under our bank credit agreement will fluctuate over time depending on the value of our inventory, receivables and various capital assets. An extended work stoppage or decline in sales volumes would result in a decrease in the value of the assets securing the bank credit agreement. A reduction in availability under the bank credit agreement could have a material effect on our liquidity.

Changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and have an adverse effect on the market price of our securities.

A downgrade of our credit ratings below current levels (Moody's Investors Service — Ba3, Standard & Poor's — BB- as of December 31, 2012) may reduce our access to the capital markets, have an adverse effect on the market price of our securities and increase our cost of borrowing.

We depend on our subsidiaries to generate cash flow to meet our debt service obligations, including payments on the Senior Notes.

We conduct a substantial portion of our business through our subsidiaries. Consequently, our cash flow and ability to service our debt obligations, including the Senior Notes, depend upon the earnings of our subsidiaries and the distribution of those earnings to us, or upon loans, advances or other payments made by these entities to us. The ability of these entities to pay dividends or make other payments or advances to us will be subject to applicable laws and contractual restrictions contained in the instruments governing their debt, including our revolving credit

facility and the indenture governing the Senior Notes. These limitations are also subject to important exceptions and qualifications.

The ability of our subsidiaries to generate sufficient cash flow from operations to allow us to make scheduled payments on our debt, including the Senior Notes, will depend upon their future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control. If our subsidiaries do not generate sufficient cash flow from operations to help us satisfy our debt obligations, including payments on the Senior Notes, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital expenditures or seeking to raise additional capital. Refinancing may not be possible, and any assets may not be saleable, or, if sold, we may not realize sufficient amounts from those sales. Additional financing may not be available on acceptable terms, if at all, or we may be prohibited from incurring it, if available, under the terms of our various debt instruments then in effect. Our inability to generate sufficient cash flow to satisfy our debt obligations or to refinance our obligations on commercially reasonable terms would have an adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations on the Senior Notes. The amount of earnings that our operating subsidiaries are able to distribute to us as dividends, or otherwise, may not be adequate for us to service our debt obligations.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), or in releases made by the SEC, all as may be amended from time to time. Statements contained in this Annual Report on Form 10-K that are not historical facts may be forward-looking statements within the meaning of the PSLRA. Any such forward-looking statements reflect our beliefs and assumptions and are based on information currently available to us. Forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws. The Company cautions investors that any forward-looking statements we make are not guarantees or indicative of future performance. For additional information regarding factors that may cause our results of operations to differ materially from those presented herein, please see "Risk Factors" contained in this Annual Report on Form 10-K and as are detailed from time to time in other reports we file with the SEC.

You can identify forward-looking statements as those that are not historical in nature, particularly those that use terminology such as "may," "will," "should," "expect," "anticipate," "contemplate," "estimate," "believe," "plan," "project," "predict," "potential" or "continue," or the negative of these, or similar terms. In evaluating these forward-looking statements, you should consider the following factors, as well as others contained in our public filings from time to time, which may cause our actual results to differ materially from any forward-looking statement:

- changes in market demand for our products due to global economic conditions;
- fluctuations in (i) exchange rates (in particular changes in the U.S. dollar/Euro currency exchange rates) and (ii) interest rates;
- increases in commodity prices, (particularly for pulp, energy and latex) due to constrained global supplies or unexpected supply disruptions;
- the availability of raw materials and energy;
- the competitive environment;
- capital and credit market volatility and fluctuations in global equity and fixed-income markets;
- unanticipated expenditures related to the cost of compliance with environmental and other governmental regulations;
- our ability to control costs and implement measures designed to enhance operating efficiencies;
- the loss of current customers or the inability to obtain new customers;
- increases in the funding requirements for our pension and postretirement liabilities;
- changes in asset valuations including write-downs of assets including property, plant and equipment; inventory, accounts receivable, deferred tax assets or other assets for impairment or other reasons;
- our existing and future indebtedness;
- our net operating losses may not be available to offset our tax liability and other tax planning strategies may not be effective;
- strikes, labor stoppages and changes in our collective bargaining agreements and relations with our employees and unions; and
- other risks that are detailed from time to time in reports we file with the SEC.
- other factors described under "Risk Factors".

You are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this information statement.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located in Alpharetta, Georgia, a suburb of Atlanta, Georgia, and we operate a research and development laboratory in the nearby suburb of Roswell, Georgia. We own and operate four paper mills in the United States that produce printing and writing, text, cover, durable saturated and coated substrates and other specialty papers for a variety of end uses. We own and operate three paper mills in Germany that produce transportation and other filter media, wall coverings and durable and saturated substrates.

We believe that each of these facilities is adequately maintained and is suitable for conducting our operations and business. We manage machine operating schedules at our manufacturing locations to fulfill customer orders in a timely manner and control inventory levels.

As of December 31, 2012, following are the locations of our principal facilities and operating equipment and the products produced at each location. All the facilities are owned by us, except as otherwise noted:

Location	Equipment/Resources	Products
Fine Paper Segment		
Appleton Mill Appleton, Wisconsin	Two paper machines; paper finishing equipment	Printing and writing, text, cover and other specialty papers
Converting Center Neenah, Wisconsin	Paper finishing equipment	Printing and writing, text, cover and other specialty papers
Neenah Mill Neenah, Wisconsin	Three paper machines; paper finishing equipment	Printing and writing, text, cover and other specialty papers
Whiting Mill Whiting, Wisconsin	Four paper machines; paper finishing equipment	Printing and writing, text, cover and other specialty papers
Technical Products Segment		
Munising Mill Munising, Michigan	Two paper machines; two off line saturators; three off line coaters; specialty finishing equipment	Tapes, abrasives, premask, medical packaging and other durable, saturated and coated substrates
Bruckmühl Mill Bruckmühl, Germany	One paper machine; two saturator/coaters; finishing equipment	Masking tape backings and abrasive backings
Lahnstein Mill Lahnstein, Germany	One paper machine; three impregnating and coating machines; two calendars; finishing equipment	Nonwoven wall coverings, printing media and durable substrates
Weidach Mill Feldkirchen-Westerham, Germany	Two paper machines; three saturators; one laminator; two meltblowing machines; specialty finishing equipment	Transportation filtration, vacuum cleaner and industrial filter media

See Note 6 of Notes to Consolidated Financial Statements, "Debt" for a description of the material encumbrances attached to the properties described in the table above.

As of December 31, 2012, following are the locations of our owned and leased office and laboratory space and the functions performed at each location.

Administrative Location	Office/Other Space	Function
Alpharetta, Georgia	Leased Office Space	Corporate Headquarters and Administration
Roswell, Georgia	Leased Laboratory Space	Research and Development for our paper businesses
Feldkirchen-Westerham, Germany	Owned Laboratory Space	Research and Development for our technical product businesses
Neenah and Appleton, Wisconsin	Owned Office Space	Administration

Item 3. Legal Proceedings

See Note 11, "Contingencies and Legal Matters" of Notes to Consolidated Financial Statements of Part IV Item 15 — Exhibits and Financial Statement Schedule.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Neenah common stock is listed on the New York Stock Exchange and is traded under the ticker symbol NP. Trading, as reported on the New York Stock Exchange, Inc. Composite Transactions Tape, and dividend information follows:

	Common Stock Market Price		Dividends Declared
	High	Low	
2012			
Fourth quarter	$ 29.19	$ 23.67	$ 0.12
Third quarter	$ 30.61	$ 25.40	$ 0.12
Second quarter	$ 30.00	$ 24.48	$ 0.12
First quarter	$ 31.06	$ 22.31	$ 0.12
2011			
Fourth quarter	$ 23.00	$ 12.92	$ 0.11
Third quarter	$ 22.75	$ 13.73	$ 0.11
Second quarter	$ 23.75	$ 19.52	$ 0.11
First quarter	$ 22.08	$ 17.10	$ 0.11

Dividends are declared at the discretion of the Board of Directors, and future dividends will depend on our future earnings, cash flow, financial requirements and other factors. Our ability to pay cash dividends on our common stock is limited under the terms of both our bank credit agreement and our Senior Notes. As of December 31, 2012, under the most restrictive terms of the indenture for the Senior Notes, our ability to pay cash dividends on our common stock is limited to a total of $8 million in a 12-month period. However, we can pay dividends in excess of $8 million in a 12-month period by making restricted payments as defined in the indenture for the Senior Notes. For the year ended December 31, 2012 we paid cash dividends of $0.48 per common share or approximately $7.8 million. For the year ended December 31, 2011 we paid cash dividends of $0.44 per common share or approximately $6.7 million. In November 2012, our Board of Directors approved a twenty-five percent increase in the annual dividend on our common stock to $0.60 per share. We expect to pay the dividends in four equal quarterly installments beginning in March 2013.

As of February 22, 2013, Neenah had approximately 2,000 holders of record of its common stock. The closing price of Neenah's common stock on February 22, 2013 was $28.86.

Purchases of Equity Securities:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Approximate Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs
October 2012	12,597	$ 26.23	12,597	$ 8,465,000
November 2012	96,125	$ 25.91	96,125	$ 5,970.000
December 2012 (a)	89,666	$ 28.46	1,200	$ 5,940,000

(a) Transactions primarily represent the purchase of vested restricted shares from employees to satisfy minimum tax withholding requirements upon vesting of stock-based awards. None of these transactions were made in the open market. The average price paid is based upon the closing sales price on the New York Stock Exchange on the date of the transaction. Such purchases are held as treasury shares. See Note 8 of Notes to Consolidated Financial Statements, "Stock Compensation Plans."

(b) On May 17, 2012, the Company's Board of Directors authorized a program that would allow for the purchase of up to $10 million of outstanding Common Stock through May 16, 2013.

Item 6. Selected Financial Data

The following table sets forth our selected historical financial and other data. You should read the information set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and the notes to those consolidated financial statements included elsewhere in this Annual Report. The statement of operations data for the years ended December 31, 2012, 2011 and 2010 and the balance sheet data as of December 31, 2012 and 2011 set forth below are derived from our audited historical consolidated financial statements included elsewhere in this Annual Report on Form 10-K. The balance sheet data as of December 31, 2010, 2009, and 2008 and the statement of operations data for the years ended December 31, 2009 and 2008 set forth below are derived from our historical consolidated financial statements not included in this Annual Report on Form 10-K.

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(Dollars in millions, except per share data)				
Consolidated Statement of Operations Data					
Net sales	$ 808.8	$ 696.0	$ 657.7	$ 573.9	$ 732.3
Cost of products sold	649.7	570.6	537.7	472.3	630.8
Gross profit	159.1	125.4	120.0	101.6	101.5
Selling, general and administrative expenses	77.4	68.2	69.3	69.1	75.2
Acquisition integration costs (a)	5.8	—	—	—	—
SERP settlement charge (b)	3.5	—	—	—	—
Loss on retirement of bonds (c)	0.6	2.4	—	—	—
Loss (gain) on closure and sale of the Ripon Mill (d)	—	—	(3.4)	17.1	—
Goodwill and other intangible asset impairment charge (e)	—	—	—	—	54.5
Other (income) expense — net	1.4	(1.8)	(1.0)	(1.0)	(11.3)
Operating income (loss)	70.4	56.6	55.1	16.4	(16.9)
Interest expense — net	13.4	15.3	20.3	23.2	25.0
Income (loss) from continuing operations before income taxes	57.0	41.3	34.8	(6.8)	(41.9)
Provision (benefit) for income taxes	17.1	12.0	9.8	(5.0)	3.9
Income (loss) from continuing operations	39.9	29.3	25.0	(1.8)	(45.8)
Income (loss) from discontinued operations, net of taxes (h)	4.4	(0.2)	134.1	0.6	(111.2)
Net income (loss)	$ 44.3	$ 29.1	$ 159.1	$ (1.2)	$ (157.0)
Earnings (loss) from continuing operations per basic share	$ 2.46	$ 1.91	$ 1.69	$ (0.12)	$ (3.14)
Earnings (loss) from continuing operations per diluted share	$ 2.41	$ 1.82	$ 1.61	$ (0.12)	$ (3.14)
Cash dividends per common share	$ 0.48	$ 0.44	$ 0.40	$ 0.40	$ 0.40
Other Financial Data					
Net cash flow provided by (used for):					
Operating activities	$ 40.1	$ 57.2	$ 54.5	$ 64.9	$ 13.1
Capital expenditures	(25.1)	(23.1)	(17.4)	(8.4)	(30.0)
Other investing activities (h) (2)	(7.2)	(5.8)	83.9	0.1	(0.4)
Financing activities (c)	(13.0)	(63.8)	(78.3)	(54.2)	18.2
Ratio of earnings to fixed charges (f) (g)	4.8x	3.5x	2.6x	—	—

	As of December 31,				
	2012	2011	2010	2009	2008
	(Dollars in millions)				
Consolidated Balance Sheet Data					
Working capital	$ 146.7	$ 90.0	$ 129.9	$ 98.8	$ 147.1
Total assets	610.7	565.1	606.7	636.6	689.1
Long-term debt (c)	177.6	164.5	231.3	263.6	340.5
Total liabilities	412.9	398.4	447.5	527.0	584.1
Total stockholders' equity	197.8	166.7	159.2	109.6	105.0

(a) For the year ended December 31, 2012, we incurred $5.8 million of integration costs in connection with the acquisition of the Wausau brands.

(b) For the year ended December 31, 2012, SERP benefit payments of $7.0 million exceeded the sum of expected service cost and interest costs for the plan for calendar 2012. In accordance with ASC Topic 715, Compensation — Retirement Benefits ("ASC Topic 715"), we remeasured the liabilities of the SERP as of January 1, 2012 and recognized a settlement charge of $3.5 million.

(c) For the year ended December 31, 2012, we completed an early redemption of $68 million in aggregate principal amount of the Senior Notes. In connection with the early redemption we recognized a pre-tax loss of approximately $0.6 million, including a call premium and the write-off of unamortized debt issuance costs. For the year ended December 31, 2011, we completed an early redemption of $65 million in aggregate principal amount of the Senior Notes. In connection with the early redemption we recognized a pre-tax loss of approximately $2.4 million, including a call premium and the write-off of unamortized debt issuance costs.

(d) In May 2009, we permanently closed the Ripon Mill. The closure resulted in a pre-tax charge of $17.1 million comprised of approximately $5.8 million in non-cash charges primarily for losses related to the carrying value of property, plant and equipment, a curtailment loss of $0.8 million related to postretirement benefit plans in which employees of the Ripon Mill participated and cash payments for contract terminations, severances and other employee costs of approximately $10.5 million.

In October 2010, we sold the remaining assets of the Ripon Mill to Diamond Pet Food Processors of Ripon, LLC ("Diamond") for gross proceeds of approximately $9 million. Pursuant to the terms of the transaction, Diamond acquired all the assets and assumed responsibility for substantially all the remaining liabilities associated with the Ripon Mill. We recognized a pre-tax gain on the sale of $3.4 million in the fourth quarter of 2010.

(e) For the year ended December 31, 2008, we recognized a pre-tax loss of $52.7 million (we did not recognize a tax benefit related to the non-tax deductible loss) to write-off the excess of the carrying value of goodwill assigned to Neenah Germany over the estimated fair value of goodwill. In addition, for the year ended December 31, 2008, we recognized a non-cash pre-tax charge of approximately $1.8 million for the impairment of certain trade names and customer based intangible assets acquired in the Neenah Germany acquisition.

(f) For purposes of determining the ratio of earnings to fixed charges, earnings consist of income before income taxes (less interest) plus fixed charges. Fixed charges consist of interest expense, including amortization of debt issuance costs, and the estimated interest portion of rental expense.

(g) For the years ended December 31, 2009 and 2008, fixed charges exceeded earnings by $6.8 million and $41.9 million, respectively.

(h) The following table presents the results of discontinued operations:

	Year Ended December 31,				
	2012 (1)	2011	2010	2009	2008
	(Dollars in millions)				
Discontinued operations: (5)					
Income (loss) from operations (3)	$ (0.1)	$ (0.3)	$ 1.0	$ 2.8	$ (97.8)
Gain on disposal of the Woodlands (2)	—	—	74.1	—	—
Reclassification of cumulative translation adjustments related to investments in Canada (2)	—	—	87.9	—	—
Loss on disposal — Pictou Mill (3)	—	—	—	(0.3)	(29.4)
Loss on settlement of post-employment benefit plans (4)	—	—	—	—	(53.7)
Gain (loss) on disposal	—	—	162.0	(0.3)	(83.1)
Income (loss) before income taxes	(0.1)	(0.3)	163.0	2.5	(180.9)
(Provision) benefit for income taxes	4.5	0.1	(28.9)	(1.9)	69.7
Income (loss) from discontinued operations, net of taxes	$ 4.4	$ (0.2)	$ 134.1	$ 0.6	$ (111.2)

(1) In November 2012, audits of the 2007 and 2008 tax years were finalized with a finding of no additional taxes due. As a result, we recognized a non-cash tax benefit of $4.5 million related to the reversal of certain liabilities for uncertain income tax positions.

(2) In March 2010, Neenah Canada sold the Woodlands to Northern Pulp for C$82.5 million ($78.6 million) resulting in a pre-tax gain of $74.1 million. The sale of the Woodlands resulted in the substantially complete liquidation of the Company's investment in Neenah Canada. In accordance with Accounting Standards Codification ("ASC") Topic 830, *Foreign Currency Matters* ("ASC Topic 830"), $87.9 million of cumulative currency translation adjustments attributable to the Company's Canadian subsidiaries was reclassified into earnings and recognized as part of the gain on sale of the Woodlands. See Note 12 of Notes to Consolidated Financial Statements, "Discontinued Operations."

(3) In February 2008, we committed to a plan to sell our pulp mill in Pictou, Nova Scotia (the "Pictou Mill") and the Woodlands. In June 2008, Neenah Canada sold the Pictou Mill to Northern Pulp. Neenah Canada made a payment of approximately $10.3 million to Northern Pulp in connection with the sale of the Pictou Mill. In addition, we paid approximately $3.3 million of transaction costs.

During the first quarter of 2008, we determined that the estimated value we would receive from a sale of the Pictou Mill indicated that we would not recover the carrying value of the mill's long-lived assets. As a result, for the year ended December 31, 2008, we recognized aggregate non-cash, pre-tax impairment charges of $91.2 million to write-off the carrying value of the Pictou Mill's long-lived assets. In addition, for the year ended December 31, 2008, we recorded a pre-tax loss of $29.4 million to recognize the loss on disposal of the Pictou Mill.

(4) In conjunction with the sale of the Pictou Mill, Northern Pulp assumed responsibility for all pension and other postretirement benefit obligations for active and retired employees of the mill. We accounted for the transfer of the Nova Scotia, Canada defined benefit pension plan (the "Nova Scotia Plan") to Northern Pulp as a settlement of postretirement benefit obligations pursuant to ASC Topic 715, *Compensation — Retirement Benefits* ("ASC Topic 715"). For the year ended December 31, 2008, we recognized a non-cash, pre-tax settlement loss of $53.7 million for the reclassification of deferred pension and other postretirement benefit adjustments related to the Nova Scotia Plan from accumulated other comprehensive income to the loss on disposal of the Pictou Mill.

(5) For the years ended December 31, 2012, 2011, 2010 and 2009, the results of operations of the Pictou Mill and the Woodlands and the loss on disposal of the Pictou Mill are reported as discontinued operations in the Consolidated Statement of Operations Data. The consolidated results of operations for all other periods presented have been restated to reflect the results of operations of the Terrace Bay mill, the Pictou Mill and the Woodlands and the loss on transfer of the Terrace Bay mill as discontinued operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis presents the factors that had a material effect on our results of operations during the years ended December 31, 2012, 2011 and 2010. Also discussed is our financial position as of the end of those periods. You should read this discussion in conjunction with our consolidated financial statements and the notes to those consolidated financial statements included elsewhere in this Annual Report on Form 10-K. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. See "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Introduction

This Management's Discussion and Analysis of Financial Condition is intended to provide investors with an understanding of the historical performance of our business, its financial condition and its prospects. We will discuss and provide our analysis of the following:

- Overview of Business;
- Business Segments;
- Results of Operations and Related Information;
- Liquidity and Capital Resources;
- Adoption of New Accounting Pronouncements; and
- Critical Accounting Policies and Use of Estimates.

Overview of Business

We are a leading producer of technical products and premium fine papers. We have two primary operations: our technical products business and our fine paper business.

Our mission is to create value by improving the image and performance of everything we touch. We expect to create value by expanding our presence in growing technical products markets, while delivering attractive returns from our fine paper business.

In managing our businesses, we believe that achieving and maintaining a leadership position in our markets, responding effectively to customer needs and competitive challenges, employing capital optimally, controlling costs and managing risks are important to long-term success. Changes in input costs and general economic conditions also impact our results. In this discussion and analysis, we will refer to these factors.

- *Competitive Environment* — Our past results have been and our future prospects will be significantly affected by the competitive environment in which we operate. In most of our markets, our businesses compete directly with well-known competitors, some of which are larger and more diversified. While our businesses are oriented to premium performance and quality they may also face competitive pressures from lower value products.
- *Economic Conditions and Input Costs* — The markets for all of our products are affected to a significant degree by economic conditions, including rapid changes in input costs, particularly for pulp, latex and natural gas. Our results are also affected by fluctuations in exchange rates, particularly for the Euro.

Business Segments

Our technical products business is a leading international producer of transportation and other filter media and durable, saturated and coated substrates for a variety of end markets. We focus on categories where we believe we are, or can be, a market leader, which include, among others, the transportation and other filtration media, tape, abrasive, nonwoven wall coverings, label, medical packaging and image transfer technical products markets. Our technical products manufacturing facilities are located near Munich and Frankfurt, Germany and in Munising, Michigan.

We believe our fine paper business is the leading supplier of premium writing, text and cover papers, bright papers and specialty papers in North America. Our products include some of the most recognized and preferred papers in North America, where we enjoy leading market positions in many of our product categories. We sell our products primarily to authorized paper distributors, converters, major national retailers and specialty businesses. We believe that our fine paper manufacturing facilities located in Appleton, Neenah and Whiting, Wisconsin are among the most efficient for their markets and make us one of the lowest cost producers in the product categories in which we compete.

The other segment includes the Index, Tag and Vellum Bristol brands acquired from Wausau.

Results of Operations and Related Information

In this section, we discuss and analyze our net sales, income before interest and income taxes (which we refer to as "operating income" in this Management's Discussion and Analysis of Financial Condition and Results of Operations) and other information relevant to an understanding of our results of operations.

Executive Summary

On January 31, 2012, we purchased certain premium paper brands and other assets from Wausau. We paid approximately $21million for (i) the premium fine paper brands ASTROBRIGHTS®, ASTROPARCHE® and ROYAL, (ii) exclusive, royalty free and perpetual license rights for a portion of the EXACT® brand specialty business, including Index, Tag and Vellum Bristol, (iii) approximately one month of finished goods inventory and (iv) certain converting equipment used for retail grades.

For the year ended December 31, 2012, consolidated net sales increased $112.8 million from the prior year to $808.8 million primarily due to incremental volume from the brands acquired from Wausau.

Consolidated operating income of $70.4 million for the year ended December 31, 2012 increased $13.8 million from the prior year. Excluding acquisition related integration costs of approximately $5.8 million, a SERP settlement charge of $3.5 million and costs of $0.6 million related to the early redemption of Senior Notes in 2012 and costs of $2.4 related to the early redemption of Senior Notes in 2011, operating income for the year ended December 31, 2012 increased $21.3 million or 36 percent from the prior year. The favorable variance was primarily due to incremental volume related to the acquisition of the Wausau brands, higher average net price for both businesses and lower manufacturing input costs in our fine paper business, partially offset by additional costs related to the acquisition of the Wausau brands, including higher selling, general and administrative ("SG&A") spending and non-cash charges for the revaluation of inventory and profit in inventory.

Analysis of Net Sales — Years Ended December 31, 2012, 2011 and 2010

The following table presents net sales by segment, expressed as a percentage of total net sales before intersegment eliminations:

	Year Ended December 31,		
	2012	2011	2010
Technical Products	50%	61%	58%
Fine Paper	46%	39%	42%
Other	4%	—%	—%
Total	100%	100%	100%

Commentary:

Year 2012 versus 2011

	For the Year Ended December 31,		Change in Net Sales Compared to the Prior Year			
				Change Due To		
	2012	2011	Total Change	Volume	Average Net Price	Currency
Technical Products	$ 406.6	$ 421.1	$ (14.5)	$ (2.5)	$ 10.3	$ (22.3)
Fine Paper	372.7	274.9	97.8	97.2	0.6	—
Other	29.5	—	29.5	29.5	—	—
Consolidated	$ 808.8	$ 696.0	$ 112.8	$ 124.2	$ 10.9	$ (22.3)

Consolidated net sales for the year ended December 31, 2012 were $112.8 million higher than the prior year primarily due to incremental volume from the brands acquired from Wausau. Consolidated net sales also benefitted from a more favorable product mix in our Technical Products business and higher average selling prices for both businesses, partially offset by unfavorable currency exchange effects.

- Net sales in our technical products business decreased $14.5 million, or three percent, as higher average net price was more than offset by unfavorable currency exchange effects and lower shipment volume. The higher average net price reflected a more favorable product mix due to growth in transportation filtration, labels and medical packaging products and a one percent increase in average selling prices. Unfavorable currency exchange effects reflected an eight percent weakening of the Euro relative to the U.S. dollar during 2012. Shipment volumes decreased less than one percent from the prior year as strong growth in transportation filtration, wall covering, medical packaging products and label shipments was more than offset by lower tape and abrasive volume.

- Net sales in our fine paper business increased $97.8 million or 36 percent from the prior year primarily due to incremental volume related to the acquisition of the Wausau brands and strong growth in packaging, label and premium branded shipments. Average net price was marginally higher than the prior year as higher average selling prices more than offset a product mix that included a higher proportion of lower priced products.

- Other net sales were $29.5 million and reflected sales volume for the acquired Index, Tag and Vellum Bristol brands acquired from Wausau.

Year 2011 versus 2010

	For the Year Ended December 31,		Change in Net Sales Compared to the Prior Year			
				Change Due To		
	2011	2010	Total Change	Volume	Average Net Price	Currency
Technical Products	$ 421.1	$ 384.3	$ 36.8	$ 3.0	$ 20.4	$ 13.4
Fine Paper	274.9	273.4	1.5	(7.7)	9.2	—
Consolidated	$ 696.0	$ 657.7	$ 38.3	$ (4.7)	$ 29.6	$ 13.4

Consolidated net sales for the year ended December 31, 2011 were $38.3 million higher than the prior year primarily due to higher average selling prices, a more favorable product mix for both businesses and favorable currency exchange effects, partially offset by lower fine paper volume.

- Net sales in our technical products business increased $36.8 million, or 10 percent, primarily due to higher average net prices and favorable currency exchange effects. The higher average net prices reflected a three percent increase in average selling prices and a more favorable product mix due to growth in premium filtration, labels and medical packaging products. Favorable currency exchange effects reflected a five percent strengthening of the Euro relative to the U.S. dollar during 2011. Shipment volumes increased approximately one percent from the prior year primarily due to strong growth in transportation filtration, wall covering, medical packaging products and label shipments.

- Net sales in our fine paper business increased $1.5 million, or approximately one percent, due to higher average net selling prices partially offset by a six percent decrease in shipment volume. Average net price was more than two percent higher than the prior year due to higher average selling prices and a more favorable product mix. The lower shipment volume was primarily due to a general decline in shipments for the premium fine paper market and a reduction in lower value special-make sales in 2011. The general decline in shipment volume due to market conditions was partially offset by increased revenue from a new envelope program and strong growth in luxury packaging and premium label shipments.

Analysis of Operating Income — Years Ended December 31, 2012, 2011 and 2010

The following table sets forth line items from our consolidated statements of operations as a percentage of net sales for the periods indicated and is intended to provide a perspective of trends in our historical results:

	Year Ended December 31,		
	2012	2011	2010
Net sales	100.0%	100.0%	100.0%
Cost of products sold	80.3	82.0	81.8
Gross profit	19.7	18.0	18.2
Selling, general and administrative expenses	9.6	9.8	10.5
SERP settlement charge	0.4	—	—
Acquisition integration costs	0.7	—	—
Loss on retirement of bonds	0.1	0.4	—
Gain on sale of Ripon Mill	—	—	(0.5)
Other (income) expense — net	0.2	(0.3)	(0.2)
Operating income	8.7	8.1	8.4
Interest expense — net	1.7	2.2	3.1
Income from continuing operations before income taxes	7.0	5.9	5.3
Provision for income taxes	2.1	1.7	1.5
Income from continuing operations	4.9%	4.2%	3.8%

The following table sets forth our operating income by segment for the periods indicated:

Operating income	Year Ended December 31, 2012	2011	2010
Technical Products	$ 37.6	$ 33.8	$ 29.2
Fine Paper	50.0	39.7	40.5
Other	2.4	—	—
Unallocated corporate costs	(19.6)	(16.9)	(14.6)
Consolidated Operating Income as Reported	70.4	56.6	55.1
Adjustments for Unusual Items			
Fine Paper adjustments			
Acquisition integration costs	5.8	—	—
Gain on sale of the Ripon Mill	—	—	(3.4)
Total	5.8	—	(3.4)
Unallocated corporate costs adjustments			
SERP settlement charge	3.5	—	—
Loss on retirement of bonds	0.6	2.4	—
Total	4.1	2.4	—
Total adjustments	9.9	2.4	(3.4)
Consolidated Operating Income as Adjusted	$ 80.3	$ 59.0	$ 51.7

In accordance with generally accepted accounting principles in the United States ("GAAP"), consolidated operating income includes the pre-tax effects of unusual items. We believe that by adjusting reported operating income to exclude the effects of these items, the resulting adjusted operating income is on a basis that reflects the results of our ongoing operations. We believe that providing adjusted operating results will help investors gain an additional perspective of underlying business trends and results. Adjusted operating income is not a recognized term under GAAP and should not be considered in isolation or as a substitute for operating income derived in accordance with GAAP. Other companies may use different methodologies for calculating their non-GAAP financial measures and, accordingly, our non-GAAP financial measures may not be comparable to their measures.

Commentary:

Year 2012 versus 2011

	For the Year Ended December 31,		Change in Operating Income (Loss) Compared to the Prior Year					
				Change Due To				
	2012	2011	Total Change	Volume	Net Price (a)	Material Costs (b)	Currency	Other
Technical Products	$ 37.6	$ 33.8	$ 3.8	$ (0.3)	$ 6.8	$ 0.7	$ (1.7)	$ (1.7)
Fine Paper (c)	50.0	39.7	10.3	23.0	2.5	10.0	—	(25.2)
Other	2.4	—	2.4	2.4	—	—	—	—
Unallocated corporate costs (d)	(19.6)	(16.9)	(2.7)	—	—	—	—	(2.7)
Consolidated	$ 70.4	$ 56.6	$ 13.8	$ 25.1	$ 9.3	$ 10.7	$ (1.7)	$ (29.6)

(a) Includes price changes, net of changes in product mix.
(b) Includes price changes for raw materials and energy.
(c) For the year ended December 31, 2012, results for the Fine Paper segment include $5.8 million of integration costs related to the Wausau acquisition and non-cash charges for the revaluation of inventory and profit in inventory.
(d) For the year ended December 31, 2012 unallocated corporate costs include a $3.5 million SERP settlement charge and $0.6 million of costs related to the early redemption of $68 million of our Senior Notes. For the year ended December 31, 2011 unallocated corporate costs include $2.4 million of costs related to the early redemption of $65 million of our Senior Notes.

Consolidated operating income of $70.4 million for the year ended December 31, 2012 increased $13.8 million from the prior year. Excluding acquisition related integration costs of approximately $5.8 million, a SERP settlement charge of $3.5 million and costs of $0.6 million related to the early redemption of Senior Notes in 2012 and costs of $2.4 related to the early redemption of Senior Notes in 2011, operating income for the year ended December 31, 2012 increased $21.3 million or 36 percent from the prior year with gains in both business segments. The improvement in operating income was primarily due to incremental volume and manufacturing efficiencies related to the brands acquired from Wausau, lower manufacturing input costs in our fine paper business and higher average net prices. These favorable variances were partially offset by additional costs related to the acquisition of the Wausau brands, including certain non-recurring items.

- Operating income for our technical products business increased $3.8 million or 11 percent from the prior year. The income improvement resulted from a more favorable product mix, reflecting growth in higher value filtration and wallcovering shipments; and higher selling prices for most products. Operating income also benefitted from manufacturing cost efficiencies.

- Operating income for our fine paper business increased $10.3 million or 26 percent from the prior year. Excluding acquisition related integration costs of approximately $5.8 million, operating income increased $16.1 million or 41 percent primarily due to incremental volume related to the brands acquired from Wausau, lower manufacturing input costs and higher average net selling prices; partially offset by SG&A and other costs, including spending and non-cash charges for the revaluation of inventory and profit in inventory, related to the purchase of the Wausau brands.

- Other operating income was $2.4 million and reflected the operating results for the Index, Tag and Vellum Bristol brands.

- Unallocated corporate costs for the year ended December 31, 2012 were $19.6 million, or $2.7 million unfavorable to the prior year period. Excluding the SERP settlement charge and costs related to the early redemption of Senior Notes in 2012 and 2011, unallocated corporate costs were $1.0 million unfavorable to the prior year due to higher employee benefit costs.

Year 2011 versus 2010

	For the Year Ended December 31,		Change in Operating Income Compared to the Prior Year					
				Change Due To				
	2011	2010	Total Change	Volume (a)	Net Price (b)	Material Costs	Currency	Other (d)
Technical Products	$ 33.8	$ 29.2	$ 4.6	$ 0.6	$ 17.4	$ (16.5)	$ 0.6	$ 2.5
Fine Paper	39.7	40.5	(0.8)	(2.4)	8.9	(5.6)	—	(1.7)
Unallocated corporate costs (c)	(16.9)	(14.6)	(2.3)	—	—	—	—	(2.3)
Consolidated	$ 56.6	$ 55.1	$ 1.5	$ (1.8)	$ 26.3	$ (22.1)	$ 0.6	$ (1.5)

(a) Includes price changes, net of changes in product mix.
(b) Includes price changes for raw materials and energy.
(c) For the year ended December 31, 2011 unallocated corporate costs include $2.4 million of costs related to the early redemption in March 2011 of $65 million of our Senior Notes (the "Early Redemption").
(d) For the year ended December 31, 2010 results for the Fine Paper segment include a gain of $3.4 million related to the sale of the Ripon Mill.

Consolidated operating income of $56.6 million for the year ended December 31, 2011 increased $1.5 million from the prior year. Unallocated corporate costs for the year ended December 31, 2011 include $2.4 million of costs related to the Early Redemption. For the year ended December 31, 2010 results for the Fine Paper segment include a gain of $3.4 million related to the sale of the Ripon Mill. Excluding costs related to the Early Redemption and gains related to the sale of the Ripon Mill, consolidated operating income increased $7.3 million from the prior year due to higher average net price and the on-going benefits of cost control initiatives, partially offset by increased manufacturing input costs and lower fine paper volume.

- Operating income for our technical products business increased $4.6 million or 16 percent from 2010 primarily due to higher average net selling prices and a more favorable product mix due to growth in premium filtration, label and heat transfer products, partially offset by higher manufacturing input costs for latex, pulp and energy.

- Operating income for our fine paper business decreased $0.8 million from the prior year. Excluding the 2010 gain related to the sale of the Ripon Mill, operating income increased $2.6 million or seven percent from the prior year period primarily due to higher average net selling prices, a more favorable product mix and a more efficient cost structure, partially offset by higher manufacturing input costs, principally for hardwood pulp and cotton, and lower shipment volume.

- Unallocated corporate expenses for the year ended December 31, 2012 were $2.3 million unfavorable to the prior year period primarily due to $2.4 million of costs related to the Early Redemption. Excluding such costs, spending in 2011 was essentially unchanged from the prior year.

Additional Statement of Operations Commentary:

- SG&A expense of $77.4 million for the year ended December 31, 2012 was $9.2 million higher than the prior year primarily due to higher selling and advertising costs related to the brands acquired from Wausau. SG&A expense as a percentage of net sales for the year ended December 31, 2012, was approximately 9.6 percent and was 0.2 percentage points lower than the prior year as the increase in net sales in the current year more than offset higher SG&A expenses. SG&A expense of $68.2 million for the year ended December 31, 2011 was $1.1 million lower than the prior year. For the year ended December 31, 2011 SG&A expense as a percentage of net sales was approximately 9.8 percent and was 0.7 percentage points lower than the prior year primarily due to cost control initiatives and higher sales.

- For the years ended December 31, 2012, 2011 and 2010, we incurred $13.5 million, $15.6 million and $20.5 million of interest expense, respectively. The year-over-year decrease in interest expense for each year was primarily due to lower average debt levels and lower weighted average interest rates due to the early redemption of Senior Notes.

- In general, our effective tax rate differs from the U.S. statutory tax rate of 35 percent primarily due to the benefits of our corporate tax structure and the proportion of pre-tax income in jurisdictions with marginal tax rates that differ from the U.S. statutory tax rate. For the year ended December 31, 2012, we recorded an income tax provision related to continuing operations of $17.1 million which resulted in an effective income tax rate of approximately 30 percent. For the year ended December 31, 2011, we recorded an income tax provision related to continuing operations of $12.0 million which resulted in an effective income tax rate of approximately 29 percent. For the year ended December 31, 2010, we recorded an income tax provision related to continuing operations of $9.8 million which resulted in an effective income tax rate of approximately 28 percent. For a reconciliation of effective tax rate to the U.S. federal statutory tax rate, see Note 5 of Notes to Consolidated Financial Statements, "Income Taxes."

  Our consolidated effective tax rate is expected to increase to approximately 40 percent in 2013. The increase is primarily due to the U.S. taxation of increased cash repatriation from Germany and the impact of new German tax legislation which will eliminate certain previously allowable interest expense deductions.

Liquidity and Capital Resources

	Year Ended December 31,		
	2012	2011	2010
Net cash flow provided by (used in):			
Operating activities	$ 40.1	$ 57.2	$ 54.5
Investing activities			
Capital expenditures	$ (25.1)	$ (23.1)	$ (17.4)
Purchase of Wausau Brands	(14.1)	—	—
Proceeds from asset sales	—	—	86.7
Other investing activities	6.9	(5.8)	(2.8)
Total	$ (32.3)	$ (28.9)	$ 66.5
Financing activities	$ (13.0)	$ (63.8)	$ (78.3)
Net increase (decrease) in cash and cash equivalents (a)	$ (5.0)	$ (35.5)	$ 42.7

(a) Includes the effect of exchange rate changes on cash and cash equivalents.

Operating Cash Flow Commentary

- Cash provided by operating activities of $40.1 million for the year ended December 31, 2012 was $17.1 million lower than cash provided by operating activities of $57.2 million in the prior year. The unfavorable comparison was primarily due to $25.4 million of unusual items in 2012, consisting of a SERP payment of $6.9 million, a payment of $6.6 million to acquire Wausau inventory, excess tax benefits of $6.1 million related to the vesting or exercise of stock-based awards and acquisition integration costs of $5.8 million related to the acquisition of the Wausau brands. Excluding these items, cash provided by operating activities for the year ended December 31, 2012 was $65.5 million or $7.3 million higher than the comparable prior year amount as higher operating income more than offset increased investments in working capital. For the year ended December 31, 2012, our investment in working capital increased $20.9 million primarily due to higher inventory related to the brands acquired from Wausau.

- Cash provided by operating activities of $57.2 million for the year ended December 31, 2011 was $2.7 million greater than cash provided by operating activities of $54.5 million in the prior year primarily due to higher operating income. For the year ended December 31, 2011, our investment in working capital increased $7.2 million compared to an increase of $3.9 million in our investment in working capital in the prior year. Excluding working capital changes, cash provided by operations for the year ended December 31, 2011 increased $6.0 million from the prior year.

Investing Commentary:

- For the years ended December 31, 2012 and 2011, cash used by investing activities was $32.3 million and $28.9 million, respectively. Cash used by investing activities for the year ended December 31, 2012 includes a payment of $14.1 million to acquire the Wausau brands offset by a $7.0 million reduction in restricted cash used to pay SERP benefits. For the year ended December 31, 2011, we invested $5.8 million in marketable securities. As of December 31, 2011, $7.0 million of those marketable securities were sold and held in restricted cash.

- Capital expenditures for the year ended December 31, 2012 were $25.1 million compared to spending of $23.1 million in the prior year. In general, we have aggregate planned capital expenditures of approximately $25 to $30 million annually. We believe that the level of our capital spending allows us to maintain the efficiency and cost effectiveness of these assets and invest in expanded capabilities for our manufacturing assets to successfully pursue strategic initiatives and deliver attractive returns.

- For the year ended December 31, 2011, cash used by investing activities was $28.9 million, compared to cash provided by investing activities of $66.5 million in the prior year. Cash provided by investing activities for the year ended December 31, 2010 includes net proceeds from the sale of the Woodlands and the Ripon Mill of $86.7 million.

- Capital expenditures for the year ended December 31, 2011 were $23.1 million compared to spending of $17.4 million in the prior year. Capital expenditures for the year ended December 31, 2011 were primarily to increase capacity in our German filtration business and for projects to increase the efficiency and cost effectiveness of our manufacturing assets.

Financing Commentary:

Our liquidity requirements are provided by cash generated from operations and short and long-term borrowings.

- For the years ended December 31, 2012 and 2011, cash flow used by financing activities was $12.3 million and $63.8 million, respectively. For the years ended December 31, 2012 and 2011, cash flow used in financing activities included $68 million and $65 million, respectively for the redemption of Senior Notes.

- On October 11, 2012, we entered into the Second Amended and Restated Credit Agreement. The Second Amended and Restated Credit Agreement, among other things: (i) extends the term of the prior credit facility by two years; (ii) increases the revolving credit commitment from $95 million to $105 million; (iii) adds a $30 million deferred draw Term Loan commitment, borrowings under which were used to redeem a portion of our Senior Notes, (iv) reduces certain interest rates and fees payable by the borrowers on revolving credit borrowings; (v) removes Neenah Canada as a Guarantor and releases liens and security interests previously granted by Neenah Canada; and (vi) makes certain definitional, administrative and covenant changes. The revolving credit commitment includes a $10 million sublimit for letters of credit.

  The Term Loan was drawn in a single draw in November 2012, and is subject to certain borrowing conditions. The principal balance of the Term Loan is repayable in quarterly installments beginning on March 31, 2013. Both the revolving credit commitment and the Term Loan mature on November 30, 2017 (or on August 15, 2014, if by that date the Senior Notes have not been redeemed, repurchased, defeased or repaid in full, or extended or refinanced to a date at least 90 days after November 30, 2017).

- Availability under our revolving credit facility varies over time depending on the value of our inventory, receivables and various capital assets. As of December 31, 2012, we had $55.7 million outstanding under our Revolver, outstanding letters of credit and other items of $0.7 million and $48.6 million of available credit. In addition, we had no amounts outstanding under the German Lines of Credit and €20.0 million ($26.4 million, based on exchanges rates at December 31, 2012) of available credit.

- We have required debt payments through December 31, 2014 of $99.3 million, including $90 million to repay the Senior Notes in November 2014, and for required amortization payments on the Term Loan and our German Loan Agreement of $6.0 million and $3.3 million, respectively. We believe that we will be able to either refinance or repay the Senior Notes from internally generated cash flows as they come due.

- For the year ended December 31, 2012, cash and cash equivalents decreased $5.0 million to $7.8 million at December 31, 2012 from $12.8 million at December 31, 2011 and debt decreased $3.9 million to $182.3 million at December 31, 2012 from $186.2 million at December 31, 2011. Net debt (total debt minus cash and cash equivalents) increased by $1.1 million as higher operating income was more than offset by increased investments in working capital and costs related to the acquisition of the Wausau brands.

  As of December 31, 2011, we had $7.0 million of restricted cash. In January 2012, the restricted cash was used to pay postretirement pension benefits.

- As of December 31, 2012, our cash balance of $7.8 million consists of $1.0 million in the U.S. and $6.8 million held at entities outside of the U.S. As of December 31, 2012 there were no restrictions regarding the repatriation of our non-U.S. cash; however, if we repatriated these cash balances to the U.S., we would incur additional income tax expense.

Third-party transactions

- For the year ended December 31, 2012, we redeemed $68 million in aggregate principal amount of the Senior Notes. The redemption was financed by a combination of borrowings using our revolving credit facility and our $30 million Term Loan. In addition, from time to time, we may be in the market for the purpose of repurchasing our Senior Notes. Any such purchases are not expected to have a material effect on our liquidity.

Transactions with shareholders

- For the years ended December 31, 2012 and 2011, we paid cash dividends of $0.48 per common share or approximately $7.8 million and $0.44 per common share or approximately $6.7 million, respectively.

  In November 2012, our Board of Directors approved a twenty-five percent increase in the annual dividend on our common stock to $0.60 per share. The dividend will be paid in four equal quarterly installments beginning in March 2013. As of December 31, 2012, under the most restrictive terms of the indenture for the Senior Notes, our ability to pay cash dividends on our common stock is limited to a total of $8 million in a 12-month period. However, we can pay dividends in excess of $8 million in a 12-month period by making restricted payments as defined in the indenture for the Senior Notes.

- In May 2012, we announced the Stock Purchase Plan that would allow for the purchase of up to $10 million of our outstanding Common Stock through May 16, 2013. The timing and amount of any purchases will depend on share price, market conditions and other factors. The Stock Purchase Plan does not require the purchase of any specific number of shares and may be suspended or discontinued at any time. For the year ended December 31, 2012, we purchased approximately 158,000 shares of Common Stock at an aggregate cost of $4.1 million.

  For the year ended December 31, 2012, we acquired approximately 302,000 shares of Common Stock at a cost of $7.6 million for shares surrendered by employees to pay taxes due on vested restricted stock awards. In addition, we received $5.3 million in proceeds from the exercise of employee stock options. For the year ended December 31, 2012, we recognized excess tax benefits of $6.1 million related to the vesting or exercise of stock-based awards.

Management believes that our ability to generate cash from operations and our borrowing capacity are adequate to fund working capital, capital spending and other cash needs for the next 12 months. Our ability to generate adequate cash from operations beyond 2013 will depend on, among other things, our ability to successfully implement our business strategies, control costs in line with market conditions and manage the impact of changes in input prices and currencies. We can give no assurance we will be able to successfully implement these items.

Other Items:

- As of December 31, 2012, we had $65.9 million of U.S. federal and $76.9 million of state net operating losses ("NOLs"), respectively. If not used, substantially all of the NOLs will expire in various amounts between 2028 and 2030.

- In December 2010, the IRS issued a Revenue Agent's Report for the 2007 and 2008 tax years. We submitted a protest to the Appeals Division of the IRS with respect to certain unresolved issues which involve a proposed IRS adjustment with respect to dual consolidated losses ("DCLs") and the recapture of net operating losses emanating from our former Canadian operations. Our protest asserted that the IRS made several errors in its assessment of the DCL rules and, as such, the proposed adjustment was erroneous. In November 2012, our protest was upheld and the audit of the 2007 and 2008 tax years was finalized with a finding of no additional taxes due.

In November 2010, we received a tax examination report from the German tax authorities challenging the validity of certain interest expense deductions claimed on our tax returns for the years 2006 and 2007. We are indemnified by FiberMark, Inc. for any tax liabilities arising from the operations of Neenah Germany prior to October 2006. In August 2011, we received tax assessments totaling €3.7 million from the German tax authorities and submitted an appeal challenging these assessments. We believe that the finding which invalidates the deductibility of certain interest expense deductions is improper and are vigorously contesting the finding. As of December 31, 2011, no amounts were reserved related to these issues. In November 2011 and January 2012, we paid a total of €1.9 million against the August 2011 tax assessments. We reflected these payments as assets ($2.5 million in "Income taxes receivable" on the consolidated balance sheet as of December 31, 2012) in recognition that such amounts would be treated as prepayments against any assessments ultimately owed. During 2012, we submitted additional information to the German tax authorities to support the validity of our interest expense deductions; however, as of December 31, 2012, they had not rendered a decision on our appeal.

In the fourth quarter of 2012, legislation was proposed in the German legislature that would eliminate certain previously allowable interest expense deductions on a prospective and retroactive basis. The legislation was subsequently enacted in the first quarter of 2013. We believe the retroactive application of the legislation is unconstitutional and the likelihood of it being sustained is remote. As of December 31, 2012, we recorded a liability for uncertain income tax positions based on an assessment of the likelihood of alternative outcomes, including, the possibility of a potential compromise related to this issue for the 2006 and 2007 tax years and for subsequent periods through 2012. We believe it is remote that our liability for unrecognized tax benefits related to these matters will significantly increase within the next 12 months. While we believe that retroactive application of this legislation is remote, should retroactive application of the legislation be sustained, the outcome could have a material effect on our results of operations, cash flows and financial position.

Contractual Obligations

The following table presents the total contractual obligations for which cash flows are fixed or determinable as of December 31, 2012:

(In millions)	2013	2014	2015	2016	9-Jul	Beyond 2017	Total
Long-term debt payments	$ 4.7	$ 94.6	$ 6.2	$ 6.1	$ 70.7	$ —	$ 182.3
Interest payments on long-term debt (a)	9.4	8.9	2.4	2.1	1.7	—	24.5
Open purchase orders (b)	48.9	—	—	—	—	—	48.9
Other post-employment benefit obligations (c)	3.6	3.1	3.6	4.0	4.1	21.2	39.6
Contributions to pension trusts	12.8	—	—	—	—	—	12.8
Liability for uncertain tax positions	1.6	—	—	—	—	—	1.6
Minimum purchase commitments (d)	7.7	5.0	—	—	—	—	12.7
Operating leases	1.4	1.2	0.9	0.7	0.2	—	4.4
Total contractual obligations	$ 90.1	$ 112.8	$ 13.1	$ 12.9	$ 76.7	$ 21.2	$ 326.8

(a) Interest payments on long-term debt includes interest on variable rate debt at December 31, 2012 weighted average interest rates.

(b) The open purchase orders displayed in the table represent amounts we anticipate will become payable within the next 12 months for goods and services that we have negotiated for delivery.

(c) The above table includes future payments that we will make for postretirement benefits other than pensions. Those amounts are estimated using actuarial assumptions, including expected future service, to project the future obligations.

(d) The minimum purchase commitments in 2013 and 2014 are primarily for coal contracts. Although we are primarily liable for payments on the above operating leases and minimum purchase commitments, based on historic operating performance and forecasted future cash flows, we believe our exposure to losses, if any, under these arrangements is not material.

Adoption of New Accounting Pronouncements

In July 2012, the FASB issued Accounting Standards Update No. 2012-02 ("ASU No. 2012-02") which amends ASC Topic 350, *Intangibles — Goodwill and Other Testing Goodwill for Impairment* ("ASC Topic 350"). ASU Topic No. 2012-02 permits an entity first to assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform a quantitative impairment test. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount, as described in ASC Topic 350. Under ASU No. 2012-02, an entity has the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to performing the quantitative impairment test. An entity may resume performing the qualitative assessment in any subsequent period.

ASU No. 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued. The Company adopted ASU No. 2012-02 in its annual financial statements for the year ending December 31, 2012. The adoption of ASU No. 2012-02 did not affect the Company's financial position, results of operations or cash flows.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") in the United States requires estimates and assumptions that affect the reported amounts and related disclosures of assets and liabilities at the date of the financial statements and net sales and expenses during the reporting period. Actual results could differ from these estimates, and changes in these estimates are recorded when known. The critical accounting policies used in the preparation of the consolidated financial statements are those that are important both to the presentation of financial condition and results of operations and require significant judgments with regard to estimates used. These critical judgments relate to the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of expenses.

The following summary provides further information about the critical accounting policies and should be read in conjunction with the notes to the Consolidated Financial Statements. We believe that the consistent application of our policies provides readers of our financial statements with useful and reliable information about our operating results and financial condition.

We have discussed the application of these critical accounting policies with our Board of Directors and Audit Committee.

Inventories

We value U.S. inventories at the lower of cost, using the Last-In, First-Out ("LIFO") method for financial reporting purposes, or market. German inventories are valued at the lower of cost, using a weighted-average cost method, or market. The First-In, First-Out value of U.S. inventories valued on the LIFO method was $91.8 million and $59.1 million at December 31, 2012 and 2011, respectively and exceeded such LIFO value by $12.8 million and $13.4 million, respectively. Cost includes labor, materials and production overhead.

Income Taxes

As of December 31, 2012, we have recorded aggregate deferred income tax assets of $62.9 million related to temporary differences, net operating losses and credits. We have established a valuation allowance of $0.4 million against certain state deferred income tax assets in states where we no longer have operations. As of December 31, 2011, our aggregate deferred income tax assets were $64.8 million and had a valuation allowance against such deferred income tax assets of $1.7 million. In determining the need for a valuation allowance, we consider many factors, including specific taxing jurisdictions, sources of taxable income, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance would be recognized if, based on the weight of available evidence, we conclude that it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

As of December 31, 2012 and 2011, our liability for uncertain income taxes positions was $4.8 million and $8.4 million, respectively. In evaluating and estimating tax positions and tax benefits, we consider many factors which may result in periodic adjustments and which may not accurately anticipate actual outcomes.

Pension and Other Postretirement Benefits

Pension Plans

Substantially all active employees of our U.S. operations participate in defined benefit pension plans and/or defined contribution retirement plans. Neenah Germany has defined benefit plans designed to provide a monthly pension benefit upon retirement to substantially all of its employees in Germany. In addition, we maintain a supplemental retirement contribution plan (the "SERP") which is a non-qualified defined benefit plan. We provide benefits under the SERP to the extent necessary to fulfill the intent of our defined benefit retirement plans without regard to the limitations set by the IRS on qualified defined benefit plans.

Our funding policy for qualified defined benefit plans is to contribute assets to fully fund the accumulated benefit obligation, as required by the Pension Protection Act of 2006. Subject to regulatory and tax deductibility limits, any funding shortfall is to be eliminated over a reasonable number of years. Nonqualified plans providing pension benefits in excess of limitations imposed by the taxing authorities are not funded. There is no legal or governmental obligation to fund Neenah Germany's benefit plans and as such the plans are currently unfunded.

Consolidated pension expense for defined benefit pension plans was $11.3 million, $5.4 million and $6.3 million for the years ended December 31, 2012, 2011 and 2010, respectively. The weighted-average expected long-term rate of return on pension fund assets used to calculate pension expense was 7.25 percent, 7.75 percent and 8.00 percent for the years ended December 31, 2012, 2011 and 2010, respectively. The expected long-term rate of return on pension fund assets held by our pension trusts was determined based on several factors, including input from pension investment consultants and projected long-term returns of broad equity and bond indices. We also considered the plans' historical 10-year and 15-year compounded annual returns. We anticipate that, on average, actively managed U.S. pension plan assets will generate annual long-term rates of return of at least 7.00 percent. Our expected long-term rate of return on the assets in the plans is based on an asset allocation assumption of about 40 percent with equity managers, with expected long-term rates of return of approximately 8 to10 percent, and 60 percent with fixed income managers, with an expected long-term rate of return of approximately 5 to 7 percent. The actual asset allocation is regularly reviewed and periodically rebalanced to the targeted allocation when considered appropriate. We evaluate our investment strategy and long-term rate of return on pension asset assumptions at least annually.

Pension expense is estimated based on the fair value of assets rather than a market-related value that averages gains and losses over a period of years. Investment gains or losses represent the difference between the expected return calculated using the fair value of the assets and the actual return based on the fair value of assets. The variance between the actual and the expected gains and losses on pension assets is recognized in pension expense more rapidly than it would be if a market-related value for plan assets was used. As of December 31, 2012, our pension plans had cumulative unrecognized investment losses and other actuarial losses of approximately $81.2 million. These unrecognized net losses may increase our future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate our pension obligations or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the "corridor" determined under ASC Topic 715.

The discount (or settlement) rate that is utilized for determining the present value of future pension obligations in the U.S. is generally based on the yield for a theoretical basket of AA-rated corporate bonds currently available in the market place, whose duration matches the timing of expected pension benefit payments. The discount (or settlement) rate that is utilized for determining the present value of future pension obligations in Germany is generally based on the IBOXX index of AA-rated corporate bonds adjusted to match the timing of expected pension benefit payments. The weighted average discount rate utilized to determine the present value of future pension obligations at December 31, 2012 and 2011 was 4.19 percent and 5.14 percent, respectively.

Our consolidated pension expense in 2013 is based on the expected weighted-average long-term rate of return on assets and the weighted-average discount rate described above and various other assumptions. Pension expense beyond 2013 will depend on future investment performance, our contributions to the pension trusts, changes in discount rates and various other factors related to the covered employees in the plans.

The fair value of the assets in our defined benefit plans at December 31, 2012 of approximately $239 million increased approximately $28 million from the fair value of about $211 million at December 31, 2011, as investment gains and employer contributions exceeded benefit payments. At December 31, 2012, the projected benefit obligations of our defined benefit plans exceeded the fair value of plan assets by approximately $86 million which was approximately $9 million larger than the $77 million deficit at December 31, 2011. The accumulated benefit obligation exceeded the fair value of plan assets by approximately $72.6 million and $63.4 million at December 31, 2012 and 2011, respectively. Contributions to pension trusts for the year ended December 31, 2012 were $15.3 million compared with $12.9 million for the year ended December 31, 2011. In addition, we made direct benefit payments for unfunded qualified and supplemental retirement benefits of approximately $8.9 million and $2.1 million for the years ended December 31, 2012 and 2011, respectively.

Other Postretirement Benefit Plans

We maintain postretirement health care and life insurance benefit plans for active employees and former employees of our Canadian pulp operations. The plans are generally noncontributory for employees who were eligible to retire on or before December 31, 1992 and contributory for most employees who became eligible to retire on or after January 1, 1993. We do not provide a subsidized postretirement health care or life insurance benefit to most employees hired after 2003. Our postretirement health care and life insurance benefit plans are unfunded.

For the years ended December 31, 2012, 2011 and 2010, consolidated postretirement health care and life insurance plan benefit expense was $4.9 million, $4.7 million and $4.3 million, respectively. The weighted-average discount (or settlement) rate used to calculate postretirement health care and life insurance plan benefit expense was 5.03 percent, 5.70 percent and 5.92 percent for the years ended December 31, 2012, 2011 and 2010, respectively. The discount (or settlement) rate that is utilized for determining the present value of future postretirement health care and life insurance plan benefit obligations in the U.S. is generally based on the yield for a theoretical basket of AA-rated corporate bonds currently available in the market place, whose duration matches the timing of expected postretirement health care and life insurance benefit payments. The discount (or settlement) rate that is utilized for determining the present value of future postretirement health care and life insurance obligations for our foreign benefit plans is generally based on an index of AA-rated corporate bonds adjusted to match the timing of expected benefit payments.

Our consolidated postretirement health care and life insurance plan benefit expense in 2013 is based on the weighted-average discount rate described above and various other assumptions. Postretirement health care and life insurance plan benefit expense beyond 2013 will depend on future health care cost trends, changes in discount rates and various other factors related to the covered employees in the plans.

Our obligations for postretirement health care and life insurance plan benefits are measured annually as of December 31. The weighted average discount rate utilized to determine the present value of future postretirement health care and life insurance obligations at December 31, 2012 and 2011 was 4.12 percent and 5.03 percent, respectively. The assumed inflationary health care cost trend rates used to determine obligations at December 31, 2012 and costs for the year ended December 31, 2013 were 7.6 percent gradually decreasing to an ultimate rate of 4.5 percent in 2027. The assumed inflationary health care cost trend rates used to determine obligations at December 31, 2011 and costs for the year ended December 31, 2012 were 7.9 percent gradually decreasing to an ultimate rate of 4.5 percent in 2027. At December 31, 2012, the projected benefit obligations for our postretirement health care and life insurance plans was approximately $47 million and was $4 million larger than the projected benefit obligation at December 31, 2011 primarily due to actuarial losses related to the reduction in the weighted-average discount (or settlement) rate used to calculate postretirement health care and life insurance plan benefit.

Impairment of Long-Lived Assets

Property, Plant and Equipment

Property, plant and equipment are tested for impairment in accordance with ASC Topic 360, *Property, Plant, and Equipment* ("ASC Topic 360"), whenever events or changes in circumstances indicate that the carrying amounts of such long-lived assets may not be recoverable from future net pre-tax cash flows. Impairment testing requires significant management judgment including estimating the future success of product lines, future sales volumes, growth rates for selling prices and costs, alternative uses for the assets and estimated proceeds from disposal of the assets. Impairment testing is conducted at the lowest level where cash flows can be measured and are independent of cash flows of other assets. An asset impairment would be indicated if the sum of the expected future net pre-tax cash flows from the use of the asset (undiscounted and without interest charges) is less than the carrying amount of the asset. An impairment loss would be measured based on the difference between the fair value of the asset and its carrying amount. We determine fair value based on an expected present value technique using multiple cash flow scenarios that reflect a range of possible outcomes and a risk free rate of interest are used to estimate fair value.

The estimates and assumptions used in the impairment analysis are consistent with the business plans and estimates we use to manage our business operations. The use of different assumptions would increase or decrease the estimated fair value of the asset and would increase or decrease the impairment charge. Actual outcomes may differ from the estimates.

Goodwill and Other Intangible Assets with Indefinite Lives

Goodwill arising from a business combination is recorded as the excess of purchase price and related costs over the fair value of identifiable assets acquired and liabilities assumed in accordance with ASC Topic 805, *Business Combinations* ("ASC Topic 805"). All of our goodwill was acquired in conjunction with the acquisition of Neenah Germany in October 2006.

Under ASC Topic 350, *Intangibles — Goodwill and Other* ("ASC Topic 350"), goodwill is subject to impairment testing at least annually. ASC Topic 350 provides an entity with the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. If the two-step impairment test is necessary, a fair-value-based test is applied at the reporting unit level, which is generally one level below the operating segment level. The test compares the fair value of an entity's reporting units to the carrying value of those reporting units. This test requires various judgments and estimates. The Company estimates the fair value of the reporting unit using a market approach in combination with a discounted operating cash flow approach. Impairment of goodwill is measured as the excess of the carrying amount of goodwill over the fair values of recognized and unrecognized assets and liabilities of the reporting unit. An adjustment to goodwill will be recorded for any goodwill that is determined to be impaired. The Company tests goodwill for impairment at least annually on November 30 in conjunction with preparation of its annual business plan, or more frequently if events or circumstances indicate it might be impaired.

At November 30, 2012, the Company's assessment of qualitative facts and circumstances indicated no impairment of goodwill. The qualitative factors that we considered included, but were not limited to, changes in the macroeconomic conditions; changes in industry and market conditions such as an increase in the competitive environment; changes in manufacturing input costs — particularly to the extent these cannot be recovered through higher prices; changes in our market capitalization and changes in financial performance including earnings and cash flows.

Certain trade names are estimated to have indefinite useful lives and as such are not amortized. Intangible assets with indefinite lives are annually reviewed for impairment in accordance with ASC Topic 350.

Our annual test of goodwill for impairment at November 30, 2012, 2011 and 2010 indicated that the carrying amount of goodwill assigned to Neenah Germany was considered recoverable. At November 30, 2010, the significant assumptions used in developing the discounted operating cash flow approach were revenue growth rates and pricing, costs for manufacturing inputs, levels of capital investment and estimated cost of capital for high, medium and low growth environments.

Other Intangible Assets with Finite Lives

Acquired intangible assets with finite useful lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with ASC Topic 360. Intangible assets consist primarily of customer relationships, trade names and acquired intellectual property. Such intangible assets are amortized using the straight-line method over estimated useful lives of between 10 and 15 years.

Our annual test of other intangible assets for impairment at November 30, 2012, 2011 and 2010 indicated that the carrying amount of such assets was recoverable.

Stock-Based Compensation

We account for stock-based compensation in accordance with the fair value recognition provisions of ASC Topic 718, *Compensation — Stock Compensation* ("ASC Topic 718"). The amount of stock-based compensation cost recognized is based on the fair value of grants that are ultimately expected to vest and is recognized pro-rata over the requisite service period for the entire award.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a multinational enterprise, we are exposed to risks such as changes in commodity prices, foreign currency exchange rates, interest rates and environmental regulation. A variety of practices are employed to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. Derivative instruments are used only for risk management purposes and not for speculation or trading.

Presented below is a description of our most significant risks.

Foreign Currency Risk

Our reported operating results are affected by changes in the exchange rates of the local currencies of our non-U.S. operations relative to the U.S. dollar. For the year ended December 31, 2012, a hypothetical 10 percent increase in the exchange rates of the U.S dollar relative to the local currencies of our non-U.S. operations would have decreased our income before income taxes by approximately $2.1 million. We do not hedge our exposure to exchange risk on reported operating results.

The translation of the balance sheets of our non-U.S. operations from their local currencies into U.S. dollars is also sensitive to changes in the exchange rate of the U.S. dollar. Consequently, we performed a sensitivity test to determine if changes in the exchange rate would have a significant effect on the translation of the balance sheets of our non-U.S. operations into U.S. dollars. These translation gains or losses are recorded as unrealized translation adjustments ("UTA", a component of accumulated other comprehensive income) within stockholders' equity. The hypothetical change in UTA is calculated by multiplying the net assets of our non-U.S. operations by a 10 percent change in the exchange rate of their local currencies versus the U.S. dollar. As of December 31, 2012, the net assets of our non-U.S. operations exceeded their net liabilities by approximately $194 million. As of December 31, 2012, a 10 percent decrease in the exchange rate of the U.S. dollar against the local currencies of our non-U.S. operations would have decreased our stockholders' equity by approximately $19 million.

Commodity Risk

Pulp

We purchase the wood pulp used to produce our products on the open market, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand and government regulation. We do not have significant influence over the price paid for our wood pulp purchases. Therefore, an increase in wood pulp prices could occur at the same time that prices for our products are decreasing and have an adverse effect on our results of operations, financial position and cash flows.

Based on 2012 pulp purchases, a 10 percent increase in the average market price for pulp (approximately $80 per ton) would have increased our annual costs for pulp purchases by approximately $14 million.

Other Manufacturing Inputs

We purchase a substantial portion of the other manufacturing inputs necessary to produce our products on the open market, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand and government regulation. We do not have significant influence over our costs for such manufacturing inputs. Therefore, an increase in other manufacturing inputs could occur at the same time that prices for our products are decreasing and have an adverse effect on our results of operations, financial position and cash flows.

Our technical products business acquires certain of its specialized pulp requirements from two global suppliers and certain critical specialty latex grades from four suppliers. In general, these supply arrangements are not covered by formal contracts, but represent multi-year business relationships that have historically been sufficient to meet our needs. We expect these relationships to continue to operate in a satisfactory manner in the future. In the event of an interruption of production at any one supplier, we believe that each of these suppliers individually would be able to satisfy our short-term requirements for specialized pulp or specialty latex. In the event of a long-term disruption in our supply of specialized pulp or specialty latex, we believe we would be able to substitute other pulp grades or other latex grades that would allow us to meet required product performance characteristics and incur only a limited disruption in our production. As a result, we do not believe that the substitution of such alternative pulp or latex grades would have a material effect on our operations.

Cotton fiber represents less than five percent of the total fiber requirements of our fine paper business. Our fine paper business acquires a substantial majority of the cotton fiber used in the production of certain branded bond paper products pursuant to annual agreements with two North American producers. The balance of our cotton fiber requirements are acquired through "spot market" purchases from a variety of other producers. We believe that a partial or total disruption in the production of cotton fibers at our two primary suppliers would increase our reliance on "spot market" purchases with a likely corresponding increase in cost. Since we have the ability to source cotton fiber on the "spot market" if faced with a supply disruption, we would not expect cotton fiber supply issues to have a material effect on our operations.

We generate substantially all of the electrical energy used by our Munising mill and approximately 40 percent and 20 percent of the electrical energy at our Appleton and Bruckmühl mills, respectively. Availability of energy is not expected to be a problem in the foreseeable future, but the purchase price of such energy can and likely will fluctuate significantly based on fluctuations in demand and other factors. There is no assurance that that we will be able to obtain electricity or natural gas purchases on favorable terms in the future.

Except for certain specialty latex grades and specialty softwood pulp used by our technical products business and cotton fiber used by our fine paper business, we are not aware of any significant concentration of business transacted with a particular supplier.

Interest Rate Risk

We are exposed to interest rate risk on our variable rate bank debt. At December 31, 2012, we had $85.7 million of variable rate borrowings outstanding. A 100 basis point increase in interest rates would increase our annual interest expense on outstanding variable rate borrowings by approximately $0.9 million.

Environmental Regulation/Climate Change Legislation

Our manufacturing operations are subject to extensive regulation primarily by U.S., German and other international authorities. We have made significant capital expenditures to comply with environmental laws, rules and regulations. Due to changes in environmental laws and regulations, including potential future legislation to limit GHG emissions, the application of such regulations and changes in environmental control technology, we are not able to predict with certainty the amount of future capital spending to be incurred for environmental purposes. Taking these uncertainties into account, we have planned capital expenditures for environmental projects during the period 2013 through 2015 of approximately $1 million to $2 million annually.

We believe these risks can be managed and will not have a material effect on our business or our consolidated financial position, results of operations or cash flows.

Item 8. Financial Statements and Supplementary Data

The information required in Item 8 is contained in and incorporated herein by reference from pages F-1 through F-53 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) or 15a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2012. The scope of management's assessment of the effectiveness of internal control over financial reporting includes all of the Company's businesses. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework. Based upon its assessment, management believes that as of December 31, 2012, the Company's internal controls over financial reporting were effective.

The effectiveness of internal control over financial reporting as of December 31, 2012, has been audited by Deloitte & Touche LLP, the independent registered public accounting firm who also audited the Company's consolidated financial statements. Deloitte & Touche's attestation report on the Company's internal control over financial reporting is included herein. See "Item 15 — Exhibits and Financial Statement Schedules."

Neenah Paper, Inc
March 7, 2013

Changes in Internal Control Over Financial Reporting

There has been no significant change in the Company's internal control over financial reporting during the three months ended December 31, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required to be set forth herein, except for the information included under Executive Officers of the Company, relating to nominees for director of Neenah and compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth under the captions "Election of Directors," "Meetings and Committees of the Board of Directors," "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance," respectively, in the Proxy Statement for the Annual Meeting of Stockholders to be held on May 30, 2013. Such information is incorporated herein by reference. The definitive Proxy Statement will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2012.

Executive Officers of the Company

Set forth below is information concerning our executive officers.

Name	Position
John P. O'Donnell	President and Chief Executive Officer
Steven S. Heinrichs	Senior Vice President, General Counsel and Secretary
Bonnie C. Lind	Senior Vice President, Chief Financial Officer and Treasurer
James R. Piedmonte	Senior Vice President — Operations
Julie A. Schertell	Senior Vice President — President, Fine Paper
Armin S. Schwinn	Senior Vice President — Managing Director of Neenah Germany

John P. O'Donnell, born in 1960, is our President and Chief Executive Officer and has been in that role since May 2011. Prior to becoming President and Chief Executive Office, Mr. O'Donnell served as our Senior Vice President, Chief Operating Officer since June 2010. In November 2007, Mr. O'Donnell joined the Company as President, Fine Paper. Mr. O'Donnell was employed by Georgia-Pacific Corporation from 1985 until 2007 and held increasingly senior roles in the Consumer Products division. Mr. O'Donnell served as President of the North America Retail Business from 2004 through 2007, and as President of the North American Commercial Tissue business from 2002 through 2004.

Steven S. Heinrichs, born in 1968, is our Senior Vice President, General Counsel and Secretary and has been in that role since June 2004 when he joined Kimberly-Clark as Chief Counsel, Pulp and Paper and General Counsel for Neenah Paper, Inc. Prior to his employment with Kimberly-Clark, Mr. Heinrichs served as Associate General Counsel and Assistant Secretary for Mariner Health Care, Inc., a nursing home and long-term acute care hospital company. Before joining Mariner Health Care in 2003, Mr. Heinrichs served as Associate General Counsel and Assistant Secretary for American Commercial Lines LLC, a leading inland barge and shipbuilding company from 1998 through 2003. Mr. Heinrichs engaged in the private practice of law with Skadden, Arps, Slate, Meagher and Flom LLP and Shuttleworth, Smith, McNabb and Williams PLLC from 1994 through 1998. Mr. Heinrichs received his MBA from the Kellogg School of Management at Northwestern University in 2008.

Bonnie C. Lind, born in 1958, is our Senior Vice President, Chief Financial Officer and Treasurer and has been in that role since June 2004. Ms. Lind was an employee of Kimberly-Clark from 1982 until 2004, holding a variety of increasingly senior financial and operations positions. From 1999 until June 2004, Ms. Lind served as the Assistant Treasurer of Kimberly-Clark and was responsible for managing Kimberly-Clark's global treasury operations. Prior to that, she was Director of Kimfibers with overall responsibility for the sourcing and distribution of pulp to Kimberly-Clark's global operations.

James R. Piedmonte, born in 1956, is our Senior Vice President — Operations and has been in that role since June 2004. Mr. Piedmonte had been employed by Kimberly-Clark from 1978 until 2004, and held increasingly senior positions within Kimberly-Clark's operations function. Mr. Piedmonte was responsible for Kimberly-Clark's pulp mill and forestry operations in Pictou, Nova Scotia, from 2001 until 2004. Previously he was the Director of Operations for the fine paper business operations, as well as mill manager at the Whiting, Wisconsin mill.

Julie A. Schertell , born in 1969, is a Senior Vice President of the Company and President, Fine Paper, and has been in that role since January 2011. Ms. Schertell joined the Company in 2008 and served as Vice President of Sales and Marketing for the Fine Paper division through December 2010. Ms. Schertell was employed by Georgia-Pacific Corporation in the Consumer Products Retail division, where she served as Vice President of Sales Strategy from 2007-2008, and as Vice President of Customer Solutions from 2003 through 2007.

Armin S. Schwinn, born in 1959, is our Senior Vice President — Managing Director of Neenah Germany and has been in that role since April 2010. Mr. Schwinn had been Vice President, Finance of Neenah Germany since our acquisition of FiberMark Germany in October 2006. Mr. Schwinn joined FiberMark Germany in 1995 and held increasingly senior positions within FiberMark Germany's financial, purchasing and administrative functions. Prior to this, Mr. Schwinn served in various leadership positions in other German manufacturing and service companies.

There are no family relationships among our directors or executive officers.

Code of Ethics

The Neenah Paper, Inc. Code of Business Conduct and Ethics, applies to all directors, officers and employees of Neenah. The Code of Business Conduct and Ethics meets the requirements of a "code of ethics" as defined by Item 406 of Regulation S-K, and applies to our Chief Executive Officer, Chief Financial Officer (our principal financial officer) and Vice President — Controller (our principal accounting officer), as well as all other employees, as indicated above. The Code of Business Conduct and Ethics also meets the requirements of a code of conduct under New York Stock Exchange listing standards. The Code of Business Conduct and Ethics is posted on our web site at www.neenah.com under the links "Investor Relations — Corporate Governance — Code of Ethics" and print copies are available upon request without charge. You can request print copies by contacting our General Counsel in writing at Neenah Paper, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005 or by telephone at 678-566-6500. The Company intends to disclose any amendments to the Code of Business Conduct and Ethics, as well as any waivers for executive officers or directors, on our web site at www.neenah.com.

Item 11. Executive Compensation

Information relating to executive compensation and other matters is set forth under the captions "Compensation, Discussion and Analysis," "Additional Executive Compensation," "Director Compensation," and "Compensation Committee Report" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information relating to ownership of common stock of Neenah by certain persons is set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference. Information regarding securities authorized for issuance under equity compensation plans of Neenah is set forth under the caption "Equity Compensation Plan Information" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

Information relating to existing or proposed relationships or transactions between Neenah and any affiliate of Neenah is set forth under the caption "Certain Relationships and Related Transactions" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information relating to Neenah's principal accounting fees and services is set forth under the caption "Independent Registered Public Accounting Firm Fees and Services" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a) Documents filed as part of this report:

1. Consolidated Financial Statements

The following reports and financial statements are filed herewith on the pages indicated:

	Page
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	F-2
Report of Independent Registered Public Accounting Firm	F-3
Consolidated Statements of Operations	F-4
Consolidated Statements of Comprehensive Income	F-5
Consolidated Balance Sheets	F-6
Consolidated Statements of Changes in Stockholders' Equity	F-7
Consolidated Statements of Cash Flows	F-8
Notes to Consolidated Financial Statements	F-9

2. Financial Statement schedule

The following schedule is filed herewith:

Schedule II — Valuation and Qualifying Accounts	F-53

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

3. Exhibits

See (b) below

(b) Exhibits

The following exhibits are filed with or incorporated by reference in this report. Where such filing is made by incorporation by reference to a previously filed registration statement or report, such registration statement or report is identified in parentheses. We will furnish any exhibit at no cost upon written request to us at: Investor Relations, Neenah Paper, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005.

Exhibit Number	Exhibit
2	Distribution Agreement dated as of November 20, 2004 between Kimberly-Clark Corporation and Neenah Paper, Inc. (filed as Exhibit 2.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
2.1	Sale and Purchase Agreement dated as of August 9, 2006 by and between FiberMark, Inc., FiberMark International Holdings LLC, and Neenah Paper, Inc. (filed as Exhibit 2.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed October 11, 2006 and incorporated herein by reference).
2.2	Assignment of Sale and Purchase Agreement Rights dated October 11, 2006 by and between Neenah Paper, Inc. and Neenah Paper International, LLC (filed as Exhibit 2.2 to the Neenah Paper, Inc. Current Report on Form 8-K filed October 11, 2006 and incorporated herein by reference).

Exhibit Number	Exhibit
2.5	Agreement and Plan of Merger, among Neenah Paper, Inc., Fox Valley Corporation, Fox River Paper Company, LLC and AF/CPS Holding Corporation, dated as of February 5, 2007 (filed as Exhibit 2.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed March 1, 2007 and incorporated herein by reference).
2.6	Amended and Restated Share Purchase Agreement dated as of June 24, 2008, by and among Neenah Paper Company of Canada, NPCC Holding Company, LLC, Neenah Paper, Inc., Azure Mountain Capital Holdings LP, Northern Pulp NS LP, and Azure Mountain Capital Financial LP (filed as Exhibit 10.2 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended June 30, 2008, filed August 11, 2008 and incorporated herein by reference).
2.7	Asset Purchase Agreement dated as of June 24, 2008, by and between Neenah Paper Company of Canada and Azure Mountain Financial Corporation (filed as Exhibit 10.3 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended June 30, 2008, filed August 11, 2008 and incorporated herein by reference).
2.8	Asset Purchase Agreement dated as of June 24, 2008, by and between Neenah Paper Company of Canada and Northern Pulp Nova Scotia Corporation (filed as Exhibit 10.4 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended June 30, 2008, filed August 11, 2008 and incorporated herein by reference).
2.9	Timberland Purchase and Sale Agreement dated as of February 26, 2010 by and between Neenah Paper Company of Canada and Northern Timber Nova Scotia Corporation (filed as Exhibit 10.1 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended March 31, 2010, filed May 10, 2010 and incorporated herein by reference).
2.10	Asset Purchase Agreement, by and among Neenah Paper, Inc., Wausau Paper Corp. and Wausau Paper Mills, LLC, dated as of December 7, 2011 (filed as Exhibit 2.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed January 31, 2012 and incorporated herein by reference).
3.1	Amended and Restated Certificate of Incorporation of Neenah Paper, Inc. (filed as Exhibit 3.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Neenah Paper, Inc. (filed as Exhibit 3.2 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
4.1	Indenture dated as of November 30, 2004 between Neenah Paper, Inc., the Subsidiary Guarantors named therein and The Bank of New York Trust Company, N.A., as Trustee, including Form of 7 3/8 Senior Note due 2014 (filed as Exhibit 10.8 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
4.2	Rights Agreement between Neenah Paper, Inc. and EquiServe Trust Company, N.A., as Rights Agent, dated as of November 30, 2004 (filed as Exhibit 4.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
4.3	Form of Subsidiary Guarantee (included as Exhibit E to Exhibit 4.1).
4.4	Form of 7 3/8% Exchange Senior Notes (filed as Exhibit 4.5 to the Neenah Paper, Inc. Registration Statement on Form S-4 filed May 23, 2005 and incorporated herein by reference).
10.2	Tax Sharing Agreement dated as of November 30, 2004 by and between Kimberly-Clark Corporation and Neenah Paper, Inc. (filed as Exhibit 10.2 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).

Exhibit Number	Exhibit
10.3	Lease Agreement dated June 29, 2004 between Neenah Paper, Inc. and Germania Property Investors XXXIV, L.P. (filed as Exhibit 10.3 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
10.5*	Neenah Paper Supplemental Pension Plan, amended and restated to be effective January 1, 2009 (filed herewith).
10.6*	Neenah Paper Supplemental Retirement Contribution Plan, amended and restated to be effective January 1, 2009 (filed herewith).
10.7*	Neenah Paper Executive Severance Plan, amended and restated to be effective January 1, 2009 (filed herewith).
10.8*	Neenah Paper Severance Pay Plan (filed as Exhibit 10.8 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2006, filed March 16, 2007 and incorporated herein by reference).
10.12	Form of Employee Matters Agreement by and between Kimberly-Clark Corporation and Neenah Paper, Inc. (filed as Exhibit 10.2 to the Neenah Paper, Inc. Registration Statement on Form 10, as amended, filed August 26, 2004 and incorporated herein by reference).
10.20*	Neenah Paper, Inc. 2004 Omnibus Stock and Incentive Compensation Plan (filed as Exhibit 10.12 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2004, filed March 31, 2005 and incorporated herein by reference).
10.21*	Neenah Paper Deferred Compensation Plan, amended and restated to be effective January 1, 2009 (filed herewith).
10.22*	Neenah Paper Directors' Deferred Compensation Plan, amended and restated to be effective January 1, 2009 (filed herewith).
10.23	Stumpage Agreement, dated as of June 24, 2008, by and between Neenah Paper Company of Canada, and Northern Pulp Nova Scotia Corporation (filed as Exhibit 10.5 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended June 30, 2008, filed August 11, 2008 and incorporated herein by reference).+
10.24	Subscription Agreement, dated as of June 24, 2008, by and between Neenah Paper Company of Canada, and Azure Mountain Capital Financial Corporation (filed as Exhibit 10.6 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended June 30, 2008, filed August 11, 2008 and incorporated herein by reference).
10.25	Amended and Restated Credit Agreement dated as of November 5, 2009 by and among Neenah Paper, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.34 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2009, filed March 10, 2010 and incorporated herein by reference).+
10.26	First Amendment dated as of March 31, 2011 to the Amended and Restated Credit Agreement dated as of November 5, 2009 by and among Neenah Paper, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.1 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended March 31, 2011, filed May 10, 2011 and incorporated herein by reference).+
10.27	Second Amendment dated as of November 16, 2011 to the Amended and Restated Credit Agreement dated as of November 5, 2009 by and among Neenah Paper, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.27 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2011, filed March 8, 2012 and incorporated herein by reference).

Exhibit Number	Exhibit
10.28	Second Amended and Restated Credit Agreement dated as of October 11, 2012 by and among Neenah Paper, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed herewith).
10.29*	First Amendment to the Neenah Paper Executive Severance Plan (adopted on December 17, 2012 and filed herewith).
12	Statement Regarding Computation of Ratio of Earnings to Fixed Charges (filed herewith)
21	List of Subsidiaries of Neenah Paper, Inc. (filed herewith).
23	Consent of Deloitte & Touche LLP (filed herewith)
24	Power of Attorney (filed herewith)
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (filed herewith).
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act (filed herewith).
32	Certification of Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code (filed herewith).
101.INS	XBRL Instance Document (furnished herewith).
101.SCH	XBRL Taxonomy Extension Schema Document (furnished herewith).
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (furnished herewith).
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (furnished herewith).
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (furnished herewith).
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (furnished herewith).

* Indicates management contract or compensatory plan or arrangement.

\+ Pursuant to a confidential treatment request portions of this exhibit have been furnished separately to the Securities and Exchange Commission.

(c) Financial Statement Schedule

See Item 15(a) (2) above

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEENAH PAPER, INC.

By: /s/ JOHN P. O'DONNELL

Name: John P. O'Donnell
Title: President and Chief Executive Officer
(in his capacity as a duly authorized officer of the Registrant and in his capacity as Chief Executive Officer)
Date: March 7, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ JOHN P. O'DONNELL John P. O'Donnell	President and Chief Executive Officer (Principal Executive Officer)	March 7, 2013
/s/ BONNIE C. LIND Bonnie C. Lind	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	March 7, 2013
/s/ LARRY N. BROWNLEE Larry N. Brownlee	Vice President — Controller (Principal Accounting Officer)	March 7, 2013
/s/ SEAN T. ERWIN* Sean T. Erwin	Chairman of the Board and Director	March 7, 2013
/s/ EDWARD GRZEDZINSKI* Edward Grzedzinski	Director	March 7, 2013
/s/ MARY ANN LEEPER* Mary Ann Leeper	Director	March 7, 2013
/s/ TIMOTHY S. LUCAS* Timothy S. Lucas	Director	March 7, 2013
/s/ JOHN F. MCGOVERN* John F. McGovern	Director	March 7, 2013
/s/ PHILIP C. MOORE* Philip C. Moore	Director	March 7, 2013
/s/ STEPHEN M. WOOD* Stephen M. Wood	Director	March 7, 2013

*By: /s/ STEVEN S. HEINRICHS

Steven S. Heinrichs
Senior Vice President, General
Counsel and Secretary
Attorney-in-fact

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Neenah Paper, Inc.
Alpharetta, Georgia

We have audited the internal control over financial reporting of Neenah Paper, Inc. and subsidiaries (the "Company") as of December 31, 2012, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2012 of the Company and our report dated March 7, 2013 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule and included an explanatory paragraph regarding a change in presentation of comprehensive income.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 7, 2013

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Neenah Paper, Inc.
Alpharetta, Georgia

We have audited the accompanying consolidated balance sheets of Neenah Paper, Inc. and subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Neenah Paper, Inc. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 7, 2013 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 7, 2013

NEENAH PAPER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share and per share data)

	Year Ended December 31,		
	2012	2011	2010
Net sales	$ 808.8	$ 696.0	$ 657.7
Cost of products sold	649.7	570.6	537.7
Gross profit	159.1	125.4	120.0
Selling, general and administrative expenses	77.4	68.2	69.3
Acquisition integration costs	5.8	—	—
SERP settlement charge	3.5	—	—
Loss on retirement of bonds	0.6	2.4	—
Gain on sale of the Ripon Mill	—	—	(3.4)
Other (income) expense — net	1.4	(1.8)	(1.0)
Operating income	70.4	56.6	55.1
Interest expense	13.5	15.6	20.5
Interest income	(0.1)	(0.3)	(0.2)
Income from continuing operations before income taxes	57.0	41.3	34.8
Provision for income taxes	17.1	12.0	9.8
Income from continuing operations	39.9	29.3	25.0
Income (loss) from discontinued operations, net of taxes (Note 12)	4.4	(0.2)	134.1
Net income	$ 44.3	$ 29.1	$ 159.1
Earnings (Loss) Per Common Share			
Basic			
Continuing operations	$ 2.46	$ 1.91	$ 1.69
Discontinued operations	0.27	(0.01)	9.05
	$ 2.73	$ 1.90	$ 10.74
Diluted			
Continuing operations	$ 2.41	$ 1.82	$ 1.61
Discontinued operations	0.27	(0.01)	8.60
	$ 2.68	$ 1.81	$ 10.21
Weighted Average Common Shares Outstanding (in thousands)			
Basic	15,752	14,974	14,744
Diluted	16,072	15,649	15,512

See Notes to Consolidated Financial Statements

NEENAH PAPER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,		
	2012	2011	2010
Net income	$ 44.3	$ 29.1	$ 159.1
Unrealized foreign currency translation gain (loss)	4.4	(5.0)	(15.1)
Net loss from pension and other postretirement benefit liabilities	(31.2)	(29.9)	(10.9)
Reclassification of amortization of adjustments to pension and other postretirement benefit liabilities recognized in net periodic benefit cost	5.1	2.5	1.9
SERP settlement charge	3.5	—	—
Curtailment loss	0.3	—	—
Unrealized gain on "available-for-sale" securities	0.1	—	—
Reclassification of cumulative currency translation adjustments related to investments in Canada (Note 12)	—	—	(87.9)
Loss from other comprehensive income items before income taxes	(17.8)	(32.4)	(112.0)
Benefit for income taxes	(7.7)	(10.2)	(3.0)
Other comprehensive loss	(10.1)	(22.2)	(109.0)
Comprehensive income	$ 34.2	$ 6.9	$ 50.1

See Notes to Consolidated Financial Statements

NEENAH PAPER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	$ 7.8	$ 12.8
Restricted cash	—	7.0
Accounts receivable, net	79.6	71.4
Inventories	102.9	68.8
Income taxes receivable	2.5	1.9
Deferred income taxes	27.2	17.6
Prepaid and other current assets	14.1	14.0
Total Current Assets	234.1	193.5
Property, Plant and Equipment — net	254.8	252.3
Deferred Income Taxes	35.3	45.5
Goodwill (Note 4)	41.4	40.5
Intangible Assets — net (Note 4)	34.0	21.9
Other Assets	11.1	11.4
TOTAL ASSETS	$ 610.7	$ 565.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	$ 4.7	$ 21.7
Accounts payable	35.1	30.2
Accrued expenses	47.6	51.6
Total Current Liabilities	87.4	103.5
Long-Term Debt	177.6	164.5
Deferred Income Taxes	12.5	16.0
Noncurrent Employee Benefits	131.1	113.0
Other Noncurrent Obligations	4.3	1.4
TOTAL LIABILITIES	412.9	398.4
Commitments and Contingencies (Notes 10 and 11)		
Stockholders' Equity		
Common stock, par value $0.01 — authorized: 100,000,000 shares; issued and outstanding: 16,826,000 shares and 15,594,000 shares	0.2	0.1
Treasury stock, at cost: 911,000 shares and 451,000 shares	(22.6)	(10.9)
Additional paid-in capital	273.9	257.6
Accumulated deficit	(3.9)	(40.4)
Accumulated other comprehensive loss	(49.8)	(39.7)
Total Stockholders' Equity	197.8	166.7
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 610.7	$ 565.1

See Notes to Consolidated Financial Statements

NEENAH PAPER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, shares in thousands)

	Common Stock		Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income
	Shares	Amount				
Balance, December 31, 2009	15,086	$ 0.1	$ (10.2)	$ 243.4	$ (215.2)	$ 91.5
Net income	—	—	—	—	159.1	—
Other comprehensive loss, net of income taxes	—	—	—	—	—	(109.0)
Dividends declared	—	—	—	—	(5.9)	—
Stock options exercised	86	—	—	0.7	—	—
Restricted stock vesting (Note 9)	65	—	(0.2)	—	—	—
Stock-based compensation	—	—	—	4.9	—	—
Balance, December 31, 2010	15,237	0.1	(10.4)	249.0	(62.0)	(17.5)
Net income	—	—	—	—	29.1	—
Other comprehensive loss, net of income taxes	—	—	—	—	—	(22.2)
Dividends declared	—	—	—	0.8	(7.5)	—
Excess tax benefits from stock-based compensation	—	—	—	1.0	—	—
Stock options exercised	268	—	—	2.5	—	—
Restricted stock vesting (Note 9)	89	—	(0.5)	—	—	—
Stock-based compensation	—	—	—	4.3	—	—
Balance, December 31, 2011	15,594	0.1	(10.9)	257.6	(40.4)	(39.7)
Net income	—	—	—	—	44.3	—
Other comprehensive loss, net of income taxes	—	—	—	—	—	(10.1)
Dividends declared	—	—	—	—	(7.8)	—
Excess tax benefits from stock-based compensation	—	—	—	6.1	—	—
Shares purchased (Note 9)	—	—	(4.1)	—	—	—
Stock options exercised	371	—	—	5.3	—	—
Restricted stock vesting (Note 9)	861	0.1	(7.6)	—	—	—
Stock-based compensation	—	—	—	4.9	—	—
Balance, December 31, 2012	16,826	$ 0.2	$ (22.6)	$ 273.9	$ (3.9)	$ (49.8)

See Notes to Consolidated Financial Statements

NEENAH PAPER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2012	2011	2010
OPERATING ACTIVITIES			
Net income	$ 44.3	$ 29.1	$ 159.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	28.8	31.0	31.3
Stock-based compensation	4.9	4.3	4.9
Excess tax benefit from stock-based compensation (Note 8)	(6.1)	(1.0)	—
Deferred income tax provision	10.7	7.4	37.0
Non-cash effects of changes in liabilities for uncertain income tax positions	(3.9)	—	—
Loss on retirement of bonds	0.6	2.4	—
Inventory acquired in acquisition (Note 3)	(6.6)	—	—
Reclassification of cumulative translation adjustments related to investments in Canada (Note 12)	—	—	(87.9)
Gain on sale of Woodlands	—	—	(74.1)
SERP payment, net of settlement charge	(3.4)	—	—
Gain on sale of the Ripon Mill	—	—	(3.4)
Loss on other asset dispositions	0.1	0.1	0.2
Net cash used in changes in operating working capital (Note 14)	(20.9)	(7.2)	(3.9)
Pension and other post-employment benefits	(7.3)	(7.7)	(7.8)
Other	(1.1)	(1.2)	(0.9)
NET CASH PROVIDED BY OPERATING ACTIVITIES	40.1	57.2	54.5
INVESTING ACTIVITIES			
Capital expenditures	(25.1)	(23.1)	(17.4)
Decrease (increase) in restricted cash	7.0	(7.0)	—
Sales (purchases) of marketable securities	(0.1)	1.2	(3.5)
Purchase of brands (Note 3)	(14.1)	—	—
Net proceeds from sale of the Woodlands (Note 12)	—	—	78.0
Proceeds from asset sales	—	—	8.7
Other	—	—	0.7
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(32.3)	(28.9)	66.5
FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	111.9	30.3	0.1
Repayments of long-term debt	(96.0)	(98.7)	(71.5)
Short-term borrowings	1.2	16.4	13.3
Repayments of short-term borrowings	(21.1)	(7.8)	(14.8)
Proceeds from exercise of stock options	5.3	2.6	0.7
Excess tax benefit from stock-based compensation (Note 8)	6.1	1.0	—
Cash dividends paid	(7.8)	(6.7)	(5.9)
Shares purchased (Note 9)	(11.7)	(0.5)	(0.2)
Other	(0.9)	(0.4)	—
NET CASH USED IN FINANCING ACTIVITIES	(13.0)	(63.8)	(78.3)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	0.2	—	—
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5.0)	(35.5)	42.7
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12.8	48.3	5.6
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7.8	$ 12.8	$ 48.3

See Notes to Consolidated Financial Statements

NEENAH PAPER INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except as noted)

Note 1. Background and Basis of Presentation

Background

Neenah Paper, Inc. ("Neenah" or the "Company"), is a Delaware corporation incorporated in April 2004. The Company has two primary operations: its technical products business and its fine paper business.

The technical products business is an international producer of transportation and other filter media and durable, saturated and coated substrates for industrial products backings and a variety of other end markets. The fine paper business is a supplier of premium writing, text and cover papers, bright papers and specialty papers primarily in North America. The Company's premium writing, text, cover and specialty papers are used in commercial printing and imaging applications for corporate identity packages, invitations, personal stationery and high-end advertising, as well as premium labels and luxury packaging.

On January 31, 2012, the Company purchased certain premium paper brands and other assets from Wausau Paper Mills, LLC, a subsidiary of Wausau Paper Corp. ("Wausau") for approximately $21 million. See Note 3, "Acquisitions."

In May 2009, the Company permanently closed the fine paper mill located in Ripon, California (the "Ripon Mill"). In October 2010, the Company sold the remaining long-lived assets of the Ripon Mill, primarily composed of land and buildings, to Diamond Pet Food Processors of Ripon, LLC ("Diamond") for gross proceeds of approximately $9 million. Pursuant to the terms of the transaction, Diamond acquired all the assets and assumed responsibility for substantially all the remaining liabilities associated with the Ripon Mill. The Company recognized a pre-tax gain on the sale of approximately $3.4 million.

In June 2008, the Company's wholly owned subsidiary, Neenah Paper Company of Canada ("Neenah Canada") sold its pulp mill in Pictou, Nova Scotia (the "Pictou Mill") to Northern Pulp Nova Scotia Corporation ("Northern Pulp"), a new operating company jointly owned by Atlas Holdings LLC ("Atlas") and Blue Wolf Capital Management LLC. In March 2010, Neenah Canada sold approximately 475,000 acres of woodland assets in Nova Scotia (the "Woodlands") to Northern Timber Nova Scotia Corporation, an affiliate of Northern Pulp, for C$82.5 million ($78.6 million). The sale resulted in a pre-tax gain, net of fees and other transaction costs, of $74.1 million. The sale of the Woodlands resulted in the substantially complete liquidation of the Company's investment in Neenah Canada. For the years ended December 31, 2012, 2011 and 2010, the results of operations of the Pictou Mill and the Woodlands, the gain on sale of the Woodlands, the reclassification into earnings of cumulative currency translation adjustments attributable to the Company's Canadian subsidiaries and the loss on disposal of the Pictou Mill are reported as discontinued operations. See Note 12, "Discontinued Operations — Sale of the Pictou Mill and the Woodlands."

Basis of Presentation

The consolidated financial statements include the financial statements of the Company and its wholly owned and majority owned subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

Note 2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Significant management judgment is required in determining the accounting for, among other things, pension and postretirement benefits, retained insurable risks, allowances for doubtful accounts and reserves for sales returns and cash discounts, purchase price allocations, useful lives for depreciation and amortization, future cash flows associated with impairment testing for tangible and intangible long-lived assets, income taxes, contingencies, inventory obsolescence and market reserves and the valuation of stock-based compensation.

Revenue Recognition

The Company recognizes sales revenue when all of the following have occurred: (1) delivery has occurred, (2) persuasive evidence of an agreement exists, (3) pricing is fixed or determinable, and (4) collection is reasonably assured. Delivery is not considered to have occurred until the customer takes title and assumes the risks and rewards of ownership. The timing of revenue recognition is largely dependent on shipping terms. Sales are reported net of allowable discounts and estimated returns. Reserves for cash discounts, trade allowances and sales returns are estimated using historical experience.

The Company's businesses manage seasonal peaks in inventory demand by providing certain customers with finished goods inventory on consignment. The Company accounts for such inventory as finished goods until title to the inventory is transferred and the customer assumes the risks and rewards of ownership at which time the Company recognizes sales revenue.

Earnings per Share ("EPS")

The Company computes basic earnings per share ("EPS") in accordance with Accounting Standards Codification ("ASC") Topic 260, *Earnings Per Share* ("ASC Topic 260"). In accordance with ASC Topic 260, share-based awards with non-forfeitable dividends are classified as participating securities. In calculating basic earnings per share, this method requires net income to be reduced by the amount of dividends declared in the current period for each participating security and by the contractual amount of dividends or other participation payments that are paid or accumulated for the current period. Undistributed earnings for the period are allocated to participating securities based on the contractual participation rights of the security to share in those current earnings assuming all earnings for the period are distributed. Holders of restricted stock and restricted stock units ("RSUs") have contractual participation rights that are equivalent to those of common stockholders. Therefore, the Company allocates undistributed earnings to restricted stock, RSUs and common stockholders based on their respective ownership percentage, as of the end of the period.

ASC Topic 260 also requires companies with participating securities to calculate diluted earnings per share using the "Two Class" method. The "Two Class" method requires first calculating diluted earnings per share using a denominator that includes the weighted average share equivalents from the assumed conversion of dilutive securities. Diluted earnings per share is then calculated using net income reduced by the amount of distributed and undistributed earnings allocated to participating securities calculated using the "Treasury Stock" method and a denominator that includes the weighted average share equivalents from the assumed conversion of dilutive securities excluding participating securities. The Company is required to report the lowest diluted earnings per share amount under the two calculations subject to the anti-dilution provisions of ASC Topic 260.

Diluted EPS was calculated to give effect to all potentially dilutive non-participating common share equivalents using the "Treasury Stock" method. Outstanding stock options, stock appreciation rights ("SARs") and certain RSUs with performance conditions represent the only potentially dilutive non-participating security effects on the Company's weighted-average shares. For the years ended December 31, 2012, 2011 and 2010, approximately 1,015,000, 1,365,000 and 1,590,000 potentially dilutive options, respectively, were excluded from the computation of dilutive common shares because the exercise price of such options exceeded the average market price of the Company's common stock for the period the options were outstanding.

The following table presents the computation of basic and diluted shares of common stock used in the calculation of EPS (amounts in millions, except share and per share amounts):

Earnings per basic common share

	Year Ended December 31,		
	2012	2011	2010
Income from continuing operations	$ 39.9	$ 29.3	$ 25.0
Distributed and undistributed amounts allocated to participating securities	(1.2)	(0.7)	(0.1)
Income from continuing operations available to common stockholders	38.7	28.6	24.9
Income (loss) from discontinued operations, net of income taxes	4.4	(0.2)	134.1
Distributed and undistributed amounts allocated to participating securities	(0.1)	—	(0.6)
Net income available to common stockholders	$ 43.0	$ 28.4	$ 158.4
Weighted-average basic shares outstanding	15,752	14,974	14,744
Basic earnings (loss) per share			
Continuing operations	$ 2.46	$ 1.91	$ 1.69
Discontinued operations	0.27	(0.01)	9.05
	$ 2.73	$ 1.90	$ 10.74

Earnings per diluted common share

	Year Ended December 31,		
	2012	2011	2010
Income from continuing operations	$ 39.9	$ 29.3	$ 25.0
Distributed and undistributed amounts allocated to participating securities	(1.1)	(0.8)	(0.1)
Income from continuing operations available to common stockholders	38.8	28.5	24.9
Income (loss) from discontinued operations, net of income taxes	4.4	(0.2)	134.1
Distributed and undistributed amounts allocated to participating securities	(0.1)	—	(0.6)
Net income available to common stockholders	$ 43.1	$ 28.3	$ 158.4
Weighted-average basic shares outstanding	15,752	14,974	14,744
Add: Assumed incremental shares under stock-based compensation plans	320	675	768
Weighted average diluted shares	16,072	15,649	15,512
Diluted earnings (loss) per share			
Continuing operations	$ 2.41	$ 1.82	$ 1.61
Discontinued operations	0.27	(0.01)	8.60
	$ 2.68	$ 1.81	$ 10.21

Financial Instruments

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Company places its temporary cash investments with high credit quality financial institutions. As of December 31, 2012 and 2011, $0.7 million and $0.6 million, respectively, of the Company's cash and cash equivalent is restricted to the payment of postretirement benefits for certain former Fox River executives. As of December 31, 2011, the Company had $7.0 million of cash that was restricted to the payment of benefits under its supplemental retirement contribution plan (the "SERP").

Inventories

U.S. inventories are valued at the lower of cost, using the Last-In, First-Out (LIFO) method for financial reporting purposes, or market. German inventories are valued at the lower of cost, using a weighted-average cost method, or market. The FIFO value of inventories valued on the LIFO method was $91.8 million and $59.1 million at December 31, 2012 and 2011, respectively. Cost includes labor, materials and production overhead.

Foreign Currency

Balance sheet accounts of Neenah Germany and Neenah Canada are translated from Euros and Canadian dollars, respectively, into U.S. dollars at period-end exchange rates, and income and expense accounts are translated at average exchange rates during the period. Translation gains or losses related to net assets located in Germany and Canada are recorded as unrealized foreign currency translation adjustments within accumulated other comprehensive income (loss) in stockholders' equity. Gains and losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) are included in other (income) expense — net in the consolidated statements of operations.

Property and Depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation. Certain costs of software developed or obtained for internal use are capitalized. When property, plant and equipment is sold or retired, the costs and the related accumulated depreciation are removed from the accounts, and the gains or losses are recorded in other (income) expense — net. For financial reporting purposes, depreciation is principally computed on the straight-line method over estimated useful asset lives. Weighted average useful lives are approximately 33 years for buildings, 9 years for land improvements and 17 years for machinery and equipment. For income tax purposes, accelerated methods of depreciation are used.

Estimated useful lives are periodically reviewed and changed when warranted. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their cost may not be recoverable. An impairment loss would be recognized when estimated undiscounted future pre-tax cash flows from the use of an asset are less than its carrying amount. Measurement of an impairment loss is based on the excess of the carrying amount of the asset over its fair value. Fair value is generally measured using discounted cash flows.

The costs of major rebuilds and replacements of plant and equipment are capitalized, and the cost of maintenance performed on manufacturing facilities, composed of labor, materials and other incremental costs, is charged to operations as incurred. Start-up costs for new or expanded facilities, including costs related to trial production, are expensed as incurred.

The Company accounts for asset retirement obligations ("AROs") in accordance with ASC Topic 410, *Asset Retirements and Environmental Obligations*, which requires companies to make estimates regarding future events in order to record a liability for AROs in the period in which a legal obligation is created. Such liabilities are recorded at fair value, with an offsetting increase to the carrying value of the related long-lived asset. As of December 31, 2012, the Company is unable to estimate its AROs for environmental liabilities at its manufacturing facilities.

Goodwill and Other Intangible Assets

The Company follows the guidance of ASC Topic 805, *Business Combinations* ("ASC Topic 805"), in recording goodwill arising from a business combination as the excess of purchase price and related costs over the fair value of identifiable assets acquired and liabilities assumed. All of the Company's goodwill was acquired in conjunction with the acquisition of the stock of FiberMark Services GmbH & Co. KG and the stock of FiberMark Beteiligungs GmbH (collectively, "Neenah Germany") in October 2006.

Under ASC Topic 350, *Intangibles — Goodwill and Other* ("ASC Topic 350"), goodwill is subject to impairment testing at least annually. ASC Topic 350 provides an entity with the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. If the two-step impairment test is necessary, a fair-value-based test is applied at the reporting unit level, which is generally one level below the operating segment level. The test compares the fair value of an entity's reporting units to the carrying value of those reporting units. This test requires various judgments and estimates. The Company estimates the fair value of the reporting unit using a market approach in combination with a discounted operating cash flow approach. Impairment of goodwill is measured as the excess of the carrying amount of goodwill over the fair values of recognized and unrecognized assets and liabilities of the reporting unit. An adjustment to goodwill will be recorded for any goodwill that is determined to be impaired. The Company tests goodwill for impairment at least annually on November 30 in conjunction with preparation of its annual business plan, or more frequently if events or circumstances indicate it might be impaired.

At November 30, 2012, the Company's assessment of qualitative facts and circumstances indicated no impairment of goodwill. The qualitative factors considered included, but were not limited to, changes in the macroeconomic conditions; changes in industry and market conditions such as an increase in the competitive environment; changes in manufacturing input costs — particularly to the extent these cannot be recovered through higher selling prices; changes in Neenah Germany's financial performance including earnings and cash flows; and changes in the Company's market capitalization.

Intangible assets with finite useful lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with ASC Topic 360, *Property, Plant, and Equipment* . Intangible assets consist primarily of customer relationships, trade names and acquired intellectual property. Such intangible assets are amortized using the straight-line method over estimated useful lives of between 10 and 15 years. Certain trade names are estimated to have indefinite useful lives and as such are not amortized. Intangible assets with indefinite lives are reviewed for impairment at least annually in accordance with ASC Topic 350. See Note 4, "Goodwill and Other Intangible Assets."

Research and Development Expense

Research and development costs are charged to expense as incurred and are recorded in "Selling, general and administrative expenses" on the consolidated statement of operations. See Note 14, "Supplemental Data — Supplemental Statement of Operations Data."

Fair Value Measurements

The Company measures the fair value of pension plan assets in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC Topic 820") which establishes a framework for measuring fair value. ASC Topic 820 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques attempt to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the fair value of the Company's pension plan assets:

	Assets at Fair Value at December 31,							
	Level 1		Level 2 (a)		Level 3		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Equity securities:								
Domestic	$ —	$ —	$ 53.2	$ 61.3	$ —	$ —	$ 53.2	$ 61.3
International	—	—	43.2	29.4	—	—	43.2	29.4
Fixed income	—	—	141.9	116.1	—	—	141.9	116.1
Cash and equivalents	1.0	3.8	—	—	—	—	1.0	3.8
Total assets at fair value	$ 1.0	$ 3.8	$ 238.3	$ 206.8	$ —	$ —	$ 239.3	$ 210.6

(a) Pension plan assets are invested in a master collective trust (the "Master Trust ") which holds mutual funds and common stock. Shares of mutual funds and common stock owned by the Master Trust are valued at quoted market prices. Pension plan assets invested in the Master Trust are presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust.

Fair Value of Financial Instruments

The carrying amounts reflected in the consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their short maturities. The fair value of short and long-term debt is estimated using current market prices for the Company's publicly traded debt or rates currently available to the Company for debt of the same remaining maturities. The following table presents the carrying value and the fair value of the Company's debt.

	December 31, 2012		December 31, 2011	
	Carrying Value	Fair Value (a)	Carrying Value	Fair Value (a)
Senior Notes (7.375% fixed rate)	$ 90.0	$ 90.0	$ 158.0	$ 158.8
Revolving bank credit facility (variable rates)	55.7	55.7	—	—
Term Loan (variable rates)	30.0	30.0	—	—
Neenah Germany project financing (3.8% fixed rate)	6.6	6.9	8.1	8.0
Neenah Germany revolving line of credit (variable rates)	—	—	20.1	20.1
Long-term debt	$ 182.3	$ 182.6	$ 186.2	$ 186.9

(a) Fair value for the Senior Notes was estimated from Level 1 measurements, the fair value for all other debt instruments was estimated from Level 2 measurements.

The Company's investments in marketable securities are accounted for as "available-for-sale securities" in accordance with ASC Topic 320, *Investments — Debt and Equity Securities* ("ASC Topic 320"). Pursuant to ASC Topic 320, marketable securities are reported at fair value on the consolidated balance sheet and unrealized holding gains and losses are reported in other comprehensive income until realized upon sale. At December 31, 2012 and 2011, the Company had approximately $2.6 million and $2.4 million, respectively, in marketable securities classified as "Other Assets" on the consolidated balance sheet. The cost of such marketable securities was $2.6 million and $2.5 million, respectively. Fair value for the Company's marketable securities was estimated from Level 1 measurements. The Company's marketable securities are restricted to the payment of benefits under the SERP.

Other Comprehensive Income (Loss)

Comprehensive income (loss) includes, in addition to net income (loss), gains and losses recorded directly into stockholders' equity on the consolidated balance sheet. These gains and losses are referred to as other comprehensive income items. Accumulated other comprehensive income (loss) consists of foreign currency translation gains and (losses), deferred gains and (losses) on "available-for-sale" securities, and adjustments related to pensions and other post-retirement benefits. The Company does not provide income taxes for foreign

currency translation adjustments related to indefinite investments in foreign subsidiaries. The sale of the Woodlands in 2010 resulted in the substantially complete liquidation of the Company's investment in Neenah Canada. In accordance with Accounting Standards Codification ("ASC") Topic 830, *Foreign Currency Matters* ("ASC Topic 830"), $87.9 million of cumulative currency translation adjustments attributable to the Company's Canadian subsidiaries were reclassified into earnings and recognized as part of the gain on sale of the Woodlands. There were no tax consequences related to the repatriation of funds from the sale of the Woodlands.

The components of accumulated other comprehensive income (loss), net of applicable income taxes are as follows:

	December 31,	
	2012	2011
Unrealized foreign currency translation gains	$ 9.2	$ 4.8
Net loss from pension and other postretirement benefit liabilities (net of income tax benefits of $34.9 million and $27.2 million, respectively)	(59.1)	(44.5)
Unrealized gain on "available-for-sale" securities	0.1	—
Accumulated other comprehensive loss	$ (49.8)	$ (39.7)

Accounting Standards Changes

In July 2012, the FASB issued Accounting Standards Update No. 2012-02 ("ASU No. 2012-02") which amends ASC Topic 350, *Intangibles — Goodwill and Other* ("ASC Topic 350"). ASU Topic No. 2012-02 permits an entity first to assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform a quantitative impairment test. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount, as described in ASC Topic 350. Under ASU No. 2012-02, an entity has the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to performing the quantitative impairment test. An entity may resume performing the qualitative assessment in any subsequent period.

ASU No. 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued. The Company adopted ASU No. 2012-02 in its annual financial statements for the year ending December 31, 2012. The adoption of ASU No. 2012-02 did not affect the Company's financial position, results of operations or cash flows.

As of December 31, 2012, no other amendments to the ASC had been issued but not adopted by the Company that will have or are reasonably likely to have a material effect on its results of operations, financial position or cash flows.

Note 3. ***Acquisitions***

On January 31, 2012, the Company purchased certain premium paper brands and other assets from Wausau. The Company paid approximately $21 million for (i) the premium fine paper brands ASTROBRIGHTS®, ASTROPARCHE® and ROYAL, (ii) exclusive, royalty free and perpetual license rights for a portion of the EXACT® brand specialty business, including Index, Tag and Vellum Bristol, (iii) approximately one month of finished goods inventory and (iv) certain converting equipment used for retail grades. In addition, the parties entered into a supply agreement under which Wausau agreed to manufacture and supply certain products to the Company during a transition period. The acquisition was financed through the Company's existing credit facility and cash on hand. The results of the Index, Tag and Vellum Bristol brands are reported in the Other segment from the date of acquisition. The results of all other brands acquired from Wausau are reported in the Fine Paper segment from the date of acquisition. For the year ended December 31, 2012, the Company incurred $5.8 million in acquisition integration costs.

The Company accounted for the acquisition of the Wausau brands as an asset purchase. The following table sets forth by level, within the fair value hierarchy, the fair value of the assets acquired from Wausau in accordance with ASC Topic 820:

	Acquired Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Amortizable intangible assets				
Customer based intangibles	$ —	$ —	$ 2.0	$ 2.0
Trade names and trademarks	—	—	0.1	0.1
Non-amortizable intangible assets				
Trade names	—	—	11.5	11.5
Finished goods inventory	—	6.6	—	6.6
Property, plant and equipment	—	—	0.9	0.9
Total assets at fair value	$ —	$ 6.6	$ 14.5	$ 21.1

Note 4. ***Goodwill and Other Intangible Assets***

As of December 31, 2012, the Company had goodwill of $41.4 million which is not amortized. The following table presents changes in goodwill (all of which relates to the Company's Technical Products segment) for the years ended December 31, 2012, 2011 and 2010:

	Gross Amount	Accumulated Impairment Losses	Net
Balance at December 31, 2009	$ 98.9	$ (54.0)	$ 44.9
Foreign currency translation	(7.5)	4.1	(3.4)
Balance at December 31, 2010	91.4	(49.9)	41.5
Foreign currency translation	(2.3)	1.3	(1.0)
Balance at December 31, 2011	89.1	(48.6)	40.5
Foreign currency translation	7.0	(6.1)	0.9
Balance at December 31, 2012	$ 96.1	$ (54.7)	$ 41.4

Impairment

As of December 31, 2012 and 2011, the carrying amount of goodwill assigned to Neenah Germany was not impaired.

Other Intangible Assets

As of December 31, 2012, the Company had recognized net identifiable intangible assets of $34.0 million. All such intangible assets were acquired in the acquisitions of Neenah Germany, Fox River and the Wausau brands. The following table details amounts related to those assets.

	Weighted average amortization period (years)	December 31, 2012		December 31, 2011	
		Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortizable intangible assets					
Customer based intangibles	15	$ 16.3	$ (6.2)	$ 14.1	$ (5.0)
Trade names and trademarks	10	5.5	(3.4)	5.4	(2.8)
Acquired Technology	10	1.1	(0.7)	1.0	(0.5)
Total amortizable intangible assets		22.9	(10.3)	20.5	(8.3)
Trade names	Not amortized	21.4	—	9.7	—
Total		$ 44.3	$ (10.3)	$ 30.2	$ (8.3)

In conjunction with the acquisition of the Wausau brands, the Company recorded approximately $11.5 million in non-amortizable intangible trade names, approximately $0.1 million in amortizable intangible trade names and trademarks and approximately $2.0 million in customer based intangible assets. The weighted average useful lives assigned to amortizable intangible trade names and trademarks and customer based intangible assets was 8 years and 15 years, respectively.

As of December 31, 2012, $17.9 million and $16.1 million of such intangible assets are reported within the Technical Products and Fine Paper segments, respectively. See Note 13, "Business Segment and Geographic Information." Aggregate amortization expense of acquired intangible assets for the years ended December 31, 2012, 2011 and 2010 was $1.9 million, $1.7 million and $1.6 million, respectively and was reported in Cost of Products Sold on the Consolidated Statement of Operations. Estimated annual amortization expense for each of the next five years is approximately $1.7 million.

Note 5. Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes* . Income tax expense represented 30.0 percent, 29.1 percent and 28.2 percent of income from continuing operations before income taxes for the years ended December 31, 2012, 2011 and 2010, respectively. The following table presents the principal reasons for the difference between the Company's effective income tax rate and the U.S. federal statutory income tax rate:

	Year Ended December 31,					
	2012	2012	2011	2011	2010	2010
U.S. federal statutory income tax rate	35.0%	$ 20.0	35.0%	$ 14.5	35.0%	$ 12.2
U.S. state income taxes, net of federal income tax effect	1.9%	1.1	1.8%	0.7	1.9%	0.7
Uncertain income tax positions	1.2%	0.6	0.1%	0.1	(1.1)%	(0.4)
Foreign tax rate and structure differences	(7.0)%	(4.0)	(9.3)%	(3.9)	(10.3)%	(3.6)
Other differences — net	(1.1)%	(0.6)	1.5%	0.6	2.7%	0.9
Effective income tax rate	30.0%	$ 17.1	29.1%	$ 12.0	28.2%	$ 9.8

The Company's effective income tax rate can be affected by many factors, including but not limited to, changes in the mix of earnings in taxing jurisdictions with differing statutory rates, changes in corporate structure as a result of business acquisitions and dispositions, changes in the valuation of deferred tax assets and liabilities, the results of audit examinations of previously filed tax returns and changes in tax laws.

The following table presents the U.S. and foreign components of income from continuing operations before income taxes:

	Year Ended December 31,		
	2012	2011	2010
Income from continuing operations before income taxes:			
U.S.	$ 35.8	$ 23.1	$ 20.6
Foreign	21.2	18.2	14.2
Total	$ 57.0	$ 41.3	$ 34.8

The following table presents the components of the provision (benefit) for income taxes:

	Year Ended December 31,		
	2012	2011	2010
Provision (benefit) for income taxes:			
Current:			
Federal	$ (2.2)	$ 0.2	$ (0.4)
State	—	0.4	(0.1)
Foreign	8.8	3.9	3.6
Total current tax provision	6.6	4.5	3.1
Deferred:			
Federal	12.0	8.9	7.2
State	0.4	1.2	1.2
Foreign	(1.9)	(2.6)	(1.7)
Total deferred tax provision	10.5	7.5	6.7
Total provision for income taxes	$ 17.1	$ 12.0	$ 9.8

The Company has elected to treat its Canadian operations as a branch for U.S. income tax purposes. Therefore, the amount of income (loss) before income taxes from Canadian operations are included in the Company's consolidated U.S. income tax returns and such amounts are subject to U.S. income taxes.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. The components of deferred tax assets and liabilities are as follows:

	December 31,	
	2012	2011
Net current deferred income tax assets		
Net operating losses	$ 18.9	$ 9.8
Employee benefits	1.7	4.0
Accrued liabilities	2.8	2.2
Inventory	3.6	1.4
Other	0.3	0.7
Net current deferred income tax assets before valuation allowance	27.3	18.1
Valuation allowance	(0.1)	(0.5)
Net current deferred income tax assets	27.2	17.6
Net noncurrent deferred income tax assets		
Net operating losses and credits	16.0	29.5
Employee benefits	38.2	36.9
Accelerated depreciation	(18.4)	(19.7)
Other	(0.2)	—
Net noncurrent deferred income tax assets before valuation allowance	35.6	46.7
Valuation allowance	(0.3)	(1.2)
Net noncurrent deferred income tax assets	35.3	45.5
Total deferred income tax assets	$ 62.5	$ 63.1
Net noncurrent deferred income tax liability		
Accelerated depreciation	$ 18.6	$ 18.8
Intangibles	4.7	5.0
Interest limitation	(5.2)	(4.7)
Employee benefits	(5.0)	(2.7)
Net operating losses	(0.2)	(0.3)
Other	(0.4)	(0.1)
Net noncurrent deferred income tax liabilities	$ 12.5	$ 16.0

As of December 31, 2012, a valuation allowance of $0.4 million has been provided against certain U.S. state deferred income tax assets in states where the Company no longer has operations. In determining the need for a valuation allowance, the Company considers many factors, including specific taxing jurisdictions, sources of taxable income, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, the Company concludes that it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

As of December 31, 2012, the Company had $65.9 million of U.S. Federal and $76.9 million of U.S. state net operating losses ("NOLs"). If not used, substantially all of the NOLs will expire in various amounts between 2028 and 2030. The Company also has preacquisition and recognized built-in loss carryovers of approximately $13.5 million, net of expected limitations. In addition, the Company has $2.8 million of Alternative Minimum Tax carryovers, which can be carried forward indefinitely.

No provision for U.S. income taxes has been made for undistributed earnings of certain of the Company's foreign subsidiaries which have been indefinitely reinvested. The Company is unable to estimate the amount of U.S. income taxes that would be payable if such undistributed foreign earnings were repatriated.

The following is a tabular reconciliation of the total amounts of uncertain tax positions as of and for the years ended December 31, 2012, 2011 and 2010:

	For the Years Ended December 31,		
	2012	2011	2010
Balance at January 1,	$ 8.4	$ 8.6	$ 10.5
Increases in prior period tax positions	4.4	0.2	1.7
Decreases in prior period tax positions	(7.5)	(0.3)	(3.5)
Decreases due to settlements with tax authorities	(0.5)	(0.1)	(0.1)
Balance at December 31,	$ 4.8	$ 8.4	$ 8.6

If recognized, approximately $4.2 million of the benefit for uncertain tax positions at December 31, 2012 would favorably affect the Company's effective tax rate in future periods. The Company does not expect that the expiration of the statute of limitations or the settlement of audits in the next 12 months will result in liabilities for uncertain income tax positions that are materially different than the amounts that were accrued as of December 31, 2012.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and foreign jurisdictions. The Company is no longer subject to U.S. federal examination for years before 2009 and state and local examinations for years before 2007 and non-U.S. income tax examinations for years before 2005. As of December 31, 2012, audit findings related to the 2006 through 2007 tax years were in the process of being appealed to the German tax authorities. For a discussion of uncertainties related to tax matters see Note 11, "Contingencies and Legal Matters."

The Company recognizes accrued interest and penalties related to uncertain income tax positions in the Provision for income taxes on the consolidated statements of operations. For the years ended December 31, 2012 and 2011, the Company recognized an expense (benefit) for interest and penalties of $(0.5) million and $0.2 million, respectively. The Company recognized interest and penalties of less than $0.1 million for the year ended December 31, 2010. As of December 31, 2012 and 2011, the Company had $0.1 million and $0.9 million, respectively, accrued for interest and penalties related to uncertain income tax positions.

Note 6. Debt

Long-term debt consisted of the following:

	December 31,	
	2012	2011
Senior Notes (7.375% fixed rate) due 2014	$ 90.0	$ 158.0
Revolving bank credit facility (variable rates), due 2017	55.7	—
Term Loan (variable rates), due in quarterly installments through November 2017	30.0	—
Neenah Germany project financing (3.8% fixed rate) due in 16 equal semi-annual installments ending December 2016	6.6	8.1
Neenah Germany revolving lines of credit (variable rates)	—	20.1
Total Debt	182.3	186.2
Less: Debt payable within one year	4.7	21.7
Long-term debt	$ 177.6	$ 164.5

Senior Unsecured Notes

On December 31, 2012, the Company had $90 million of ten-year 7.375% senior unsecured notes, originally issued on November 30, 2004 (the "Senior Notes") outstanding. A description and history of the Senior Notes is as follows:

- Original Issuance. On November 30, 2004, the Company issued $225 million aggregate principal amount of Senior Notes. Interest on the Senior Notes is payable May 15 and November 15 of each year. The Senior Notes are fully and unconditionally guaranteed by substantially all of the Company's subsidiaries, with the exception of our non-Canadian international subsidiaries.

- Covenants. The Senior Notes contain terms, covenants and events of default with which the Company must comply, which the Company believes are ordinary and standard for notes of this nature. Among other things, the Senior Notes contain covenants restricting our ability to incur certain additional debt, make specified restricted payments, pay dividends, authorize or issue capital stock, enter into transactions with our affiliates, consolidate or merge with or acquire another business, sell certain of our assets or liquidate, dissolve or wind-up the Company.

- First Open Market Purchases. During the three months ended September 30, 2010, the Company completed open market purchases of $2 million aggregate principal amount of the Senior Notes for slightly less than par value.

- First Early Redemption. On March 10, 2011, the Company completed an early redemption of $65 million in aggregate principal amount of the Senior Notes (the "First Early Redemption"). For the year ended December 31, 2011, the Company recognized a pre-tax loss, including the write-off of related unamortized debt issuance costs, of approximately $2.4 million in connection with the First Early Redemption.

- Second Early Redemption. On April 23, 2012, the Company redeemed $10 million in aggregate principal amount of the Senior Notes (the "Second Early Redemption"). The Second Early Redemption was financed with available secured revolving credit facility borrowings. The Company recognized a pre-tax loss, including the write-off of related unamortized debt issuance costs, of approximately $0.2 million in connection with the Second Early Redemption.

- Third Early Redemption. On October 16, 2012, the Company redeemed $58 million in aggregate principal amount of the Senior Notes (the "Third Early Redemption"). The Senior Notes were purchased at par value on November 15, 2012. The Third Early Redemption was financed by a combination of borrowings using the Company's revolving credit facility and a new $30 million term loan. The Company recognized a pre-tax loss, including the write-off of related unamortized debt issuance costs, of approximately $0.4 million in connection with the Third Early Redemption.

Redemption Rights/Open Market Purchases. Commencing on or after November 15, 2012, the Company may redeem all or any portion of the Senior Notes at 100 percent of the principal amount plus accrued and unpaid interest. From time-to-time, the Company may either redeem or repurchase on the open market its Senior Notes. The Company's ability to either redeem or repurchase its Senior Notes is limited under the terms of its secured revolving credit facility.

Amended and Restated Secured Revolving Credit Facility

Second Amended and Restated Credit Agreement. On October 11, 2012, the Company amended and extended its credit facility by entering into a Second Amended and Restated Credit Agreement (the "Second Amended and Restated Credit Agreement") by and among the Company and certain of its subsidiaries as co-borrowers, the financial institutions signatory to the Second Amended and Restated Credit Agreement as lenders, and JPMorgan Chase Bank, N.A., as agent for the lenders.

The Second Amended and Restated Credit Agreement, among other things: (i) extended the term of the prior credit facility by two years; (ii) increased the revolving credit commitment from $95 million to $105 million; (iii) added a $30 million deferred draw term loan commitment (the "Term Loan"), borrowings which the Company used to redeem a portion of its Senior Notes, (iv) reduced certain interest rates and fees payable on revolving credit borrowings; (v) removed Neenah Paper Company of Canada ("Neenah Canada") as a Guarantor (as defined in the prior credit agreement) and released liens and security interests previously granted by Neenah Canada; and (vi) made certain definitional, administrative and covenant changes.

The Term Loan was drawn in a single draw on November 13, 2012, and is subject to certain borrowing conditions. The principal balance of the Term Loan is repayable in quarterly installments beginning on March 31, 2013. Both the revolving credit commitment and the Term Loan mature on November 30, 2017 (or on August 15, 2014, if by that date the Senior Notes have not been redeemed, repurchased, defeased or repaid in full, or extended or refinanced to a date at least 90 days after November 30, 2017). The Term Loan bears interest at either (1) a prime rate-based index, as defined, plus 2.25 percent, or (2) LIBOR plus 3.75 percent. As of December 31 2012, the weighted-average interest rate on outstanding Term Loan borrowings was 4.0 percent per annum.

As of December 31, 2012, the Company had a $105 million secured revolving credit facility (the "Revolver") pursuant to the Second Amended and Restated Credit Agreement. As of December 31 2012, the weighted-average interest rate on outstanding Revolver borrowings was 2.4 percent per annum. Borrowing availability under the Revolver is reduced by outstanding letters of credit and reserves for certain other items as defined in the Amended Credit Agreement. As of December 31 2012, the Company had $55.7 million of Revolver borrowings outstanding, approximately $0.7 million of outstanding letters of credit and other items, and $48.6 million of available credit under the Revolver.

As of December 31 2012, the Second Amended and Restated Credit Agreement had the following general terms and conditions:

- Borrowing Limit. The Company's ability to borrow under the Revolver is limited to the lowest of (a) $105 million; (b) the Company's borrowing base (as determined in accordance with the Second Amended and Restated Credit Agreement) and (c) the applicable cap on the amount of "credit facilities" under the indenture for the Senior Notes.

- Term and Security. The Second Amended and Restated Credit Agreement will terminate on November 30, 2017 (or on August 31, 2014 if the Senior Notes have not been repurchased, defeased, refinanced or extended as of such date). The Second Amended and Restated Credit Agreement is secured by substantially all of the assets of the Company and the subsidiary borrowers. Neenah Germany is not obligated with respect to the Second Amended and Restated Credit Agreement, either as a borrower or a guarantor.

- Interest Rate. The Revolver bears interest at either (1) a prime rate-based index, as defined, plus a percentage ranging from 0.25 percent to 0.75 percent, or (2) LIBOR plus a percentage ranging from 1.75 percent to 2.25 percent, depending upon the amount of borrowing availability under the Revolver. The Company is also required to pay a monthly facility fee on the unused amount of the Revolver commitment at a per annum rate ranging between 0.25 percent and 0.375 percent, depending upon usage under the Revolver.

- Terms, Covenants and Events of Default. The Second Amended and Restated Credit Agreement contains terms, covenants and events of default with which the Company must comply, which the Company believed are ordinary and standard for agreements of this nature. Among other things, such covenants restrict the Company's ability to incur certain additional debt, make specified restricted payments, authorize or issue capital stock, enter into transactions with affiliates, consolidate or merge with or acquire another business, sell certain of its assets, or dissolve or wind up. In addition, if the Company has outstanding borrowings under the Term Loan or if borrowing availability under the Second Amended and Restated Credit Agreement is less than $20 million, the Company is required to achieve a fixed charge coverage ratio (as defined in the Second Amended and Restated Credit Agreement) of not less than 1.1 to 1.0 for the preceding 12-month period, tested as of the end of such quarter. As of December 31 2012, the Company was in compliance with all terms of the Second Amended and Restated Credit Agreement.

  The Company's ability to pay cash dividends on its common stock was limited under the terms of both the Second Amended and Restated Credit Agreement and the Senior Notes. At December 31 2012, under the most restrictive terms of the indenture for the Senior Notes, the Company's ability to pay cash dividends on its common stock was limited to a total of $8 million in a 12-month period. However, the Company can pay dividends in excess of $8 million in a 12-month period by making restricted payments as defined in the indenture for the Senior Notes.

- Stock Repurchases. The Second Amended and Restated Credit Agreement allows the Company to repurchase (1) up to $15 million of its own stock on or before December 31, 2012, and (2) up to an additional $10 million of its stock annually thereafter during the term of the Second Amended and Restated Credit Agreement, subject to the terms and conditions contained in the Second Amended and Restated Credit Agreement.

Other Debt

German Loan Agreement. In December 2006, Neenah Germany entered into a 10-year agreement with HypoVereinsbank and IKB Deutsche Industriebank AG to provide €10.0 million of project financing (the "German Loan Agreement"). As of December 31, 2012, €5.0 million ($6.6 million, based on exchange rates at December 31, 2012) was outstanding under the German Loan Agreement.

German Lines of Credit

HypoVereinsbank Line of Credit. Neenah Germany has a revolving line of credit with HypoVereinsbank (the "HypoVereinsbank Line of Credit") that provides for borrowings of up to €15 million for general corporate purposes. As of December 31, 2012, no amounts were outstanding under the HypoVereinsbank Line of Credit and €15.0 million ($19.8 million, based on exchange rates at December 31, 2012) of credit was available. As of December 31, 2011, the weighted-average interest rate on outstanding HypoVereinsbank Line of Credit borrowings was 3.8 percent per annum.

Commerzbank Line of Credit. In January 2011, Neenah Germany entered into an agreement with Commerzbank AG ("Commerzbank") to provide up to €3.0 million of unsecured revolving credit borrowings for general corporate purposes (the "Commerzbank Line of Credit"). In February 2012, the Company and Commerzbank amended the Commerzbank Line of Credit to provide up to €5.0 million of unsecured revolving credit borrowings. As of December 31, 2012, no amounts were outstanding under the Commerzbank Line of Credit and €5.0 million ($6.6 million, based on exchanges rates at December 31, 2012) of credit was available. As of December 31, 2011, the weighted average interest rate on Commerzbank Line of Credit borrowings was 3.6 percent per annum.

Restrictions under German Credit Facilities

Neenah Germany's ability to pay dividends or transfer funds to the Company is limited under the terms of both the HypoVereinsbank and Commerzbank lines of credit, to not exceed certain limits defined in the agreements without approval from the lenders or repayment of the amount outstanding under the lines of credit. In addition, the terms of the HypoVereinsbank and Commerzbank lines of credit require Neenah Germany to maintain a ratio of stockholder's equity to total assets equal to or greater than 45 percent. The Company was in compliance with all provisions of the HypoVereinsbank and Commerzbank lines of credit as of December 31, 2012.

Principal Payments

The following table presents the Company's required debt payments:

	2013	2014 (a)	2015	2016	2017	Thereafter	Total
Debt payments	$ 4.7	$ 94.6	$ 6.2	$ 6.1	$ 70.7	$ —	$ 182.3

(a) Includes principal payments on the Senior Notes of $90 million.

Note 7. Pension and Other Postretirement Benefits

Pension Plans

Substantially all active employees of the Company's U.S. operations participate in defined benefit pension plans and/or defined contribution retirement plans. Neenah Germany has defined benefit plans designed to provide a monthly pension upon retirement for substantially all its employees in Germany. In addition, the Company maintains a SERP which is a non-qualified defined benefit plan. The Company provides benefits under the SERP to the extent necessary to fulfill the intent of its defined benefit retirement plans without regard to the limitations set by the Internal Revenue Code on qualified defined benefit plans.

For the years ended December 31, 2012 and 2010, benefit payments under the SERP exceeded the sum of expected service cost and interest costs for the plan for the respective calendar years. In accordance with ASC Topic 715, *Compensation — Retirement Benefits* ("ASC Topic 715"), the Company measured the liabilities of the SERP and recognized settlement losses of $3.5 million and $0.3 million, respectively.

The Company's funding policy for qualified defined benefit plans for its U.S. operations is to contribute assets to fully fund the accumulated benefit obligation. Subject to regulatory and tax deductibility limits, any funding shortfall is to be eliminated over a reasonable number of years. Nonqualified plans providing pension benefits in excess of limitations imposed by taxing authorities are not funded. There is no legal or governmental obligation to fund Neenah Germany's benefit plans and as such the Neenah Germany defined benefit plans are currently unfunded.

The Company uses the fair value of pension plan assets to determine pension expense, rather than averaging gains and losses over a period of years. Investment gains or losses represent the difference between the expected return calculated using the fair value of the assets and the actual return based on the fair value of assets. The Company's pension obligations are measured annually as of December 31. As of December 31, 2012, the Company's pension plans had cumulative unrecognized investment losses and other actuarial losses of approximately $81.2 million recorded in accumulated other comprehensive income.

Other Postretirement Benefit Plans

The Company maintains postretirement health care and life insurance benefit plans for active employees of the Company and former employees of the Canadian pulp operations. The plans are generally noncontributory for employees who were eligible to retire on or before December 31, 1992 and contributory for most employees who became eligible to retire on or after January 1, 1993. The Company does not provide a subsidized benefit to most employees hired after 2003.

The Company's obligations for postretirement benefits other than pensions are measured annually as of December 31. At December 31, 2012, the assumed inflationary health care cost trend rates used to determine obligations at December 31, 2012 and costs for the year ended December 31, 2013 were 7.6 percent gradually decreasing to an ultimate rate of 4.5 percent in 2027. The assumed inflationary health care cost trend rates used to determine obligations at December 31, 2011 and costs for the year ended December 31, 2012 were 7.9 percent gradually decreasing to an ultimate rate of 4.5 percent in 2027.

The following table reconciles the benefit obligations, plan assets, funded status and net liability information of the Company's pension and other postretirement benefit plans.

	Pension Benefits		Postretirement Benefits Other than Pensions	
	Year Ended December 31,			
	2012	2011	2012	2011
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$ 287.4	$ 252.7	$ 42.5	$ 42.0
Service cost	4.6	4.1	1.8	1.7
Interest cost	14.1	14.5	2.1	2.3
Currency	1.1	(1.1)	0.1	(0.1)
Actuarial loss	36.9	28.9	3.2	0.2
Benefit payments from plans	(12.5)	(11.8)	(3.0)	(2.8)
Loss on plan settlement	(6.9)	—	—	—
Plan amendments	0.6	—	—	(0.8)
Other	—	0.1	—	—
Benefit obligation at end of year	$ 325.3	$ 287.4	$ 46.7	$ 42.5
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$ 210.6	$ 192.2	$ —	$ —
Actual gain on plan assets	23.9	15.2	—	—
Employer contributions	15.3	12.9	—	—
Benefit payments	(10.5)	(9.7)	—	(0.2)
Settlement payments	—	—	—	—
Other	—	—	—	0.2
Fair value of plan assets at end of year	$ 239.3	$ 210.6	$ —	$ —
Reconciliation of Funded Status				
Fair value of plan assets	$ 239.3	$ 210.6	$ —	$ —
Projected benefit obligation	325.3	287.4	46.7	42.5
Net liability recognized in statement of financial position	$ (86.0)	$ (76.8)	$ (46.7)	$ (42.5)
Amounts recognized in statement of financial position consist of:				
Current liabilities	$ (2.8)	$ (9.2)	$ (3.6)	$ (3.4)
Noncurrent liabilities	(83.2)	(67.6)	(43.1)	(39.1)
Net amount recognized	$ (86.0)	$ (76.8)	$ (46.7)	$ (42.5)

Amounts recognized in accumulated other comprehensive income consist of:

	Pension Benefits		Postretirement Benefits Other than Pensions	
	December 31,			
	2012	2011	2012	2011
Accumulated actuarial loss	$ 81.2	$ 60.4	$ 9.8	$ 7.1
Prior service cost	1.6	1.2	0.4	0.6
Total recognized in accumulated other comprehensive income	$ 82.8	$ 61.6	$ 10.2	$ 7.7

Summary disaggregated information about the pension plans follows:

	December 31,					
	Assets Exceed ABO		ABO Exceed Assets		Total	
	2012	2011	2012	2011	2012	2011
Projected benefit obligation	$ —	$ —	$ 325.3	$ 287.4	$ 325.3	$ 287.4
Accumulated benefit obligation	—	—	311.9	274.0	311.9	274.0
Fair value of plan assets	—	—	239.3	210.6	239.3	210.6

Components of Net Periodic Benefit Cost

	Pension Benefits			Postretirement Benefits Other than Pensions		
	Year Ended December 31,					
	2012	2011	2010	2012	2011	2010
Service cost	$ 4.6	$ 4.1	$ 4.4	$ 1.8	$ 1.7	$ 1.6
Interest cost	14.1	14.5	14.0	2.1	2.3	2.2
Expected return on plan assets (a)	(15.3)	(15.0)	(13.8)	—	—	—
Recognized net actuarial loss	4.1	1.6	1.3	0.5	0.2	0.1
Amortization of prior service cost	0.3	0.2	0.1	0.2	0.5	0.4
Amount of curtailment loss recognized	—	—	—	0.3	—	—
Amount of settlement loss recognized	3.5	—	0.3	—	—	—
Net periodic benefit cost	$ 11.3	$ 5.4	$ 6.3	$ 4.9	$ 4.7	$ 4.3

(a) The expected return on plan assets is determined by multiplying the fair value of plan assets at the prior year-end (adjusted for estimated current year cash benefit payments and contributions) by the expected long-term rate of return.

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income

	Pension Benefits			Postretirement Benefits Other than Pensions		
	Year Ended December 31,					
	2012	2011	2010	2012	2011	2010
Net periodic benefit expense	$ 11.3	$ 5.4	$ 6.3	$ 4.9	$ 4.7	$ 4.3
Accumulated actuarial loss	20.8	27.1	5.0	2.7	0.1	3.7
Prior service cost (credit)	0.4	(0.1)	0.7	(0.2)	(1.4)	(0.4)
Total recognized in other comprehensive income	21.2	27.0	5.7	2.5	(1.3)	3.3
Total recognized in net periodic benefit cost and other comprehensive income	$ 32.5	$ 32.4	$ 12.0	$ 7.4	$ 3.4	$ 7.6

The estimated net actuarial loss and prior service cost for the defined benefit pension plans expected to be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are $6.2 million and $0.2 million, respectively. The estimated net actuarial loss and prior service cost for postretirement benefits other than pensions expected to be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is $0.6 million and $0.1 million, respectively.

Weighted-Average Assumptions Used to Determine Benefit Obligations at December 31

	Pension Benefits		Postretirement Benefits Other than Pensions	
	2012	2011	2012	2011
Discount rate	4.19%	5.14%	4.12%	5.03%
Rate of compensation increase	2.96%	2.95%	—	—

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for Years Ended December 31

	Pension Benefits			Postretirement Benefits Other than Pensions		
	Year Ended December 31,					
	2012	2011	2010	2012	2011	2010
Discount rate	5.14%	5.86%	6.06%	5.03%	5.70%	5.92%
Expected long-term return on plan assets	7.25%	7.75%	8.00%	—	—	—
Rate of compensation increase	2.95%	3.91%	3.91%	—	—	—

Expected Long-Term Rate of Return and Investment Strategies

The expected long-term rate of return on pension fund assets held by the Company's pension trusts was determined based on several factors, including input from pension investment consultants and projected long-term returns of broad equity and bond indices. Also considered were the plans' historical 10-year and 15-year compounded annual returns. It is anticipated that, on average, actively managed U.S. pension plan assets will generate annual long-term rates of return of at least 7.00 percent. The expected long-term rate of return on the assets in the plans was based on an asset allocation assumption of approximately 40 percent with equity managers, with expected long-term rates of return of approximately 8 to10 percent, and 60 percent with fixed income managers, with an expected long-term rate of return of about 5 to 7 percent. The actual asset allocation is regularly reviewed and periodically rebalanced to the targeted allocation when considered appropriate.

Plan Assets

Pension plan asset allocations are as follows:

	Percentage of Plan Assets At December 31,		
	2012	2011	2010
Asset Category			
Equity securities	40%	43%	62%
Debt securities	59%	55%	37%
Cash and money-market funds	1%	2%	1%
Total	100%	100%	100%

The Company's investment objective for pension plan assets is to ensure, over the long-term life of the pension plans, an adequate pool of assets to support the benefit obligations to participants, retirees, and beneficiaries. Specifically, this objective includes the desire to: (a) invest assets in a manner such that future assets are available to fund liabilities, (b) maintain liquidity sufficient to pay current benefits when due and (c) diversify, over time, among asset classes so assets earn a reasonable return with acceptable risk to capital.

The target investment allocation and permissible allocation range for plan assets by category are as follows:

	Strategic Target	Permitted Range
Asset Category		
Equity securities	40%	40-50%
Debt securities / Fixed Income	60%	50-60%

As of December 31, 2012, no company or group of companies in a single industry represented more than five percent of plan assets.

The Company's investment policies are established by an investment committee composed of members of senior management and are validated periodically against actual investment returns. As of December 31, 2012, the Company's investment assumptions are as follows:

(a) the plan should be substantially fully invested in debt and equity securities at all times because substantial cash holdings will reduce long-term rates of return;

(b) equity investments will provide greater long-term returns than fixed income investments, although with greater short-term volatility;

(c) it is prudent to diversify plan investments across major asset classes;

(d) allocating a portion of plan assets to foreign equities will increase portfolio diversification, decrease portfolio risk and provide the potential for long-term returns;

(e) investment managers with active mandates can reduce portfolio risk below market risk and potentially add value through security selection strategies, and a portion of plan assets should be allocated to such active mandates;

(f) a component of passive, indexed management can benefit the plans through greater diversification and lower cost, and a portion of the plan assets should be allocated to such passive mandates, and

(g) it is appropriate to retain more than one investment manager, given the size of the plans, provided that such managers offer asset class or style diversification.

For the years ended December 31, 2012, 2011 and 2010, no plan assets were invested in the Company's securities.

Cash Flows

At December 31, 2012, the Company expects to make aggregate contributions to qualified pension trusts and payments of pension benefits for unfunded pension plans in 2013 of approximately $12.8 million (based on exchange rates at December 31, 2012).

Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Plans	Postretirement Benefits Other than Pensions
2013	$ 14.1	$ 3.6
2014	14.3	3.1
2015	14.9	3.6
2016	15.7	3.9
2017	17.3	4.1
Years 2018 - 2022	95.8	21.2

Health Care Cost Trends

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One Percentage-Point	
	Increase	Decrease
Effect on total of service and interest cost components	$ 0.1	$ (0.1)
Effect on post-retirement benefit obligation	0.5	(0.5)

Defined Contribution Retirement Plans

Company contributions to defined contribution retirement plans are primarily based on the age and compensation of covered employees. Contributions to these plans, all of which were charged to expense, were $1.8 million in 2012, $1.6 million in 2011 and $1.5 million in 2010. In addition, the Company maintains a supplemental retirement contribution plan (the "SRCP") which is a non-qualified, unfunded defined contribution plan. The Company provides benefits under the SRCP to the extent necessary to fulfill the intent of its defined contribution retirement plans without regard to the limitations set by the Internal Revenue Code on qualified defined contribution plans. For the years ended December 31, 2012 and 2011, the Company recognized expense related to the SRCP of approximately $0.2 million and $0.1 million, respectively. For the year ended December 31, 2010, the Company recognized expense related to the SRCP of less than $0.1 million.

Investment Plans

The Company provides voluntary contribution investment plans to substantially all North American employees. Under the plans, the Company matches a portion of employee contributions. For the years ended December 31, 2012, 2011 and 2010, costs charged to expense for company matching contributions under these plans were $1.7 million, $1.5 million and $1.3 million, respectively.

Note 8. Stock Compensation Plans

The Company established the 2004 Omnibus Stock and Incentive Plan (the "Omnibus Plan") in December 2004 and reserved 3,500,000 shares of $0.01 par value common stock ("Common Stock") for issuance under the Omnibus Plan. Pursuant to the terms of the Omnibus Plan, the compensation committee of the Company's Board of Directors may grant various types of equity-based compensation awards, including incentive and nonqualified stock options, SARs, restricted stock, RSUs, RSUs with performance conditions ("Performance Shares") and performance units, in addition to certain cash-based awards. All grants under the Omnibus Plan will be made at fair market value and no grant may be repriced. In general, the options expire ten years from the date of grant and vest over a three-year service period. As of December 31, 2012, approximately 1,060,000 shares of Common Stock were reserved for future issuance under the Omnibus Plan. As of December 31, 2012, the number of shares available for future issuance was reduced by approximately 10,000 shares for outstanding SARs where the closing market price for the Company's common stock was greater than the exercise price of the SAR. The Company accounts for stock-based compensation pursuant to the fair value recognition provisions of ASC Topic 718, *Compensation — Stock Compensation* ("ASC Topic 718").

Valuation and Expense Information Under ASC Topic 718

Substantially all stock-based compensation expense has been recorded in selling, general and administrative expenses. The following table summarizes stock-based compensation costs and related income tax benefits.

	Year Ended December 31,		
	2012	2011	2010
Stock-based compensation expense	$ 4.9	$ 4.3	$ 4.9
Income tax benefit	(1.9)	(1.6)	(1.9)
Stock-based compensation, net of income tax benefit	$ 3.0	$ 2.7	$ 3.0

The following table summarizes total compensation costs related to the Company's equity awards and amounts recognized in the year ended December 31, 2012.

	Stock Options	Performance Shares and RSUs
Unrecognized compensation cost — December 31, 2011	$ 0.8	$ 2.4
Grant date fair value current year grants	2.0	3.5
Compensation expense recognized	(1.2)	(3.7)
Change in estimate of shares to be forfeited	—	0.3
Unrecognized compensation cost — December 31, 2012	$ 1.6	$ 2.5
Expected amortization period (in years)	3.1	1.6

Stock Options

For the year ended December 31, 2012, the Company awarded nonqualified stock options to Long-Term Compensation Plan (the "LTCP") participants to purchase approximately 96,000 shares of Common Stock (subject to forfeiture due to termination of employment and other conditions). In addition, the Company awarded to a non-employee member of the Board of Directors (the "Board of Directors") nonqualified stock options to purchase 1,570 shares of Common Stock. For the year ended December 31, 2012, the weighted-average exercise price of such nonqualified stock option awards was $24.14 per share. The weighted-average grant date fair value for stock options granted for the years ended year ended December 31, 2012 and 2011 was $8.13 per share and $8.34 per share, respectively, and was estimated using the Black-Scholes option valuation model with the following assumptions:

	Year Ended December 31,	
	2012	2011
Expected term in years	4.9	5.3
Interest rate	1.1%	2.3%
Volatility	45.4%	57.1%
Dividend yield	2.0%	2.3%

Expected volatility and the expected term were estimated by reference to the historical stock price performance of the Company and historical data for the Company's stock option awards, respectively. The risk-free interest rate was based on the yield on U.S. Treasury bonds with a remaining term approximately equivalent to the expected term of the stock option awards. Forfeitures were estimated at the date of grant.

During the year ended December 31, 2012, the Company awarded nonqualified stock options to its President and Chief Executive Officer to purchase 125,000 shares of Common Stock (subject to forfeiture due to termination of employment and other conditions). The exercise price of such nonqualified stock option awards was $24.09 per share and the options expire in ten years. If certain absolute total return to shareholder targets are achieved, 25 percent of the options will vest on December 31, 2014, 50 percent will vest on December 31, 2015 and 100 percent will vest on December 31, 2016. Any unvested shares as of December 31, 2016 will be forfeited. The grant date fair value of such stock options was $9.55 per share and was estimated using a "Monte-Carlo" simulation valuation model.

The following table summarizes stock option activity under the Omnibus Plan for the year ended December 31, 2012:

	Number of Stock Options	Weighted-Average Exercise Price
Options outstanding — December 31, 2011	2,052,769	$ 23.61
Add: Options granted	222,220	$ 24.11
Less: Options exercised	408,818	$ 15.74
Less: Options forfeited/cancelled	161,459	$ 32.74
Options outstanding — December 31, 2012	1,704,712	$ 24.70

The status of outstanding and exercisable stock options as of December 31, 2012, summarized by exercise price follows:

	Options Vested or Expected to Vest				Options Exercisable		
Exercise Price	Number of Options	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Aggregate Intrinsic Value (a)	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (a)
$ 7.41 - $21.1	566,151	6.8	$ 13.12	$ 8.7	450,335	$ 12.15	$ 7.3
$22.44 - $29.4	440,366	6.7	$ 25.55	1.3	218,615	$ 27.06	0.4
$30.15 - $34.6	527,121	2.1	$ 32.66	-	527,121	$ 32.66	-
$35.92 - $42.2	163,610	4.3	$ 37.09	-	163,610	$ 37.09	-
	1,697,248	5.1	$ 24.72	$ 10.0	1,359,681	$ 25.50	$ 7.7

(a) Represents the total pre-tax intrinsic value as of December 31, 2012 that option holders would have received had they exercised their options as of such date. The pre-tax intrinsic value is based on the closing market price for the Company's common stock of $28.47 on December 31, 2012.

The aggregate pre-tax intrinsic value of stock options exercised for the years ended December 31, 2012, 2011 and 2010 was $5.1 million, $2.9 million and $0.9 million, respectively.

The following table summarizes the status of the Company's unvested stock options as of December 31, 2012 and activity for the year then ended:

	Number of Stock Options	Weighted-Average Grant Date Fair Value
Outstanding — December 31, 2011	394,959	$ 5.25
Add: Options granted	222,220	$ 8.93
Less: Options vested	271,398	$ 4.42
Less: Options forfeited/cancelled	750	$ 7.36
Outstanding — December 31, 2012	345,031	$ 8.26

As of December 31, 2012, certain participants met age and service requirements that allowed their options to qualify for accelerated vesting upon retirement. As of December 31, 2012, there were approximately 47,000 stock options subject to accelerated vesting that such participants would have been eligible to exercise if they had retired as of such date. The aggregate grant date fair value of options subject to accelerated vesting was $0.4 million. For the year ended December 31, 2012, stock-based compensation expense for such options was $0.2 million. For the year ended December 31, 2012, the aggregate grant date fair value of options vested, including options subject to accelerated vesting, was $1.6 million. Stock options that reflect accelerated vesting for expense recognition become exercisable according to the contract terms of the stock option grant.

Performance Shares

For the year ended December 31, 2012, the Company granted target awards of 103,000 Performance Units (subject to forfeiture due to termination of employment and other conditions) to LTCP participants. The measurement period for the Performance Units is January 1, 2012 through December 31, 2012. The Performance Units vest on December 31, 2014. The Company will issue Common Stock equal to approximately 150 percent of the Performance Unit target awards based on the Company's return on invested capital, consolidated revenue growth, the percentage of consolidated free cash flow to revenue and total return to shareholders relative to the companies in the Russell 2000® Value small cap index. The market price on the date of grant for the Performance Units was $24.09 per share. Based on the achievement of performance targets, the Company is recognizing stock-based compensation expense pro-rata over the vesting term of the Performance Units.

RSUs

For the year ended December 31, 2012, the Company awarded 12,025 RSUs to members of the Board of Directors (the "Director Awards"). The weighted average grant date fair value of the Director Awards was $27.05 per share and the awards vest one year from the date of grant. During the vesting period, the holders of Director Awards are entitled to dividends, but the shares do not have voting rights and are forfeited in the event the holder is no longer a member of the Board of Directors.

The following table summarizes the activity of the Company's unvested stock-based awards (other than stock options) for the year ended December 31, 2012:

	RSUs	Weighted-Average Grant Date Fair Value	Performance Shares	Weighted-Average Grant Date Fair Value
Outstanding — December 31, 2011	1,045,830	$ 9.87	—	—
Shares granted (a)	12,912	$ 22.72	103,000	$ 36.13
Shares vested	(837,179)	$ 8.23	—	—
Shares expired or cancelled	—	—	(5,100)	$ 36.13
Outstanding — December 31, 2012 (b)	221,563	$ 16.81	97,900	$ 36.13

(a) Includes 887 RSUs granted in lieu of cash dividends. Such dividends-in-kind vest concurrently with the underlying RSUs.

(b) The aggregate pre-tax intrinsic value of outstanding RSUs as of December 31, 2012 was $6.3 million.

The aggregate pre-tax intrinsic value of restricted stock and RSUs that vested for the years ended December 31, 2012, 2011 and 2010 was $21.6 million, $1.7 million and $2.5 million, respectively.

Excess Tax Benefits

ASC Topic 718 requires the reporting of excess tax benefits related to the exercise or vesting of stock-based awards as cash provided by financing activities within the statement of cash flows. Excess tax benefits represent the difference between the tax deduction the Company will receive on its tax return for compensation recognized by employees upon the vesting or exercise of stock-based awards and the tax benefit recognized for the grant date fair value of such awards. Excess tax benefits are a non-cash item and therefore a reduction in cash flow from operations is recorded to offset the amount of excess tax benefits reported in cash flows from financing activities. For the years ended December 31, 2012 and 2011, the Company recognized excess tax benefits related to the exercise or vesting of stock-based awards of $6.1 million and $1.0 million, respectively. For the year ended December 31, 2010, the Company recognized in its provision for income taxes on the consolidated statement of operations excess tax costs related to the exercise or vesting of stock-based awards of approximately $0.2 million.

Note 9. Stockholders' Equity

Common Stock

The Company has authorized 100 million shares of Common Stock. Holders of the Company's Common Stock are entitled to one vote per share.

On May 17, 2012, the Company announced that its Board of Directors authorized a program that would allow the Company to repurchase up to $10 million of its outstanding Common Stock through May 16, 2013 (the "Stock Purchase Plan"). Purchases by the Company under the Stock Purchase Plan will be made from time to time in the open market or in privately negotiated transactions in accordance with the requirements of applicable law. The timing and amount of any purchases will depend on share price, market conditions and other factors. The Stock Purchase Plan does not require the Company to purchase any specific number of shares and may be suspended or discontinued at any time.

The Company expects to fund the Stock Purchase Plan using cash on hand or Revolver borrowings. For the year ended December 31, 2012, the Company purchased approximately 158,000 shares of Common Stock at an aggregate cost of $4.1 million.

For the years ended December 31, 2012, 2011 and 2010, the Company acquired 302,000 shares, 25,000 shares and 15,500 shares of Common Stock, respectively, at a cost of approximately $7.6 million, $0.5 million and $0.2 million, respectively, for shares surrendered by employees to pay taxes due on vested restricted stock awards.

Each share of Common Stock contains a preferred stock purchase right that is associated with the share. These preferred stock purchase rights are transferred only with shares of Common Stock. The preferred stock purchase rights become exercisable and separately certificated only upon a "Rights Distribution Date" as that term is defined in the stockholder rights agreement adopted by the Company at the time of the Spin-Off. In general, a Rights Distribution Date occurs ten business days following either of these events: (i) a person or group has acquired or obtained the right to acquire beneficial ownership of 15 percent or more of the outstanding shares of our Common Stock then outstanding or (ii) a tender offer or exchange offer is commenced that would result in a person or group acquiring 15 percent or more of the outstanding shares of our Common Stock then outstanding.

Preferred Stock

The Company has authorized 20 million shares of $0.01 par value preferred stock. The preferred stock may be issued in one or more series and with such designations and preferences for each series as shall be stated in the resolutions providing for the designation and issue of each such series adopted by the Board of Directors of the Company. The Board of Directors is authorized by the Company's articles of incorporation to determine the voting, dividend, redemption and liquidation preferences pertaining to each such series. No shares of preferred stock have been issued by the Company.

Note 10. Commitments

Leases

The future minimum obligations under operating leases having a noncancelable term in excess of one year as of December 31, 2012, are as follows:

2013	$ 1.4
2014	1.2
2015	0.9
2016	0.7
2017	0.2
Thereafter	—
Future minimum lease obligations	$ 4.4

For the years ended December 31, 2012, 2011 and 2010 rent expense under operating leases was $4.2 million, $3.2 million and $2.5 million, respectively.

Purchase Commitments

The Company has certain minimum purchase commitments, primarily for coal purchases, that extend beyond December 31, 2012. Commitments under these contracts are approximately $7.7 million in 2013 and $5.0 million in 2014. Although the Company is primarily liable for payments on the above-mentioned leases and purchase commitments, management believes exposure to losses, if any, under these arrangements is not material.

Note 11. Contingencies and Legal Matters

Litigation

The Company is involved in certain legal actions and claims arising in the ordinary course of business. While the outcome of these legal actions and claims cannot be predicted with certainty, it is the opinion of management that the outcome of any such claim which is pending or threatened, either individually or on a combined basis, will not have a material effect on the consolidated financial condition, results of operations or liquidity of the Company.

Income Taxes

The Company is continuously undergoing examination by the Internal Revenue Service (the "IRS") as well as various state and foreign jurisdictions. The IRS and other taxing authorities routinely challenge certain deductions and credits reported by the Company on its income tax returns. See Note 5, "Income Taxes" for additional detail.

US Tax Audit — Tax Years 2007 and 2008

In December 2010, the IRS issued a Revenue Agent's Report for the 2007 and 2008 tax years. The Company submitted a protest to the Appeals Division of the IRS with respect to certain unresolved issues which involve a proposed IRS adjustment with respect to dual consolidated losses ("DCLs") and the recapture of net operating losses emanating from the Company's former Canadian operations. The Company's protest asserted that the IRS made several errors in its assessment of the DCL rules and, as such, the proposed adjustment was erroneous. In November 2012, the Company's protest was upheld and the audit of the 2007 and 2008 tax years was finalized with a finding of no additional taxes due.

German Tax Audit — Tax Years 2006 to 2007

In November 2010, the Company received a tax examination report from the German tax authorities challenging the validity of certain interest expense deductions claimed on the Company's tax returns for the years 2006 and 2007. The Company is indemnified by FiberMark, Inc. for any tax liabilities arising from the operations of Neenah Germany prior to October 2006. In August 2011, the Company received tax assessments totaling €3.7 million from the German tax authorities and submitted an appeal challenging these assessments. The Company believes that the finding which invalidates the deductibility of certain interest expense deductions is improper and is vigorously contesting the finding. As of December 31, 2011, no amounts were reserved related to these issues. In November 2011 and January 2012, the Company paid a total of €1.9 million against the August 2011 tax assessments. The

Company reflected these payments as assets ($2.5 million in "Income taxes receivable" on the consolidated balance sheet as of December 31, 2012) in recognition that such amounts would be treated as prepayments against any assessments ultimately owed. During 2012, the Company submitted additional information to the German tax authorities to support the validity of its interest expense deductions; however, as of December 31, 2012, they had not rendered a decision on the Company's appeal.

In the fourth quarter of 2012, legislation was proposed in the German legislature that would eliminate certain previously allowable interest expense deductions on a prospective and retroactive basis. The legislation was subsequently enacted in the first quarter of 2013. Management believes the retroactive application of the legislation is unconstitutional and the likelihood of it being sustained is remote. As of December 31, 2012, the Company recorded a liability for uncertain income tax positions based on an assessment of the likelihood of alternative outcomes, including, the possibility of a potential compromise related to this issue for the 2006 and 2007 tax years and for subsequent periods through 2012. Management believes it is remote that the Company's liability for unrecognized tax benefits related to these matters will significantly increase within the next 12 months. While Management believes that retroactive application of this legislation is remote, should retroactive application of the legislation be sustained, the outcome could have a material effect on the Company's results of operations, cash flows and financial position.

Indemnifications

Pursuant to a Distribution Agreement, an Employee Matters Agreement and a Tax Sharing Agreement, the Company has agreed to indemnify Kimberly-Clark for certain liabilities or risks related to the Spin-Off. Many of the potential indemnification liabilities under these agreements are unknown, remote or highly contingent. Furthermore, even in the event that an indemnification claim is asserted, liability for indemnification is subject to determination under the terms of the applicable agreement. For these reasons, the Company is unable to estimate the maximum potential amount of the possible future liability under the indemnity provisions of these agreements. However, the Company accrues for any potentially indemnifiable liability or risk under these agreements for which it believes a future payment is probable and a range of loss can be reasonably estimated. As of December 31, 2012, management believes the Company's liability under such indemnification obligations was not material to the consolidated financial statements.

Environmental, Health and Safety Matters

The Company is subject to federal, state and local laws, regulations and ordinances relating to various environmental, health and safety matters. The Company is in compliance with, or is taking actions designed to ensure compliance with, these laws, regulations and ordinances. However, the nature of the Company's business exposes it to the risk of claims with respect to environmental, health and safety matters, and there can be no assurance that material costs or liabilities will not be incurred in connection with such claims. Except for certain orders issued by environmental, health and safety regulatory agencies, with which management believes the Company is in compliance and which management believes are immaterial to the results of operations of the Company's business, Neenah is not currently named as a party in any judicial or administrative proceeding relating to environmental, health and safety matters.

While the Company has incurred in the past several years, and will continue to incur, capital and operating expenditures in order to comply with environmental, health and safety laws, regulations and ordinances, management believes that the Company's future cost of compliance with environmental, health and safety laws, regulations and ordinances, and its exposure to liability for environmental, health and safety claims will not have a material effect on its financial condition, results of operations or liquidity. However, future events, such as changes in existing laws and regulations or contamination of sites owned, operated or used for waste disposal by the Company (including currently unknown contamination and contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs which could have a material effect on the Company's financial condition, results of operations or liquidity.

The Company incurs capital expenditures necessary to meet legal requirements and otherwise relating to the protection of the environment at its facilities in the United States and internationally. For these purposes, the Company has planned capital expenditures for environmental projects during the period 2012 through 2014 of approximately $1 million to $2 million annually. The Company's anticipated capital expenditures for environmental projects are not expected to have a material effect on our financial condition, results of operations or liquidity.

Employees and Labor Relations

As of December 31, 2012, the Company had approximately 1,870 regular full-time employees of whom 725 hourly and 345 salaried employees were located in the United States and 495 hourly and 305 salaried employees were located in Germany.

Hourly employees at the Whiting, Neenah, Munising and Appleton paper mills are represented by the United Steelworkers Union (the "USW"). The collective bargaining agreements between the Whiting paper mills and the USW expired on January 31, 2013. The collective bargaining agreements between the Neenah, Munising and Appleton paper mills and the USW expire on June 30, 2013, July 14, 2013 and May 31, 2014, respectively. Separately, the Whiting, Neenah, Munising and Appleton paper mills have bargained jointly with the union on pension matters. The agreement on pension matters will remain in effect until September 2019.

Approximately 50 percent of salaried employees and 80 percent of hourly employees of Neenah Germany are eligible to be represented by the Mining, Chemicals and Energy Trade Union, Industriegewerkschaft Bergbau, Chemie and Energie (the "IG BCE"). In December 2011, the IG BCE and a national trade association representing all employers in the industry signed a new collective bargaining agreement covering union employees of Neenah Germany that expires in May 2013.

As of December 31, 2012, 645 hourly employees in the United States were covered by collective bargaining agreements that have expired or will expire within the next 12-months. The Company believes it has satisfactory relations with its employees covered by such collective bargaining agreements. Under German law union membership is voluntary and does not need to be disclosed to the Company. As a result, the number of employees covered by the collective bargaining agreement with the IG BCE that expires in May 2013 cannot be determined. In February 2013, the Company reached agreement with the USW on new collective bargaining agreements for all of its U.S. paper mills. The new agreements between the Whiting, Neenah, Munising and Appleton paper mills and the USW expire on January 31, 2018, June 30, 2018, July 14, 2018 and May 31, 2019, respectively.

Note 12. Discontinued Operations

Sale of the Pictou Mill and the Woodlands

In March 2010, Neenah Canada sold the Woodlands to Northern Pulp for C$82.5 million ($78.6 million). The sale resulted in a pre-tax gain, net of fees and other transaction costs, of $74.1 million. The sale of the Woodlands resulted in the substantially complete liquidation of the Company's investment in Neenah Canada. In accordance with ASC Topic 830, $87.9 million of cumulative currency translation adjustments attributable to the Company's Canadian subsidiaries were reclassified into earnings and recognized as part of the gain on sale of the Woodlands. The sale of the Woodlands represented the cessation of the Company's operating activities in Canada; however, the Company will have certain continuing post-employment benefit obligations related to its Canadian operations. The transaction did not generate a cash tax liability because the tax basis for the Woodlands was approximately equal to the sale price.

In conjunction with the sale of the Pictou Mill, the Company entered into a stumpage agreement (the "Stumpage Agreement") which allowed Northern Pulp to harvest softwood timber from the Woodlands. The Stumpage Agreement was terminated in March 2010 in conjunction with the sale of the Woodlands. For the year ended December 31, 2010, the Company recognized revenue of approximately $1.4 million, respectively, related to timber sales pursuant to the Stumpage Agreement.

The following table presents the results of discontinued operations:

	Year Ended December 31,		
	2012	2011	2010
Net sales, net of intersegment sales	$ —	$ —	$ 1.4
Discontinued operations:			
Income (loss) from operations	$ (0.1)	$ (0.3)	$ 1.0
Gain on disposal of the Woodlands	—	—	74.1
Reclassification of cumulative translation adjustments related to investments in Canada (b)	—	—	87.9
Loss on disposal - Pictou Mill	—	—	—
Gain on disposal	—	—	162.0
Income (loss) before income taxes	(0.1)	(0.3)	163.0
(Provision) benefit for income taxes (a)	4.5	0.1	(28.9)
Income (loss) from discontinued operations, net of income taxes	$ 4.4	$ (0.2)	$ 134.1

(a) In November 2012, IRS audits of the 2007 and 2008 tax years were finalized with a finding of no additional taxes due. As a result, the Company recognized a non-cash tax benefit of $4.5 million related to the reversal of certain liabilities for uncertain income tax positions.

(b) The reclassification of cumulative foreign currency translation gains had no tax consequences.

Note 13. Business Segment and Geographic Information

The Company reports its operations in two primary segments: Technical Products and Fine Paper. The technical products business is an international producer of transportation and other filter media and durable, saturated and coated substrates for industrial products backings and a variety of other end markets. The fine paper business is a supplier of premium writing, text and cover papers, bright papers and specialty papers in North America. Each segment employs different technologies and marketing strategies. The Other segment includes the Index, Tag and Vellum Bristol brands. Disclosure of segment information is on the same basis that management uses internally for evaluating segment performance and allocating resources. Transactions between segments are eliminated in consolidation. The costs of shared services, and other administrative functions managed on a common basis, are allocated to the segments based on usage, where possible, or other factors based on the nature of the activity. General corporate expenses that do not directly support the operations of the business segments are shown as Unallocated corporate costs. The accounting policies of the reportable operating segments are the same as those described in Note 2, "Summary of Significant Accounting Policies."

Business Segments

	Year Ended December 31,		
	2012	2011	2010
Net sales			
Technical Products	$ 406.6	$ 421.1	$ 384.3
Fine Paper	372.7	274.9	273.4
Other	29.5	—	—
Consolidated	$ 808.8	$ 696.0	$ 657.7

	Year Ended December 31,		
	2012	2011	2010
Operating income (loss)			
Technical Products	$ 37.6	$ 33.8	$ 29.2
Fine Paper (a)	50.0	39.7	40.5
Other	2.4	—	—
Unallocated corporate costs (b)	(19.6)	(16.9)	(14.6)
Consolidated	$ 70.4	$ 56.6	$ 55.1

(a) Operating income for the year ended December 31, 2012 include integration costs of $5.8 million related to the acquisition of the Wausau brands. Operating income for the year ended December 31, 2010 includes a gain related to the sale of the Ripon Mill of $3.4 million.

(b) Unallocated corporate costs for the year ended December 31, 2012 includes a SERP settlement charge of $3.5 million and a pre-tax loss of approximately $0.6 million related to the Third Early Redemption. For the year ended December 31, 2011, unallocated corporate costs include a pre-tax loss of approximately $2.4 million related to the Second Early Redemption.

	Year Ended December 31,		
	2012	2011	2010
Depreciation and amortization			
Technical Products	$ 15.7	$ 17.6	$ 16.9
Fine Paper	9.4	9.5	9.7
Corporate	3.7	3.9	4.7
Consolidated	$ 28.8	$ 31.0	$ 31.3

	Year Ended December 31,		
	2012	2011	2010
Capital expenditures			
Technical Products	$ 14.7	$ 18.0	$ 10.7
Fine Paper	10.2	4.2	6.7
Corporate	0.2	0.9	—
Consolidated	$ 25.1	$ 23.1	$ 17.4

	December 31,	
	2012	2011
Total Assets		
Technical Products	$ 348.5	$ 336.3
Fine Paper (a)	214.0	162.2
Corporate and other	48.2	66.6
Total	$ 610.7	$ 565.1

(a) The increase in total assets was primarily due to assets acquired in the acquisition of the Wausau brands.

Geographic Information

	Year Ended December 31,		
	2012	2011	2010
Net sales			
United States	$ 543.4	$ 416.2	$ 413.6
Europe	265.4	279.8	244.1
Consolidated	$ 808.8	$ 696.0	$ 657.7

	December 31,	
	2012	2011
Total Assets		
United States	$ 322.5	$ 286.4
Canada	0.2	0.3
Europe	288.0	278.4
Total	$ 610.7	$ 565.1

Net sales are attributed to geographic areas based on the physical location of the selling entities. Segment identifiable assets are those that are directly used in the segments operations. Corporate assets are primarily cash, deferred income taxes and deferred financing costs.

Concentrations

For the years ended December 31, 2012, 2011 and 2010, sales to the three largest customers of the fine paper business represented approximately 30 percent, 40 percent and 40 percent, respectively, of its total sales. For the years ended December 31, 2012, 2011 and 2010, no single customer accounted for more than 10 percent of the Company's consolidated revenue. Except for certain specialty latex grades and specialty softwood pulp used by Technical Products, management is not aware of any significant concentration of business transacted with a particular supplier that could, if suddenly eliminated, have a material affect on its operations.

Note 14. Supplemental Data

Supplemental Statement of Operations Data

Summary of Advertising and Research Expenses

	Year Ended December 31,		
	2012	2011	2010
Advertising expense	$ 8.4	$ 6.2	$ 6.1
Research expense	5.6	5.4	5.3

Supplemental Balance Sheet Data

Summary of Accounts Receivable — net

	December 31,	
	2012	2011
Accounts Receivable:		
From customers	$ 81.5	$ 73.1
Other	—	0.2
Less allowance for doubtful accounts and sales discounts	(1.9)	(1.9)
Total	$ 79.6	$ 71.4

Summary of Inventories

	December 31,	
	2012	2011
Inventories by Major Class:		
Raw materials	$ 20.8	$ 17.1
Work in progress	24.9	11.8
Finished goods	66.3	51.6
Supplies and other	3.7	1.7
	115.7	82.2
Excess of FIFO over LIFO cost	(12.8)	(13.4)
Total	$ 102.9	$ 68.8

Summary of Prepaid and Other Current Assets

	December 31,	
	2012	2011
Prepaid and other current assets	$ 7.7	$ 8.3
Spare parts	6.4	5.7
Total	$ 14.1	$ 14.0

Summary of Property, Plant and Equipment — Net

	December 31,	
	2012	2011
Land and land improvements	$ 20.8	$ 20.5
Buildings	105.1	102.3
Machinery and equipment	465.1	448.8
Construction in progress	13.7	7.6
	604.7	579.2
Less accumulated depreciation	349.9	326.9
Net Property, Plant and Equipment	$ 254.8	$ 252.3

Depreciation expense for the years ended December 31, 2012, 2011 and 2010 was $26.2 million, $28.2 million and $28.0 million, respectively. Interest expense capitalized as part of the costs of capital projects was $0.1 million for each of the years ended December 31, 2012, 2011 and 2010.

Summary of Accrued Expenses

	December 31,	
	2012	2011
Accrued salaries and employee benefits	$ 23.4	$ 25.1
Amounts due to customers	7.9	4.2
Liability for uncertain income tax positions	1.6	8.4
Accrued interest	0.8	1.5
Accrued income taxes	3.1	3.8
Other	10.8	8.6
Total	$ 47.6	$ 51.6

Summary of Noncurrent Employee Benefits

	December 31,	
	2012	2011
Pension benefits	$ 83.7	$ 67.6
Post-employment benefits other than pensions	47.4	45.4
Total (a)	$ 131.1	$ 113.0

(a) Includes $4.8 million and $6.0 million in long-term disability benefits due to Terrace Bay retirees and SRCP benefits as of December 31, 2012 and 2011, respectively.

Supplemental Cash Flow Data

Supplemental Disclosure of Cash Flow Information

	Year Ended December 31,		
	2012	2011	2010
Cash paid during the year for interest, net of interest expense capitalized	$ 13.1	$ 15.2	$ 18.9
Cash paid during the year for income taxes, net of refunds	6.7	4.7	0.5
Non-cash investing activities:			
Liability for equipment acquired	2.2	2.4	2.9

Net cash used in changes in working capital

	Year Ended December 31,		
	2012	2011	2010
Accounts receivable	$ (7.7)	$ (1.9)	$ (5.3)
Inventories	(26.8)	(0.1)	(0.3)
Income taxes (receivable) payable	(1.1)	(0.5)	2.9
Prepaid and other current assets	—	(0.1)	(0.7)
Accounts payable	5.0	0.5	2.6
Accrued expenses	9.7	(5.1)	(3.1)
Total	$ (20.9)	$ (7.2)	$ (3.9)

Note 15. Condensed Consolidating Financial Information

Neenah Paper Company of Canada, Neenah Paper Michigan, Inc. and Neenah Paper Sales, Inc. (the "Guarantor Subsidiaries") guarantee the Company's Senior Notes. The Guarantor Subsidiaries are 100 percent owned by the Company and all guarantees are full and unconditional. The following condensed consolidating financial information is presented in lieu of consolidated financial statements for the Guarantor Subsidiaries as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Year Ended December 31, 2012

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
Net sales	$ 403.3	$ 140.0	$ 265.5	$ —	$ 808.8
Cost of products sold	312.9	111.4	225.4	—	649.7
Gross profit	90.4	28.6	40.1	—	159.1
Selling, general and administrative expenses	48.9	10.4	18.1	—	77.4
Acquisition integration costs	5.8	—	—	—	5.8
SERP settlement charge	3.5	—	—	—	3.5
Loss on retirement of bonds	0.6	—	—	—	0.6
Other expense — net	—	1.1	0.3	—	1.4
Operating income	31.6	17.1	21.7	—	70.4
Equity in earnings of subsidiaries	(33.3)	—	—	33.3	—
Interest expense-net	12.8	—	0.6	—	13.4
Income from continuing operations before income taxes	52.1	17.1	21.1	(33.3)	57.0
Provision for income taxes	7.8	2.5	6.8	—	17.1
Income from continuing operations	44.3	14.6	14.3	(33.3)	39.9
Loss from discontinued operations, net of income tax benefit	—	4.4	—	—	4.4
Net income	$ 44.3	$ 19.0	$ 14.3	$ (33.3)	$ 44.3

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Year Ended December 31, 2011

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
Net sales	$ 272.7	$ 143.4	$ 279.9	$ —	$ 696.0
Cost of products sold	207.6	116.6	246.4	—	570.6
Gross profit	65.1	26.8	33.5	—	125.4
Selling, general and administrative expenses	42.3	10.1	15.8	—	68.2
Loss on retirement of bonds	2.4	—	—	—	2.4
Other (income) expense — net	(0.6)	0.4	(1.6)	—	(1.8)
Operating income	21.0	16.3	19.3	—	56.6
Equity in earnings of subsidiaries	(27.3)	—	—	27.3	—
Interest expense — net	14.1	0.1	1.1	—	15.3
Income from continuing operations before income taxes	34.2	16.2	18.2	(27.3)	41.3
Provision for income taxes	5.1	5.5	1.4	—	12.0
Income from continuing operations	29.1	10.7	16.8	(27.3)	29.3
Loss from discontinued operations, net of income tax benefit	—	(0.2)	—	—	(0.2)
Net income	$ 29.1	$ 10.5	$ 16.8	$ (27.3)	$ 29.1

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Year Ended December 31, 2010

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
Net sales	$ 269.4	$ 144.2	$ 244.1	$ —	$ 657.7
Cost of products sold	204.9	117.1	215.7	—	537.7
Gross profit	64.5	27.1	28.4	—	120.0
Selling, general and administrative expenses	44.2	10.7	14.4	—	69.3
Gain on sale of the Ripon Mill	—	(3.4)	—	—	(3.4)
Other (income) expense — net	(0.4)	0.6	(1.2)	—	(1.0)
Operating income	20.7	19.2	15.2	—	55.1
Equity in earnings of subsidiaries	(157.5)	—	—	157.5	—
Interest expense-net	19.0	0.3	1.0	—	20.3
Income from continuing operations before income taxes	159.2	18.9	14.2	(157.5)	34.8
Provision for income taxes	0.1	7.9	1.8	—	9.8
Income from continuing operations	159.1	11.0	12.4	(157.5)	25.0
Income from discontinued operations, net of income tax provision	—	134.1	—	—	134.1
Net income	$ 159.1	$ 145.1	$ 12.4	$ (157.5)	$ 159.1

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2012

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
Net income	$ 44.3	$ 19.0	$ 14.3	$ (33.3)	$ 44.3
Unrealized foreign currency translation gain (loss)	—	(0.1)	4.5	—	4.4
Net loss from adjustments to pension and other postretirement benefit liabilities	(4.6)	(19.9)	(6.7)	—	(31.2)
Reclassification of amortization of adjustments to pension and other postretirement benefit liabilities recognized in net periodic benefit cost	1.9	2.9	0.3	—	5.1
SERP settlement charge	3.5	—	—	—	3.5
Curtailment loss	0.2	0.1	—	—	0.3
Unrealized gain on "available-for-sale" securities	0.1	—	—	—	0.1
Income (loss) from other comprehensive income items	1.1	(17.0)	(1.9)	—	(17.8)
Provision (benefit) for income taxes	0.4	(6.4)	(1.7)	—	(7.7)
Other comprehensive income (loss)	0.7	(10.6)	(0.2)	—	(10.1)
Comprehensive income	$ 45.0	$ 8.4	$ 14.1	$ (33.3)	$ 34.2

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2011

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
Net income	$ 29.1	$ 10.5	$ 16.8	$ (27.3)	$ 29.1
Unrealized foreign currency translation gain	—	0.1	(5.1)	—	(5.0)
Net loss from pension and other postretirement benefit liabilities	(10.9)	(16.7)	(2.3)	—	(29.9)
Reclassification of amortization of adjustments to pension and other postretirement benefit liabilities recognized in net periodic benefit cost	1.5	1.0	—	—	2.5
Loss from other comprehensive income items	(9.4)	(15.6)	(7.4)	—	(32.4)
Benefit for income taxes	(3.6)	(6.0)	(0.6)	—	(10.2)

Other comprehensive loss	(5.8)	(9.6)	(6.8)	—	(22.2)
Comprehensive income	$ 23.3	$ 0.9	$ 10.0	$ (27.3)	$ 6.9

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2010

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
Net income	$ 159.1	$ 145.1	$ 12.4	$ (157.5)	$ 159.1
Unrealized foreign currency translation loss	—	(0.2)	(14.9)	—	(15.1)
Net gain (loss) from pension and other postretirement benefit liabilities	0.3	(7.2)	(4.0)	—	(10.9)
Reclassification of amortization of adjustments to pension and other postretirement benefit liabilities recognized in net periodic benefit cost	1.2	0.7	—	—	1.9
Reclassification of cumulative currency translation adjustments related to investments in Canada	—	(87.9)	—	—	(87.9)
Income (loss) from other comprehensive income items	1.5	(94.6)	(18.9)	—	(112.0)
Provision (benefit) for income taxes	0.6	(2.5)	(1.1)	—	(3.0)
Other comprehensive income (loss)	0.9	(92.1)	(17.8)	—	(109.0)
Comprehensive income (loss)	$ 160.0	$ 53.0	$ (5.4)	$ (157.5)	$ 50.1

CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2012

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
ASSETS					
Current assets					
Cash and cash equivalents	$ (0.7)	$ 1.9	$ 6.6	$ —	$ 7.8
Accounts receivable, net	34.2	16.8	28.6	—	79.6
Inventories	62.3	10.9	29.7	—	102.9
Income taxes receivable	—	—	2.5	—	2.5
Deferred income taxes	24.4	2.8	—	—	27.2
Intercompany amounts receivable	19.4	49.4	0.3	(69.1)	—
Prepaids and other current assets	5.8	2.0	6.3	—	14.1
Total current assets	145.4	83.8	74.0	(69.1)	234.1
Property, plant and equipment at cost	275.4	105.1	224.2	—	604.7
Less accumulated depreciation	205.4	70.1	74.4	—	349.9
Property, plant and equipment — net	70.0	35.0	149.8	—	254.8
Investments In Subsidiaries	241.2	—	—	(241.2)	—
Deferred Income Taxes	28.8	6.5	—	—	35.3
Goodwill	—	—	41.4	—	41.4
Intangible Assets, net	16.1	—	17.9	—	34.0
Other Assets	5.5	—	5.6	—	11.1
TOTAL ASSETS	$ 507.0	$ 125.3	$ 288.7	$ (310.3)	$ 610.7
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities					
Debt payable within one year	$ 3.0	$ —	$ 1.7	$ —	$ 4.7
Accounts payable	20.7	4.8	9.6	—	35.1
Intercompany amounts payable	49.7	19.4	—	(69.1)	—
Accrued expenses	23.9	9.2	14.5	—	47.6
Total current liabilities	97.3	33.4	25.8	(69.1)	87.4
Long-Term Debt	172.7	—	4.9	—	177.6
Deferred Income Taxes	—	—	12.5	—	12.5
Noncurrent Employee Benefits and Other Obligations	39.2	47.5	48.7	—	135.4
TOTAL LIABILITIES	309.2	80.9	91.9	(69.1)	412.9
STOCKHOLDERS' EQUITY	197.8	44.4	196.8	(241.2)	197.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 507.0	$ 125.3	$ 288.7	$ (310.3)	$ 610.7

CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2011

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
ASSETS					
Current assets					
Cash and cash equivalents	$ 9.7	$ 2.0	$ 1.1	$ —	$ 12.8
Restricted cash	7.0	—	—	—	7.0
Accounts receivable, net	22.9	18.1	30.4	—	71.4
Inventories	33.4	9.4	26.0	—	68.8
Income taxes receivable	—	—	1.9	—	1.9
Deferred income taxes	15.4	2.2	—	—	17.6
Intercompany amounts receivable	18.1	42.4	—	(60.5)	—
Prepaids and other current assets	5.6	2.0	6.4	—	14.0
Total current assets	112.1	76.1	65.8	(60.5)	193.5
Property, plant and equipment at cost	269.2	100.4	209.6	—	579.2
Less accumulated depreciation	198.5	66.8	61.6	—	326.9
Property, plant and equipment — net	70.7	33.6	148.0	—	252.3
Investments In Subsidiaries	225.0	—	—	(225.0)	—
Deferred Income Taxes	38.7	6.8	—	—	45.5
Goodwill	—	—	40.5	—	40.5
Intangible Assets, net	2.8	—	19.1	—	21.9
Other Assets	5.8	0.1	5.5	—	11.4
TOTAL ASSETS	$ 455.1	$ 116.6	$ 278.9	$ (285.5)	$ 565.1
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities					
Debt payable within one year	$ —	$ —	$ 21.7	$ —	$ 21.7
Accounts payable	16.0	6.6	7.6	—	30.2
Intercompany amounts payable	42.4	18.1	—	(60.5)	—
Accrued expenses	32.4	7.5	11.7	—	51.6
Total current liabilities	90.8	32.2	41.0	(60.5)	103.5
Long-Term Debt	158.0	—	6.5	—	164.5
Deferred Income Taxes	—	—	16.0	—	16.0
Noncurrent Employee Benefits and Other Obligations	39.6	37.7	37.1	—	114.4
TOTAL LIABILITIES	288.4	69.9	100.6	(60.5)	398.4
STOCKHOLDERS' EQUITY	166.7	46.7	178.3	(225.0)	166.7
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 455.1	$ 116.6	$ 278.9	$ (285.5)	$ 565.1

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
OPERATING ACTIVITIES					
Net income	$ 44.3	$ 19.0	$ 14.3	$ (33.3)	$ 44.3
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	11.7	4.2	12.9	—	28.8
Stock-based compensation	2.8	—	2.1	—	4.9
Excess tax benefit from stock-based compensation	(6.1)	—	—	—	(6.1)
Deferred income tax provision (benefit)	7.2	5.4	(1.9)	—	10.7
Non-cash effects of changes in uncertain income tax positions	(5.2)	(2.7)	4.0	—	(3.9)
Loss on retirement of bonds	0.6	—	—	—	0.6
Purchase of inventory	(6.6)	—	—	—	(6.6)
SERP settlement, net of settlement charge	(3.4)	—	—	—	(3.4)
Loss on other asset dispositions	0.1	—	—	—	0.1
Net cash (used in) provided by changes in operating working capital	(22.5)	(0.5)	2.1	—	(20.9)
Equity in earnings of subsidiaries	(33.3)	—	—	33.3	—
Pension and other post-employment benefits	(7.4)	(1.0)	1.1	—	(7.3)
Other	—	(1.0)	(0.1)	—	(1.1)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(17.8)	23.4	34.5	—	40.1
INVESTING ACTIVITIES					
Capital expenditures	(10.4)	(4.7)	(10.0)	—	(25.1)
Decrease in restricted cash	7.0	—	—	—	7.0
Purchase of marketable securities	(0.1)	—	—	—	(0.1)
Purchase of brands	(14.1)	—	—	—	(14.1)
Other	0.8	(0.9)	0.1	—	—
NET CASH USED IN INVESTING ACTIVITIES	(16.8)	(5.6)	(9.9)	—	(32.3)
FINANCING ACTIVITIES					
Proceeds from issuance of long-term debt	111.9	—	—	—	111.9
Repayments of long-term debt	(94.4)	—	(1.6)	—	(96.0)
Short-term borrowings	—	—	1.2	—	1.2
Repayments of short-term borrowings	—	—	(21.1)	—	(21.1)

Proceeds from exercise of stock options	5.3	—	—	—	5.3
Excess tax benefit from stock-based compensation	6.1	—	—	—	6.1
Cash dividends paid	(7.8)	—	—	—	(7.8)
Shares purchased	(11.7)	—	—	—	(11.7)
Other	(0.9)	—	—	—	(0.9)
Intercompany transfers — net	15.7	(17.9)	2.2	—	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	24.2	(17.9)	(19.3)	—	(13.0)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	0.2	—	0.2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10.4)	(0.1)	5.5	—	(5.0)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9.7	2.0	1.1	—	12.8
CASH AND CASH EQUIVALENTS, END OF YEAR	$ (0.7)	$ 1.9	$ 6.6	$ —	$ 7.8

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
OPERATING ACTIVITIES					
Net income	$ 29.1	$ 10.5	$ 16.8	$ (27.3)	$ 29.1
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	12.0	4.2	14.8	—	31.0
Stock-based compensation	4.1	—	0.2	—	4.3
Excess tax benefit from stock-based compensation	(1.0)	—	—	—	(1.0)
Deferred income tax provision (benefit)	5.1	4.9	(2.6)	—	7.4
Loss on retirement of bonds	2.4	—	—	—	2.4
Loss on other asset dispositions	0.1	—	—	—	0.1
Net cash used in changes in operating working capital	(0.4)	(1.1)	(5.7)	—	(7.2)
Equity in earnings of subsidiaries	(27.3)	—	—	27.3	—
Pension and other post-employment benefits	0.6	(8.8)	0.5	—	(7.7)
Other	—	(1.3)	0.1	—	(1.2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	24.7	8.4	24.1	—	57.2
INVESTING ACTIVITIES					
Capital expenditures	(5.2)	(2.2)	(15.7)	—	(23.1)
Increase in restricted cash	(7.0)	—	—	—	(7.0)
Sale of marketable securities	7.0	—	—	—	7.0
Purchase of marketable securities	(5.8)	—	—	—	(5.8)
Other	0.6	(0.4)	(0.2)	—	—
NET CASH USED IN INVESTING ACTIVITIES	(10.4)	(2.6)	(15.9)	—	(28.9)
FINANCING ACTIVITIES					
Proceeds from issuance of long-term debt	30.3	—	—	—	30.3
Repayments of long-term debt	(97.0)	—	(1.7)	—	(98.7)
Short-term borrowings	—	—	16.4	—	16.4
Repayments of short-term borrowings	—	—	(7.8)	—	(7.8)
Proceeds from exercise of stock options	2.6	—	—	—	2.6
Excess tax benefit from stock-based compensation	1.0	—	—	—	1.0
Cash dividends paid	(6.7)	—	—	—	(6.7)
Shares purchased	(0.5)	—	—	—	(0.5)

Other	(0.4)	—	—	—	(0.4)
Intercompany transfers — net	21.1	(6.2)	(14.9)	—	—
NET CASH USED IN FINANCING ACTIVITIES	(49.6)	(6.2)	(8.0)	—	(63.8)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(35.3)	(0.4)	0.2	—	(35.5)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	45.0	2.4	0.9	—	48.3
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9.7	$ 2.0	$ 1.1	$ —	$ 12.8

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010

	Neenah Paper, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Amounts
OPERATING ACTIVITIES					
Net income	$ 159.1	$ 145.1	$ 12.4	$ (157.5)	$ 159.1
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	13.1	4.4	13.8	—	31.3
Stock-based compensation	4.8	—	0.1	—	4.9
Deferred income tax provision (benefit)	2.2	36.5	(1.7)	—	37.0
Gain on sale of the Woodlands	—	(74.1)	—	—	(74.1)
Reclassification of cumulative translation adjustments related to investments in Canada	—	(87.9)	—	—	(87.9)
Gain on sale of the Ripon Mill	—	(3.4)	—	—	(3.4)
Loss on other asset dispositions	0.2	—	—	—	0.2
Net cash provided by (used in) changes in operating working capital	(0.3)	1.0	(4.6)	—	(3.9)
Equity in earnings of subsidiaries	(157.5)	—	—	157.5	—
Pension and other post-employment benefits	(0.9)	(6.9)	—	—	(7.8)
Other	0.8	(1.6)	(0.1)	—	(0.9)
NET CASH PROVIDED BY OPERATING ACTIVITIES	21.5	13.1	19.9	—	54.5
INVESTING ACTIVITIES					
Capital expenditures	(6.7)	(2.6)	(8.1)	—	(17.4)
Net proceeds from sale of the Woodlands	—	78.0	—	—	78.0
Purchase of marketable securities	(3.5)	—	—	—	(3.5)
Proceeds from asset sales	8.7	—	—	—	8.7
Other	(0.3)	—	1.0	—	0.7
NET CASH USED IN INVESTING ACTIVITIES	(1.8)	75.4	(7.1)	—	66.5
FINANCING ACTIVITIES					
Proceeds from issuance of long-term debt	0.1	—	—	—	0.1
Repayments of long-term debt	(69.9)	—	(1.6)	—	(71.5)
Short-term borrowings	—	—	13.3	—	13.3
Repayments of short-term borrowings	(1.0)	—	(13.8)	—	(14.8)
Cash dividends paid	(5.9)	—	—	—	(5.9)
Proceeds from exercise of stock options	0.7	—	—	—	0.7

Shares purchased	(0.2)	—	—	—	(0.2)
Intercompany transfers — net	99.4	(88.1)	(11.3)	—	—
NET CASH USED IN FINANCING ACTIVITIES	23.2	(88.1)	(13.4)	—	(78.3)
NET INCREASE IN CASH AND CASH EQUIVALENTS	42.9	0.4	(0.6)	—	42.7
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2.1	2.0	1.5	—	5.6
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 45.0	$ 2.4	$ 0.9	$ —	$ 48.3

Note 16. Unaudited Quarterly Data

	2012 Quarters				
	First (b)	Second	Third	Fourth	Year (a)(b)(c)
Net Sales	$ 198.2	$ 211.7	$ 206.3	$ 192.6	$ 808.8
Gross Profit	41.9	43.8	35.7	37.7	159.1
Operating Income	16.2	22.0	16.3	15.9	70.4
Income From Continuing Operations	8.9	12.7	9.2	9.1	39.9
Earnings Per Common Share From Continuing Operations:					
Basic	$ 0.55	$ 0.78	$ 0.56	$ 0.56	$ 2.46
Diluted	$ 0.54	$ 0.77	$ 0.55	$ 0.55	$ 2.41

	2011 Quarters				
	First (d)	Second	Third	Fourth	Year (d)
Net Sales	$ 172.7	$ 182.9	$ 174.9	$ 165.5	$ 696.0
Gross Profit	33.2	33.5	27.4	31.3	125.4
Operating Income	14.8	15.7	12.5	13.6	56.6
Income From Continuing Operations	7.0	7.8	6.8	7.7	29.3
Earnings Per Common Share From Continuing Operations:					
Basic	$ 0.47	$ 0.52	$ 0.44	$ 0.49	$ 1.91
Diluted	$ 0.45	$ 0.49	$ 0.42	$ 0.47	$ 1.82

(a) Includes acquisition integration costs of $5.8 million.
(b) Includes a SERP settlement charge of $3.5 million
(c) Includes an aggregate loss of $0.6 million related to the Second and Third Early Redemptions.
(d) Includes a loss of $2.4 million related to the First Early Redemption.

SCHEDULE II

NEENAH PAPER, INC. AND SUBSIDIARIES
SCHEDULE OF VALUATION AND QUALIFYING ACCOUNTS
(Dollars in millions)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Write-offs and Reclassifications	Balance at End of Period
December 31, 2012					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 1.4	$ 0.2	$ —	$ (0.2)	$ 1.4
Allowance for sales discounts	0.5	—	—	—	0.5
Valuation allowance — deferred income taxes	1.7	(1.3)	—	—	0.4
December 31, 2011					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 1.4	$ 0.6	$ —	$ (0.6)	$ 1.4
Allowance for sales discounts	0.5	—	—	—	0.5
Valuation allowance — deferred income taxes	1.7	—	—	—	1.7
December 31, 2010					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts	$ 1.2	$ 1.2	$ —	$ (1.0)	$ 1.4
Allowance for sales discounts	0.7	(0.2)	—	—	0.5
Valuation allowance — deferred income taxes	1.5	0.2	—	—	1.7

Exhibit 10.5

NEENAH PAPER

SUPPLEMENTAL PENSION PLAN

(As Amended and Restated Effective as of January 1, 2009)

NEENAH PAPER
SUPPLEMENTAL PENSION PLAN

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NEENAH PAPER SUPPLEMENTAL PENSION PLAN

ARTICLE I

INTRODUCTION

1.1 Establishment of the Plan . Neenah Paper, Inc. (the "Company") hereby amends and restates its supplemental benefits plan for its Employees, to be known as the Neenah Paper Supplemental Pension Plan (the "Plan"), as set forth in this document.

1.2 Type of Plan . This Plan is deemed to be two separate plans, consisting of (i) an "excess benefit plan" within the meaning of Section 3 (36) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and, as such, exempt from all of the provisions of ERISA pursuant to Section 4(b)(5) thereof; and (ii) a nonqualified supplemental retirement plan, which is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company, pursuant to Sections 201, 301 and 401 of ERISA and, as such, exempt from the provisions of Parts II, III and IV of Title I of ERISA.

1.3 Purpose . As an unfunded excess benefit plan and an unfunded plan of deferred compensation, the purpose of this Plan is solely to provide benefits to participants in the Neenah Paper Pension Plan, as amended and restated from time to time (the "Pension Plan"), which exceed the limitation on benefits imposed by Section 415 of the Internal Revenue Code of 1986, or any comparable provision of any future legislation which amends, supplements or supersedes that Section ("Section 415 of the Code"). Additionally, this Plan will provide such benefits in addition to the Pension Plan, which are necessary to fulfill the Pension Plan's intent without regard to Code Section 401(a)(17) or any dollar limit imposed by the Code on the amount of compensation considered under the Pension Plan.

1.4 Effective Date. The effective date of this amendment and restatement of the Plan is January 1, 2009. The original effective date of the Plan is December 1, 2004.

ARTICLE II

DEFINITIONS & CONSTRUCTION

Each term that is used in this Plan and also used in the Pension Plan shall have the same meaning herein as under the Pension Plan.

Notwithstanding the above, for purposes of this Plan, where the following words and phrases appear in this Plan they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

2.1 Affiliate . Any company, person or organization which, on the date of determination, (A) is a member of a controlled group of corporations (as defined in Code section 414(b)) which includes the Company; (B) is a trade or business (whether or not incorporated) which controls, is controlled by or is under common control with (within the meaning of Code section 414(c)) the Company; (C) is a member of an affiliated service group (as defined in Code section 414(m)) which includes the Company; or (D) is otherwise required to be aggregated with the Company pursuant to Code section 414(o) and regulations promulgated thereunder.

2.2 Beneficiary . The person or persons who, under this Plan, become entitled to receive a Participant's interest in the event of the Participant's death.

2.3 Benefit . Any benefit payable pursuant to, and determined in accordance with, the provisions of this Plan.

2.4 Board . The Board of Directors of Neenah Paper, Inc.

2.5 Change of Control . A Change of Control shall be deemed to have taken place if a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the Company's assets" (as such terms are defined below) occurs.

(A) A change in the ownership of the Company . A "change in ownership of the Company" shall occur on the date that any one person, or more than one person acting as a "Group" (as defined below), acquires ownership of stock of the Company that, together with stock held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company; provided, however, that, if any one person or more than one person acting as a Group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company. In addition, the following shall not constitute a change in ownership of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the "beneficial owner" (within the meaning of Rule 13d-3 of the Rules and Regulations under the Securities Exchange Act of 1934, as amended) (a "Beneficial Owner") of thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"), (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.5(D).

(B) A change in the effective control of the Company . A "change in the effective control of the Company" occurs on the date that:

(1) Any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty-five percent (35%) or more of the total voting power of the stock of the Company; provided, however, if any one person, or more than one person acting as a group, is considered to own thirty-five percent (35%) or more of the total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the effective control of the Company. Notwithstanding the foregoing, the following shall not constitute a change in the effective control of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.5(D); or

(2) A majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; provided, however, that this subparagraph (2) shall apply only to the Company if no other corporation is a majority shareholder of the Company.

(C) A change in the ownership of a substantial portion of the Company's assets . A "change in the ownership of a substantial portion of the Company's assets" occurs on the date that any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total "Gross Fair Market Value" (as defined below) equal to or more than 90% of the total Gross Fair Market Value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that, a transfer of assets by the Company is not treated as a change in the ownership of such assets if the assets are transferred to:

(1) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(3) a person, or more than one person acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company;

(4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in subparagraph (C)(3) hereof); or

(5) a Successor Entity pursuant to a transaction described in Section 2.5(D).

(D) Consummation of a reorganization, merger, or consolidation to which the Company is a party, or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination") shall not constitute a change in ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets, if following such Business Combination: (i) all or substantially all the individuals or entities who were the Beneficial Owners of Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of the members of the board of directors of the company resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) (the "Successor Entity") in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Voting Securities; (ii) no person or Group (excluding any Successor Entity or any employee benefit plan, or related trust, of the Company or such Successor Entity) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors of the Successor Entity were members of the incumbent Board (including members of the Board whose appointment or election is endorsed by a majority of the Board prior to the date of the appointment or election) at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination.

(E) For purposes of the definition of Change of Control:

(1) "Group" means persons acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock of the Company or assets of the Company, or a similar business transaction with the Company (the "Transaction"); provided, however, that with respect to any person who owns stock of both the Company and the other corporation in a Transaction, such person will only be treated as acting as a group with respect to his or her interest in the other corporation prior to the Transaction;

(2) "Gross Fair Market Value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets; and

(3) Notwithstanding any other provision hereof, stock ownership shall be determined under Code Section 409A, and no Change of Control shall be deemed to have occurred hereunder unless such event constitutes a change in the ownership or effective control of the Company or in a substantial portion of the assets of the Company under Code Section 409A.

2.6 Code. The Internal Revenue Code of 1986, as amended from time to time, and as construed and interpreted by valid regulations or rulings issued thereunder.

2.7 Company. Neenah Paper, Inc., a Delaware corporation.

2.8 Disability. A permanent and total disability such that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period not less than 3 months under an accident and health plan covering Employees of the Employer. A Participant will be deemed to be subject to a Disability if the Participant is determined to be disabled under a long-term disability plan of the Employer that uses a definition of "disability" that complies with one or both of the foregoing. In addition, a Participant will be deemed to be subject to a Disability if the Participant is determined to be totally disabled by the U.S. Social Security Administration.

2.9 Earnings. Earnings shall have the same meaning herein as under the Pension Plan. For the purposes of this Plan, however, the Earnings paid to an Employee for a Plan Year in excess of $230,000 (or such limit as adjusted at the same time and in the same manner as under Section 401(a)(17)(B) of the Code for that Plan Year) shall be included in determining the Supplemental Benefit under this Plan.

2.10 Effective Date. January 1, 2009, or with respect to a particular Affiliate, such later date as of which the Plan Administrative Committee deems such Affiliate to be a Participating Employer in the Plan.

2.11 Employee. An Employee as defined in the Schedules to the Pension Plan; provided, notwithstanding any other provision in the Plan, a person whose only relationship to the Plan is that of a leased employee shall not be an Employee and shall not be entitled to benefit under the Plan. For purposes of the preceding sentence, the term "leased employee" means any person (other than an employee of recipient) who pursuant to an agreement between the recipient and any other person (a "leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with section 414(n) of the Code) on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction and control of the recipient.

2.12 Employer. The Company and each Affiliate that the Plan Administrative Committee shall from time to time designate as a Participating Employer for purposes of the Plan as shown in Appendix A of the Pension Plan.

2.13 ERISA. The Employee Retirement Income Security Act of 1974, as amended from time to time, and as construed and interpreted by valid regulations or rulings issued thereunder.

2.14 Excess Benefit. The excess of (A) the amount that would have been payable to a person under the Pension Plan, determined as of the date payment of Benefits under this Plan commence, without regard to the limitation on benefits imposed by Section 415 of the Code, over (B) the amount that was actually payable to such person under the Pension Plan.

2.15 Lump Sum Payment. A form of benefit payable as a lump sum cash payment, actuarially determined based on the rate of interest equivalent to the average monthly yield on a 20-year Treasury Bond as published in the Federal Reserve Statistical Release for each month during the previous three-year period measured from the first business day of the month prior to the date such lump sum payment is payable under this Plan, or such other rate as determined pursuant to uniform Plan Administrative Committee rules, and the mortality table set forth for determining actuarial equivalent benefits under the Pension Plan, and (i) in the case of a lump sum payment pursuant to Section 4.1(A) or 4.9 of this Plan, based on the Participant's Benefit payable from this Plan and his age at the date of such lump sum payment, and (ii) in the case of a lump sum payment pursuant to Section 4.2 of this Plan, based on the Participant's Benefit payable under this Plan, the earliest age at which his Benefit from the Pension Plan could commence if he terminated employment, and the early retirement reduction factor applicable at such age of commencement. Notwithstanding the foregoing, the 20-year Treasury Bond yield shall be used in determining a lump sum cash payment so long as such rate is published by the Federal Reserve. In the event that the Federal Reserve ceases to publish the 20-year Treasury Bond rate, a lump sum cash payment will be determined in the same manner described above using the longest term Treasury Bond published in the Federal Reserve Statistical Release which is no more than 20-years but not less than for a 10-year term.

2.16 Participant. A participant in this Plan is a Participant in the Pension Plan and

(A) is eligible to receive an Excess Benefit, pursuant to Section 3.1(A), upon his termination of employment; and/or

(B) is eligible to receive a Supplemental Benefit, pursuant to Section 3.1(B); except, no individual shall be a Participant herein to the extent that such participation is precluded by an agreement between the Employer and such individual or such individual is subject to a separate agreement regarding deferred compensation which provides for similar benefits.

2.17 Participating Employer. An Employer that has been approved by the Plan Administrative Committee as an Employer participating in the Plan. Appendix A to the Pension Plan

sets forth a list of Participating Employers and may be amended from time to time by the Plan Administrative Committee without Board action or approval.

2.18 Pension Plan. The Neenah Paper Pension Plan.

2.19 Plan. This Neenah Paper Supplemental Pension Plan, as amended from time to time.

2.20 Plan Administrative Committee. The committee appointed by the Board to administer and regulate the Plan as provided in Article V of this Plan.

2.21 Plan Year. The twelve calendar month period beginning on January 1 and ending on the following December 31.

2.22 Separation from Service.

(A) The Participant's "separation from service" (within the meaning of Treasury Regulations Section 1.409A-1(h)) with the "employer" (within the meaning of Treasury Regulations Section 1.409A-1(h)(3)).

(B) The employment relationship of a Participant is considered to remain intact while the Participant is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six months, or, if longer, so long as the Participant retains a right to reemployment with the Employer or Affiliate under applicable statute or by contract. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period.

2.23 Specified Employee. A Participant who is a key employee (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) of the Company (or an Affiliate) while the Company's stock is publicly traded on an established securities market or otherwise. For this purpose, a Participant is a key employee if the Participant meets the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii) (applied in accordance with the regulations thereunder and disregarding Code Section 416(i)(5)) at any time during the twelve (12) month period ending on December 31. Notwithstanding the foregoing, a Participant who is a key employee determined under the preceding sentence will be deemed to be a Specified Employee solely for the period of April 1 through March 31 following such December 31 or as otherwise required by the Code Section 409A.

2.24 Spouse. The Employee's husband or wife (as applicable) pursuant to a legal marriage, as defined under the laws of the state of the Employee's residence.

2.25 Supplemental Benefit. The Supplemental Benefit shall be excess, determined as of the date payments of Benefits under this Plan commence, of:

(A) the amount payable to a person under the Pension Plan, which amount shall be calculated (i) without regard to Article XII of the Pension Plan and (ii) using the term Earnings defined as set forth in Section 2.9; over

(B) the sum of (i) the amount payable under the Pension Plan and (ii) the amount payable as an Excess Benefit under this Plan.

2.26 Surviving Minor Children. Natural and adopted children of a deceased Employee who have not attained the age of 21.

Construction. Where appearing in the Plan, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular Section or subsection.

ARTICLE III

BENEFITS

3.1 Eligibility.

(A) Excess Benefit. A Participant in the Pension Plan is eligible to receive an Excess Benefit under this Plan if such Participant:

(1) is entitled to receive benefits under the Pension Plan; and

(2) would have received additional benefits under the Pension Plan were it not for the limitation on benefits imposed by Section 415 of the Code.

(B) Supplemental Benefit. A Participant in the Pension Plan is eligible to receive a Supplemental Benefit under this Plan if such Participant:

(1) is a managerial or highly compensated employee of an Employer within the meaning of Title I of ERISA; and

(2) has earnings in excess of the limit provided under Section 401(a)(17) of the Code for any calendar year in which the Participant participates in the Pension Plan; and

(3) would have received additional benefits under the Pension Plan were it not for the limitation on benefits imposed by Section 401(a)(17) of the Code.

ARTICLE IV

PAYMENT OF BENEFITS

4.1 Election of Form of Payment .

(A) A Participant may elect, at the time and in the manner specified by the Plan Administrative Committee on or before the January 31 st immediately following the first year the Participant accrues a Benefit under the Plan (or such later date

permitted by this Section), to receive payment of his or her Benefit in either (1) a Lump Sum Payment, or (2) in a life annuity option.

(B) If the Participant elects the life annuity option pursuant to Section 4.1(A), the Participant must elect, prior to the date the Participant is required to commence his or her Benefit under the Plan, to receive payment of his or her Benefit in one of the following life annuity options:

(1) a life annuity providing for monthly payments for the life of the Participant;

(2) a life annuity providing for monthly payments for the life of the Participant, which shall, if the Participant dies within a term of five (5), ten (10) or fifteen (15) years as specified by the Participant, continue to be paid to the Participant's Beneficiary for the balance of the five (5), ten (10) or fifteen (15) year term specified by the Participant;

(3) a 50% percent joint and survivor annuity, providing for monthly payments, which is an actuarially reduced pension payable to and during the lifetime of the Participant with the provision that, after his death, a pension equal to fifty percent (50%) of his reduced pension shall be payable to and during the lifetime of the joint annuitant selected by the Participant;

(4) a 62½ percent joint and survivor annuity, providing for monthly payments, which is an actuarially reduced pension payable to and during the lifetime of the Participant with the provision that, after his death, a pension equal to sixty-two and one-half percent (62-1/2%) of his reduced pension shall be payable to and during the lifetime of the joint annuitant selected by the Participant;

(5) a 75 percent joint and survivor annuity providing for monthly payments, which is an actuarially reduced pension payable to and during the lifetime of the Participant with the provision that, after his death, a pension equal to seventy-five percent (75%) of his reduced pension shall be payable to and during the lifetime of the joint annuitant selected by the Participant; or

(6) a 100 percent joint and survivor annuity providing for monthly payments, which is an actuarially reduced pension payable to and during the lifetime of the Participant with the provision that after his death a pension at the rate of one hundred percent (100%) of his reduced pension shall be payable to and during the lifetime of the joint annuitant selected by the Participant.

The value of each alternative form of payment described in this Section 4.1(B) shall be the actuarial equivalent of the Participant's Benefit, determined using the actuarial assumptions specified in the Pension Plan as of the date on which the Participant is entitled to receive or commence payment of his or her Benefit under

the Plan. The value of a Lump Sum Payment shall be determined in accordance with Section 2.15 of the Plan.

(C) In the event a Participant fails to elect a form of payment in a timely manner, the Participant's form of payment shall be made:

(1) in the case of a Participant who does not have a Spouse on the date the Participant's Benefit is payable under the Plan, in the form of payment described in Section 4.1(B)(1); or

(2) in the case of a Participant who has a Spouse on the date the Participant's Benefit is payable under the Plan, in the form of payment described in Section 4.1(B)(3) (with the Participant's Spouse as the joint annuitant).

(D) Notwithstanding the foregoing, an Eligible Employee who is or becomes a Participant prior to December 31, 2008 (other than a Participant who is or will commence receiving retirement benefits during 2008) may elect a form of payment pursuant to Section 4.1(A) above (without regard to Section 4.4) on or before December 31, 2008 subject only to the conditions that the election shall not defer the payment of any retirement benefits that otherwise would have been paid in 2008 but for the election permitted pursuant to this paragraph and shall not accelerate into 2008 the payment of any retirement benefits that otherwise could not have been paid in 2008 but for the election permitted pursuant to this paragraph. A Participant affected by either of the foregoing conditions shall have his form of payment under Section 4.1(A) honored to the maximum extent possible, subject to the limitations set forth in the immediately preceding sentence.

4.2 Automatic Lump Sum Payment Upon Change in Control . Notwithstanding any other provision of the Plan, if the Company experiences a Change in Control, a Participant (or surviving spouse or designated beneficiary, as the case may be) shall receive his Benefit payable under Article III as a Lump Sum Payment (subject to any applicable payroll or other taxes required to be withheld) within the time period specified in Section 4.3(D).

4.3 Timing of Benefit Payments to Participants .

(A) Except as otherwise provided in this Section, all amounts payable to a Participant as an Excess Benefit and Supplemental Benefit following his or her Separation from Service shall be paid as follows:

(1) If the Participant incurs a Separation from Service prior to attaining age 62 and 10 years of vesting service under the Pension Plan, the Participant's Benefit shall be paid or, if applicable, commence within ninety (90) days following the later of (i) an age specified by the Participant that is not earlier than age 55 nor later than age 65, or (ii) the Participant's Separation from Service, as elected by the Participant. In the event a Participant fails

to elect specify an appropriate age in a timely manner, the Participant shall be to have elected age 65.

(2) If the Participant incurs a Separation from Service after attaining age 62 and 10 years of vesting service under the Pension Plan, the Participant's Benefit shall be paid or, if applicable, commence within ninety (90) days following the Participant's Separation from Service.

(B) Notwithstanding any other provision of the Plan to the contrary, any payment of Benefits made on account of Separation from Service to, or on behalf of, a Participant who is a Specified Employee during the six-month period immediately following the Participant's Separation from Service shall be suspended. During such six-month period, the Participant shall be entitled to interest on the delayed payment at rate equal to the interest rate described in Section 2.15 for Lump Sum Payments. Any payment which would have otherwise been made during that six-month period, including all accrued interest, shall be paid to the Participant in a lump sum as soon as practicable, but not more than ninety (90) days, following the expiration of such six-month period.

(C) Notwithstanding any other provision of the Plan to the contrary, if a Participant incurs a Disability while an Employee and has at least 5 years of vesting service under the Pension Plan, then the Participant's Benefit shall commence within ninety (90) days following the date the Participant is determined to have incurred a Disability.

(D) If a Participant is to receive a Lump Sum Payment pursuant to a Change of Control, then such Lump Sum Payment shall be paid to the Participant within thirty (30) days following the date of the Change of Control.

4.4 Change of Election of Form of Payment . A Participant may elect, in such manner specified by the Plan Administrative Committee, to change the time and form of payment that is in effect pursuant to Section 4.1 prior to the commencement of Benefits if:

(A) such subsequent election does not take effect until twelve (12) months following the date on which the subsequent election is made;

(B) in the case of an election not related to payments on account of Disability or death, the first payment with respect to which such subsequent election is made is deferred for at least five (5) years from the date the payment would otherwise have been made (or in the case of an annuity option, five years from the date the first amount was scheduled to be paid); and

(C) in the instance of an election for a payment to be made at a fixed time or pursuant to a fixed schedule, the subsequent election does not occur less than twelve (12) months before the date of the first scheduled payment.

At the time of such subsequent election, a Participant may elect to receive the distribution in one of the forms permitted under Section 4.1(A), to the extent otherwise permitted by

the requirements of this Section. No election pursuant to this Section will be permitted that accelerates a payment or provides for a payment form that would cause the Participant's Benefit to be included in the gross income of the Participant prior to the taxable year containing the date(s) selected under the subsequent election as a result of the requirements under the provisions of Code Section 409A and the regulatory guidance promulgated thereunder.

Notwithstanding the foregoing, a change in the form of payment before a life annuity payment has commenced under the Plan, from one type of life annuity to another type of life annuity with the same scheduled date for the first annuity payment, is not considered a change in the time and form of a payment, provided that the annuity options are actuarially equivalent applying reasonable actuarial methods and assumptions.

4.5 Death Benefits .

(A) Automatic Survivor's Benefit .

(1) Survivor's Benefit . If, at the time of the Participant's death, the Participant was an Employee who either had at least 5 years of vesting service under the Pension Plan or had attained the later of (i) age 65, or (ii) the fifth anniversary of the date the Participant commenced participation in the Pension Plan, then the Participant's surviving Spouse shall be eligible for a Benefit under the Plan. Such Benefit shall be paid to the Participant's surviving Spouse in the form of a life annuity providing for monthly payments for the life of the surviving Spouse, commencing as soon as administratively feasible, but not more than ninety (90) days, following the Participant's death.

(2) Surviving Minor Children . If, at the time of the Participant's death, the Participant had no Spouse or his Spouse died not later than 30 days following the date of his death and the Participant was an Employee who either had at least 5 years of vesting service under the Pension Plan or had attained the later of (i) age 65, or (ii) the fifth anniversary of the date the Participant commenced participation in the Pension Plan, then the Participant's Surviving Minor Children shall be eligible for a Benefit under the Plan. Such Benefit shall be paid in monthly payments apportioned equally among all Surviving Minor Children and, upon the attainment of age 21 or the death of a Surviving Minor Child, such amount shall be apportioned equally among the remaining Surviving Minor Children. Such Benefit shall commence as soon as administratively feasible, but not more than ninety (90) days, following the Participant's death.

(B) Preretirement Survivor Benefit . A Benefit under the Plan will be paid to the surviving Spouse of a deceased Participant who at the time of death was a former Employee who at the date of termination of employment had at least 5 years of vesting service under the Plan, and died prior to the commencing Benefits under

this Plan. Such Benefit shall be paid to the surviving Spouse in the form of a life annuity providing for monthly payments for the life of the surviving Spouse, commencing as soon as administratively feasible, but not more than ninety (90) days, following the later of (i) the date the Participant would have attained age 55, or (ii) Participant's death.

4.6 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Employer under the Plan shall be made to the Participant during his lifetime, provided that if the Participant dies prior to the completion of such payments, then all subsequent payments under the Plan shall be made by the Employer to the Beneficiary determined in accordance with this Section. The Participant may designate a Beneficiary by filing a written notice of such designation with the Plan Administrative Committee in such form as the Plan Administrative Committee requires and may include contingent Beneficiaries. The Participant may from time-to-time change the designated Beneficiary by filing a new designation in writing with the Plan Administrative Committee. If a married Participant designates a Beneficiary or Beneficiaries other than his Spouse at the time of such designation, such designation shall not be effective (and the Participant's Spouse shall be the Beneficiary) unless:

(A) the Spouse consents in writing to such designation;

(B) the Spouse's consent acknowledges the effect of such designation, which consent shall be irrevocable; and

(C) the Spouse executes the consent in the presence of either a Plan representative designated by the Plan Administrative Committee or a notary public.

Notwithstanding the foregoing, such consent shall not be required if the Participant establishes to the satisfaction of the Plan Administrative Committee that such consent cannot be obtained because (i) there is no Spouse; (ii) the Spouse cannot be located after reasonable efforts have been made; or (iii) other circumstances exist to excuse spousal consent as determined by the Plan Administrative Committee. If no designation is in effect at the time when any benefits payable under this Plan shall become due, the Beneficiary shall be the Spouse of the Participant, or if no Spouse is then living, the representatives of the Participant's estate.

4.7 Postponement of Payment. Notwithstanding any other provisions of this Plan to the contrary, if the Employer reasonably anticipates that the Employer's deduction with respect to any portion of the Lump Sum Payment due a Participant pursuant to this Article IV would be limited or eliminated by application of Section 162(m) of the Code, then to the extent deemed necessary by the Employer to ensure that the entire amount of any distribution from this Plan is deductible, the Employer may delay payment of any amount that would otherwise be distributed from this Plan. Any portion of the Lump Sum Payment postponed pursuant to this paragraph shall accrue interest for the period such Lump Sum Payment is postponed at a rate yielding interest equivalent to the per annum secondary market discount rate for six-month U.S. Treasury Bills as published by the Federal Reserve Board for the calendar week ending prior to January 1 (for interest to

be credited for either of the two subsequent fiscal quarters ending March 31 or June 30) or prior to July 1 (for interest to be credited for either of the subsequent fiscal quarters ending on September 30 or December 31), or such other rate as determined pursuant to uniform Plan Administrative Committee rules. The delayed amounts (and any interest thereon) shall be distributed to the Participant (or his or her Beneficiary) at the earliest date the Employer reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Section 162(m) of the Code.

4.8 Additional Accrual . If a Participant has received a Lump Sum Payment pursuant to this Article IV, such Participant may accrue an additional Benefit under this Plan after the date of such Lump Sum Payment, provided, however, that such future participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Benefit under the Plan by reason of prior participation, his Benefit shall be reduced by the actuarial equivalent (at the date of the later distribution) of the present value of the Benefit previously paid hereunder.

4.9 Limited Cashouts . The Employer may, at its discretion, require a mandatory Lump Sum Payment of Benefits under the Plan, provided that (i) the Lump Sum Payment is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), and (ii) at the time the payment is made, the amount constitutes the Participant's entire interest under the Plan and all other plans that are aggregated with the Plan under Treasury Regulations Section 1.409A-1(c)(2). Any required exercise of the Employer's discretion pursuant to this Section must be evidenced in writing no later than the date of such payment.

ARTICLE V

PLAN ADMINISTRATIVE COMMITTEE

5.1 Plan Administrative Committee. The Company may designate one or more persons to serve on the Plan Administrative Committee to carry out its fiduciary responsibility and authority under the Plan (other than to manage and control Plan assets and investment of the assets) and its duties as the plan administrator. The members of the Plan Administrative for this Plan shall be the same as the members of the Plan Administrative Committee for the Pension Plan.

5.2 Membership of Committee .

(A) The Plan Administrative Committee shall consist of at least three (3) persons who shall be appointed by and serve at the pleasure of the Board.

(B) The Board shall have the right to remove any member of the Plan Administrative Committee at any time. A member may resign at any time by written resignation to the Board. If a vacancy in the Plan Administrative Committee should occur, a successor may be appointed by the Board.

5.3 Powers . The Plan Administrative Committee shall have all powers specified in the Plan in addition to all other powers as may be necessary to discharge its duties hereunder,

including, but not by way of limitation, the power to construe or interpret the Plan, to determine all questions of eligibility hereunder, to compute and determine the method of payment of Benefits hereunder, to adopt rules and regulations for the operation of the Plan consistent with the Plan's provisions, and to perform such other duties as may be provided under the Plan or as may from time to time be delegated to it by the Board. The Plan Administrative Committee may take such voluntary correction action as it considers necessary or appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as a consequence of administrative or operational error, including but not limited to reallocation of plan assets, adjustments in amounts of future payments to Participants or beneficiaries and institution of prosecution of actions to recover benefit payments made in error or on the basis of incorrect or incomplete information. The Plan Administrative Committee may prescribe such forms and systems and adopt such rules and actuarial methods and tables as it deems advisable. It may employ such agents, attorneys, accountants, actuaries, medical advisors, or clerical assistants (none of whom need be members of the Plan Administrative Committee) as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties, both ministerial and discretionary, as it may deem necessary and appropriate. The compensation of such agents who are not full-time employees of an Employer shall be fixed by the Plan Administrative Committee within limits set by the Board and shall be paid by the Company as determined by the Plan Administrative Committee.

5.4 Organization and Procedures . The Plan Administrative Committee shall elect one of its members as chairman. Its members shall serve as such without compensation. A majority of the Plan Administrative Committee members shall constitute a quorum. The Plan Administrative Committee may take any action upon a majority vote at any meeting at which a quorum is present, and may take any action without a meeting upon the unanimous written consent of all members. All action by the Plan Administrative Committee shall be evidenced by a certificate signed by a member of the Plan Administrative Committee. The Plan Administrative Committee shall appoint a secretary to the Plan Administrative Committee who need not be a member of the Plan Administrative Committee, and all acts and determinations of the Plan Administrative Committee shall be recorded by the secretary, or under his supervision. All such records, together with such other documents as may be necessary for the administration of the Plan, shall be preserved in the custody of the secretary.

5.5 Rules and Decisions . The Plan Administrative Committee shall have absolute discretion in carrying out its duties under the Plan and its decisions shall be final and binding.

5.6 Books and Records . The records of the Employers shall be conclusive evidence as to all information contained therein with respect to the basis for participation in the Plan and for the calculation of the Benefits. The Plan Administrative Committee shall keep all individual and group records relating to Participants and beneficiaries and all other records necessary for the proper operation of the Plan. Such records shall be made available to the Employers and to each Participant and beneficiary for examination during normal business hours except that a Participant or beneficiary shall examine only such records as pertain exclusively to the examining Participant or beneficiary and the Plan.

The Plan Administrative Committee shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code and every other relevant statute, each as amended, and all regulations thereunder. This provision shall not be construed as imposing upon the Plan Administrative Committee the responsibility or authority for the preparation, preservation, publication or filing of any document required to be prepared, preserved or filed by any other named fiduciary to whom such responsibilities are delegated by law or by the Plan.

5.7 Perpetuation of Plan Administrative Committee. In the event that the Company shall for any reason cease to exist, then, unless the Plan is adopted and continued by a successor, the members of the Plan Administrative Committee at that time shall remain in office until the final termination of the Plan, and any vacancies in the membership of the Plan Administrative Committee caused by death, resignation, disability or other cause, shall be filled by the remaining member or members of the Plan Administrative Committee.

5.8 Claims Procedure.

(A) Authorized Representative. A Participant or beneficiary under the Plan may name an authorized representative to act on his or her behalf under the claims procedures of the Plan, by providing written documentation of such authorization in such form as is acceptable to the Plan Administrative Committee.

(B) Procedure for Making Initial Claims. Claims for benefits under the Plan may be made by submitting forms to the Plan Administrative Committee pursuant to procedures established by the Plan Administrative Committee from time to time.

(C) Review of Claims for Benefits.

(1) Determination Regarding Initial Claims. If a claim for Plan benefits is denied, the Plan Administrative Committee shall provide a written notice within 90 days to the claimant that contains (i) specific reasons for the denial, (ii) specific references to Plan provisions on which the Plan Administrative Committee based its denial, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary and (iv) a description of the Plan's review procedures and time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

The notice shall also contain a statement that the claimant may (i) request a review upon written application to the Plan Administrative Committee within 60 days, (ii) submit written comments, documents, records and other information relating to the claim, and (iii) request copies of all documents, records, and other information relevant to the claimant's claim. If a claim is denied because of incomplete information, the notice shall also indicate what additional information is required.

If additional time is required to make a decision on the claim, the Plan Administrative Committee shall notify the claimant of the delay within the original 90 day period. This notice will also indicate the special circumstances requiring the extension and the date by which a decision is expected. This extension period may not exceed 90 days beyond the end of the first 90-day period.

(2) Appeals. The claimant may appeal a denied claim by submitting a written request for an appeal review to the Plan Administrative Committee. The appeal request must, however, be made within 60 days after the claimant's receipt of notice of the denial of the claim. Pertinent documents may be reviewed in preparing an appeal, and issues and comments may be submitted in writing. The claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits (as determined under applicable regulations). An appeal shall be given a complete review by the Plan Administrative Committee, taking into account all comments, documents, records and other information submitted by the claimant without regard to whether such information was submitted or considered in the initial benefit determination.

The Plan Administrative Committee shall review an appeal of a denied claim no later than the date of the next Plan Administrative Committee meeting immediately following such request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a benefit determination may be made by no later than the date of the second meeting following the Plan Administrative Committee's receipt of a request for review. If special circumstances require a further extension of time for processing, a benefit determination shall be rendered no later than the third meeting of the Plan Administrative Committee following the Plan Administrative Committee's receipt of the request for review. If such an extension of time for review is required because of special circumstances, the Plan Administrative Committee shall provide the claimant with written notice of the extension, describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension. The Plan Administrative Committee shall notify the claimant of the benefit determination as soon as possible, but not later than 5 days after the benefit determination is made.

5.9 Allocation or Reallocation of Fiduciary Responsibilities. The Plan Administrative Committee may allocate and redelegate the powers and responsibilities specifically delegated to them by the Plan. Any such allocation, delegation or redelegation shall be in writing and

shall be filed with and retained by the secretary of the Plan Administrative Committee with the records of the Plan Administrative Committee.

5.10 Service of Process . The Company shall be the designated recipient of service of process with respect to legal actions regarding the Plan.

ARTICLE VI

MISCELLANEOUS

6.1 Unfunded Obligation . The obligation to make payments hereunder shall constitute a contractual liability to the Participant of the Employer which employed the Participant (the "Applicable Employer"). Such payments shall be made from the general funds of the Applicable Employer, and the Applicable Employer shall not be required to establish or maintain any special or separate fund, or otherwise to segregate assets to assure the such payments shall be made, and the Participant shall not have any interest in any particular assets of the Applicable Employer by reason of its obligations hereunder. To the extent that any person acquires a right to receive payment from the Applicable Employer, such right shall be no greater than the right of an unsecured creditor of the Applicable Employer. The Company may establish a grantor trust as a source for the payment of benefit obligations under the Plan. If established, the grantor trust shall be unfunded for purposes of the Code and for purposes of Title I of ERISA and all assets of the grantor trust shall be held in the United States. The establishment of a grantor trust is not intended to cause Participants to realize current income on the amounts contributed thereto, and the grantor trust shall be so interpreted and administered. Nothing contained in the Plan constitutes a guarantee by any Applicable Employer that the assets of the Applicable Employer shall be sufficient to pay any benefit to any person.

6.2 Amendment and Termination . The Company, by action of the Board, shall have the right at any time to amend this Plan in any respect, or to terminate this Plan and may permit or require the acceleration of payment of Benefits in connection therewith to the extent permitted under Code Section 409A and the regulations thereunder, and the Plan Administrative Committee may amend the Plan, but may not amend the Plan in a manner that would materially affect the Company's cost, the Company's contributions to the Plan, or eligibility for participation in the Plan, or that would determine compensation for any executive officer; provided, however, that no such amendment or termination shall operate to reduce the benefit that has accrued for any Participant who is participating in the Plan nor the payment due to a terminated Participant at the time the amendment or termination is adopted. Continuance of the Plan is completely voluntary and is not assumed as a contractual obligation of the Company or any Participating Employer.

6.3 Termination of Pension Plan . Subject to the provisions of Section 6.2, this Plan shall terminate when the Pension Plan terminates.

6.4 Plan Sponsor . The Company is the Plan Sponsor and Named Fiduciary of the Plan, within the meaning of ERISA.

6.5 Coordination with Pension Plan. An application or claim for a benefit under the Pension Plan, or an election to receive his benefit in a Lump Sum Payment, shall constitute a claim for a Benefit under this Plan.

6.6 Effect of Plan. Nothing contained herein (a) shall be deemed to exclude a Participant from any compensation, bonus, pension, insurance, termination pay or other benefit to which he otherwise is or might become entitled to as an Employee or (b) shall be construed as conferring upon an Employee the right to continue in the employ of the Company as an executive or in any other capacity.

6.7 Offset. If, at the time payments are to be made hereunder, the Participant or the beneficiary is indebted or obligated to the Employer, then the payments remaining to be made to the Participant or the beneficiary may, at the discretion of the Employer, be reduced by the amount of such indebtedness or obligation, provided, however, that an election by the Employer not to reduce any such payment or payments shall not constitute a waiver of its claim for such indebtedness or obligation.

6.8 Amounts Payable. Any amounts payable by the Employer hereunder shall not be deemed salary or other compensation to a Participant for the purposes of computing benefits to which the Participant may be entitled under any other arrangement established by the Employer for the benefit of its Employees.

6.9 Rights and Obligations. The rights and obligations created hereunder shall be binding on a Participant's heirs, executors and administrators and on the successors and assigns of the Employer.

6.10 Notice. Any notice required or permitted to be given under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, and if given to the Company, delivered to the principal office of the Company, directed to the attention of the Plan Administrative Committee. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

6.11 Governing Law. The Plan shall be construed and governed by the laws of the State of Georgia.

6.12 Assignment of Rights. The rights of any Participant under this Plan are personal and may not be assigned, transferred, pledged or encumbered. Any attempt to do so shall be void.

6.13 Liability. Neither the Employer, its Employees, agents, any member of the Board, the plan administrator nor the Plan Administrative Committee shall be responsible or liable in any manner to any Participant, beneficiary, or any person claiming through them for any benefit or action taken or omitted in connection with the granting of benefits, the continuation of benefits or the interpretation and administration of this Plan.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer.

NEENAH PAPER, INC.

By: /s/Richard Read

Name: Richard Read

Title: Vice President - Human Resources

Date: November 25, 2008

Exhibit 10.6

NEENAH PAPER
SUPPLEMENTAL RETIREMENT
CONTRIBUTION PLAN

(As Amended and Restated Effective as of January 1, 2009)

NEENAH PAPER SUPPLEMENTAL RETIREMENT CONTRIBUTION PLAN

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NEENAH PAPER
SUPPLEMENTAL RETIREMENT CONTRIBUTION PLAN

ARTICLE I

INTRODUCTION

1.1 Establishment of the Plan. Neenah Paper, Inc. (the "Company") hereby establishes a supplemental retirement benefit plan for certain Employees, to be known as the Neenah Paper Supplemental Retirement Contribution Plan (the "Plan"), as set forth in this document.

1.2 Purpose. In recognition of the valuable services provided to the Company, and its Affiliates, by its employees, the Board wishes to provide additional retirement benefits to those individuals whose benefits under the Neenah Paper Retirement Contribution Plan (the "RCP") are restricted by the operation of the provisions of the Code. It is the intent of the Company to provide these benefits under the terms and conditions hereinafter set forth.

1.3 Type of Plan. This Plan is deemed to be two separate plans, consisting of (i) an "excess benefit plan" within the meaning of Section 3 (36) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and, as such, exempt from all of the provisions of ERISA pursuant to Section 4(b)(5) thereof; and (ii) a nonqualified supplemental retirement plan, which is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company, pursuant to Sections 201, 301 and 401 of ERISA and, as such, exempt from the provisions of Parts II, III and IV of Title I of ERISA.

1.4 Effective Date. The effective date of this amendment and restatement of the Plan is January 1, 2009. The original effective date of the Plan is December 1, 2004.

ARTICLE II

DEFINITIONS

Each term that is used in this Plan and also used in the RCP shall have the same meaning herein as the RCP. Notwithstanding the above, for purposes of this Plan, where the following words and phrases appear in this Plan, they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

2.1 Account . The individual account established pursuant to Article IV of this Plan to credit Excess Contributions and Supplemental Contributions and earnings, gains and losses thereon.

2.2 Affiliate . Any company, person or organization which, on the date of determination, (A) is a member of a controlled group of corporations (as defined in Code section 414(b)) which includes the Company; (B) is a trade or business (whether or not incorporated) which controls, is controlled by or is under common control with (within the meaning of Code section 414(c)) the Company; (C) is a member of an affiliated service group (as defined in Code section 414(m)) which includes the Company; or (D) is otherwise required to be aggregated with the Company pursuant to Code section 414(o) and regulations promulgated thereunder.

2.3 Beneficiary . The person or persons who, under this Plan, become entitled to receive a Participant's interest in the event of the Participant's death.

2.4 Board . The Board of Directors of the Company.

2.5 Change of Control . A Change of Control shall be deemed to have taken place if a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the Company's assets" (as such terms are defined below) occurs.

(A) A change in the ownership of the Company . A "change in ownership of the Company" shall occur on the date that any one person, or more than one person acting as a "Group" (as defined below), acquires ownership of stock of the Company that, together with stock held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company; provided, however, that, if any one person or more than one person acting as a Group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company. In addition, the following shall not constitute a change in ownership of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the "beneficial owner" (within the meaning of Rule 13d-3 of the Rules and Regulations under the Securities Exchange Act of 1934, as amended) (a "Beneficial Owner") of thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"), (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.5(D).

(B) A change in the effective control of the Company. A "change in the effective control of the Company" occurs on the date that:

(1) Any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty-five percent (35%) or more of the total voting power of the stock of the Company; provided, however, if any one person, or more than one person acting as a group, is considered to own thirty-five percent (35%) or more of the total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the effective control of the Company. Notwithstanding the foregoing, the following shall not constitute a change in the effective control of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.5(D); or

(2) A majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; provided, however, that this subparagraph (2) shall apply only to the Company if no other corporation is a majority shareholder of the Company.

(C) A change in the ownership of a substantial portion of the Company's assets. A "change in the ownership of a substantial portion of the Company's assets" occurs on the date that any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total "Gross Fair Market Value" (as defined below) equal to or more than 90% of the total Gross Fair Market Value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that, a transfer of assets by the Company is not treated as a change in the ownership of such assets if the assets are transferred to:

(1) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(3) a person, or more than one person acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company;

(4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in subparagraph (C)(3) hereof); or

(5) a Successor Entity pursuant to a transaction described in Section 2.5(D).

(D) Consummation of a reorganization, merger, or consolidation to which the Company is a party, or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination") shall not constitute a change in ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets, if following such Business Combination: (i) all or substantially all the individuals or entities who were the Beneficial Owners of Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of the members of the board of directors of the company resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) (the "Successor Entity") in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Voting Securities; (ii) no person or Group (excluding any Successor Entity or any employee benefit plan, or related trust, of the Company or such Successor Entity) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors of the Successor Entity were members of the incumbent Board (including members of the Board whose appointment or election is endorsed by a majority of the Board prior to the date of the appointment or election) at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination.

(E) For purposes of the definition of Change of Control:

(1) "Group" means persons acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock of the Company or assets of the Company, or a similar business transaction with the Company (the "Transaction"); provided, however, that with respect to any person who owns stock of both the Company and the other corporation in a Transaction, such

person will only be treated as acting as a group with respect to his or her interest in the other corporation prior to the Transaction;

(2) "Gross Fair Market Value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets; and

(3) Notwithstanding any other provision hereof, stock ownership shall be determined under Code Section 409A, and no Change of Control shall be deemed to have occurred hereunder unless such event constitutes a change in the ownership or effective control of the Company or in a substantial portion of the assets of the Company under Code Section 409A.

2.6 Code. The Internal Revenue Code for 1986, as amended from time to time, and as construed and interpreted by valid regulations and rulings issued thereunder.

2.7 Company. Neenah Paper, Inc., a Delaware corporation.

2.8 Earnings. Earnings shall have the same meaning herein as under the RCP; provided, however, that for the purposes of determining the Supplemental Contribution under this Plan, the limitations on compensation provided under Code Section 401(a)(17) shall not apply. Notwithstanding the foregoing, Earnings shall not include any remuneration paid to a Participant after payment of such individual's Account commences in accordance with Section 5.3 following the Participant's Termination of Employment.

2.9 Effective Date. January 1, 2009, or with respect to a particular Affiliate, such later date as of which the Plan Administrative Committee deems such Affiliate to be a Participating Employer in the Plan.

2.10 Employee. A common law employee of an Employer, as reflected in the payroll records of the Employer.

2.11 Employer. The Company and each Affiliate that the Plan Administrative Committee shall from time to time designate as a Participating Employer for purposes of the Plan.

2.12 ERISA. The Employee Retirement Income Security Act of 1974, as amended from time to time, and as construed and interpreted by valid regulations and rulings issued thereunder.

2.13 Excess Contribution. The excess of (A) the amount that would have been contributed by the Employer for such a Participant at a given time under the RCP (calculated using Earnings as defined in this Plan), determined without regard to the limitation on benefits imposed by Section 415 of the Code, over (B) the amount that was actually contributed by the Employer for such Participant at such given time under the RCP.

2.14 Excess Benefit . The benefit provided under this Plan for Participants attributable to Excess Contributions, plus any earnings or minus losses credited thereon under Article IV.

2.15 Investment Funds . The phantom investment funds established under this Plan which will accrue earnings and losses as if the Participant's Account were invested in the actual Investment Funds as offered under the RCP from time to time.

2.16 Participant . Any Employee who satisfies the eligibility requirements set forth in Article III for participation in the Plan. In the event of the death or incompetency of a Participant, the term shall mean the executor or administrator of the Participant's estate or the Participant's legal guardian.

2.17 Participating Employer . An Affiliate that has been approved by the Plan Administrative Committee as an Employer participating in the Plan.

2.18 Plan . The Neenah Paper Supplemental Retirement Contribution Plan as set forth herein and as amended from time to time.

2.19 Plan Administrative Committee . The committee appointed by the Board to administer and regulate the Plan as provided in Article VI, which shall be the same committee appointed to administer and regulate the RCP.

2.20 RCP . The Neenah Paper Retirement Contribution Plan, as amended from time to time.

2.21 RCP Contribution . Employer contributions made pursuant to the RCP.

2.22 Specified Employee . A Participant who is a key employee (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) of the Company (or an Affiliate) while the Company's stock is publicly traded on an established securities market or otherwise. For this purpose, a Participant is a key employee if the Participant meets the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii) (applied in accordance with the regulations thereunder and disregarding Code Section 416(i)(5)) at any time during the twelve (12) month period ending on December 31. Notwithstanding the foregoing, a Participant who is a key employee determined under the preceding sentence will be deemed to be a Specified Employee solely for the period of April 1 through March 31 following such December 31 or as otherwise required by the Code Section 409A.

2.23 Spouse . The Employee's husband or wife (as applicable) pursuant to a legal marriage, as defined under the laws of the state of the Employee's residence.

2.24 Supplemental Benefit . The benefit provided under this Plan for Participants attributable to Supplemental Contributions, plus any earnings or minus losses credited thereon under Article IV.

2.25 Supplemental Contribution . The excess of (A) the amount that would have been contributed by the Employer for a Participant at a given time under the RCP

(calculated using Earnings as defined in this Plan), determined without regard to the limitations on benefits imposed by Code Sections 401(a)(17) and 415, over (B) the sum of (i) amount that was actually contributed by the Employer for such Participant at such given time under the RCP and (ii) the amount credited by the Employer as an Excess Contribution at such given time under this Plan.

2.26 Termination of Employment .

(A) The Participant's "separation from service" (within the meaning of Treasury Regulations Section 1.409A-1(h)) with the "employer" (within the meaning of Treasury Regulations Section 1.409A-1(h)(3)).

(B) The employment relationship of a Participant is considered to remain intact while the Participant is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six months, or, if longer, so long as the Participant retains a right to reemployment with the Employer or Affiliate under applicable statute or by contract. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period.

ARTICLE III

ELIGIBILITY

3.1 Eligibility for Excess Benefit . An Employee shall participate in the Excess Benefit under this Plan only if:

(A) such Employee is a Participant in the RCP; and

(B) such Employee's RCP Contributions to the RCP are limited solely by Code Section 415.

3.2 Eligibility for Supplemental Benefit . An Employee shall participate in the Supplemental Benefit under the Plan only if:

(A) such Employee is a Participant in the RCP;

(B) the Employee's RCP Contributions to the RCP are limited by the application of Code Section 401(a)(17); and

(C) such Employee is a member of a select group of management or highly compensated Employees of the Employer.

ARTICLE IV

CONTRIBUTIONS, INVESTMENT AND VESTING

4.1 Establishment of Accounts. The Company shall create and maintain an unfunded individual Account for each Participant eligible to participate in either the Excess Benefit or the Supplemental Benefit, as applicable, to which it shall credit the amounts described in this Article IV.

4.2 Employer Contributions. Excess Contributions and Supplemental Contributions, as applicable, shall be made for each Participant on the same terms and conditions, at the same times, and pursuant to the same elections made by the Participant as they would have been if paid under the RCP were it not for Code limitations on contributions or Earnings.

4.3 Investment Elections. Each Participant's Excess Contributions, Supplemental Contributions, and Accounts under this Plan shall be considered allocated among the Investment Funds in accordance with the Participant's actual investment elections under the RCP.

4.4 Investment Changes. Reallocations between Investment Funds in this Plan shall be considered made according to the Participant's elections under the RCP.

4.5 Account Credit. The Company shall credit each Participant's Account with earnings, gains and losses as if such Accounts were actually invested among the Investment Funds according to the Participant's elections under the RCP.

4.6 Valuation of Accounts. In accordance with the provisions regarding the valuation of accounts under the RCP, each Participant's Account shall be valued and adjusted each business day as if such Participant's Account was actually invested in the applicable Investment Funds according to the Participant's elections under the RCP.

4.7 Vesting. The balance of a Participant's Account shall become 100% vested at the same time as if the amounts had been credited to the Participant's Account under the RCP. Notwithstanding the foregoing, the previously unforfeited balance of a Participant's Account shall also become 100% vested upon a Change of Control.

4.8 Forfeitures. If a Participant incurs a Termination of Employment prior to becoming vested in his Account, the balance of his Account shall be immediately forfeited.

ARTICLE V

DISTRIBUTIONS

5.1 Eligibility to Receive a Distribution.

(A) Termination Benefit: Upon the Termination of Employment of a Participant for any reason other than death, the Participant shall be entitled to receive a benefit equal to the amount of his vested Account. The form of benefit payment, and the time of commencement of such benefit, shall be as provided in Sections 5.2 and 5.3.

(B) Death Benefit: If a Participant dies before receiving payment, the Beneficiary of such Participant shall be entitled to receive a benefit equal to the amount of the Participant's vested Account. The form of benefit payment, and the time of commencement of such benefit, shall be as provided in Sections 5.2 and 5.3.

(C) Change of Control: If there is a Change of Control, notwithstanding any other provision of this Plan, each Participant (or Beneficiary if the Participant dies before receiving payment) shall, following the Change of Control, receive a benefit equal to the amount of the Participant's vested Account. The form of benefit payment, and the time of commencement of such benefit, shall be as provided in Sections 5.2 and 5.3.

5.2 Form of Benefit Payment. The Company shall pay to the Participant(or Beneficiary if the Participant dies before receiving payment) the amount specified in Section 5.1 in a lump sum cash distribution.

5.3 Time of Payment.

(A) Payment under Sections 5.1(A) and (B) of this Plan a Participant's vested Account shall be made as soon as administratively feasible, but not more than 90 days, after the Participant incurs a Termination of Employment from the Employer for any reason.

(B) Notwithstanding Subsection (A), payment under Section 5.1(A) of this Plan to a Participant who is a Specified Employee shall be suspended and paid to the Participant as soon as administratively feasible, but not more than ninety (90) days, following the expiration of such six-month period.

(C) Notwithstanding Subsection (A) or (B), payment under Section 5.1(C) of this Plan of a Participant's vested Account shall be made as soon as administratively feasible, but not more than 30 days, following the Change of Control.

5.4 Limitations on the Annual Amount Paid to a Participant . Notwithstanding any other provisions of this Plan to the contrary, if the Employer reasonably anticipates that the Employer's deduction with respect to any distribution from this Plan would be limited

or eliminated by application of Section 162(m) of the Code, then to the extent deemed necessary by the Employer to ensure that the entire amount of any distribution from this Plan is deductible, the Employer may delay payment of any amount that would otherwise be distributed from this Plan. The delayed amounts (and any amounts credited thereon) shall be distributed to the Participant (or his or her Beneficiary) at the earliest date the Employer reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Section 162(m) of the Code.

5.5 Tax Withholding . To the extent required by law, the Employer shall withhold any taxes required to be withheld by any Federal, State or local government.

5.6 Recipient of Payment; Designation of Beneficiary . If the Participant dies before receiving payment, then payment under the Plan shall be made to the Beneficiary determined in accordance with this Section. The Participant may designate a Beneficiary by filing a written notice of such designation with the Plan Administrative Committee in such form as the Plan Administrative Committee requires and may include contingent Beneficiaries. The Participant may from time to time change the designated Beneficiary by filing a new designation in writing with the Plan Administrative Committee. If a married Participant designates a Beneficiary or Beneficiaries other than his Spouse at the time of such designation, such designation shall not be effective (and the Participant's Spouse shall be the Beneficiary) unless:

(A) the Spouse consents in writing to such designation;

(B) the Spouse's consent acknowledges the effect of such designation, which consent shall be irrevocable; and

(C) the Spouse executes the consent in the presence of either a Plan representative designated by the Plan Administrative Committee or a notary public.

Notwithstanding the foregoing, such consent shall not be required if the Participant establishes to the satisfaction of the Plan Administrative Committee that such consent cannot be obtained because (i) there is no Spouse; (ii) the Spouse cannot be located after reasonable efforts have been made; or (iii) other circumstances exist to excuse spousal consent as determined by the Plan Administrative Committee. If no designation is in effect at the time when any benefits payable under this Plan shall become due, the Beneficiary shall be the Spouse of the Participant, or if no Spouse is then living, the representatives of the Participant's estate.

ARTICLE VI

PLAN ADMINISTRATIVE COMMITTEE

6.1 Plan Administrative Committee . The Company may designate one or more persons to serve on the Plan Administrative Committee to carry out its fiduciary responsibility

and authority under the Plan (other than to manage and control Plan assets and investment of the assets) and its duties as the plan administrator. The members of the Plan Administrative Committee for this Plan shall be the same as the members of the Plan Administrative Committee for the RCP.

6.2 Committee Membership .

(A) The Plan Administrative Committee shall consist of at least three (3) persons who shall be appointed by and serve at the pleasure of the Board.

(B) The Board shall have the right to remove any member of the Plan Administrative Committee at any time. A member may resign at any time by written resignation to the Board. If a vacancy in the Plan Administrative Committee should occur, a successor may be appointed by the Board.

6.3 Powers . The Plan Administrative Committee shall have all powers specified in the Plan in addition to all others as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the power to construe or interpret the Plan, to determine all questions of eligibility hereunder, to determine the method of payment of any Account hereunder, to adopt rules relating to the giving of timely notice, and to perform such other duties as may from time to time be delegated to it by the Board. The Plan Administrative Committee may take such voluntary correction action as it considers necessary or appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as a consequence of administrative or operational error, including but not limited to reallocation of plan assets, adjustments in amounts of future payments to Participants or beneficiaries and institution of prosecution of actions to recover benefit payments made in error or on the basis of incorrect or incomplete information. The Plan Administrative Committee may prescribe such forms and systems and adopt such rules and actuarial methods and tables as it deems advisable. It may employ such agents, attorneys, accountants, actuaries, medical advisors, or clerical assistants (none of whom need be members of the Plan Administrative Committee) as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties both ministerial and discretionary, as it may deem necessary and appropriate. The compensation of such agents who are not full-time employees of an Employer shall be fixed by the Plan Administrative Committee within limits set by the Board and shall be paid by the Company as determined by the Plan Administrative Committee.

6.4 Organization and Procedures . The Plan Administrative Committee shall elect one of its members as chairman. Its members shall serve as such without compensation. Plan Administrative Committee expenses shall be paid by the Company. A majority of the Plan Administrative Committee members shall constitute a quorum. The Plan Administrative Committee may take any action upon a majority vote at any meeting at which a quorum is present, and may take any action without a meeting upon the unanimous written consent of all members. All action by the Plan Administrative Committee shall be evidenced by a certificate signed by a member of the Plan Administrative Committee. The Plan Administrative Committee shall appoint a

secretary to the Plan Administrative Committee who need not be a member of the Plan Administrative Committee, and all acts and determinations of the Plan Administrative Committee shall be recorded by the secretary, or under his supervision. All such records, together with such other documents as may be necessary for the administration of the Plan, shall be preserved in the custody of the secretary.

6.5 Rules and Decisions. The Plan Administrative Committee shall have absolute discretion in carrying out its duties under the Plan and its decisions shall be final and binding.

6.6 Authorization of Payments. If the Board authorizes the establishment of a trust to serve as the funding vehicle for the benefits described herein, subject to the provisions hereof, it shall be the duty of the Plan Administrative Committee to furnish the trustee of such trust with all facts and directions necessary or pertinent to the proper disbursement of the trust funds.

6.7 Books and Records. The records of the Employers shall be conclusive evidence as to all information contained therein with respect to the basis for participation in the Plan and for the calculation of Excess Contributions and Supplemental Contributions. The Plan Administrative Committee shall keep all individual and group records relating to Participants and Beneficiaries and all other records necessary for the proper operation of the Plan. Such records shall be made available to the Employers and to each Participant and Beneficiary for examination during normal business hours except that a Participant or Beneficiary shall examine only such records as pertain exclusively to the examining Participant or Beneficiary and the Plan. The Plan Administrative Committee shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code and every other relevant statute, each as amended, and all regulations thereunder. This provision shall not be construed as imposing upon the Plan Administrative Committee the responsibility or authority for the preparation, preservation, publication or filing of any document required to be prepared, preserved or filed by any other named fiduciary to whom such responsibilities are delegated by law or by the Plan.

6.8 Perpetuation of the Plan Administrative Committee. In the event that the Company shall for any reason cease to exist, then, unless the Plan is adopted and continued by a successor, the members of the Plan Administrative Committee at that time shall remain in office until the final termination of the Plan, and any vacancies in the membership of the Plan Administrative Committee caused by death, resignation, disability or other cause, shall be filled by the remaining member or members of the Plan Administrative Committee.

6.9 Claims Procedure.

(A) Authorized Representative. A Participant or Beneficiary under the Plan may name an authorized representative to act on his or her behalf under the claims procedures of the Plan, by providing written documentation of such

authorization in such form as is acceptable to the Plan Administrative Committee.

(B) Procedure for Making Initial Claims. Claims for benefits under the Plan may be made by submitting forms to the Plan Administrative Committee pursuant to procedures established by the Plan Administrative Committee from time to time.

(C) Review of Claims for Benefits.

(1) Determination Regarding Initial Claims. If a claim for Plan benefits is denied, the Plan Administrative Committee shall provide a written notice within 90 days to the claimant that contains (i) specific reasons for the denial, (ii) specific references to Plan provisions on which the Plan Administrative Committee based its denial, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary and (iv) a description of the Plan's review procedures and time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

The notice shall also contain a statement that the claimant may (i) request a review upon written application to the Plan Administrative Committee within 60 days, (ii) submit written comments, documents, records and other information relating to the claim, and (iii) request copies of all documents, records, and other information relevant to the claimant's claim. If a claim is denied because of incomplete information, the notice shall also indicate what additional information is required.

If additional time is required to make a decision on the claim, the Plan Administrative Committee shall notify the claimant of the delay within the original 90 day period. This notice will also indicate the special circumstances requiring the extension and the date by which a decision is expected. This extension period may not exceed 90 days beyond the end of the first 90-day period.

(2) Appeals. The claimant may appeal a denied claim by submitting a written request for an appeal review to the Plan Administrative Committee. The appeal request must, however, be made within 60 days after the claimant's receipt of notice of the denial of the claim. Pertinent documents may be reviewed in preparing an appeal, and issues and comments may be submitted in writing. The claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits (as determined under applicable

regulations). An appeal shall be given a complete review by the Plan Administrative Committee, taking into account all comments, documents, records and other information submitted by the claimant without regard to whether such information was submitted or considered in the initial benefit determination.

The Plan Administrative Committee shall review an appeal of a denied claim no later than the date of the next Plan Administrative Committee meeting immediately following such request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a benefit determination may be made by no later than the date of the second meeting following the Plan Administrative Committee's receipt of a request for review. If special circumstances require a further extension of time for processing, a benefit determination shall be rendered no later than the third meeting of the Plan Administrative Committee following the Plan Administrative Committee's receipt of the request for review. If such an extension of time for review is required because of special circumstances, the Plan Administrative Committee shall provide the claimant with written notice of the extension, describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension. The Plan Administrative Committee shall notify the claimant of the benefit determination as soon as possible, but not later than 5 days after the benefit determination is made.

6.10 Allocation or Reallocation of Responsibilities . The Plan Administrative Committee may allocate their responsibilities under the Plan among themselves. Any such allocation, reallocation, or designation shall be in writing and shall be filed with and retained by the secretary of the Plan Administrative Committee with the records of the Plan Administrative Committee. If applicable, notwithstanding the foregoing, no reallocation of the responsibilities provided in a trust to manage or control the trust assets shall be made other than by an amendment to the trust.

6.11 Service of Process . The Company shall be the designated recipient of service of process with respect to legal actions regarding the Plan.

ARTICLE VII

MISCELLANEOUS

7.1 Unfunded Obligation . The obligation to make payments hereunder shall constitute a contractual liability to the Participant of the Employer which employed the Participant (the "Applicable Employer"). Such payments shall be made from the general funds of the Applicable Employer, and the Applicable Employer shall not be required to

establish or maintain any special or separate fund, or otherwise to segregate assets to assure the such payments shall be made, and the Participant shall not have any interest in any particular assets of the Applicable Employer by reason of its obligations hereunder. To the extent that any person acquires a right to receive payment from the Applicable Employer, such right shall be no greater than the right of an unsecured creditor of the Applicable Employer. The Company may establish a grantor trust as a source for the payment of benefit obligations under the Plan. If established, the grantor trust shall be unfunded for purposes of the Code and for purposes of Title I of ERISA and all assets of the grantor trust shall be held in the United States. The establishment of a grantor trust is not intended to cause Participants to realize current income on the amounts contributed thereto, and the grantor trust shall be so interpreted and administered. Nothing contained in the Plan constitutes a guarantee by any Applicable Employer that the assets of the Applicable Employer shall be sufficient to pay any benefit to any person.

7.2 Amendment and Termination. The Company, by action of the Board, shall have the right at any time to amend this Plan in any respect, or to terminate this Plan and may permit or require the acceleration of payment of Accounts in connection therewith to the extent permitted under Code Section 409A and the regulations thereunder, and the Plan Administrative Committee may amend the Plan, but may not amend the Plan in a manner that would materially affect the Company's cost, the Company's contributions to the Plan, or eligibility for participation in the Plan or that would determine compensation for any executive officer; provided, however, that no such amendment or termination shall operate to reduce the benefit that has accrued for any Participant who is participating in the Plan nor the payment due to a terminated Participant at the time the amendment or termination is adopted. Continuance of the Plan is completely voluntary and is not assumed as a contractual obligation of the Company or any Participating Employer.

7.3 Termination of RCP. Notwithstanding the foregoing, this Plan shall terminate when the RCP terminates.

7.4 Effect of Plan. Nothing contained herein (a) shall be deemed to exclude a Participant from any compensation, bonus, pension, insurance, termination pay or other benefit to which he otherwise is or might become entitled to as an Employee or (b) shall be construed as conferring upon an Employee the right to continue in the employ of the Company as an executive or in any other capacity.

7.5 Offset. If, at the time payment is to be made hereunder, the Participant or the Beneficiary is indebted or obligated to the Employer, then the payment to be made to the Participant or the Beneficiary may, at the discretion of the Employer, be reduced by the amount of such indebtedness or obligation, provided, however, that an election by the Employer not to reduce any such payment shall not constitute a waiver of its claim for such indebtedness or obligation.

7.6 Amounts Payable. Any amounts payable by the Employer hereunder shall not be deemed salary or other compensation to a Participant for the purposes of computing

benefits to which the Participant may be entitled under any other arrangement established by the Employer for the benefit of its Employees.

7.7 Rights and Obligations. The rights and obligations created hereunder shall be binding on a Participant's heirs, executors and administrators and on the successors and assigns of the Employer.

7.8 Notice. Any notice required or permitted to be given under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, and if given to the Company, delivered to the principal office of the Company, directed to the attention of the Plan Administrative Committee. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

7.9 Governing Law. The Plan shall be construed and governed by the laws of the State of Georgia.

7.10 Assignment of Rights. The rights of any Participant under this Plan are personal and may not be assigned, transferred, pledged or encumbered. Any attempt to do so shall be void.

7.11 Liability. Neither the Employer, its Employees, agents, any member of the Board, the plan administrator nor the Plan Administrative Committee shall be responsible or liable in any manner to any Participant, Beneficiary, or any person claiming through them for any benefit or action taken or omitted in connection with the granting of benefits, the continuation of benefits or the interpretation and administration of this Plan.

7.12 Coordination with RCP. An application or claim for a benefit under the RCP shall constitute a claim for a benefit under this Plan.

7.13 Plan Sponsor. The Company is the plan sponsor within the meaning of ERISA. All actions shall be taken by the Company in its sole discretion, not as a fiduciary, and need not be applied uniformly to similarly situated individuals.

7.14 Construction. Where appearing in the Plan, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular Section or subsection.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer.

NEENAH PAPER, INC.

By: /s/Richard Read

Name: Richard Read

Title: Vice President - Human Resources

Date: November 25, 2008

Exhibit 10.7

NEENAH PAPER

EXECUTIVE SEVERANCE PLAN

(As amended and restated effective January 1, 2009)

THIS DOCUMENT CONSTITUTES THE OFFICIAL PLAN DOCUMENT AS WELL AS THE SUMMARY PLAN DESCRIPTION OF THIS PLAN.

NEENAH PAPER
EXECUTIVE SEVERANCE PLAN

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NEENAH PAPER
EXECUTIVE SEVERANCE PLAN

ARTICLE I

ESTABLISHMENT AND PURPOSE OF THE PLAN

1.1 Establishment of the Plan. Neenah Paper, Inc. (the "Company") hereby establishes a severance plan for its Eligible Employees, to be known as the Neenah Paper Executive Severance Plan (the "Plan"), as set forth in this document.

1.2 Background. Effective as of November 30, 2004 (the "Distribution Date"), a spin-off of the Company, then an affiliate of Kimberly-Clark Corporation ("KC"), was effectuated by the distribution of Company shares to Kimberly-Clark Corporation's shareholders. In connection with the spin-off transaction, the Company agreed to establish an executive severance plan similar to the Kimberly-Clark Corporation Executive Severance Plan (the "KC Plan") for the benefit of certain key executives of the Company. The Plan was originally established effective December 1, 2004. The Plan is now amended and restated into its current form effective January 1, 2009.

1.3 Purpose of Plan. The purpose of this Plan is to assure the Company that it will have the continued dedication of, and the availability of objective advice and counsel from, key executives of the Company notwithstanding the possibility, threat or occurrence of a change of control of the Company. In the event the Company receives any proposal from a third person concerning a possible business combination with the Company, or acquisition of the Company's equity securities, or otherwise considers or pursues a transaction that could lead to a change of control, the Board of Directors of the Company believes it imperative that the Company and the Board be able to rely upon key executives to continue in their positions and be available for advice, if requested, without concern that those individuals might be distracted by the personal uncertainties and risks created by such a possibility. Should the Company receive or consider any such proposal or transaction, in addition to their regular duties, such key executives may be called upon to assist in the assessment of the proposal or transaction, to advise management and the Board as to whether the proposal or transaction would be in the best interest of the Company and its stockholders, and to take such other actions as the Board might determine to be appropriate.

1.4 Type of Plan. This Plan is intended to be an employee welfare benefit plan for severance benefits within the meaning of Section 3 (1) of the Employee Retirement Income Security Act of 1974, as amended.

1.5 Effective Date. The effective date of this amendment and restatement is January 1, 2009. The original effective date of the Plan is December 1, 2004.

ARTICLE II

DEFINITIONS

As used in this Plan, the following terms shall have the following respective meanings:

2.1 Accounting Firm . Deloitte & Touche LLP or such other certified public accounting firm designated by the Company.

2.2 Additional Percentage of Annual Base Salary . The percentage of a Participant's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment that is approved by the Committee and reflected on Exhibit C . The Company may update Exhibit C from time to time to reflect the then current Eligible Employees and the then current percentage of each Participant's annual base salary that has been most recently approved by the Committee, without formally amending the Plan.

2.3 Affiliate . The Company and any company, person or organization which, on the date of determination, (A) is a member of a controlled group of corporations (as defined in Code section 414(b)) which includes the Company; (B) is a trade or business (whether or not incorporated) which controls, is controlled by or is under common control with (within the meaning of Code section 414(c)) the Company; (C) is a member of an affiliated service group (as defined in Code section 414(m)) which includes the Company; or (D) is otherwise required to be aggregated with the Company pursuant to Code section 414(o) and regulations promulgated thereunder.

2.4 Board . The Board of Directors of the Company.

2.5 Cause . A Participant engaging in any of the following activities:

(A) Willful failure to perform his duties and responsibilities;

(B) Embezzlement, fraud, or misappropriation against or with respect to the Company, its Affiliates and/or their assets;

(C) Conviction of a felony charge or a plea of guilty or *nolo contendre* to a felony charge;

(D) Reporting to work under the influence of or while possessing in his body illegal drugs or other intoxicants in any detectable amount;

(E) Reporting to work or performing work under the influence of or impaired by alcohol, drugs or other intoxicants; provided, however, the Employee can use over the counter or prescription drugs according to the direction for use for such

medication provided that the Employee is able to safely and effectively perform his job;

(F) Unlawful trading in the securities of any corporation (including the Company) based on information gained as a result of the Participant's performance of services for the Company or an Affiliate;

(G) Violation of any of the corporate policies, work rules or standards of the Company or an Affiliate, including but not limited to the Code of Conduct, sexual harassment policy and insider trading policy, or violation of any applicable statute, regulation, or rule, or provision of any applicable code of professional ethics; or

(H) Willful disclosure to unauthorized persons of confidential information or trade secrets of the Company or an Affiliate.

2.6 Change of Control . Any of the following events:

(A) Acquisition of Substantial Percentage . The acquisition by any Person of beneficial ownership of thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this Section, the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who on December 1, 2004 is the beneficial owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any acquisition by any corporation pursuant to a transaction which complies with subparagraphs (i), (ii), and (iii) of Section 2.6(C) hereof;

(B) Change in Majority of Board Members . During any period of two consecutive years, individuals who at the beginning of such period constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election or removal of the directors of the Company or other actual or threatened solicitation of proxies of consents by or on behalf of a Person other than the Board;

(C) Reorganization, Merger or Consolidation. Consummation of a reorganization, merger, or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case unless, following such Business Combination: (i) all or substantially all of the individuals and entities who were the beneficial owners of Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors of the Company resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more Affiliates) (the "Successor Entity") in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Voting Securities; and (ii) no Person (excluding any Successor Entity or any employee benefit plan, or related trust, of the Company or such Successor Entity) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors of the Successor Entity were members of the Incumbent Board (including persons deemed to be members of the Incumbent Board by reason of the proviso to paragraph (B) of this Section) at the time of the execution of the initial Participation Agreement or of the action of the Board providing for such Business Combination; or

(D) Liquidation or Dissolution. Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

2.7 Code. The Internal Revenue Code of 1986, as amended from time to time, and as construed and interpreted by valid regulations or rulings issued thereunder.

2.8 Committee. The Compensation Committee of the Board.

2.9 Company. Neenah Paper, Inc., a Delaware corporation.

2.10 Eligible Employee. Those key employees of the Company and its Affiliates who are from time to time designated by the Chief Executive Officer as eligible to participate in the Plan. Notwithstanding the above, the Committee may approve criteria for the Chief Executive Officer to use for eligibility purposes of the Plan and shall have the sole authority to approve participation in the Plan by the executive officers of the Company. The current list of Eligible Employees as of the effective date of this amendment and restatement of the Plan is set forth in Exhibit A attached hereto. If an Eligible Employee incurs a termination of employment that is not a Qualified Termination of Employment,

the individual will cease to be an Eligible Employee. The Company may update Exhibit A at any time to reflect the then current Eligible Employees, without formally amending the Plan.

2.11 Equity Plan. The Neenah Paper, Inc. 2004 Omnibus Stock and Incentive Plan, and any successor or additional plans under which a Participant receives stock options, restricted stock or other equity-based compensation.

2.12 Excise Tax. The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

2.13 Good Reason. Any of the following:

(A) the assignment to the Participant of any duties diminishing the Participant's position as an employee or officer of the Company or a substantial adverse alteration in the nature of the Participant's responsibilities and position from those in effect immediately prior to the Change of Control, other than any such alteration primarily attributable to the fact that the Company is no longer a public company;

(B) a reduction by the Company of the Participant's annual base salary by five percent (5%) or more as in effect immediately prior to the Change of Control, except for across-the-board salary reductions similarly affecting all Eligible Employees;

(C) without the express written agreement of the Participant, any assignment or change in duties that would require the relocation of the Participant's work place to a location that is more than fifty (50) miles from the Participant's work place immediately prior to a Change of Control of the Company; provided however, the relocation of the Participant's work place must also increase the regular commute distance between the Participant's residence and work place by more than fifty (50) miles (one-way).

(D) the failure of the Company to pay any portion of the Participant's current compensation that is due and payable;

(E) the failure of the Company to continue in effect, or continue the Participant's participation in, any compensation plan in which the Participant participates immediately prior to the Change of Control which is material to the Participant's total compensation and such failure diminishes the Participant's total compensation (including but not limited to the Company's stock option, incentive compensation, and bonus plans);

(F) the failure by the Company to continue to provide the Participant with benefits in the aggregate at least as favorable to those enjoyed by the Participant under any of

the Company's pension, life insurance, medical, health and accident, or disability plans, or other fringe benefit plans or arrangements, in which the Participant was participating at the time of the Change of Control, the taking of any action by the Company which would directly or indirectly materially reduce such benefits and fringe benefits in the aggregate, or the failure by the Company to provide the Participant with the number of paid vacation days to which the Participant is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change of Control;

(G) the failure by the Company to continue to cover the Participant in defined benefit pension plans (tax-qualified and non-qualified) with benefit formulas at least as favorable in the aggregate to the Participant to those under the Company's defined benefit pension plans (both tax-qualified and non-qualified) in which the Participant was participating at the time of the Change of Control or the taking of any action by the Company which would directly or indirectly materially reduce the future accrual of benefits in the aggregate under such plans; or

(H) the failure by the Company to continue to cover the Participant in a tax-qualified defined benefit pension plan with a benefit formula at least as favorable to the Participant to that under the Company's tax-qualified defined benefit pension plan in which the Participant was participating at the time of the Change of Control or the taking of any action by the Company which would directly or indirectly materially reduce the future accrual of benefits under such plan, except, in either case, to the extent required by a change in the laws applicable to such plan.

The Participant's right to terminate the Participant's employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. However, in order to terminate employment for Good Reason, (1) the Participant must give the Company a notice setting forth the circumstances of the act or failure to act alleged to constitute Good Reason within 30 days after the Participant first has actual notice of such act or failure, and stating that the Participant has determined that such act or failure constitutes "Good Reason" hereunder, (2) the Company must fail to correct such act or failure within 30 days after it receives such notice from the Participant, and (3) the Participant must actually terminate his or her employment during the period of 30 days beginning 30 days after the Company receives such notice.

2.14 Net After-Tax Receipt . The Value of a Payment, net of all taxes imposed on a Participant with respect thereto under Sections 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Participant's taxable income for the immediately preceding taxable year.

2.15 Parachute Value . With respect to a Payment, the present value as of the date of the Change of Control for purposes of Code Section 280G of the portion of such Payment that constitutes a "parachute payment" under Code Section 280G(b)(2), as determined by

the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

2.16 Participant. An Eligible Employee who is a party to a Participation Agreement which has not been terminated in accordance with the terms of this Plan.

2.17 Participation Agreement. An agreement to participate in the Plan in substantially the form shown as Exhibit B hereto.

2.18 Payment. Any payment or distribution in the nature of compensation (within the meaning of Code Section 280G(b)(2)) to or for the benefit of a Participant, whether paid or payable pursuant to this Plan or otherwise.

2.19 Plan Year. The calendar year.

2.20 Qualified Termination of Employment. A Participant's "separation from service" within the meaning of Code Section 409A that is also a complete cessation of the Participant's status as a common law employee of the Company and all its Affiliates and that occurs either:

(A) within the two (2) year period following a Change of Control of the Company due to the following: (i) by the Company without Cause, or (ii) by the Participant with Good Reason;

(B) by the Company without Cause before a Change of Control, if a Change of Control occurs within one year after such termination and it is reasonably demonstrated by the Participant that such termination of employment was at the request of a third party that had taken steps reasonably calculated to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control.

A transfer of employment for administrative purposes among the Company and its Affiliates shall not be deemed a Qualified Termination of Employment, but if such a transfer occurs within the two (2) year period following a Change of Control and results in the occurrence of Good Reason, the affected Participant shall have the right to terminate employment for Good Reason and such termination shall be a Qualified Termination of Employment.

2.21 Reduced Amount. With respect to a Participant, the greatest aggregate amount of Separation Payments which (a) is less than the sum of all Separation Payments and (b) results in aggregate Net After-Tax Receipts which are equal to or greater than the Net After-Tax Receipts which would result if the Participant were paid the sum of all Separation Payments.

2.22 Relevant Date . In the case of a Qualified Termination of Employment as described in subsection (B) of the definition of "Qualified Termination of Employment," the date of such Qualified Termination of Employment, and, in all other cases, the date of the Change of Control.

2.23 Safe Harbor Amount . The amount that is equal to 2.99 multiplied by a Participant's "base amount" as such term is defined in Code Section 280G.

2.24 Separation Payment . With respect to a Participant, a Payment paid or payable to the Participant pursuant to this Plan (disregarding Article VII of this Plan).

2.25 Severance Period . The period of two (2) years beginning on the date of the Qualified Termination of Employment.

2.26 Value . With respect to a Payment, the economic present value of a Payment as of the date of the Change of Control for purposes of Code Section 280G, as determined by the Accounting Firm using the discount rate required by Code Section 280G(d)(4).

ARTICLE III

PARTICIPATION

3.1 Participation . Upon designation as an Eligible Employee, the Executive shall be offered a Participation Agreement and upon execution and delivery thereof by the Eligible Employee evidencing such Eligible Employee's agreement not to voluntarily leave the employ of the Company and its Affiliates and to continue to render services during the period of any threatened Change of Control of the Company, such Eligible Employee shall become a Participant in the Plan. A Participant shall cease to be a Participant in the Plan upon the termination of the Participant's Participation Agreement or the termination of the Plan.

ARTICLE IV

TERMINATION OF EMPLOYMENT OF PARTICIPANTS

4.1 Termination of Employment of Participants . Nothing in this Plan shall be deemed to entitle a Participant to continued employment with the Company and its Affiliates and the rights of the Company to terminate the employment of a Participant shall continue as fully as though this Plan were not in effect, provided that any Qualified Termination of Employment shall entitle the Participant to the benefits herein provided. In addition, nothing in this Plan shall be deemed to entitle a Participant under this Plan to any rights, or to payments under this Plan, with respect to any plan in which the Participant was not a participant prior to a Qualified Termination of Employment.

ARTICLE V

PAYMENTS UPON QUALIFIED TERMINATION OF EMPLOYMENT

5.1 Cash Severance Payment . Subject to Article VIII hereof, in the event of a Qualified Termination of Employment of a Participant, a lump sum cash payment shall be made to such Participant as compensation for services rendered, in an amount (subject to any applicable payroll or other taxes required to be withheld) equal to the sum of the amounts specified in subsections (A) through (E) below, reduced (but not below $0) in the case of a Participant who has a Qualified Termination of Employment described in Section 2.20(B) by the dollar amount of the severance pay paid or payable to the Participant pursuant to the Neenah Paper Severance Pay Plan. Payment shall be made to the Participant as soon as practicable following such Participant's Qualified Termination of Employment, but no later than the sixtieth (60 th) day following the Qualified Termination of Employment (which Qualified Termination of Employment, in the case of a Qualified Termination of Employment described in Section 2.20(B), shall occur at the date of the Change of Control):

(A) Salary Plus An Additional Percentage of Annual Base Salary . A lump sum amount equal to two (2) times the sum of (a) the Participant's annual base salary at the rate in effect immediately prior to the Relevant Date or, if higher, immediately before the Qualified Termination of Employment, plus (b) the Additional Percentage of Annual Base Salary;

(B) Neenah Paper 401(k) Retirement Plan . A lump sum amount equal to any benefits under the Neenah Paper 401(k) Retirement Plan (or any successor or additional plan) that the Participant forfeits as a result of not being fully vested in any such benefits upon his or her termination of employment, based upon the value of the Participant's account as of the most recent valuation date before the date of the Qualified Termination of Employment; provided that this benefit shall be payable from the general assets of the Company;

(C) Neenah Paper Retirement Contribution Plan . A lump sum amount equal to (a) in the case of a Participant who participates in the Neenah Paper Retirement Contribution Plan, the Participant's annual contributions payable by the Company or an Affiliate under the Neenah Paper Retirement Contribution Plan (or any successor or additional plans) and the Neenah Paper Supplemental Retirement Contribution Plan (or any successor or additional plans) (collectively, the "Retirement Contribution

Plan") to which the Participant would have been entitled if he had remained employed by the Company for the Severance Period and earned as compensation the amount set forth in Section 5.1(A) ratably over the Severance Period, plus (b) for all Participants, an amount equal to any benefits under the Retirement Contribution Plan that the Participant forfeits as a result of not being fully vested in any such benefits upon his or her termination of

employment, based upon the value of the Participant's account as of the most recent valuation date before the date of the Qualified Termination of Employment, provided that this benefit shall be payable from the general assets of the Company;

(D) Neenah Paper Pension Plan. In the case of a Participant who participates in the Neenah Paper Pension Plan, a lump sum amount, in addition to any benefits received under the Neenah Paper Supplemental Pension Plan (or any successor or additional plans) and (the "Supplemental Plan") and the Neenah Paper Pension Plan (or any successor or additional plans) (the "Pension Plan"), in an amount equal to the excess of (a) the benefits under the Pension Plan and the Supplemental Plan determined as if the Participant had remained employed by the Company for the Severance Period (including credit for age, benefit service, and vesting service) and earned as compensation the amount set forth in Section 5.1(A) ratably over the Severance Period, minus (b) the benefits to which the Participant actually is entitled under the Pension Plan and the Supplemental Plan; provided that this benefit shall be equal to the actuarial present value of a straight life annuity without the level income option using the interest rate and factors applicable under the Pension Plan as of the date of payment; and provided further that this benefit shall be payable from the general assets of the Company; and

(E) Medical and Dental Benefits. A lump sum amount equal to the amount of the monthly premiums that the Participant would be required to pay, if he or she elected "COBRA" continuation coverage under the medical and dental plans of the Company in which the Participant was participating immediately before the Qualified Termination of Employment, based upon the premium rates in effect as of the date of the Qualified Termination of Employment, times twenty-four (24). In addition, the Participant shall receive a cash payment for his or her accrued retiree medical credits (with no additional age or service provided and no additional enhanced access to retiree medical), if any, equal to one dollar ($1) multiplied by the number of his or her accrued retiree medical credits.

5.2 Outplacement Services. In addition to the cash Payments described in Section 5.1, the Participant shall be entitled to reimbursement for expenses of professional outplacement services during the Severance Period for up to a total of $50,000, by an outplacement service provider selected by the Company. To be eligible for reimbursement, any such expense must be submitted no more than ninety (90) days after it is incurred and will be reimbursed within ninety (90) days after it has been submitted.

5.3 Exemption from and Compliance with Code Section 409A. The Company intends that the payments and benefits provided under the Plan are to be exempt from the rules of Code Section 409A, including, but not limited to by reason of (a) in the case of payments described in Section 5.1, the exception for short term deferrals as defined in Treas. Reg. Section 1.409A-1(b)(4) or (b) in the case of reimbursements described in Section 5.2, the

exemption relating to reimbursements and certain other separation payments described in Treas. Reg. Section 1.409A-1(b)(9)(v). To the extent, however, that any payment or benefit is determined not to qualify for an applicable exception from the rules of Code Section 409A, the Plan shall be interpreted in a manner consistent with the rules of Code Section 409A.

ARTICLE VI

CERTAIN REDUCTION OF PAYMENTS BY THE COMPANY

6.1 Determination of Need for Reduction . Notwithstanding anything in this Plan or any Participation Agreement to the contrary, in the event that the Accounting Firm shall have determined that (i) any Payment to a Participant would be subject to the Excise Tax, but (ii) the Parachute Value of all Payments to the Participant does not exceed 110% of the Safe Harbor Amount, then the Accounting Firm shall determine whether there is a Reduced Amount, and if so, the amount of the necessary reduction of the Participant's Separation Payments in order to meet the definition of a Reduced Amount. All fees payable to the Accounting Firm with respect to this Section shall be paid solely by the Company.

6.2 Reduced Payments .

(A) Notice of Reduced Payments and Reductions . If the Accounting Firm determines that there is a Reduced Amount under 6.1, the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof. The amount of the Separation Payment payable under Section 5.1 will then be reduced so that the aggregate Separation Payments equal the Reduced Amount. In the event that the Separation Payments have to be reduced to a Reduced Amount, the portions of the Separation Payments that would be paid latest in time will be reduced first and if multiple portions of the Separation Payments to be reduced would be paid at the same time, any non-cash payments will be reduced before any cash payments, and any remaining cash payments will be reduced pro-rata.

(B) Binding Determinations by Accounting Firm . All determinations made by the Accounting Firm under this Section shall be binding upon the Company and the Participant and shall be made within sixty (60) days of a termination of employment of the Participant.

(C) Timing of Payment . As promptly as practicable following such determination of the Reduced Amount, the Company shall pay to or distribute for the benefit of the Participant such Separation Payments as are then due to the Participant under this Plan; provided that such payment or distribution shall be made no later than the sixtieth (60 th) day following the Qualified Termination of Employment.

(D) Overpayments and Underpayments . While it is the intention of the Company to reduce the amounts payable or distributable to a Participant hereunder only if the aggregate Net After Tax Receipts to the Participant would thereby be increased, as a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of a Participant pursuant to this Plan which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of a Participant pursuant to this Plan could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder.

(E) Overpayment . In the event that the Accounting Firm determines that an Overpayment has been made, based upon the assertion of a deficiency by the Internal Revenue Service against the Company or the Participant which the Accounting Firm believes has a high probability of success, any such benefit of a Participant shall be treated for all purposes as a loan to the Participant which the Participant shall repay to the Company together with interest at the applicable federal rate provided for in Code Section 7872(f)(2); provided, however, that no such loan shall be deemed to have been made and no amount shall be payable by a Participant to the Company if and to the extent (i) such deemed loan and payment would not either reduce the amount on which the Participant is subject to tax under Code Sections 1 and 4999 or generate a refund of such taxes, or (ii) such deemed loan would violate any applicable laws or regulations.

(F) Underpayment . In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be paid by the Company, within sixty (60) days following such determination by the Accounting Firm, to or for the benefit of the Participant together with interest at the applicable federal rate provided for in Code Section 7872(f)(2).

ARTICLE VII

CERTAIN ADDITIONAL PAYMENTS BY THE COMPANY

7.1 Gross-Up Payment . Notwithstanding anything in this Plan or any Participation Agreement to the contrary, in the event that the Accounting Firm shall determine that (i) any Payment to a Participant would be subject to the Excise Tax, and (ii) the Parachute Value of all Payments to the Participant exceeds 110% of the Safe Harbor Amount, then the Participant shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Participant of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes and Excise Tax imposed upon the Gross-Up Payment, the Participant

retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. If it shall be determined that (i) any Payment to a Participant would be subject to the Excise Tax, but the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Participant and the provisions of Article VI of this Plan shall apply to that Participant. The Company's obligation to make Gross-Up Payments under this Article VII shall be conditioned upon the Participant's termination of employment.

7.2 Determinations by Accounting Firm. Subject to the provisions of Section 7.4, all determinations required to be made under this Article VII, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm. The Accounting Firm shall provide detailed supporting calculations both to the Company and the Participant within fifteen (15) business days of the receipt of notice from the Participant that there has been a Payment or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Participant. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Company exhausts its remedies pursuant to Section 7.4 and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Participant.

7.3 Timing of Gross-Up Payment. Any Gross-Up Payment, as determined pursuant to this Article, shall be paid by the Company to or for the benefit of the applicable Participant as soon as practicable after the Accounting Firm has provided supporting calculations to the Company and the Participant of the Gross-Up Payment, but, for purposes of Code Section 409A, not later than the last day of the calendar year following the calendar year in which the Participant remits the related taxes to the applicable taxing authority (however, this period is by no means an outside payment date or diminishes the Participant's right to be paid promptly).

7.4 Claims by Internal Revenue Service. Each Participant shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than ten (10) business days after the Participant is informed in writing of such claim. The Participant shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Participant shall not pay such claim prior to the expiration of the 30-day period following the date on which the Participant gives such notice to the Company (or such shorter

period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Participant in writing prior to the expiration of such period that the Company desires to contest such claim, the Participant shall:

(A) give the Company any information reasonably requested by the Company relating to such claim,

(B) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(C) cooperate with the Company in good faith in order effectively to contest such claim, and

(D) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses incurred in connection with such contest during the Participant's lifetime. Without limitation of the foregoing provisions of this Section 7.4, the Company shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either (1) pay the tax claimed to the appropriate taxing authority on behalf of the Participant and direct the Participant to sue for a refund or (2) direct the Participant to contest the claim in any permissible manner, and the Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that, if the Company directs the Participant to contest the claim, the Company shall indemnify and hold the Participant harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and provided, further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Participant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority. The payment of any Excise Tax and income tax (including

interest and penalties) under this Subsection (D) shall be timely made by the Company directly to the applicable taxing authority on behalf of the Participant. The payment of any costs and expenses incurred in connection with any contest relating to such taxes (including interest and penalties) under this Subsection (D) shall be paid to the Participant as soon as practicable after the Participant submits evidence to the Company of the costs and expenses, but not later than the end of the Participant's taxable year following the Participant's taxable year in which the taxes that are the subject of the contest or proceeding are remitted to the taxing authority, or if as a result of such contest or proceeding no taxes are remitted, the end of the Participant's taxable year following the Participant's taxable year in which the contest is completed or there is a final and nonappealable settlement or other resolution of the proceeding.

7.5 Refunds of Excise Taxes . If, after the receipt by a Participant of a Gross-Up Payment or payment by the Company of an amount on the Participant's behalf pursuant to Section 7.4, the Participant becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Participant shall (subject to the Company's complying with the requirements of Section 7.4, if applicable) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Company of an amount on the Participant's behalf pursuant to Section 7.4, a determination is made that the Participant shall not be entitled to any refund with respect to such claim and the Company does not notify the Participant in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

7.6 Tax Withholding . Notwithstanding any other provision of this Plan, the Company may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of a Participant, all or any portion of any Gross-Up Payment, and by signing a Participation Agreement, the Participant shall consent to such withholding.

ARTICLE VIII

RELEASE AND RESTRICTIVE COVENANTS

Any and all Payments and other benefits provided under this Plan are contingent upon, and shall not become payable until, the Participant executes (and does not timely revoke within any applicable revocation period) prior to the time any payments are to be made, an agreement providing for a general release of all claims against the Company, as well as noncompete, nondisclosure, nonsolicitation of customers and employers and nondisparagement provisions upon his or her termination of employment.

ARTICLE IX

OTHER TERMS AND CONDITIONS

The Participation Agreement to be entered into pursuant to this Plan shall contain such other terms, provisions and conditions not inconsistent with this Plan as shall be determined by the Board. Where appearing in this Plan or the Participation Agreement, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise.

ARTICLE X

NONASSIGNABILITY

Each Participant's rights under this Plan shall be nontransferable except by will or by the laws of descent and distribution.

ARTICLE XI

UNFUNDED PLAN

The Plan shall be unfunded and all costs of the Plan shall be paid from the Company's general assets. Neither the Company nor the Board shall be required to segregate any assets that may at any time be represented by benefits under the Plan. Neither the Company nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan. Any liability of the Company to any Participant with respect to any benefit shall be based solely upon any contractual obligations created by the Plan and the Participation Agreement; no such obligation shall be deemed to be secured by any pledge or any encumbrance on any property of the Company.

ARTICLE XII

MITIGATION AND SETTLEMENT OF CLAIMS

12.1 No Duty to Mitigate . In no event shall any Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Participant obtains other employment.

12.2 Mandatory Arbitration . Notwithstanding anything contained in the Plan to the contrary, any controversy or claim arising out of or relating to this Plan shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in Atlanta, Georgia. Judgment upon the award rendered by the arbitrator may be entered only in the State Court of Fulton County or the federal court for the Northern District of Georgia.

12.3 Full Settlement . In the event that a Participant contests the Company's interpretation of any provision of this Plan or the value of any Payment hereunder, and such Participant prevails through arbitration proceedings on at least a major point or significant portion of such contest, the Company agrees to reimburse the Participant, to the full extent permitted by law, all legal fees reasonably incurred by the Participant in such contest, up to a maximum of $50,000. Any amount payable under this Section 12.3 will be paid by the fifteenth (15th) day of the third month following the month of the delivery of the decision of the arbitrator finding in favor of the Participant, but only if the Participant provides evidence of such expenses incurred by Participant, which may be in the form, among other things, of a canceled check or receipt, within twenty (20) days following the entry of such decision.

ARTICLE XIII

TERMINATION AND AMENDMENT OF THIS PLAN

The Board shall have power at any time, in its discretion, to amend or terminate this Plan, in whole or in part and the Plan Administrative Committee shall also have the power to amend the Plan, except in a manner that would materially affect the cost to the Company, the contributions made by the Company, or the eligibility provisions of Plan, or that would determine compensation of an executive officer; except that no amendment or termination shall impair or abridge the obligations of the Company under any Participation Agreements previously entered into pursuant to this Plan except as expressly permitted by the terms of such Participation Agreements.

ARTICLE XIV

SUCCESSORS

The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to assume expressly and agree to perform this Plan and the Participation Agreements in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place.

ARTICLE XV

CLAIMS PROCEDURES

15.1 Claims Procedure . A Participant may file a written claim with the Company if the Participant believes he or she did not receive all benefits to which he or she is entitled under Section 4.1. The written claim must be filed within sixty (60) days of the Participant's Qualified Termination. In the event that a claim is denied, the Company shall provide to the claimant written notice of the denial within ninety (90) days after the Company receives the claim, unless special circumstances require an extension of time

for processing the claim. If such an extension of time is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. In no event shall the extension exceed a period of ninety (90) days from the end of such initial period. Any extension notice shall indicate the special circumstances requiring the extension of time, the date by which the Company expects to render the final decision, the standards on which entitlement to benefits are based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues.

15.2 Notice of Denial. If an Participant is denied a claim for benefits under the Plan, the Company shall provide to such claimant written notice of the denial which shall set forth:

(A) the specific reasons for the denial;

(B) specific references to the pertinent provisions of the Plan on which the denial is based;

(C) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(D) an explanation of the Plan's claim review procedures, and the time limits applicable to such procedures.

15.3 Right to Review. After receiving written notice of the denial of a claim, a claimant or his or her representative shall be entitled to:

(A) request a full and fair review of the denial of the claim by written application to the Company;

(B) request, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim;

(C) submit written comments, documents, records, and other information relating to the denied claim to the Company; and

(D) a review that takes into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

15.4 Application for Review. If a claimant wishes a review of the decision denying his or her claim to benefits under the Plan, he or she must submit the written application to the Company within sixty (60) days after receiving written notice of the denial.

15.5 Hearing. Upon receiving such written application for review, the Company may schedule a hearing for purposes of reviewing the claimant's claim, which hearing shall take place not more than thirty (30) days from the date on which the Company received such written application for review.

15.6 Notice of Hearing. At least ten (10) days prior to the scheduled hearing, the claimant and his or her representative designated in writing by him or her, if any, shall receive written notice of the date, time, and place of such scheduled hearing. The claimant or his or her representative, if any, may request that the hearing be rescheduled, for his or her convenience, on another reasonable date or at another reasonable time or place.

15.7 Counsel. All claimants requesting a review of the decision denying their claim for benefits may employ counsel for purposes of the hearing.

15.8 Decision on Review. No later than sixty (60) days following the receipt of the written application for review, the Company shall submit its decision on the review in writing to the claimant involved and to his or her representative, if any, unless the Company determines that special circumstances (such as the need to hold a hearing) require an extension of time, to a day no later than one hundred twenty (120) days after the date of receipt of the written application for review. If the Company determines that the extension of time is required, the Company shall furnish to the claimant written notice of the extension before the expiration of the initial sixty (60) day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Company expects to render its decision on review. In the case of a decision adverse to the claimant, the Company shall provide to the claimant written notice of the denial which shall include:

(A) the specific reasons for the decision;

(B) specific references to the pertinent provisions of the Plan on which the decision is based;

(C) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and

(D) an explanation of the Plan's claim review procedures, and the time limits applicable to such procedures, including a statement of the claimant's right to pursue his claim under binding arbitration as required by Section 12.2.

15.9 Filing a Claim . No claim may be filed regarding a denial of a claim for benefits under the Plan until the Participant has exhausted the administrative review procedures under the Plan as set forth in this Article XV.

ARTICLE XVI

ERISA RIGHTS

Participants in the Plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the office of the Plan Administrator and at other specific locations such as worksites and union halls, all documents governing the Plan, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U. S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may request a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Action by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries. No one, including the employer, a union, or any other person, may fire a participant or otherwise discriminate against a participant in any way to prevent that participant from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If a claim for a benefit is denied or ignored, in whole or in part, the participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps the participant can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent

because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court (although you may be required to complete the Plan's appeals process or submit your claim to arbitration before a court will hear your claim). If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, you may institute an arbitration proceeding. The arbitrator will decide who should pay court costs and legal fees. If you are successful, the arbitrator may order the person you have sued to pay these costs and fees. If you lose, the arbitrator may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ARTICLE XVII

MISCELLANEOUS

17.1 General Plan Information .

(A) Name, address and telephone number of Plan Sponsor (the Company):
Neenah Paper, Inc.
3460 Preston Ridge Road
Preston Ridge III, Suite 600
Alpharetta, GA 30005

(B) Employer identification number of Plan Sponsor: 20-1308307

(C) Plan number assigned to the Plan: 513

(D) Type of plan: Welfare benefit severance plan.

(E) Form of Plan Administration: Self-administered by the Plan Sponsor.

(F) Name, address and telephone number of the Plan Administrator:

Neenah Paper, Inc.
Plan Administrative Committee
3460 Preston Ridge Road
Preston Ridge III, Suite 600
Alpharetta, GA 30005

(G) Service of legal process may be made on the Plan Sponsor's General Counsel at:

Neenah Paper, Inc.
Attn: General Counsel
3460 Preston Ridge Road
Preston Ridge III, Suite 600
Alpharetta, GA 30005

(H) Service of legal process may also be made upon the Plan Administrator.

(I) Funding Medium: Benefits under the Plan are paid from the general assets of the Employer.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer.

NEENAH PAPER, INC.

By: /s/Richard Read

Name: Richard Read

Title: Vice President - Human Resources

Date: December 17, 2008

EXHIBIT "A"

NEENAH PAPER
EXECUTIVE SEVERANCE PLAN

Name Of Participant	Title	Effective Date Of Participation
Sean T. Erwin	Chairman and Chief Executive Officer	December 1, 2004
Bonnie J. Cruickshank-Lind	Sr. Vice President, Chief Financial Officer and Treasurer	December 1, 2004
Steven S. Heinrichs	Sr. Vice President, General Counsel and Secretary	December 1, 2004
Dennis P. Runsten	President, U.S. Technical Products	December 1, 2004
John P. O'Donnell	President, Fine Paper	November 1, 2007
James R. Piedmonte	Sr. Vice President, Operations	December 1, 2004
Jon C. Wall	Vice President, Research & Development	December 1, 2004
Richard F. Read	Vice President, Human Resources	December 1, 2004
William B. McCarthy	Vice President, Investor Relations and Analysis	December 1, 2004
John J. Herson*	Vice President, Tax*	December 1, 2004*
Julie Schertell	Vice President, Supply Chain, Fine Paper	July 21, 2008
Marjorie Pond	Vice President, Fine Paper Sales	June 1, 2007
Lawrence Brownlee	Vice President and Controller	December 1, 2004

*John J. Herson's participation will cease effective January 2, 2009.

Approved by: _____
Sean T. Erwin
Chief Executive Officer

EXHIBIT "B"

FORM OF PARTICIPATION AGREEMENT

I hereby agree to become a Participant in the Neenah Paper Executive Severance Plan (the "Plan"), effective as of , 200 . I acknowledge that I have received a copy of the Plan document.

As part of my participation in the Plan and in consideration for the benefits that I may become entitled to thereunder, I hereby agree that I will not voluntarily terminate my employment with Neenah Paper, Inc. and its Affiliates (the "Company") during any period of a threatened Change of Control of the Company.

If I should voluntarily terminate my employment with the Company for any reason at any time (other than for "Good Reason" following a "Change of Control", as those terms are defined in the Plan), I hereby acknowledge and agree that I will immediately cease participation in the Plan and shall not be eligible for any payments or benefits under the Plan.

I understand that any controversy or claim arising out of or relating to the Plan is required to be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in Atlanta, Georgia and that judgment upon the award rendered by the arbitrator may be entered only in the State Court of Fulton County or the federal court for the Northern District of Georgia. I hereby waive my right to file suit under the Employee Retirement Income Security Act of 1974, as amended, in the event of any such controversy or claim.

_____

Signature of Participant

Name of Participant: _____

Title: _____

Date: _____

EXHIBIT "C"

NEENAH PAPER
EXECUTIVE SEVERANCE PLAN

CHART OF ADDITIONAL PERCENTAGES OF ANNUAL BASE SALARY

Name Of Participant	Additional Percentage of Annual Base Salary
Sean T. Erwin	%
Bonnie J. Cruickshank-Lind	%
Steven S. Heinrichs	%
Dennis P. Runsten	%
John P. O'Donnell	%
James R. Piedmonte	%
Jon C. Wall	%
Richard F. Read	%
William B. McCarthy	%
John J. Herson*	%*
Julie Schertell	%
Marjorie Pond	%
Lawrence Brownlee	%

*John J. Herson's participation will cease effective January 2, 2009.

Exhibit 10.21

NEENAH PAPER
DEFERRED COMPENSATION PLAN

(As Amended and Restated Effective as of January 1, 2009)

NEENAH PAPER DEFERRED COMPENSATION PLAN

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NEENAH PAPER
DEFERRED COMPENSATION PLAN

ARTICLE I

INTRODUCTION

1.1 Establishment of the Plan. Neenah Paper, Inc. (the "Company") hereby amends and restates its deferred compensation plan for certain Employees, known as the Neenah Paper Deferred Compensation Plan (the "Plan"), as set forth in this document.

1.2 Purpose. In recognition of the valuable services provided to the Company, and its Affiliates, by its employees, the Company wishes to permit a select group of management or highly compensated employees to defer income which would otherwise become payable to them. It is the intent of the Company to permit these deferrals under the terms and conditions hereinafter set forth.

1.3 Type of Plan. This Plan is intended to be a nonqualified deferred compensation plan, which is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, pursuant to Sections 201, 301 and 401 of ERISA and, as such, exempt from the provisions of Parts II, III and IV of Title I of ERISA.

1.4 Effective Date. The effective date of this amendment and restatement of the Plan is January 1, 2009. The original effective date of the Plan is January 1, 2007.

ARTICLE II

DEFINITIONS

Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

2.1 Affiliate. Any company, person or organization which, on the date of determination, (A) is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Company; (B) is a trade or business (whether or not incorporated) which controls, is controlled by or is under common control with (within the meaning of Code Section 414(c)) the Company; (C) is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; or (D) is otherwise required to be aggregated with the Company pursuant to Code Section 414(o) and regulations promulgated thereunder.

2.2 Agreement. The agreement(s) executed between a Participant and the Employer, whereby a Participant agrees to defer a portion of his or her Salary or Bonus, or both, pursuant to the provisions of the Plan, and the Employer agrees to make benefit payments in accordance

with the provisions of the Plan. In the event the terms of the Agreement conflict with the terms of the Plan, the terms of the Plan shall be controlling.

2.3 Beneficiary. The person or persons who, under this Plan, become entitled to receive a Participant's interest in the event of the Participant's death.

2.4 Board. The Board of Directors of the Company.

2.5 Bonus. Any amount(s) paid during a calendar year to the Participant under the Company's Management Incentive Plan or any successor or additional cash bonus program.

2.6 Change of Control. A Change of Control shall be deemed to have taken place if a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the Company's assets" (as such terms are defined below) occurs.

(A) A change in the ownership of the Company. A "change in ownership of the Company" shall occur on the date that any one person, or more than one person acting as a "Group" (as defined below), acquires ownership of stock of the Company that, together with stock held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company; provided, however, that, if any one person or more than one person acting as a Group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company. In addition, the following shall not constitute a change in ownership of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the "beneficial owner" (within the meaning of Rule 13d-3 of the Rules and Regulations under the Securities Exchange Act of 1934, as amended) (a "Beneficial Owner") of thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"), (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.6(D).

(B) A change in the effective control of the Company. A "change in the effective control of the Company" occurs on the date that:

(1) Any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty-five percent (35%) or more of the total voting power of the stock of the Company; provided, however, if any one person,

or more than one person acting as a group, is considered to own thirty-five percent (35%) or more of the total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the effective control of the Company. Notwithstanding the foregoing, the following shall not constitute a change in the effective control of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.6(D); or

(2) A majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; provided, however, that this subparagraph (2) shall apply only to the Company if no other corporation is a majority shareholder of the Company.

(C) A change in the ownership of a substantial portion of the Company's assets . A "change in the ownership of a substantial portion of the Company's assets" occurs on the date that any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total "Gross Fair Market Value" (as defined below) equal to or more than 90% of the total Gross Fair Market Value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that, a transfer of assets by the Company is not treated as a change in the ownership of such assets if the assets are transferred to:

(1) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(3) a person, or more than one person acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company;

(4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in subparagraph (C)(3) hereof); or

(5) a Successor Entity pursuant to a transaction described in Section 2.6(D).

(D) Consummation of a reorganization, merger, or consolidation to which the Company is a party, or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination") shall not constitute a change in ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets, if following such Business Combination: (i) all or substantially all the individuals or entities who were the Beneficial Owners of Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of the members of the board of directors of the company resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) (the "Successor Entity") in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Voting Securities; (ii) no person or Group (excluding any Successor Entity or any employee benefit plan, or related trust, of the Company or such Successor Entity) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors of the Successor Entity were members of the incumbent Board (including members of the Board whose appointment or election is endorsed by a majority of the Board prior to the date of the appointment or election) at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination.

(E) For purposes of the definition of Change of Control:

(1) "Group" means persons acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock of the Company or assets of the Company, or a similar business transaction with the Company (the "Transaction"); provided, however, that with respect to any person who owns stock of both the Company and the other corporation in a Transaction, such person will only be treated as acting as a group with respect to his or her interest in the other corporation prior to the Transaction;

(2) "Gross Fair Market Value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets; and

(3) Notwithstanding any other provision hereof, stock ownership shall be determined under Code Section 409A, and no Change of Control shall be deemed to have occurred hereunder unless such event constitutes a change

in the ownership or effective control of the Company or in a substantial portion of the assets of the Company under Code Section 409A.

2.7 Code. The Internal Revenue Code for 1986, as amended from time to time, and as construed and interpreted by valid regulations and rulings issued thereunder.

2.8 Company. Neenah Paper, Inc., a Delaware corporation.

2.9 Compensation Committee. The Compensation Committee of the Board.

2.10 Deferral. The amount a Participant elects to defer from his Salary or Bonus to a Deferred Benefit Account pursuant to the Agreement between the Employer and the Participant.

2.11 Deferral Year. Any calendar year.

2.12 Deferred Benefit Account. The cumulative total dollar amount that a Participant elects to defer pursuant to Section 4.2, as it may be adjusted for earnings, losses and distributions. The Participant's Deferrals pursuant to Section 4.2 for each Deferral Year and all earnings, losses and distributions attributable thereto shall be accounted for in a separate Deferred Benefit Account. A Participant's Deferred Benefit Account(s) shall not constitute or be treated as a trust fund of any kind.

2.13 Determination Date. The date on which the amount of a Participant's Deferred Benefit Accounts is determined as provided in Article IV hereof.

2.14 Disability. A permanent and total disability such that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period not less than 3 months under an accident and health plan covering Employees of the Employer. A Participant will be deemed to be subject to a Disability if the Participant is determined to be disabled under a long-term disability plan of the Employer that uses a definition of "disability" that complies with one or both of the foregoing. In addition, a Participant will be deemed to be subject to a Disability if the Participant is determined to be totally disabled by the U.S. Social Security Administration.

2.15 Effective Date. January 1, 2009, or with respect to a particular Affiliate, such later date as of which the Plan Administrative Committee deems such Affiliate to be a Participating Employer in the Plan.

2.16 Eligible Employee. Any Employee who is performing services in the United States for an Employer as to whom the Employer reports wage payments on Form W-2 and is eligible for the Management Incentive Plan.

2.17 Employee. A common law employee of an Employer, as reflected in the payroll records of the Employer.

2.18 Employer . The Company and each Affiliate that the Plan Administrative Committee shall from time to time designate as a Participating Employer for purposes of the Plan.

2.19 ERISA . The Employee Retirement Income Security Act of 1974, as amended from time to time, and as construed and interpreted by valid regulations and rulings issued thereunder.

2.20 Initial Election Deadline . The Initial Election Deadline refers to the Deferral election deadline applicable to an Eligible Employee when he or she first becomes a Participant and shall mean (a) December 31, 2006 if the Employee is an Eligible Employee as of December 1, 2006, or (b) if the Employee is not an Eligible Employee as of December 1, 2006, the thirtieth (30 th) day following the date he or she qualifies as an Eligible Employee. Notwithstanding the foregoing, the Initial Election Deadline shall be December 31 of the calendar year in which the Eligible Employee qualifies as an Eligible Employee if the Eligible Employee, at the time of such qualification, is a participant in any other plan of deferred compensation maintained by the Employer or any Affiliate.

2.21 Investment Funds . The phantom investment funds established under this Plan which will accrue earnings and losses as if the Participant's Deferred Benefit Accounts were invested in the actual Investment Funds as designated by the Company from time to time pursuant to Section 4.4.

2.22 Participant . Any Eligible Employee or former Eligible Employee who has become a participant in the Plan pursuant to Article III, for so long as his or her benefits hereunder have not been paid out. In the event of the death or incompetency of a Participant, the term shall mean the executor or administrator of the Participant's estate or the Participant's legal guardian.

2.23 Participating Employer . An Affiliate that has been approved by the Compensation Committee as an Employer participating in the Plan.

2.24 Payment Eligibility Date . Payment Eligibility Date shall mean (a) with respect to a Participant who is not a Specified Employee, the first day following the Participant's Termination of Employment, or (b) with respect to a Participant who is a Specified Employee, the first day of the seventh month following the Participant's Termination of Employment (or, if earlier, the date of the Participant's death), except in the case of a Termination of Employment due to death or Disability, in which case it is the first day following the Participant's Termination of Employment.

2.25 Performance-based Bonus . A Bonus with respect to which the amount of, or the entitlement to, the Bonus is contingent upon the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least twelve (12) months that are established in writing by no later than ninety (90) days after the commencement of the period of service to which the criteria relates, provided that the outcome is substantially uncertain at the time the criteria are established. Such pre-established organizational or individual performance criteria may include subjective performance criteria that relate to the performance of the Participant, a group of service

providers that includes the Participant, or a business unit (including the Company and all Affiliates) for which the Participant provides services.

2.26 Plan . The Neenah Paper Deferred Compensation Plan as set forth herein and as amended from time to time.

2.27 Plan Administrative Committee . The committee appointed by the Compensation Committee to administer and regulate the Plan as provided in Article VI.

2.28 Retirement Date . The date of Termination of Employment of the Participant on or after he attains age 55.

2.29 Salary . The Participant's base salary which would be received during a calendar year if no election to defer were made, including any contributions to the Neenah Paper 401(k) Retirement Plan or any pre-tax contributions to the Neenah Paper Flexible Benefit Plan. For purposes of this Plan, Salary shall not include severance or other payments made in connection with a Participant's Termination of Employment.

2.30 Specified Employee . A Participant who is a key employee (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) of the Company (or an Affiliate) while the Company's stock is publicly traded on an established securities market or otherwise. For this purpose, a Participant is a key employee if the Participant meets the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii) (applied in accordance with the regulations thereunder and disregarding Code Section 416(i)(5)) at any time during the twelve (12) month period ending on December 31. Notwithstanding the foregoing, a Participant who is a key employee determined under the preceding sentence will be deemed to be a Specified Employee solely for the period of April 1 through March 31 following such December 31 or as otherwise required by the Code Section 409A.

2.31 Termination of Employment .

(A) The Participant's "separation from service" (within the meaning of Treasury Regulations Section 1.409A-1(h)) with the "employer" (within the meaning of Treasury Regulations Section 1.409A-1(h)(3)).

(B) The employment relationship of a Participant is considered to remain intact while the Participant is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six months, or, if longer, so long as the Participant retains a right to reemployment with the Employer or Affiliate under applicable statute or by contract. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period.

2.32 Valuation Date . Any business day on which securities are traded on the New York Stock Exchange.

2.33 Year of Service . Year of Service shall have the same meaning herein as under the Neenah Paper 401(k) Retirement Plan.

2.34 Construction . Where appearing in the Plan, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular Section or subsection.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.1 Eligibility . An Employee may participate in the Plan only if such Employee is an Eligible Employee and such Employee has affirmatively elected to participate in the Plan. An Employee shall be eligible to participate in the Plan as of the later of: (a) January 1, 2008, if the Employee is an Eligible Employee as of that date, or (b) the date on which the Employee becomes an Eligible Employee.

3.2 Participation .

(A) An Eligible Employee shall become a Participant in the Plan by electing to defer a portion of his or her Salary and/or Bonus in accordance with Article IV hereof and filing an Agreement with the Plan Administrative Committee, at such time and in such form as the Plan Administrative Committee may require or permit in accordance with Section 4.2. The election to participate shall be effective upon receipt by the Plan Administrative Committee of the Agreement that is properly completed and executed in conformity with the Plan.

(B) A Participant who ceases to be an Eligible Employee will no longer be eligible to make further Deferrals under the Plan pursuant to Article IV; provided, however, that in any such circumstance, further Deferrals by the Participant under Article IV shall continue for as long as necessary to preserve the irrevocability of the election under Code Section 409A. A Participant who ceases to be an Eligible Employee shall continue to be subject to all other terms of the Plan so long as he remains a Participant of the Plan.

(C) In the event the Participant participates in a plan of a Participating Employer or an Affiliate intended to qualify under Code Section 401(a) and containing a tax-qualified cash or deferred arrangement qualified under Code Section 401(k), the Participant shall be suspended from continued participation under this Plan under Article III to the extent required by such other plan as a result of a hardship withdrawal made by such Participant under such other plan, but only to the extent such suspension would not affect the irrevocability of the Participant's outstanding Deferral elections under Code Section 409A.

ARTICLE IV

DEFERRALS, INVESTMENT AND VESTING

4.1 Establishment of Accounts. The Company shall create and maintain unfunded Deferred Benefit Accounts for each Participant eligible to participate in the Plan, to which it shall credit the amounts described in this Article IV. The Participant's Deferrals pursuant to Section 4.2 for each Deferral Year and all earnings, losses, and distributions attributable thereto shall be accounted for in a separate Deferred Benefit Account for each Deferral Year.

4.2 Deferral Elections.

(A) Initial Election Deadline. Each Participant may elect to defer receipt of his or her Salary and/or Bonus by filing with the Plan Administrative Committee an election that conforms to the requirements of this Section 4.2, on a form provided by the Plan Administrative Committee, by his or her Initial Election Deadline or such earlier date as may be required by the Plan Administrative Committee. An election to defer Salary or Bonuses by an Initial Election Deadline shall be effective with respect to Salary and Bonuses for services to be performed after the election. For this purpose, a Bonus that is earned based on a specified performance period (e.g., an annual period) shall be deemed to be with respect to services to be performed after the date of the election as to the portion of the Bonus equal to the total amount of the Bonus for the service period multiplied by a ratio of the number of days remaining in the performance period after the election to the total number of days in the performance period. Notwithstanding the foregoing, an election to defer a Performance-based Bonus shall be given effect without the proration in the preceding sentence if (1) the Participant performs services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the election is made, (2) the election is made at least six (6) months before the end of the applicable performance period, and (3) at the date of the election the amount of the Performance-based Bonus is not readily ascertainable or substantially certain to be paid.

(B) Elections Other Than Elections During the Initial Election Deadline. A Participant may subsequent to his or her Initial Election Deadline elect to defer Salary and/or Bonus for a subsequent Deferral Year by filing an election, on a form provided by the Plan Administrative Committee. Such election shall be made on or before the last day of the preceding Deferral Year for which the election is to apply, or such earlier date as may be required by the Plan Administrative Committee. An election to defer Salary or Bonuses for such Deferral Year shall be effective with respect to Salary and Bonuses for services to be performed for the Deferral Year. Notwithstanding the foregoing, an election to defer a Performance-based Bonus shall be given effect without the proration in the preceding sentence if (1) the Participant performs services continuously from the later of the beginning of the performance period or the date the performance

criteria are established through the date the election is made, (2) the election is made at least six (6) months before the end of the applicable performance period, and (3) at the date of the election the amount of the Performance-based Bonus is not readily ascertainable or substantially certain to be paid.

(C) Duration of Deferral Elections . Any Deferral election(s) made under subsection (A) or (B) shall be irrevocable and shall apply only with respect to the Deferral Year for which the election is made; provided, that a Participant may cancel his or her Deferral election for a Deferral Year due to an unforeseeable emergency pursuant to Section 5.1(D) or a hardship distribution pursuant to Treasury Regulations Section 1.401(k)-(d)(3) under a plan of a Participating Employer or an Affiliate intended to qualify under Code Section 401(a) and containing a tax-qualified cash or deferred arrangement qualified under Code Section 401(k). The Plan Administrative Committee may provide that any Deferral election(s) are to be given continuing effect until terminated or modified by the Participant; provided, however, in that event, any such Deferral election(s) shall become irrevocable as to a Deferral Year as of the immediately preceding December 31 st .

4.3 General Deferral Rules .

(A) Amount of Deferrals . Subject to such limits and conditions as the Plan Administrative Committee may impose, an eligible Participant may elect to defer from:

(1) 5% to 75% of his or her Salary paid during a Deferral Year; and/or

(2) 5% to 100% of his or her Bonus paid during a Deferral Year;

provided; however, that the Deferral election may not relate to any payroll withholding amount, such as, but not limited to, required tax withholding or employee contributions under Code Section 401(k) or 125 or for group health plan premiums.

(B) Minimum Deferral . In no event may the amount of a Participant's Deferral election related to his or her Salary and/or Bonus paid during a Deferral Year be projected at the time of the Deferral election to be less than $5,000.

(C) Timing of Deferral Credits . The amount of Salary or Bonus, or both that a Participant elects to defer in the Agreement shall cause an equivalent reduction in the Participant's Salary and Bonus, respectively. Deferrals shall be credited throughout each Deferral Year as the Participant is paid the nondeferred portion of Salary and Bonus for such Deferral Year.

(D) Tax Withholdings . In the event a Participant elects to defer an amount of his or her Salary and/or Bonus that would not allow for the full payment of all FICA, federal, state and/or local income tax liabilities, the Employer may withhold all or a portion of any applicable taxes from the Participant's Salary to the extent required by law.

4.4 Investment Elections .

(A) Each Participant's Deferrals and Deferred Benefit Account for each Deferral Year under this Plan shall be credited with earnings, gains and losses as if such accounts held actual assets and such assets were among such Investment Funds as the Company may designate. Any such direction of investment shall be subject to such rules as the Company and the Plan Administrative Committee may prescribe, including, without limitation, rules concerning the manner of providing investment directions, the frequency of changing such investment directions, and method of crediting earnings, gains and losses for any portion of a Deferred Benefit Account which is not covered by any valid investment directions. Participants, retired Participants, and Beneficiaries shall allocate their Deferred Benefit Accounts among the deemed investment options by making an election with the Plan Administrative Committee at such time and in such form as the Plan Administrative Committee may require or permit. A Participant, retired Participant or Beneficiary may elect to allocate his or her Deferrals and Deferred Benefit Accounts among as many of the investment options which are offered by the Company.

(B) The Investment Funds from which the Participant shall make such election shall be selected by the Company. The Company shall have the sole discretion to determine the number of Investment Funds to be designated hereunder and the nature of the funds and may change, add or eliminate the Investment Funds provided hereunder from time to time and shall communicate any such changes to Participants.

(C) The Plan Administrative Committee shall determine the rate of earnings, gains and losses to be credited to Participant's Deferred Benefit Accounts under this Plan with respect to any such Investment Fund for any period, taking into account the return, net of any expenses which would have been incurred in connection with the sale, investment and reinvestment of the Investment Funds (such as brokerage, postage, express and insurance charges and transfer taxes), of such Investment Funds for such period.

(D) Notwithstanding the foregoing, the Plan Administrative Committee may, but is not required to, direct the trustee (if any trust is established pursuant to Section 7.1) to invest amounts credited to the Participant's Deferred Benefit Accounts in accordance with the Investment Fund designations of the Participant. Upon prior written notice to a Participant, the Plan Administrative Committee may revise or give no effect to a Participant's investment selections. If no investment election has been properly or timely filed with the Plan Administrative Committee or if the Plan Administrative Committee, upon prior written notice to the Participant, modifies the Participant's election, an account shall be credited with the net income or net loss of the Investment Fund(s) selected by the Plan Administrative Committee.

4.5 Investment Changes . A Participant may elect as of any Valuation Date to change the manner in which his or her Deferred Benefit Accounts and his or her future Deferrals are deemed invested among the available Investment Fund options. Any change of investment allocation received will be effective as of the close of business on that business day if received by 4:00 p.m. Eastern Standard Time (or, if earlier, the closing time of the New York Stock Exchange) or such other time and under such other conditions as may be imposed by the recordkeeper or the Plan Administrative Committee. The determination of a Participant's having timely elected a change of investment allocation shall be made in accordance with Plan Administrative Committee procedures.

4.6 Deferred Benefit Account Credits . As soon as reasonably practicable after the date of withholding by the Employer, Deferrals previously elected by a Participant for a Deferral Year shall be credited to the Participant's Deferred Benefit Account. As of the close of business on each Valuation Date the designated Deferred Benefit Accounts of each Participant shall be capable of being valued and adjusted to preserve for each Participant his or her proportionate interest in the related funds as if such account held actual assets and such assets were among such Investment Funds as the Participant, retired Participant or Beneficiary elected pursuant to Section 4.4. As of each Valuation Date, the Deferred Benefit Accounts of each Participant shall be capable of being adjusted to reflect the effect of income, collected and accrued, realized and unrealized profits and losses, expenses which would have been incurred in connection with the sale, investment and reinvestment of the Investment Funds (such as brokerage, postage, express and insurance charges and transfer taxes), and all other transactions with respect to the related fund. The effect of such transactions shall be determined by the Plan Administrative Committee in accordance with generally accepted valuation principles applied on a consistent basis. Each Participant's Deferred Benefit Accounts shall then be appropriately credited with his or her Deferrals as set forth in Section 4.7.

4.7 Determination of Accounts . The balance of each Participant's Deferred Benefit Account as of each Valuation Date shall be calculated, in a manner determined by the Plan Administrative Committee in accordance with generally accepted valuation principles applied on a consistent basis, as follows: the beginning balance of each Participant's Deferred Benefit Account; less distributions payable as of the Valuation Date coincident with the Determination Date or, if none, the Valuation Date immediately following such Determination Date; plus investment earnings, gains and losses credited to each Participant's Deferred Benefit Account; plus Participant Deferrals credited to each Participant's Deferred Benefit Account.

4.8 Vesting . A Participant shall at all times be 100% vested in his or her Deferred Benefit Accounts equal to the amount of Salary and Bonus he or she deferred into the Deferred Benefit Accounts and the earnings, gains or losses credited thereon.

4.9 Effect on Other Plans . The amount of contributions made on behalf of a Participant under this Article IV shall not be deemed to be earnings or compensation for the purpose of calculating the amount of a Participant's benefits or contributions under a retirement or deferral plan of a Participating Employer or the basis or amount for any other benefit plan

provided by a Participating Employer, except to the extent provided in any such plan. No amount distributed under this Plan shall be deemed to be earnings or a part of the Participant's total compensation when determining a Participant's benefit under any benefit plan established by a Participating Employer, unless otherwise provided in such plan.

ARTICLE V

DISTRIBUTIONS

5.1 Distribution of Benefits .

(A) Retirement . Upon a Participant's Retirement Date, the Participant's Deferred Benefit Accounts shall be paid to the Participant as soon as administratively feasible, but not more than 90 days, after the Participant's Payment Eligibility Date in one of the following forms as elected by the Participant on such forms as designated by the Plan Administrative Committee during this applicable election period(s) as set forth in Section 4.2 hereof:

(1) A lump sum distribution; or

(2) Annual installments payable over a period of two (2) to ten (10) years.

Subject to the provisions of Article V, a Participant may make a different payment election for each Deferred Benefit Account established to hold Participant Deferrals for a given Deferral Year. In the absence of the Participant making a distribution election, or in the absence of an effective distribution election, the default form of payment shall be a lump sum distribution.

Initially, the amount of any installments under the installment form of payment shall be equal to the balance of the Participant's Deferred Benefit Account to be distributed divided by the number of installments to be paid. The amount of the installment payments shall be recomputed annually and the installment payments shall be increased or decreased to reflect any changes in the Participant's Deferred Benefit Account due to fluctuations in earnings, gains and losses on the remaining balance and the number of remaining installments.

(B) Termination of Employment Prior to Retirement Date . In the case of a Participant who incurs a Termination of Employment prior to his Retirement Date, the Participant's Deferred Benefit Accounts shall be paid to the Participant in one lump sum as soon as administratively feasible, but not more than 90 days, after the Participant's Payment Eligibility Date.

(C) Death . Upon the death of a Participant, the Beneficiary of such Participant shall receive all of the Participant's remaining Deferred Benefit Accounts in a lump sum as soon as administratively feasible, but not more than 90 days, following the

death of the Participant, regardless of whether the Participant has commenced receiving payment of any of his or her Deferral Benefit Accounts in installments.

(D) Unforeseen Emergency Benefit and Waiver of Deferral .

(1) In the event that the Plan Administrative Committee, upon written petition of the Participant, determines in its sole discretion, that the Participant has suffered an "unforeseeable emergency," the Company shall pay to the Participant an amount from the Participant's Deferred Benefit Accounts not in excess of the amount necessary to satisfy the unforeseeable emergency (which may include amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

(2) For these purposes, an "unforeseeable emergency" means a severe financial hardship of the Participant resulting from an illness or accident of the Participant or his Beneficiary, the Participant's spouse, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), 152(b)(2), or 152(d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damages to a home not otherwise covered by insurance); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant as described in Code Section 409A and applicable guidance and regulations promulgated thereunder. The purchase of a home and the payment of college tuition are not unforeseeable emergencies.

(3) Payment under this Section 5.1(D) may not be made to the extent such hardship is or may be relieved: (i) through reimbursement or compensation by insurance or otherwise; (ii) by liquidation of the Participant's assets to the extent that the liquidation of such assets would not itself cause severe financial hardship; or (iii) by cessation of Deferrals pursuant to Section 4.2 hereof.

(4) The Plan Administrative Committee shall terminate the Participant's Agreement under the circumstances described in Section 4.2(C).

(5) Subject to the foregoing, payment of any amount for which a Participant has filed a request under this Section 5.1 (D) shall be made as soon as is administratively feasible, but not more than 90 days, after approval of such request by the Plan Administrative Committee.

(E) Change of Control . On the initial election form, the Participant may elect for the full amount of the Participant's Deferred Benefit Accounts to be distributed to the Participant in a lump sum as soon as administratively practicable, but not more than 90 days, following a Change of Control.

(F) Automatic Lump Sum Distribution. If, upon a Participant's Retirement Date, the aggregate balance of all a Participant's Deferred Benefit Accounts is less than $100,000, then, in accordance with Treasury Regulations Section 1.409A-2(b)(2)(iii), the Participant will be paid the entire balance his or her Deferred Benefit Accounts in a final lump sum payment as soon as administratively feasible, but not more than 90 days, following the Participant's Payment Eligibility Date, notwithstanding the election for an installment form of benefit payments.

5.2 Tax Withholding. To the extent required by law, the Employer shall withhold any taxes required to be withheld by any Federal, State or local government.

5.3 Commencement of Payments. Commencement of payments under this Plan from a Participant's Deferred Benefit Accounts shall be as soon as administratively feasible, but not more than 90 days, following the Participant's Payment Eligibility Date.

5.4 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Employer under the Plan shall be made to the Participant during his lifetime, provided that if the Participant dies prior to the completion of such payments, then all subsequent payments under the Plan shall be made by the Employer to the Beneficiary determined in accordance with this Section. The Participant may designate a Beneficiary by filing a written notice of such designation with the Plan Administrative Committee in such form as the Plan Administrative Committee requires and may include contingent Beneficiaries. The Participant may from time-to-time change the designated Beneficiary by filing a new designation in writing with the Plan Administrative Committee. If no designation is in effect at the time when any benefits payable under this Plan shall become due, the Beneficiary shall be the representative of the Participant's estate.

5.5 Inability to Locate Participant. In the event that the Plan Administrative Committee is unable to locate a Participant or Beneficiary within two years following the Participant's Payment Eligibility Date or other payment date, after making a reasonable effort to locate such person, the amount allocated to the Participant's Deferred Benefit Accounts shall be forfeited. In the event the Participant or Beneficiary later notifies the Plan Administrative Committee of his whereabouts and requests the payments due to him under the Plan, the Employer shall re-credit the Participant's account and provide for payment of the re-credited amount (without interest or earnings) to the Participant or Beneficiary as soon as administratively feasible.

ARTICLE VI

PLAN ADMINISTRATIVE COMMITTEE

6.1 Plan Administrative Committee. The Compensation Committee shall designate one or more persons to serve as the Plan Administrative Committee to perform the duties and responsibilities set forth in Article VI.

6.2 Committee Membership .

(A) The Plan Administrative Committee shall consist of one or more persons who shall be appointed by and serve at the pleasure of the Compensation Committee.

(B) The Compensation Committee shall have the right to remove any member of the Plan Administrative Committee at any time. A member may resign at any time by written resignation to the Compensation Committee. If a vacancy in the Plan Administrative Committee should occur, a successor may be appointed by the Compensation Committee.

6.3 Powers . The Plan Administrative Committee shall have all powers specified in the Plan in addition to all others as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the power to construe or interpret the Plan, to determine all questions of eligibility hereunder, to determine the method of payment of any Deferred Benefit Account hereunder, to adopt rules relating to the giving of timely notice, to select Investment Funds unless the Compensation Committee determines otherwise, and to perform such other duties as may from time to time be delegated to it by the Compensation Committee. The Plan Administrative Committee may take such voluntary correction action as it considers necessary or appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as a consequence of administrative or operational error, including but not limited to reallocation adjustments in amounts of future payments to Participants or Beneficiaries and institution of prosecution of actions to recover benefit payments made in error or on the basis of incorrect or incomplete information. The Plan Administrative Committee may prescribe such forms and systems and adopt such rules and actuarial methods and tables as it deems advisable. It may employ such agents, attorneys, accountants, actuaries, medical advisors, or clerical assistants (none of whom need be members of the Plan Administrative Committee) as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties both ministerial and discretionary, as it may deem necessary and appropriate. The compensation of such agents who are not full-time employees of an Employer shall be fixed by the Plan Administrative Committee within limits set by the Compensation Committee and shall be paid by the Company as determined by the Plan Administrative Committee.

6.4 Organization and Procedures . The Plan Administrative Committee shall elect one of its members as chairman. Its members shall serve as such without compensation. Plan Administrative Committee expenses shall be paid by the Company. A majority of the Plan Administrative Committee members shall constitute a quorum. The Plan Administrative Committee may take any action upon a majority vote at any meeting at which a quorum is present, and may take any action without a meeting upon the unanimous written consent of all members. All actions by the Plan Administrative Committee shall be evidenced by a certificate signed by a member of the Plan Administrative Committee. The Plan Administrative Committee shall appoint a secretary to the Plan Administrative Committee who need not be a member of the Plan Administrative Committee, and all acts and determinations of the Plan Administrative Committee shall be recorded by the secretary, or under his supervision. All such records,

together with such other documents as may be necessary for the administration of the Plan, shall be preserved in the custody of the secretary.

6.5 Rules and Decisions. The Plan Administrative Committee shall have absolute discretion in carrying out its duties under the Plan. The Plan Administrative Committee shall from time to time establish rules, not contrary to the provisions of the Plan, for the administration of the Plan and the transaction of its business. The Plan Administrative Committee shall have discretionary authority to construe the terms of the Plan and shall determine all questions arising in the administration, interpretation and application of the Plan. All determinations of the Plan Administrative Committee shall be final and binding on all parties.

6.6 Authorization of Payments. If a grantor trust is established pursuant to Section 7.1, subject to the provisions hereof, it shall be the duty of the Plan Administrative Committee to furnish the trustee of such trust with all facts and directions necessary or pertinent to the proper disbursement of the trust funds.

6.7 Books and Records. The records of the Employers shall be conclusive evidence as to all information contained therein with respect to the basis for participation in the Plan. The Plan Administrative Committee shall keep all individual and group records relating to Participants and Beneficiaries and all other records necessary for the proper operation of the Plan. Such records shall be made available to the Employers and to each Participant and Beneficiary for examination during normal business hours except that a Participant or Beneficiary shall examine only such records as pertain exclusively to the examining Participant or Beneficiary and the Plan. The Plan Administrative Committee shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code and every other relevant statute, each as amended, and all regulations thereunder. This provision shall not be construed as imposing upon the Plan Administrative Committee the responsibility or authority for the preparation, preservation, publication or filing of any document required to be prepared, preserved or filed by any other named fiduciary to whom such responsibilities are delegated by law or by the Plan.

6.8 Perpetuation of the Plan Administrative Committee. In the event that the Company shall for any reason cease to exist, then, unless the Plan is adopted and continued by a successor, the members of the Plan Administrative Committee at that time shall remain in office until the final termination of the Plan, and any vacancies in the membership of the Plan Administrative Committee caused by death, resignation, disability or other cause, shall be filled by the remaining member or members of the Plan Administrative Committee.

6.9 Claims Procedure.

(A) Authorized Representative. A Participant or Beneficiary under the Plan may name an authorized representative to act on his or her behalf under the claims procedures of the Plan, by providing written documentation of such authorization in such form as is acceptable to the Plan Administrative Committee.

(B) Procedure for Making Initial Claims. Claims for benefits under the Plan may be made by submitting forms to the Plan Administrative Committee pursuant to procedures established by the Plan Administrative Committee from time to time.

(C) Review of Claims for Benefits.

(1) Determination Regarding Initial Claims. If a claim for Plan benefits is denied, the Plan Administrative Committee shall provide a written notice within 90 days (45 days with respect to a denial of any claim for benefits due to the Participant's Disability) to the claimant that contains (i) specific reasons for the denial; (ii) specific references to Plan provisions on which the Plan Administrative Committee based its denial; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; (iv) a description of the Plan's claim review procedures and time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review; (v) in the case of a claim for benefits due to the Participant's Disability, if an internal rule, guideline, protocol or other similar criterion is relied upon in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion; or a statement that such rule, guideline, protocol or other similar criterion was relied upon in making the decision and that a copy of such rule, guideline, protocol or other similar criterion will be provided free of charge upon request; and (vi) in the case of a claim for benefits due to the Participant's Disability, if a denial of the claim is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the denial, an explanation applying the terms of the Plan to the claimant's medical circumstances or a statement that such explanation will be provided free of charge upon request.

If additional time is required to make a decision on the claim, the Plan Administrative Committee shall notify the claimant of the delay within the original 90 day period (or 45 day period, as applicable). This extension period may not exceed 90 days (30 days with respect to a denial of any claim for benefits due to the Participant's Disability) beyond the end of such initial period. With respect to a claim for benefits due to a Participant's Disability, an additional extension of up to 30 days beyond the initial 30-day extension period may be required for processing the claim. In such event, written notice of the extension shall be furnished to the claimant within the initial 30-day extension period. Any extension notice will indicate the special circumstances requiring the extension of time, the date by which the Plan Administrative Committee expects to render the final decision, the standards on which entitle to benefits are based, the unresolved issues that prevent a decision on a claim and the additional information needed to resolve those issues.

(2) Appeals. The claimant may appeal a denied claim by submitting a written request for an appeal review to the Plan Administrative Committee (or the Appeals Fiduciary in the case of a claim for benefits due to the Participant's Disability). The appeal request must, however, be made within 60 days (180 days in the case of a claim for benefits due to the Participant's Disability) after the claimant's receipt of notice of the denial of the claim. Pertinent documents may be reviewed in preparing an appeal, and issues and comments may be submitted in writing. The claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits (as determined under applicable regulations). An appeal shall be given a complete review by the Plan Administrative Committee, taking into account all comments, documents, records and other information submitted by the claimant without regard to whether such information was submitted or considered in the initial benefit determination.

With respect to any claim for benefits due to the Participant's Disability, in deciding an appeal of any denial based in whole or in part on a medical judgment (including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate), the Appeals Fiduciary shall (i) consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment; and (ii) identify the medical and vocational experts whose advice was obtained on behalf of the Plan in connection with the denial without regard to whether the advice was relied upon in making the determination to deny the claim.

Notwithstanding the foregoing, the health care professional consulted shall be an individual who was not consulted with respect to the initial denial of the claim that is the subject of the appeal or a subordinate of such individual.

(3) Decision on Review. No later than 60 days (45 days with respect to a claim for benefits due to the Participant's Disability) following the receipt of the written application for review, the Plan Administrative Committee or the Appeals Fiduciary, as applicable, shall submit its decision on the review in writing to the claimant involved and to his representative, if any, unless the Plan Administrative Committee or Appeals Fiduciary determines that special circumstances (such as the need to hold a hearing) require an extension of time, to a day no later than 120 days (ninety (90) days with respect to a claim for benefits due to the Participant's Disability) after the date of receipt of the written application for review. If the Plan Administrative Committee or Appeals Fiduciary determines that the extension of time is required, the Plan Administrative Committee or Appeals Fiduciary shall furnish to the claimant written notice of the

extension before the expiration of the initial 60 day (45 days with respect to a claim for benefits due to the Participant's Disability) period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan Administrative Committee or Appeals Fiduciary expects to render its decision on review.

In the case of a decision adverse to the claimant, the Plan Administrative Committee or Appeals Fiduciary shall provide to the claimant written notice of the denial which shall include: (i) specific reasons for the decision; (ii) specific references to pertinent Plan provisions on which the decision is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; (iv) a description of the Plan's claim review procedures and a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review; (v) in the case of a claim for benefits due to the Participant's Disability, if an internal rule, guideline, protocol or other similar criterion is relied upon in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion; or a statement that such rule, guideline, protocol or other similar criterion was relied upon in making the decision and that a copy of such rule, guideline, protocol or other similar criterion will be provided free of charge upon request; (vi) in the case of a claim for benefits due to a Participant's Disability, if a denial of the claim is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the denial, an explanation applying the terms of the Plan to the claimant's medical circumstances or a statement that such explanation will be provided free of charge upon request; and (vii) in the case of a claim for benefits due to the Participant's Disability, a statement regarding the availability of other voluntary alternative dispute resolution options.

(4) Notwithstanding the foregoing, the special rules for a claim for benefits due to a Participant's Disability provided in this Section 6.9(C) shall not apply if the Participant is determined to be subject to a Disability hereunder as a result as a result of being determined to be totally disabled by the U.S. Social Security Administration or if the determination of "Disability" that complies with the definition of Disability hereunder is made pursuant to the Employer's long-term disability plan.

(D) Appeals Fiduciary . For purposes of this Section 6.9, the Appeals Fiduciary means an individual or group of individuals appointed to review appeals of claims for benefits payable due to the Participant's Disability. The Plan Administrative Committee shall appoint the Appeals Fiduciary. The Appeals Fiduciary shall be required to review claims for benefits payable due to the Participant's Disability that are initially denied by the Plan Administrative Committee and for which the claimant requests a full and fair review pursuant to this Section. The Appeals

Fiduciary may not be the individual who made the initial adverse determination with respect to any claim he reviews and may not be a subordinate of any individual who made the initial adverse determination. The Appeals Fiduciary may be removed in the same manner in which appointed or may resign at any time by written notice of resignation to the Plan Administrative Committee. Upon such removal or resignation, the Plan Administrative Committee shall appoint a successor.

6.10 Allocation or Reallocation of Responsibilities. The Plan Administrative Committee may allocate their responsibilities under the Plan among themselves. Any such allocation, reallocation, or designation shall be in writing and shall be filed with and retained by the secretary of the Plan Administrative Committee with the records of the Plan Administrative Committee.

6.11 Service of Process. The Company shall be the designated recipient of service of process with respect to legal actions regarding the Plan.

ARTICLE VII

MISCELLANEOUS

7.1 Unfunded Obligation. The obligation to make payments hereunder shall constitute a contractual liability to the Participant of the Employer which employed the Eligible Employee during the period the Deferral was made (the "Applicable Employer"). Such payments shall be made from the general funds of the Applicable Employer, and the Applicable Employer shall not be required to establish or maintain any special or separate fund, or otherwise to segregate assets to assure the such payments shall be made, and the Participant shall not have any interest in any particular assets of the Applicable Employer by reason of its obligations hereunder. To the extent that any person acquires a right to receive payment from the Applicable Employer, such right shall be no greater than the right of an unsecured creditor of the Applicable Employer. The Company may establish a grantor trust as a source for the payment of benefit obligations under the Plan. If established, the grantor trust shall be unfunded for purposes of the Code and for purposes of Title I of ERISA and all assets of the grantor trust shall be held in the United States. The establishment of a grantor trust is not intended to cause Participants to realize current income on the amounts contributed thereto, and the grantor trust shall be so interpreted and administered. Nothing contained in the Plan constitutes a guarantee by any Applicable Employer that the assets of the Applicable Employer shall be sufficient to pay any benefit to any person.

7.2 Amendment and Termination. The Company, by action of the Compensation Committee, shall have the right at any time to amend this Plan in any respect, or to terminate this Plan and may permit or require the acceleration of payment of Deferred Benefit Accounts in connection therewith to the extent permitted under Code Section 409A and the regulations thereunder, and the Plan Administrative Committee may amend the Plan, but may not amend the Plan in a manner that would materially affect the Company's cost, the

Company's contributions to the Plan, or eligibility for participation in the Plan, or that would determine compensation for any executive officer; provided, however, that no such amendment or termination shall operate to reduce the benefit that has accrued for any Participant who is participating in the Plan. Continuance of the Plan is completely voluntary and is not assumed as a contractual obligation of the Company or any Participating Employer.

7.3 Effect of Plan. Nothing contained herein (a) shall be deemed to exclude a Participant from any compensation, bonus, pension, insurance, termination pay or other benefit to which he otherwise is or might become entitled to as an Employee or (b) shall be construed as conferring upon an Employee the right to continue in the employ of the Employer as an officer or in any other capacity.

7.4 Offset. If, at the time payments are to be made hereunder, the Participant or the Beneficiary is indebted or obligated to the Employer, then the payments remaining to be made to the Participant or the Beneficiary may, at the discretion of the Employer, be reduced by the amount of such indebtedness or obligation, provided, however, that an election by the Employer not to reduce any such payment or payments shall not constitute a waiver of its claim for such indebtedness or obligation.

7.5 Amounts Payable. Any amounts payable by the Employer hereunder shall not be deemed salary or other compensation to a Participant for the purposes of computing benefits to which the Participant may be entitled under any other arrangement established by the Employer for the benefit of its Employees.

7.6 Rights and Obligations. The rights and obligations created hereunder shall be binding on a Participant's heirs, executors and administrators and on the successors and assigns of the Employer.

7.7 Notice. Any notice required or permitted to be given under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, and if given to the Company, delivered to the principal office of the Company, directed to the attention of the Plan Administrative Committee. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

7.8 Governing Law. The Plan shall be construed and governed by the laws of the State of Georgia.

7.9 Assignment of Rights. The rights of any Participant under this Plan are personal and may not be assigned, transferred, pledged or encumbered. Any attempt to do so shall be void.

7.10 Liability. Neither the Employer, its Employees, agents, any member of the Board or the Compensation Committee, the plan administrator nor the Plan Administrative Committee shall be responsible or liable in any manner to any Participant, Beneficiary, or any person claiming through them for any benefit or action taken or omitted in connection with the granting of benefits, the continuation of benefits or the interpretation and administration of this Plan.

7.11 Plan Sponsor . The Company is the plan sponsor within the meaning of ERISA. All actions shall be taken by the Company in its sole discretion, not as a fiduciary, and need not be applied uniformly to similarly situated individuals.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer.

NEENAH PAPER, INC.

By: /s/Richard Read

Name: Richard Read

Title: Vice President - Human Resources

Date: November 25, 2008

Exhibit 10.22

NEENAH PAPER DIRECTORS' DEFERRED COMPENSATION PLAN

(As Amended and Restated Effective as of January 1, 2009)

NEENAH PAPER DIRECTORS' DEFERRED COMPENSATION PLAN

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NEENAH PAPER DIRECTORS' DEFERRED COMPENSATION PLAN

ARTICLE I

INTRODUCTION

1.1 Establishment of the Plan. Neenah Paper, Inc. (the "Company") hereby amends and restates its deferred compensation plan for certain Directors, known as the Neenah Paper Directors' Deferred Compensation Plan (the "Plan"), as set forth in this document.

1.2 Purpose. In recognition of the valuable services provided to the Company by Directors, the Company desires to establish an unfunded plan of deferred compensation for the purpose of providing Non-Employee Directors of the Company the opportunity to defer receipt of cash compensation and compensation in the form of stock payable to them for services to the Company as Directors.

1.3 Effective Date. The effective date of this amendment and restatement of the Plan is January 1, 2009. The original effective date of the Plan is January 1, 2007.

ARTICLE II

DEFINITIONS

Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth below unless the context clearly indicates otherwise:

2.1 Accounts. The bookkeeping accounts established and maintained by the Plan Administrative Committee pursuant to Section 4.2 to reflect the interest of a Participant under the Plan.

2.2 Affiliate. Any company, person or organization which, on the date of determination, (A) is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Company; (B) is a trade or business (whether or not incorporated) which controls, is controlled by or is under common control with (within the meaning of Code Section 414(c)) the Company; (C) is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; or (D) is otherwise required to be aggregated with the Company pursuant to Code Section 414(o) and regulations promulgated thereunder.

2.3 Agreement. The agreement(s) executed between a Participant and the Company, whereby a Participant agrees to make Deferrals pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan. In the event the terms of the Agreement conflict with the terms of the Plan, the terms of the Plan shall be controlling.

2.4 Beneficiary . The person or persons who, under this Plan, become entitled to receive a Participant's interest in the event of the Participant's death.

2.5 Board . The Board of Directors of the Company.

2.6 Cash Account . The Account established pursuant to Section 4.2(A).

2.7 Change of Control . A Change of Control shall be deemed to have taken place if a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the Company's assets" (as such terms are defined below) occurs.

(A) A change in the ownership of the Company . A "change in ownership of the Company" shall occur on the date that any one person, or more than one person acting as a "Group" (as defined below), acquires ownership of stock of the Company that, together with stock held by such person or Group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company; provided, however, that, if any one person or more than one person acting as a Group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company. In addition, the following shall not constitute a change in ownership of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the "beneficial owner" (within the meaning of Rule 13d-3 of the Rules and Regulations under the Securities Exchange Act of 1934, as amended) (a "Beneficial Owner") of thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"), (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.7(D).

(B) A change in the effective control of the Company . A "change in the effective control of the Company" occurs on the date that:

(1) Any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty-five percent (35%) or more of the total voting power of the stock of the Company; provided, however, if any one person, or more than one person acting as a group, is considered to own thirty-five percent (35%) or more of the total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the effective control of the

Company. Notwithstanding the foregoing, the following shall not constitute a change in the effective control of the Company: (i) any acquisition by any one person, or more than one person acting as a Group, who on the Effective Date is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (ii) any acquisition directly from the Company, including without limitation, a public offering of securities, (iii) any acquisition by the Company, (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates, or (v) any transaction described in Section 2.7(D); or

(2) A majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; provided, however, that this subparagraph (2) shall apply only to the Company if no other corporation is a majority shareholder of the Company.

(C) A change in the ownership of a substantial portion of the Company's assets . A "change in the ownership of a substantial portion of the Company's assets" occurs on the date that any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total "Gross Fair Market Value" (as defined below) equal to or more than 90% of the total Gross Fair Market Value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that, a transfer of assets by the Company is not treated as a change in the ownership of such assets if the assets are transferred to:

(1) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(3) a person, or more than one person acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company;

(4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in subparagraph (C)(3) hereof); or

(5) a Successor Entity pursuant to a transaction described in Section 2.7(D).

(D) Consummation of a reorganization, merger, or consolidation to which the Company is a party, or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination") shall not constitute a change

in ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets, if following such Business Combination: (i) all or substantially all the individuals or entities who were the Beneficial Owners of Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of the members of the board of directors of the company resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) (the "Successor Entity") in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Voting Securities; (ii) no person or Group (excluding any Successor Entity or any employee benefit plan, or related trust, of the Company or such Successor Entity) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors of the Successor Entity were members of the incumbent Board (including members of the Board whose appointment or election is endorsed by a majority of the Board prior to the date of the appointment or election) at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination.

(E) For purposes of the definition of Change of Control:

(1) "Group" means persons acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock of the Company or assets of the Company, or a similar business transaction with the Company (the "Transaction"); provided, however, that with respect to any person who owns stock of both the Company and the other corporation in a Transaction, such person will only be treated as acting as a group with respect to his or her interest in the other corporation prior to the Transaction;

(2) "Gross Fair Market Value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets; and

(3) Notwithstanding any other provision hereof, stock ownership shall be determined under Code Section 409A, and no Change of Control shall be deemed to have occurred hereunder unless such event constitutes a change in the ownership or effective control of the Company or in a substantial portion of the assets of the Company under Code Section 409A.

2.8 Code. The Internal Revenue Code for 1986, as amended from time to time, and as construed and interpreted by valid regulations and rulings issued thereunder.

2.9 Company . Neenah Paper, Inc., a Delaware corporation.

2.10 Compensation Committee . The Compensation Committee of the Board.

2.11 Deferral . The amount a Participant elects to defer pursuant to Section 4.1 as reflected in the Agreement between the Company and the Participant.

2.12 Deferral Election . Each election made by a Participant to pursuant to Section 4.1.

2.13 Dividend Equivalents . The right to receive cash payments (or payment in the form of Shares if the dividend is paid in Shares) measured by the dividend payable to a shareholder of record of the Company following the date of deferral of any given Restricted Stock Units hereunder and until the date the Dividend Equivalents are paid to the Participant hereunder on a number of Shares corresponding to the number of Restricted Stock Units.

2.14 Determination Date . The date on which the amount of a Participant's Accounts is determined as provided in Article IV hereof.

2.15 Director . A Director means any individual who is a member of the Board.

2.16 Disability . A permanent and total disability such that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months. In addition, a Participant will be deemed to be subject to a Disability if the Participant is determined to be totally disabled by the U.S. Social Security Administration.

2.17 Effective Date . January 1, 2009.

2.18 Investment Funds . The phantom investment funds established under this Plan which will accrue earnings and losses as if the Participant's Cash Accounts were invested in the actual Investment Funds as designated by the Company from time to time pursuant to Section 4.3.

2.19 Non-Employee Director . A Director who is not an employee of the Company or any Affiliate.

2.20 Participant . Any Director or former Director who has participated in the Plan, for so long as his or her benefits hereunder have not been entirely distributed from the Plan.

2.21 Plan . The Neenah Paper Directors' Deferred Compensation Plan as set forth herein and as amended from time to time.

2.22 Plan Year . The calendar year.

2.23 Plan Administrative Committee . The committee appointed by the Compensation Committee to administer and regulate the Plan as provided in Article VI.

2.24 Restricted Stock Units . The right under the 2004 Omnibus Stock and Incentive Compensation Plan or other stock incentive plan maintained by the Company to receive, after the date of grant of such award, a specified number of Shares or cash in an amount determined by reference to the fair market value of a specified number of Shares or a combination thereof.

2.25 Restricted Stock Units Account . The Account established pursuant to Section 4.2(B).

2.28 Share . A share of common stock of the Company, $.01 par value per share.

2.27 Separation from Service .

(A) (A) The Participant's "separation from service" (within the meaning of Treasury Regulations Section 1.409A-1(h)) with the "employer" (within the meaning of Treasury Regulations Section 1.409A-1(h)(3)).

(B) A Participant is considered to have a Separation from Service with the Company upon the expiration of the contract(s) under which services are performed for the Company if the expiration constitutes a good-faith and complete termination of the contractual relationship. An expiration does not constitute a good-faith and complete termination of the contractual relationship if the Participant anticipates a renewal of a contractual relationship or becoming an employee of the Company. For this purpose, the Company is considered to anticipate the renewal of the contractual relationship with the Participant if it intends to contract again for the services provided under the expired contract, and neither the Company nor the Participant has eliminated the Participant as a possible provider of services under any such new contract. Further, the Company is considered to intend to contract again for the services provided under an expired contract if the Company's doing so is conditioned only upon incurring a need for the services, the availability of funds, or both.

2.28 Valuation Date . Any business day on which securities are traded on the New York Stock Exchange.

2.29 Construction . Where appearing in the Plan, the masculine shall include the feminine and the plural shall include the singular, unless the context clearly indicates otherwise. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular Section or subsection.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.1 Eligibility . Each person who is a Non-Employee Director performing services for the Company in the United States and is subject to United States taxation is eligible to participate in the Plan. Eligibility to participate in the Plan for any Non-Employee Director automatically ends upon the termination of the individual's status as a Director.

If the Non-Employee Director becomes an employee of the Company (or an Affiliate), then any Deferrals for the Plan Year in which such employment commences shall remain in effect for the balance of the Plan Year but no further Deferrals may be made under the Plan.

3.2 Participation .

(A) A Non-Employee Director shall become a Participant in the Plan by making a Deferral Election in accordance with Article IV hereof and filing an Agreement with the Plan Administrative Committee, at such time and in such form as the Plan Administrative Committee may require or permit.

(B) A Participant who ceases to be a Non-Employee Director will no longer be eligible to make further Deferrals under the Plan pursuant to Article IV; provided, however, that in any such circumstance, further Deferrals by the Participant under Article IV shall continue for as long as necessary to preserve the irrevocability of the election under Code Section 409A. A Participant who ceases to be a Non-Employee Director shall continue to be subject to all other terms of the Plan so long as he remains a Participant of the Plan.

ARTICLE IV

DEFERRALS, INVESTMENT AND VESTING

4.1 Deferral Elections

(A) Cash Deferral Elections . Each Participant may elect to defer all or a portion of (i) any retainer fee payable in cash with respect to the Participant's service on the Board, (ii) Board meeting fees and committee meeting fees payable in cash with respect to the Participant's attendance as such meetings, (iii) any additional fees payable in cash with respect to the Participant's service as a chairperson for a committee of the Board, and/or (iv) other cash fees paid to the Participant for service as a Director (collectively, "Fees"). A Deferral Election under the Plan for Fees shall be made in accordance with the following:

(1) Except as otherwise provided in this Section 4.1(A), an election to defer Fees for services performed during a Plan Year must be made prior to the beginning of such Plan Year.

(2) With respect to the first Plan Year in which a Participant becomes eligible to participate in this Plan in accordance with Article III, an election to defer Fees must be made within thirty (30) days after the date the Participant becomes eligible to participate and such election shall apply only with respect to Fees for services performed subsequent to the election.

(B) Restricted Stock Units Deferral Elections. A Participant may elect to defer all or a portion of the Restricted Stock Units granted to the Participant. Deferral Elections under this Plan for Restricted Stock Units shall be made in accordance with the following:

(1) Except as otherwise provided in this Section 4.1(B), an election to defer Restricted Stock Units must be made prior to the beginning of the Plan Year in which the Restricted Stock Units are granted.

(2) With respect to the first Plan Year in which a Participant becomes eligible to participate in this Plan in accordance with Article III, an election to defer Restricted Stock Units must be made within thirty (30) days after the date the Participant becomes eligible to participate and such election shall apply only with respect to Restricted Stock Units granted subsequent to the election.

(C) Deferral of Dividend Equivalents. Each Participant who elects to defer an amount of his Restricted Stock Units shall be deemed to have elected to defer all corresponding Dividend Equivalents applicable to such Restricted Stock Units ("Deferred Dividend Equivalents"). As of the date any dividend is paid to holders of Shares of Company common stock, the Cash Account or the Restricted Stock Units Account shall be credited with Deferred Dividend Equivalents. If the dividend is paid in cash, the Deferred Dividend Equivalents will be credited to the Cash Account. If the dividend is paid in Shares, the Deferred Dividend Equivalents will be credited to the Restricted Stock Units Account.

(D) Duration of Deferral Elections. Any Deferral Election(s) made under subsection (A) or (B) shall be irrevocable and shall apply only with respect to the Plan Year for which the election is made; provided, that a Participant may cancel his or her Deferral Election for a Plan Year due to an unforeseeable emergency pursuant to Section 5.4. The Plan Administrative Committee may provide that any Deferral Election(s) are to be given continuing effect until terminated or modified by the Participant; provided, however, in that event, any such Deferral Election(s) shall become irrevocable as to a Plan Year as of the immediately preceding December 31 st .

(E) Minimum Deferral. In no event may the amount of a Participant's Deferral Election related to his or her Fees paid during a Plan Year be projected at the time of the Deferral Election to be less than $5,000.

(F) Timing of Deferral Credits. The amount of Fees, Restricted Stock Units and Dividend Equivalents that a Participant elects to defer for a Plan Year shall cause an equivalent reduction in the Fees, Shares or cash paid pursuant to Restricted Stock Units, and Dividend Equivalents that would otherwise be paid to a Participant. Deferrals of Fees, Restricted Stock Units and Dividend Equivalents shall be credited throughout each Plan Year as the Participant would otherwise be entitled to payment or grant of the same in the absence of a Deferral Election hereunder.

4.2 Establishment of Accounts. The Company shall create and maintain the following unfunded Accounts for each Participant eligible to participate in the Plan, to which it shall credit the amounts described in this Article IV:

(A) Cash Account. The Participant's deferral of his or her Fees pursuant to Section 4.1(A) and any Deferred Dividend Equivalents payable in cash for each Plan Year and all earnings, losses, and distributions attributable thereto shall be credited to and accounted for in a separate Cash Account for each Plan Year.

(B) Restricted Stock Units Account. The Participant's deferral of Restricted Stock Units pursuant to Section 4.1(B) and Deferred Dividend Equivalents payable in Shares for each Plan Year shall be credited to and accounted for in a separate Restricted Stock Units Account for each Plan Year.

4.3 Investment Elections.

(A) Each Participant's Cash Account for each Plan Year under this Plan shall be credited with earnings, gains and losses as if such accounts held actual assets and such assets were among such Investment Funds as the Company may designate. Any such direction of investment shall be subject to such rules as the Company and the Plan Administrative Committee may prescribe, including, without limitation, rules concerning the manner of providing investment directions, the frequency of changing such investment directions, and method of crediting earnings, gains and losses for any portion of a Cash Account which is not covered by any valid investment directions. Participants and Beneficiaries shall allocate their Cash Accounts among the deemed investment options by making an election with the Plan Administrative Committee at such time and in such form as the Plan Administrative Committee may require or permit. A Participant or Beneficiary may elect to allocate his or her Cash Accounts among as many of the investment options which are offered by the Company.

(B) The Investment Funds from which the Participant shall make such election shall be selected by the Company. The Company shall have the sole discretion to determine the number of Investment Funds to be designated hereunder and the nature of the funds and may change, add or eliminate the Investment Funds provided hereunder from time to time and shall communicate any such changes to Participants.

(C) The Plan Administrative Committee shall determine the rate of earnings, gains and losses to be credited to Participant's Cash Accounts under this Plan with respect to any such Investment Fund for any period, taking into account the return, net of any expenses which would have been incurred in connection with the sale, investment and reinvestment of the Investment Funds (such as brokerage, postage, express and insurance charges and transfer taxes), of such Investment Funds for such period.

(D) Notwithstanding the foregoing, the Plan Administrative Committee may, but is not required to, direct the trustee (if any trust is established pursuant to Section 7.1) to invest amounts credited to the Participant's Cash Accounts in accordance with the Investment Fund designations of the Participant. Upon prior written notice to a Participant, the Plan Administrative Committee may revise or give no effect to a Participant's investment selections. If no investment election has been properly or timely filed with the Plan Administrative Committee or if the Plan Administrative Committee, upon prior written notice to the Participant, modifies the Participant's election, an account shall be credited with the net income or net loss of the Investment Fund(s) selected by the Plan Administrative Committee.

4.4 Investment Changes . A Participant may elect as of any Valuation Date to change the manner in which his or her Cash Accounts and his or her future deferrals are deemed invested among the available Investment Fund options. Any change of investment allocation received will be effective as of the close of business on that business day if received by 4:00 p.m. Eastern Standard Time (or, if earlier, the closing time of the New York Stock Exchange) or such other time and under such other conditions as may be imposed by the recordkeeper or the Plan Administrative Committee. The determination of a Participant's having timely elected a change of investment allocation shall be made in accordance with Plan Administrative Committee procedures.

4.5 Account Credits .

(A) As soon as reasonably practicable after the date of withholding by the Company, deferrals of Fees previously elected by a Participant for a Plan Year and Deferred Dividend Equivalents payable in cash shall be credited to the Participant's Cash Account. As of the close of business on each Valuation Date, the designated Cash Accounts of each Participant shall be capable of being valued and adjusted to preserve for each Participant his or her proportionate interest in the related funds as if such account held actual assets and such assets were among such Investment Funds as the Participant or Beneficiary elected pursuant to Section 4.4. As of each Valuation Date, the Cash Accounts of each Participant shall be capable of being adjusted to reflect the effect of income, collected and accrued, realized and unrealized profits and losses, expenses which would have been incurred in connection with the sale, investment and reinvestment of the Investment Funds (such as brokerage, postage, express and insurance charges and transfer taxes), and all other transactions with respect to the related fund. The effect of such transactions shall be determined by the Plan Administrative Committee in accordance with generally accepted valuation principles applied on a consistent basis. Each Participant's Cash Accounts shall then be appropriately credited with his or her Deferrals as set forth in Section 4.6.

(B) The Restricted Stock Units Account of a Participant shall be credited as of the day of such Plan Year on which the Restricted Stock Units are granted to the Participant and shall be credited with Deferred Dividend Equivalents payable in Shares on the date they otherwise would have been payable to the Participant in the absence of a Deferral Election. Restricted Stock Units shall be held in the

Restricted Stock Units Account in the form required under the underlying award agreement pursuant to which the Restricted Stock Units were granted (whether in Shares, in cash, or a combination of both). No interest credits shall be made to the Restricted Stock Units Account under the Plan.

4.6 Determination of Accounts.

(A) The balance of each Participant's Cash Account as of each Valuation Date shall be calculated, in a manner determined by the Plan Administrative Committee in accordance with generally accepted valuation principles applied on a consistent basis, as follows: the beginning balance of each Participant's Cash Account; less distributions payable as of the Valuation Date coincident with the Determination Date or, if none, the Valuation Date immediately following such Determination Date; plus investment earnings, gains and losses credited to each Participant's Cash Account; plus Participant Deferrals credited to each Participant's Cash Account.

(B) The balance of each Participant's Restricted Stock Units Account as of each Determination Date shall be the whole and fractional number of Restricted Stock Units and Deferred Dividend Equivalents payable in Shares credited to the Restricted Stock Units Account as of that date.

4.7 Vesting. A Participant shall at all times be 100% vested in his or her Cash Accounts and the portion of his or her Restricted Stock Units Account representing Dividend Equivalent Rights payable in Shares. A Participant will be vested in the portion of his Restricted Stock Units Account representing Restricted Stock Units when provided by the terms of the underlying award agreement pursuant to which such Restricted Stock Units were granted. Any portion of the Restricted Stock Units that are forfeited pursuant to the applicable agreement under which the Restricted Stock Units were granted shall result in an immediate equivalent forfeiture in the Restricted Stock Units Account.

ARTICLE V

DISTRIBUTIONS

5.1 Distribution Elections; Form of Payment and Issuance. At the time the Participant makes a Deferral Election for a particular Plan Year as described in Section 4.1, the Participant shall make an irrevocable distribution election specifying the method that the Participant's Cash Account and Restricted Stock Units Account for such Plan Year shall be distributed.

(A) The Participant may elect to receive payment of the Cash Account pursuant to one of the following methods:

(1) A lump sum payment of the entire balance of the Cash Account; or

(2) Annual installments payable over a period of two (2) to ten (10) years.

(B) The Participant may elect to receive issuance of the Restricted Stock Units and Dividend Equivalents that are not in the Cash Account held in the Restricted Stock Units Account in the form required under the underlying award agreement pursuant to which the Restricted Stock Units were granted (whether in Shares, in cash, or a combination of both) pursuant to one of the following methods:

(1) A single payment subject to the specific Restricted Stock Units Account; or

(2) Annual payments from the specific Restricted Stock Units Account over a period of two (2) to ten (10) years.

(C) Subject to the provisions of Article V, a Participant may make a different payment election for each Cash Account and Restricted Stock Units Account established to hold Participant Deferrals for a given Plan Year. In the absence of the Participant making a distribution election, or in the absence of an effective distribution election, the default form of payment for a Cash Account shall be a lump sum distribution as described in subsection (A)(1) and the default form of payment for a Restricted Stock Units Account shall be a single payment as described in subsection (B)(1).

5.2 Distribution of Benefits.

(A) Separation from Service.

(1) At the time the Participant makes a Deferral Election for a particular Plan Year as described in Section 4.1, the Participant may irrevocably elect a commencement date for the applicable Cash Account and/or Restricted Stock Units Account attributable to such Plan Year that is as soon as administratively practicable, but not more than 90 days, following the Participant's Separation from Service or as soon as administratively practicable, but not more than 90 days, after the first day of the calendar year following the Participant's Separation from Service. In the absence of the Participant making an election for an earlier commencement date following Separation from Service, or in the absence of an effective distribution election, the default shall be as soon as administratively practicable following, but

not more than 90 days, the Participant's Separation from Service.

(2) Notwithstanding any other provision of the Plan, the Participant's Cash Accounts and Restricted Stock Units Accounts shall commence to be paid to the Participant, in the manner elected pursuant to Section 5.1, not later than as soon as administratively practicable, but not more than 90 days, after the first day of the calendar year following the Participant's Separation from Service.

(3) Subject to the provisions of Article V, a Participant may make a different payment election for each Cash Account and Restricted Stock Units Account established to hold Participant Deferrals for a given Plan Year.

(4) If, at the time of Separation from Service, the Participant is considered a "specified employee" as defined in Code Section 409A, then, notwithstanding the forgoing, the distribution of his or her Accounts shall suspended for a period of six-months after such separation from service (or, if earlier, his death) and such suspended amounts shall be paid in a lump sum as soon as practicable, but not more than 90 days, following the expiration of such six-month period (or, if earlier, his death).

(B) Distribution on Death . Notwithstanding any other provision of this Plan, upon the death of a Participant, all of such Participant's Cash Accounts and Restricted Stock Units Accounts shall be paid to the Beneficiary of such Participant in a single lump sum as soon as administratively practicable, but not more than 90 days, following the death of the Participant, regardless of any Deferral Election or whether the Participant has commenced receiving payment of any of his or her Accounts in installments.

5.3 Scheduled Early Distributions .

(A) At the time the Participant makes a Deferral Election for a particular Plan Year as described in Section 4.1, the Participant may make an election to receive a payment, in the method elected pursuant to Section 5.1, of all or a portion of his or her Cash Account and/or Restricted Stock Units Account paid on a future date (the "In-Service Distribution Date") while still performing services for the Company or any of its Affiliates; provided, however, that the In-Service Distribution Date selected must be at least 2 years from the first day of the Plan Year in which the Participant would otherwise be entitled to payment or grant of the Fees, Restricted Stock Units and Dividend Equivalents in the absence of a Deferral Election.

(B) A distribution pursuant to this Section 5.3 shall be made as soon as administratively practicable, but not more than 90 days, after the In-Service Distribution Date. Notwithstanding the foregoing, if a Participant incurs a Separation from Service or dies before or after payment is scheduled to commence pursuant to this Section 5.3, the Participant's entire balances of his or her Accounts then remaining will then be paid in pursuant to the provisions of Section 5.2.

(C) A Participant may change an In-Service Distribution Date by submitting to the Plan Administrative Committee a request for such a revision or change and obtaining the Plan Administrative Committee's approval of such revision or change. Except to the extent permitted under regulations or other regulatory guidance issued under Code Section 409A, if a Participant changes the time or form of distribution under a prior election,

(1) the election may not take effect until at least twelve (12) months after the date on which the election is made;

(2) the first payment made pursuant to the election must be deferred for a period of five (5) years from the date the payment otherwise would have been made; and

(3) the election may not be made less than twelve (12) months before the date when the first payment was scheduled to be paid.

5.4 Unforeseen Emergency Benefit and Waiver of Deferral .

(A) In the event that the Plan Administrative Committee, upon written petition of the Participant, determines in its sole discretion, that the Participant has suffered an "unforeseeable emergency," the Company shall pay to the Participant an amount from the Participant's Accounts not in excess of the amount necessary to satisfy the unforeseeable emergency (which may include amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

(B) For these purposes, an "unforeseeable emergency" means a severe financial hardship of the Participant resulting from an illness or accident of the Participant or his Beneficiary, the Participant's spouse, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), 152(b)(2), or 152(d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damages to a home not otherwise covered by insurance); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant as described in Code Section 409A and applicable guidance and regulations promulgated thereunder. The purchase of a home and the payment of college tuition are not unforeseeable emergencies.

(C) Payment under this Section 5.4 may not be made to the extent such hardship is or may be relieved: (i) through reimbursement or compensation by insurance or otherwise; (ii) by liquidation of the Participant's assets to the extent that the liquidation of such assets would not itself cause severe financial hardship; or (iii) by cessation of Deferrals pursuant to Section 4.1 hereof.

(D) The Plan Administrative Committee shall terminate the Participant's Agreement under the circumstances described in Section 4.1(D).

(E) Subject to the foregoing, payment of any amount for which a Participant has filed a request under this Section 5.4 shall be made as soon as is administratively practicable, but not more than 90 days, after approval of such request by the Plan Administrative Committee.

5.5 Change of Control . On the initial Deferral Election form, the Participant may elect for the full amount of the Participant's Cash Accounts and Restricted Stock Units Accounts

to be distributed to the Participant in a lump sum as soon as administratively practicable, but not more than 90 days, following a Change of Control.

5.6 Deferral of Unvested Amounts. Notwithstanding any other provision of this Plan, no portion of the Restricted Stock Units Account that is not vested shall be paid to the Participant. If payment of the Restricted Stock Units Account is scheduled to commence while a portion of the Restricted Stock Units Account remains unvested, payment of the unvested portion shall be deferred until the date it becomes vested.

5.7 Tax Withholding. To the extent required by law, the Company shall withhold any taxes required to be withheld by any Federal, State or local government.

5.8 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company under the Plan shall be made to the Participant during his lifetime, provided that if the Participant dies prior to the completion of such payments, then all subsequent payments under the Plan shall be made by the Company to the Beneficiary determined in accordance with this Section. The Participant may designate a Beneficiary by filing a written notice of such designation with the Plan Administrative Committee in such form as the Plan Administrative Committee requires and may include contingent Beneficiaries. The Participant may from time-to-time change the designated Beneficiary by filing a new designation in writing with the Plan Administrative Committee. If no designation is in effect at the time when any benefits payable under this Plan shall become due, the Beneficiary shall be the representative of the Participant's estate.

5.9 Inability to Locate Participant. In the event that the Plan Administrative Committee is unable to locate a Participant or Beneficiary within two years following the Participant's commencement or payment date, after making a reasonable effort to locate such person, the amount allocated to the Participant's Accounts shall be forfeited. In the event the Participant or Beneficiary later notifies the Plan Administrative Committee of his whereabouts and requests the payments due to him under the Plan, the Company shall re-credit the Participant's account and provide for payment of the re-credited amount (without interest or earnings) to the Participant or Beneficiary as soon as administratively practicable.

ARTICLE VI

PLAN ADMINISTRATIVE COMMITTEE

6.1 Plan Administrative Committee. The Compensation Committee shall designate one or more persons to serve as the Plan Administrative Committee to perform the duties and responsibilities set forth in Article VI.

6.2 Committee Membership.

(A) The Plan Administrative Committee shall consist of one or more persons who shall be appointed by and serve at the pleasure of the Compensation Committee.

(B) The Compensation Committee shall have the right to remove any member of the Plan Administrative Committee at any time. A member may resign at any time by written resignation to the Compensation Committee. If a vacancy in the Plan Administrative Committee should occur, a successor may be appointed by the Compensation Committee.

6.3 Powers. The Plan Administrative Committee shall have all powers specified in the Plan in addition to all others as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the power to construe or interpret the Plan, to determine all questions of eligibility hereunder, to determine the method of payment of any Account hereunder, to adopt rules relating to the giving of timely notice, to select Investment Funds unless the Compensation Committee determines otherwise, and to perform such other duties as may from time to time be delegated to it by the Compensation Committee. The Plan Administrative Committee may take such voluntary correction action as it considers necessary or appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as a consequence of administrative or operational error, including but not limited to reallocation adjustments in amounts of future payments to Participants or Beneficiaries and institution of prosecution of actions to recover benefit payments made in error or on the basis of incorrect or incomplete information. The Plan Administrative Committee may prescribe such forms and systems and adopt such rules and actuarial methods and tables as it deems advisable. It may employ such agents, attorneys, accountants, actuaries, medical advisors, or clerical assistants (none of whom need be members of the Plan Administrative Committee) as it deems necessary for the effective exercise of its duties, and may delegate to such agents any power and duties both ministerial and discretionary, as it may deem necessary and appropriate. The compensation of such agents who are not full-time employees of the Company shall be fixed by the Plan Administrative Committee within limits set by the Compensation Committee and shall be paid by the Company as determined by the Plan Administrative Committee.

6.4 Organization and Procedures. The Plan Administrative Committee shall elect one of its members as chairman. Its members shall serve as such without compensation. Plan Administrative Committee expenses shall be paid by the Company. A majority of the Plan Administrative Committee members shall constitute a quorum. The Plan Administrative Committee may take any action upon a majority vote at any meeting at which a quorum is present, and may take any action without a meeting upon the unanimous written consent of all members. All actions by the Plan Administrative Committee shall be evidenced by a certificate signed by a member of the Plan Administrative Committee. The Plan Administrative Committee shall appoint a secretary to the Plan Administrative Committee who need not be a member of the Plan Administrative Committee, and all acts and determinations of the Plan Administrative Committee shall be recorded by the secretary, or under his supervision. All such records, together with such other documents as may be necessary for the administration of the Plan, shall be preserved in the custody of the secretary.

6.5 Rules and Decisions. The Plan Administrative Committee shall have absolute discretion in carrying out its duties under the Plan. The Plan Administrative Committee shall from

time to time establish rules, not contrary to the provisions of the Plan, for the administration of the Plan and the transaction of its business. The Plan Administrative Committee shall have discretionary authority to construe the terms of the Plan and shall determine all questions arising in the administration, interpretation and application of the Plan. All determinations of the Plan Administrative Committee shall be final and binding on all parties.

6.6 Authorization of Payments. If a grantor trust is established pursuant to Section 7.1, subject to the provisions hereof, it shall be the duty of the Plan Administrative Committee to furnish the trustee of such trust with all facts and directions necessary or pertinent to the proper disbursement of the trust funds.

6.7 Books and Records. The records of the Company shall be conclusive evidence as to all information contained therein with respect to the basis for participation in the Plan. The Plan Administrative Committee shall keep all individual and group records relating to Participants and Beneficiaries and all other records necessary for the proper operation of the Plan. Such records shall be made available to the Company and to each Participant and Beneficiary for examination during normal business hours except that a Participant or Beneficiary shall examine only such records as pertain exclusively to the examining Participant or Beneficiary and the Plan. The Plan Administrative Committee shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code and every other relevant statute, each as amended, and all regulations thereunder. This provision shall not be construed as imposing upon the Plan Administrative Committee the responsibility or authority for the preparation, preservation, publication or filing of any document required to be prepared, preserved or filed by any other named fiduciary to whom such responsibilities are delegated by law or by the Plan.

6.8 Perpetuation of the Plan Administrative Committee. In the event that the Company shall for any reason cease to exist, then, unless the Plan is adopted and continued by a successor, the members of the Plan Administrative Committee at that time shall remain in office until the final termination of the Plan, and any vacancies in the membership of the Plan Administrative Committee caused by death, resignation, disability or other cause, shall be filled by the remaining member or members of the Plan Administrative Committee.

6.9 Claims Procedure.

(A) Authorized Representative. A Participant or Beneficiary under the Plan may name an authorized representative to act on his or her behalf under the claims procedures of the Plan, by providing written documentation of such authorization in such form as is acceptable to the Plan Administrative Committee.

(B) Procedure for Making Initial Claims. Claims for benefits under the Plan may be made by submitting forms to the Plan Administrative Committee pursuant to procedures established by the Plan Administrative Committee from time to time.

(C) Review of Claims for Benefits.

(1) Determination Regarding Initial Claims. If a claim for Plan benefits is denied, the Plan Administrative Committee shall provide a written notice within 90 days to the claimant that contains (i) specific reasons for the denial, (ii) specific references to Plan provisions on which the Plan Administrative Committee based its denial, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and (iv) a description of the Plan's claim review procedures and time limits applicable to such procedures.

The notice shall also contain a statement that the claimant may (i) request a review upon written application to the Plan Administrative Committee within 60 days, (ii) submit written comments, documents, records and other information relating to the claim, and (iii) request copies of all documents, records, and other information relevant to the claimant's claim. If a claim is denied because of incomplete information, the notice shall also indicate what additional information is required.

If additional time is required to make a decision on the claim, the Plan Administrative Committee shall notify the claimant of the delay within the original 90 day period. This notice will also indicate the special circumstances requiring the extension and the date by which a decision is expected. This extension period may not exceed 90 days beyond the end of the first 90-day period.

(2) Appeals. The claimant may appeal a denied claim by submitting a written request for an appeal review to the Plan Administrative Committee. The appeal request must, however, be made within 60 days after the claimant's receipt of notice of the denial of the claim. Pertinent documents may be reviewed in preparing an appeal, and issues and comments may be submitted in writing. The claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits (as determined under applicable regulations). An appeal shall be given a complete review by the Plan Administrative Committee, taking into account all comments, documents, records and other information submitted by the claimant without regard to whether such information was submitted or considered in the initial benefit determination.

(3) Decision on Review. No later than 60 days following the receipt of the written application for review, the Plan

Administrative Committee shall submit its decision on the review in writing to the claimant involved and to his representative, if any, unless the Plan Administrative Committee determines that special circumstances (such as the need to hold a hearing) require an extension of time, to a day no later than 120 days after the date

of receipt of the written application for review. If the Plan Administrative Committee determines that the extension of time is required, the Plan Administrative Committee shall furnish to the claimant written notice of the extension before the expiration of the initial 60 day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan Administrative Committee expects to render its decision on review.

In the case of a decision adverse to the claimant, the Plan Administrative Committee shall provide to the claimant written notice of the denial which shall include: (i) specific reasons for the decision; (ii) specific references to pertinent Plan provisions on which the decision is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and (iv) a description of the Plan's claim review procedures, and the time limits applicable to such procedures.

6.10 Allocation or Reallocation of Responsibilities. The Plan Administrative Committee may allocate their responsibilities under the Plan among themselves. Any such allocation, reallocation, or designation shall be in writing and shall be filed with and retained by the secretary of the Plan Administrative Committee with the records of the Plan Administrative Committee. If applicable, notwithstanding the foregoing, no reallocation of the responsibilities provided in a trust to manage or control the trust assets shall be made other than by an amendment to the trust.

6.11 Service of Process. The Company shall be the designated recipient of service of process with respect to legal actions regarding the Plan.

ARTICLE VII

MISCELLANEOUS

7.1 Unfunded Obligation. The obligation to make payments hereunder shall constitute a contractual liability to the Participant. Such payments shall be made from the general funds of the Company, and the Company shall not be required to establish or maintain any special or separate fund, or otherwise to segregate assets to assure the such payments shall be made, and the Participant shall not have any interest in any particular assets of the Company by reason of its obligations hereunder. To the extent that any person acquires a right to receive payment from the Company, such right shall be no greater than the right of an unsecured creditor of the Company. The Company may establish a grantor trust as a source for the payment of benefit obligations under the Plan. If established, the grantor trust shall be unfunded for purposes of the Code and for purposes of Title I of ERISA and all assets of the grantor trust shall be held in the United States. The establishment of a grantor trust is not intended to cause Participants to realize current

income on the amounts contributed thereto, and the grantor trust shall be so interpreted and administered. Nothing contained in the Plan constitutes a guarantee by any Company that the assets of the Company shall be sufficient to pay any benefit to any person.

7.2 Amendment and Termination. The Company, by action of the Compensation Committee, shall have the right at any time to amend this Plan in any respect, or to terminate this Plan and may permit or require the acceleration of payment of the Participant's Accounts in connection therewith to the extent permitted under Code Section 409A and the regulations thereunder; provided, however, that no such amendment or termination shall operate to reduce the benefit that has accrued for any Participant who is participating in the Plan. Continuance of the Plan is completely voluntary and is not assumed as a contractual obligation of the Company.

7.3 Offset. If, at the time payments are to be made hereunder, the Participant or the Beneficiary is indebted or obligated to the Company, then the payments remaining to be made to the Participant or the Beneficiary may, at the discretion of the Company, be reduced by the amount of such indebtedness or obligation, provided, however, that an election by the Company not to reduce any such payment or payments shall not constitute a waiver of its claim for such indebtedness or obligation.

7.4 Amounts Payable. Any amounts payable by the Company hereunder shall not be deemed salary or other compensation to a Participant for the purposes of computing benefits to which the Participant may be entitled under any other arrangement established by the Company for the benefit of its Non-Employee Directors.

7.5 Rights and Obligations. The rights and obligations created hereunder shall be binding on a Participant's heirs, executors and administrators and on the successors and assigns of the Company.

7.6 Notice. Any notice required or permitted to be given under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, and if given to the Company, delivered to the principal office of the Company, directed to the attention of the Plan Administrative Committee. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or the receipt for registration or certification.

7.7 Governing Law. The Plan shall be construed and governed by the laws of the State of Georgia.

7.8 Assignment of Rights. The rights of any Participant under this Plan are personal and may not be assigned, transferred, pledged or encumbered. Any attempt to do so shall be void.

7.9 Liability. Neither the Company, its employees, agents, any member of the Board or the Compensation Committee, the plan administrator nor the Plan Administrative Committee shall be responsible or liable in any manner to any Participant, Beneficiary, or any person claiming through them for any benefit or action taken or omitted in connection with the granting of benefits, the continuation of benefits or the interpretation and administration of this Plan.

7.10 Plan Sponsor. The Company is the Plan sponsor. All actions shall be taken by the Company in its sole discretion, not as a fiduciary, and need not be applied uniformly to similarly situated individuals.

7.11 Section 16. The transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the Securities Exchange Act of 1934, as amended. To the extent any provision under the Plan fails to so comply, it shall be deemed amended to the extent necessary to cause it comply with the same.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer.

NEENAH PAPER, INC.

By: /s/Richard Read

Name: Richard Read

Title: Vice President - Human Resources

Date: December 17, 2008

Exhibit 10.28

EXECUTION VERSION

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

made and entered into
as of October 11, 2012
by and among

NEENAH PAPER, INC.,
CERTAIN SUBSIDIARIES OF NEENAH PAPER, INC. ,
as joint and several borrowers,

CERTAIN SUBSIDIARIES OF NEENAH PAPER, INC. ,
as guarantors,

EACH OF THE FINANCIAL INSTITUTIONS WHICH IS
A SIGNATORY HERETO OR
WHICH MAY FROM TIME TO TIME
BECOME A PARTY HERETO ,

JPMORGAN CHASE BANK, N.A. ,
as Agent for such Financial Institutions

BANK OF AMERICA, N.A.,
as Syndication Agent

and

J.P. MORGAN SECURITIES LLC ,
as Sole Lead Arranger and Sole Bookrunner

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT (together with all amendments, modifications and supplements hereto and restatements hereof, this " **Agreement** ") is made and entered into effective as of October 11, 2012, by and among Neenah Paper, Inc., a Delaware corporation (" **Parent** "), each subsidiary of Parent listed as a "Borrower" on the signature pages hereto (together with Parent, each a " **Borrower** " and collectively, the " **Borrowers** "), each subsidiary of Parent listed as a "Guarantor" on the signature pages hereto (if any), each of the financial institutions which is a signatory hereto or which may from time to time become a party hereto (individually, a " **Lender** " and collectively, the " **Lenders** "), and JPMorgan Chase Bank, N.A. (" **JPMorgan** "), as agent for the Lenders (in such capacity, together with its successors in such capacity, the " **Agent** ").

W I T N E S S E T H :

WHEREAS, the Borrowers, Neenah Paper Company of Canada (" **Neenah Canada** "), the Agent, and JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian collateral agent (in such capacity, together with its successors in such capacity, the " **Canadian Collateral Agent** "), and each of the financial institutions a party thereto as lenders, were parties to that certain Credit Agreement dated as of November 30, 2004 (the " **Original Closing Date** "), pursuant to which the lenders party thereto provided certain loans and extensions of credit to the Borrowers (such Credit Agreement, as amended prior to November 5, 2009, the " **Original Credit Agreement** "); and

WHEREAS, the Original Credit Agreement was amended and restated by the Amended and Restated Credit Agreement dated as of November 5, 2009 by and among the Borrowers, Neenah Canada, the Agent, the Canadian Collateral Agent and each of the financial institutions a party thereto as lenders (" **Existing Lenders** "), pursuant to which Existing Lenders provided certain loans and extensions of credit to the Borrowers (such Amended and Restated Credit Agreement, as heretofore amended, the " **Existing Credit Agreement** " and all Indebtedness arising pursuant to the Existing Credit Agreement, the " **Existing Indebtedness** "); and

WHEREAS, subject to the conditions precedent set forth herein, the parties hereto desire to amend and restate the Existing Credit Agreement in its entirety in the form of this Agreement, and Borrowers desire to (a) obtain Loans to refinance the Existing Indebtedness and for other purposes permitted herein and (b) obtain the release of Neenah Canada as a Guarantor and the release of the Liens previously granted by Neenah Canada in connection with the Existing Credit Agreement; and

WHEREAS, after giving effect to the amendment and restatement of the Existing Credit Agreement pursuant to the terms hereof, the Commitment Percentage of each Lender hereunder will be as set forth on Schedule 1.1A hereto;

WHEREAS, upon the satisfaction of the conditions precedent set forth in Sections 4.1 and 4.3 hereof on the Closing Date, (a) each Revolving Lender who holds Revolving Loans in an aggregate amount less than its Commitment Percentage (after giving effect to this amendment and restatement) of all Revolving Loans shall advance new Revolving Loans which shall be

disbursed to the Agent and used to repay Revolving Loans outstanding to each Revolving Lender who holds Revolving Loans in an aggregate amount greater than its Commitment Percentage of all Revolving Loans, (b) each Lender's participation in each Letter of Credit shall be automatically adjusted to equal its Commitment Percentage (after giving effect to this amendment and restatement), and (c) such other adjustments shall be made as the Agent shall specify so that each Lender's Revolving Exposure equal its Commitment Percentage (after giving effect to this amendment and restatement). The loans and/or adjustments described in this paragraph are referred to herein as the " **True-Up Loans** ".

NOW, THEREFORE, in consideration of the premises, the representations, warranties, covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and subject to the satisfaction of each condition precedent contained in Section 4.2 hereof, the Existing Credit Agreement shall be amended and restated as of the Closing Date in the form of this Agreement. It is the intention of the Borrowers, Guarantors, the Agent, and Lenders, and such parties hereby agree, that this Agreement supersedes and replaces the Existing Credit Agreement in its entirety, and that (a) such amendment and restatement shall operate to renew, amend and modify certain of the rights and obligations of the parties under the Existing Credit Agreement as provided herein, but shall not act as a novation thereof, and (b) the Liens securing the "Obligations" under and as defined in the Existing Credit Agreement shall not be extinguished, but shall be carried forward and shall secure such obligations and Indebtedness as renewed, amended, restated and modified hereby. The parties hereto further agree as follows:

1. Definitions

1.1 Certain Defined Terms . Unless a particular word or phrase is defined therein or the context otherwise requires, capitalized words and phrases used in the other Loan Documents have the meanings provided below. As used in this Agreement, the following terms shall have the following meanings:

" **Additional Mortgage** " shall have the meaning specified for such term in Section 6.19(b)(ii)(A) .

" **Additional Mortgage Policies** " shall have the meaning specified for such term in Section 6.19(b)(ii)(F) .

" **Additional Mortgaged Property** " shall have the meaning specified for such term in Section 6.19(b) .

" **Additional Senior Indenture** " shall mean a trust indenture between the Parent and a financial institution serving as trustee thereunder, having covenants (but not necessarily economic terms) substantially consistent with those in the Senior Note Indenture (and if relating to senior subordinated Additional Senior Notes, having subordination provisions customary for similar financings and satisfactory to the Agent and its counsel).

" **Additional Senior Note Documents** " shall mean any and all agreements, instruments and other documents pursuant to which the Additional Senior Notes have been or will be issued or otherwise setting forth the terms of the Additional Senior Notes, the Additional Senior

Indenture and the obligations with respect thereto, including any guaranty agreements, bank product agreements or hedging agreements related thereto, all ancillary agreements as to which any agent, trustee or lender is a party or a beneficiary and all other agreements, instruments, documents and certificates executed in connection with any of the foregoing, in each case as such agreement, instrument or other document may be amended, restated, supplemented, refunded, replaced or otherwise modified from time to time in accordance with the terms thereof.

" **Additional Senior Notes** " shall mean any senior unsecured or senior subordinated unsecured Indebtedness issued by the Parent as permitted pursuant to Section 7.1(m) pursuant to an Additional Senior Indenture.

" **Adjusted LIBOR Rate** " shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the sum of (a) the product of (i) the LIBOR Rate in effect for such Interest Period and (ii) Statutory Reserves and (b) the Applicable Margin.

" **Affiliate** " of any Person shall mean any other Person which controls or is controlled by or under common control with such Person. For purposes of this definition, "control" (including "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person through the ownership of securities or by contract. Without limiting the generality of the foregoing, control of the right to vote of ten percent (10%) or more of all voting securities of a Person or beneficial ownership of ten percent (10%) of the outstanding equity interests in such Person shall be deemed to be control for purposes of compliance with the provisions of Section 7.6 hereof.

" **Agent** " shall have the meaning specified in the preamble to this Agreement.

" **Alternate Base Rate** " shall mean, for any day, a rate per annum (rounded upwards to the nearest 1/16 of 1%) equal to the sum of (a) the greatest of (i) the Prime Rate (computed on the basis of the actual number of days elapsed over a 360-day year) in effect on such day, (ii) the Federal Funds Effective Rate (computed on the basis of the actual number of days elapsed over a 360-day year) in effect for such day plus ½ of 1%, and (iii) the Adjusted LIBOR Rate (determined without regard to clause (b) in the definition thereof) for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 2.50%, and (b) the Applicable Margin. For purposes of this Agreement, any change in the Alternate Base Rate due to a change in the Prime Rate, Federal Funds Effective Rate or the Adjusted LIBOR Rate shall be effective on the effective date of such change in the Prime Rate, Federal Funds Effective Rate or the Adjusted LIBOR Rate, respectively. If for any reason the Agent shall have determined (which determination shall be conclusive and binding, absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate or the Adjusted LIBOR Rate for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms hereof, the Alternate Base Rate shall be determined without regard to clause (a)(i) and/or (a)(iii), as applicable, until the circumstances giving rise to such inability no longer exist.

" **Alternate Base Rate Borrowing** " shall mean, as of any date, that portion of the principal balance of the Loans bearing interest at the Alternate Base Rate as of such date.

" **Annual Audited Financial Statements** " shall mean (a) the annual financial statements of the Parent and its subsidiaries, including all notes thereto, which statements shall include, on a Consolidated basis, a balance sheet as of the end of such fiscal year and a statement of operations, a retained earnings statement and a statement of cash flows for such fiscal year, all setting forth in comparative form the corresponding figures from the previous fiscal year and accompanied by a report and opinion of independent certified public accountants with Deloitte & Touche LLP or an accounting firm of national standing reasonably acceptable to the Agent, which report shall not contain any qualification (and be without comment as to the accountants' opinion whether such Person is a "going concern" or can continue to be a "going concern"), except that such report may contain qualification with respect to new accounting principles mandated by the Financial Accounting Standards Board (or its successor organization), and shall state that such financial statements, in the opinion of such accountants, present fairly, in all material respects, the financial position of such Person as of the date thereof and the results of its operations and cash flows for the period covered thereby in conformity with GAAP and (b) annual consolidating financial statements of the Credit Parties and their subsidiaries containing a balance sheet as of the end of such fiscal year and a statement of operations for such fiscal year prepared in reasonable detail. Such statements shall be accompanied by a certificate of such accountants that in making the appropriate audit and/or investigation in connection with such report and opinion, such accountants did not become aware of any Default or Event of Default with respect to a breach of Section 7.12 , or if in the opinion of such accountant any such Default or Event of Default exists with respect to a breach of Section 7.12 , a description of the nature and status thereof.

" **Applicable Commitment Fee Percentage** " shall mean, with respect to any Commitment Fee, a rate per annum of (a) 0.375% from and after the Closing Date and continuing until the tenth (10) Business Day after the Borrowing Base Compliance Certificate of the Credit Parties and their Subsidiaries for September 30, 2012 has been delivered to and received by the Agent in accordance with the terms of Section 6.3(i) hereof and (b) from and after the tenth (10) Business Day after the Borrowing Base Compliance Certificate of the Credit Parties and their Subsidiaries for September 30, 2012 has been delivered to and received by the Agent in accordance with the terms of Section 6.3(i) hereof, (i) 0.375% if the aggregate amount of the Lenders' average Unused Commitments for the calculation period is greater than sixty percent (60%) of the Total Revolving Commitment, and (ii) 0.25% if the aggregate amount of the Lenders' average Unused Commitments for the calculation period is less than or equal to sixty percent (60%) of the Total Revolving Commitment.

" **Applicable Lending Office** " shall mean, with respect to each Lender, such Lender's Domestic Lending Office in the case of an Alternate Base Rate Borrowing and such Lender's LIBOR Lending Office in the case of a LIBOR Borrowing.

" **Applicable Margin** " shall mean, (a) with respect to any Term Loans bearing interest at the Adjusted LIBOR Rate, 3.75% per annum and for any Term Loans bearing interest at the Alternate Base Rate, 2.25% per annum, and (b) with respect to any Revolving Loan, the applicable rate per annum determined in accordance with the remainder of this definition. As of

the end of each fiscal quarter of the Credit Parties, commencing with the quarter ending March 31, 2013, the Applicable Margin for Revolving Loans shall be adjusted upward or downward, as applicable, to the respective percentages shown in the schedule below based on Availability, tested on an average daily basis for the most recently completed fiscal quarter of the Credit Parties. For purposes hereof, any such adjustment in the respective amounts of the Applicable Margin, whether upward or downward, shall be effective ten (10) Business Days after the Borrowing Base Compliance Certificate of the Credit Parties and their Subsidiaries with respect to the final month of such fiscal quarter has been delivered to and received by the Agent in accordance with the terms of Section 6.3(i) hereof; provided , however , if any such Borrowing Base Compliance Certificate is not delivered in a timely manner as required under the terms of Section 6.3(i) hereof, the Applicable Margin for Revolving Loans from the date such Borrowing Base Compliance Certificate was due until ten (10) Business Days after Agent and Lenders receive the same will be the applicable rate per annum set forth below in Category 1; provided further , that the Applicable Margin from and after the Closing Date and continuing until the first upward or downward adjustment of the Applicable Margin for Revolving Loans, as hereinabove provided, shall be at the applicable rate per annum set forth below in Category 2.

Availability	Per Annum Percentage for Revolving Credit LIBOR Borrowings	Per Annum Percentage for Revolving Credit Alternate Base Rate Borrowings
Category 1 : Less than $25,000,000	2.25%	0.75%
Category 2 : Greater than or equal to $25,000,000 but less than $55,000,000	2.00%	0.50%
Category 3 : Greater than or equal to $55,000,000	1.75%	0.25%

" **Applications** " shall mean all applications and agreements for Letters of Credit, or similar instruments or agreements, in Proper Form, now or hereafter executed by any Person in connection with any Letter of Credit now or hereafter issued or to be issued under the terms hereof at the request of the Borrower's Agent.

" **Approved Fund** " shall mean any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

" **Assignment and Acceptance** " shall have the meaning specified in Section 10.12(c) hereof.

" **Availability** " shall mean at any time (a) the lesser at such time of (i) the Total Revolving Commitment (as such amount may have been reduced or increased in accordance

with the provisions of this Agreement) and (ii) (A) the Borrowing Base as of such time, less (B) all applicable Reserves, less (b) the sum of the following:

(i) the aggregate amount of each Lender's Current Sum at such time;

(ii) the aggregate amount of due and payable interest outstanding under the Loans at such time; and

(iii) all other outstanding Obligations hereunder or any other Loan Documents which are past due and payable at such time, including without limitation, Commitment Fees, fees related to any Letters of Credit, and legal fees and other amounts payable under Section 10.9 hereof.

" **Bank Product Amount** " shall mean, with respect to any Bank Product at any time, the applicable Credit Party's or Subsidiary's net payment obligation with respect to such Bank Product as of the end of the preceding calendar month (or other period as provided herein), as determined utilizing the methodology agreed to with respect to such Bank Product between the applicable Lender Party and Credit Party and reported to the Agent pursuant to the terms hereof. In the event that no Bank Product Amount is reported as provided herein for any Bank Product for any period, the Agent may use the most recently reported Bank Product Amount for such Bank Product, as adjusted in the Agent's reasonable credit judgment.

" **Bank Products** " shall mean any of the following a Lender Party provides to, or enters into with, a Credit Party or Subsidiary of a Credit Party:

(a) any arrangement with respect to Hedging Obligations (other than any arrangement with respect to Hedging Obligations secured by a Lien pursuant to Section 7.2(m));

(b) any deposit, lockbox or other cash management arrangement; or

(c) any other commercial bank product, service or agreement pursuant to which a Credit Party or Subsidiary of a Credit Party may be indebted or owe obligations to a Lender or one of its Affiliates, including, without limitation, credit cards for commercial customers (including, without limitation, "commercial credit cards", E-Payables and purchasing cards), stored value cards and treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, returned items, overdrafts and interstate depository network services);

provided that for any of the foregoing to be included as a "Bank Product" hereunder: (a) except in the case of Bank Products provided by or owing to JPMorgan Chase Bank, N.A. or any of its Affiliates, the applicable Lender Party and Borrowers' Agent must have provided the Agent written notice of: (i) the existence of such Bank Product and (ii) the methodology agreed upon by the Lender Party and the applicable Credit Party or Subsidiary to determine, from time to time, the Bank Product Amount and, with respect to Bank Products constituting Hedging Obligations, the Hedging Obligation Amount, (b) the applicable Credit Party must otherwise be permitted to enter into such arrangement under this Agreement or must not be restricted from entering into such arrangement under this Agreement (including in each case Section 7.1 hereof), and (c) the applicable Lender Party must remain a Lender Party; provided further , that each

Lender Party other than JPMorgan Chase Bank, N.A. and its Affiliates shall notify the Agent in writing, as soon as available and in any event within fifteen (15) days after the end of each calendar month (or at more frequent intervals, and with such reporting dates, as the Agent may require in its discretion), of the Bank Product Amount and, with respect to Bank Products constituting Hedging Obligations, the Hedging Obligation Amount, in respect of its Bank Products as of the end of such calendar month (or other interval), and any Lender Party that fails to make such notification by the last day of the month in which due (or, with respect to any interval more frequent than monthly, within 10 Business Days of the date when due) and any Affiliate thereof (each, a " **Non-Reporting Lender Party** ") shall be subject to the provisions of Section 2.7(d) with respect to Bank Products owed to Non-Reporting Lender Parties.

" **Borrower** " or " **Borrowers** " shall have the respective meanings specified in the preamble of this Agreement.

" **Borrowers' Agent** " shall mean Neenah Paper, Inc., in its capacity as agent for the Borrowers and the other Credit Parties, as more fully described in Section 1.4(b) .

" **Borrowing Base** " shall mean, as of any date, the amount of the then most recent computation of the Borrowing Base, determined by calculating the amount equal to the following:

(a) 85% of Eligible Receivables; plus

(b) the lesser of (i) 75% of the value of Eligible Inventory (valued at the lower of cost or fair market value), and (ii) 85% of the applicable Net Recovery Value Percentage of Eligible Inventory; plus

(c) the Equipment Component; plus

(d) the Real Estate Component; plus

(e) the Pledged Cash (if any) held in the Special Cash Collateral Account.

The Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Compliance Certificate delivered to the Agent pursuant to Section 6.3(i) subject to immediate adjustment as a result of (i) reductions in the Equipment Component, including those resulting from the Quarterly Equipment Component Amortization Amount, (ii) reductions in the Real Estate Component, including those resulting from the Quarterly Real Estate Component Amortization Amount, and (iii) reductions in the amount of Pledged Cash held in the Special Cash Collateral Account based on the amount specified as Pledged Cash in the most recently delivered Borrowing Base Compliance Certificate.

" **Borrowing Base Compliance Certificate** " shall mean a certificate completed in the form of attached hereto and signed by a Responsible Officer of the Borrowers' Agent.

" **Borrowing Base Deficiency** " occurs if at any time the total Revolving Exposure exceeds the Borrowing Base then in effect.

" **Business Day** " shall mean a day when the principal office in New York City of the Agent is open for business and the Lenders' Applicable Lending Offices are generally open for business; provided , however , that with respect to LIBOR Borrowings, Business Day shall mean a Business Day on which transactions in dollar deposits between lenders may be carried on in the London eurodollar interbank market.

" **Business Entity** " shall mean corporations, partnerships, joint ventures, joint stock associations, business trusts, limited liability companies, unlimited liability companies, and other business entities.

" **Canadian Collateral Agent** " shall have the meaning specified for such term in the recitals to this Agreement.

" **Capital Expenditures** " shall mean, with respect to any Person for any period, all capital expenditures of such Person, on a Consolidated basis, for such period (including without limitation, the aggregate amount of Capital Lease Obligations incurred during such period which are required to be capitalized and reported as a liability on the consolidated balance sheet of such Person), determined in accordance with GAAP, consistently applied.

" **Capital Lease Obligations** " of any Person means the obligations of such Person to pay rent or other amounts constituting payments of principal under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

" **Cash Dividends** " shall mean, with respect to any Person for any period, all cash dividend payments actually made on any Stock of such Person for such period.

" **Cash Officer** " shall mean, with respect to any Person, any individual holding the title of "cash manager", "cash officer", "treasury manager" or any like title of such Person, or any other employee of Parent designated as a "Cash Officer" such by its Chief Financial Officer in written notice to Agent from time to time. As of the Closing Date, David Linderman and Bridgett German have each been designated as a Cash Officer.

" **Change in Law** " means (a) the adoption of any law, rule, regulation, treaty or other Legal Requirement (including any rules or regulations issued under or implementing any existing law) after the date of this Agreement, (b) any change in any law, rule, regulation, treaty or other Legal Requirement or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank, by any lending office of such Lender or by such Lender's or the Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on

Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, shall in each case be deemed to be a " Change in Law ", regardless of the date enacted, adopted, issued or implemented.

" **Change of Control** " shall mean (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date of this Agreement), of Stock representing more than 30% of the aggregate ordinary voting power represented by the issued and outstanding Stock of the Parent; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Parent by Persons who were neither (i) nominated by the board of directors of the Parent nor (ii) appointed by directors so nominated; (c) the Parent shall cease to have beneficial ownership (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 100% of the aggregate voting power of the Stock of each other Credit Party, free and clear of all Liens (other than any Liens granted under the Loan Documents and Liens permitted under Section 7.2), except to the extent resulting from a transaction specifically permitted under Section 7.4 ; (d) (i) any Credit Party consolidates or amalgamates with or merges into another entity or conveys, transfers or leases all or substantially all of its property and assets to another Person except in a transaction specifically permitted under Section 7.4 , or (ii) any entity consolidates or amalgamates with or merges into any Credit Party in a transaction pursuant to which the outstanding voting Stock of such Credit Party is reclassified or changed into or exchanged for cash, securities or other property, other than any such transaction described in this clause (ii) in which either (A) in the case of any such transaction involving the Parent, no Person or group (within the meaning of Section 13(d)(3) of the Exchange Act) has, directly or indirectly, acquired beneficial ownership of more than 30% of the aggregate outstanding ordinary voting Stock of the Parent, or (B) in the case of any such transaction involving a Credit Party other than the Parent, the Parent has beneficial ownership, directly or indirectly, of 100% of the aggregate voting power of all Stock of the resulting, surviving or transferee entity; (e) any "Change of Control" (or any similar term) as set forth in the Senior Note Indenture or any Additional Senior Indenture; or (f) the Parent shall cease to have the beneficial ownership, directly or indirectly, of 100% of the Stock of FinCo, NP International and NP International HoldCo, free and clear of all Liens (other than Liens permitted under Section 7.2).

" **Closing Date** " shall mean the date on which the conditions specified in Section 4.2 are satisfied (or waived in accordance with Section 10.11).

" **Closing Date Mortgaged Property** " shall have the meaning specified for such term in Section 4.3(r) .

" **Closing Date Mortgages** " shall have the meaning specified for such term in Section 4.3(r) .

" **Code** " shall mean the Internal Revenue Code of 1986, as amended, as now or hereafter in effect, together with all regulations, rulings and interpretations thereof or thereunder by the Internal Revenue Service.

" **Collateral** " shall mean all collateral and security as described in the Security Documents.

" **Collection Account** " shall mean a deposit account of a Credit Party or any of its Subsidiaries into which payments on account of Receivables of the Credit Parties are received, including through (a) associated lockbox addresses and (b) accounts related to foreign exchange conversion and similar purposes pursuant to arrangements acceptable to the Agent.

" **Commitment** " shall mean, as to any Lender, the obligation of such Lender subject to the terms and conditions of this Agreement to make Term Loans in a principal amount not exceeding such Lender's Term Loan Commitment, and to make Revolving Loans and incur liability for the Letter of Credit Exposure Amount and the Swingline Loans in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount set forth as such Lender's Revolving Commitment. The initial amount of each Lender's Commitment is set forth on Schedule 1.1A attached hereto, as each may be adjusted from time to time pursuant to other provisions of this Agreement, and Commitments shall mean all such Commitments of the Lenders, as so adjusted.

" **Commitment Fee** ", with respect to any Revolving Lender, shall have the meaning assigned to it in Section 2.3 .

" **Commitment Increase Agreement** " shall mean a Commitment Increase Agreement entered into by a Revolving Lender in accordance with Section 2.15(c) and accepted by the Agent in the form of attached hereto, or any other form approved by the Agent.

" **Commitment Percentage** " shall mean, with respect to any Lender, (a) with respect to Revolving Loans, Letter of Credit Exposure Amount or Swingline Exposure, (i) prior to the termination of the Total Revolving Commitment, the ratio, expressed as a percentage, of such Lender's Revolving Commitment to the Total Revolving Commitment, and (ii) after the termination of the Total Revolving Commitment, the ratio, expressed as a percentage, of the amount of such Revolving Lender's outstanding Revolving Loans and its portion of the Letter of Credit Exposure Amount and the Swingline Exposure to the aggregate amount of all outstanding Revolving Loans and the total Letter of Credit Exposure Amount and the Swingline Exposure, and (b) with respect to the Term Loans, a percentage equal to a fraction of the numerator of which is such Term Lender's outstanding principal amount of the Term Loans and the denominator of which is the aggregate outstanding amount of the Term Loans of all Term Lenders; provided that when a Defaulting Lender shall exist, any such Defaulting Lender's Commitment shall be disregarded in the calculation in both clauses (a) and (b) hereof, subject to Section 10.11 hereof.

" **Compliance Certificate** " shall mean a certificate substantially in the form of attached hereto.

" **Concentration Limit** " shall mean, with respect to any account debtor owing any Receivables to any Credit Party, the maximum amount of Receivables from such account debtor which may be included as Eligible Receivables, expressed as a percentage of the total amount of

Receivables owing to the Credit Parties by all account debtors, which percentage shall be (a) seventeen and one-half percent (17.5%), or (b) such other percentage for the applicable account debtor as determined by the Agent from time to time in the Agent's reasonable credit judgment.

" **Consequential Loss** " shall mean, with respect to (a) the Borrowers' payment of principal of or interest on a LIBOR Borrowing on a day prior to the last day of the applicable Interest Period, (b) the Borrowers' failure to borrow or convert a LIBOR Borrowing on the date specified by the Borrowers' Agent for any reason, or (c) any cessation of the Adjusted LIBOR Rate to apply to the Loans or any part thereof pursuant to Section 2.9 hereof, in each case whether voluntary or involuntary, any loss, expense, penalty, premium or liability incurred by any of the Lenders or the Agent as a result thereof, including without limitation any loss of anticipated profit or any interest paid by any of the Lenders to lenders of funds borrowed by it to make or carry the Loans and any other costs and expenses sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain the Loans.

" **Consolidated** " shall mean, for any Person, as applied to any financial or accounting term, such term determined on a consolidated basis in accordance with GAAP (except as otherwise required herein) for such Person and all Subsidiaries thereof.

" **Contingent Obligation** " shall mean, as to any Person (the " **guarantor** "), any obligation of such guarantor guaranteeing the payment or performance of any Indebtedness, leases, dividends or other obligations (collectively " **primary obligations** ") of any other Person (the " **primary obligor** "), whether directly or indirectly, including without limitation any obligation of such guarantor (a) to purchase any such primary obligation or other property constituting direct or indirect security therefor, (b) assume or contingently agree to become or be secondarily liable in respect of any such primary obligation, (c) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital for the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (d) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (e) otherwise to assure or hold harmless the owner of such primary obligation against loss in respect thereof; provided , however , that the term "Contingent Obligation" shall not include endorsements of checks or other negotiable instruments in the ordinary course of business.

" **Contribution Agreement** " shall mean any Contribution Agreement executed by and among the Credit Parties and their Subsidiaries, as the same may be amended, modified, supplemented, restated and joined in pursuant to a Joinder Agreement, from time to time.

" **Controlled Account** " shall mean a deposit account (including a Collection Account) of any Credit Party that is subject to a Tri-Party Agreement.

" **Copyrights** " shall have the meaning specified for such term in the definition of "Intellectual Property."

" **Credit Parties** " shall mean the Borrowers and the Guarantors.

" **Current Sum** " shall mean on any day, as to a particular Revolving Lender, the sum of (a) the outstanding principal balance of such Revolving Lender's Revolving Credit Note on such day plus (b) the product of (i) such Revolving Lender's Commitment Percentage times (ii) the sum of the Letter of Credit Exposure Amount and the Swingline Exposure on such day.

" **Default Rate** " shall mean, on any day, as follows: (a) with respect to principal which is outstanding under any Note, the sum of the Interest Option otherwise applicable thereto on such day plus two percent per annum (it being understood by the Borrowers that if any such applicable Interest Option is based on the Adjusted LIBOR Rate, the Default Rate with respect to the applicable principal amount shall only be calculated with reference to the applicable Adjusted LIBOR Rate until the Interest Period applicable thereto expires, and upon the expiration of such applicable Interest Period, the Default Rate for such applicable principal amount shall be computed on the basis of the Alternate Base Rate for such day plus two percent per annum), and (b) with respect to accrued interest, fees and other Obligations (other than past due principal outstanding under any Note), the sum of the Alternate Base Rate for such day plus two percent per annum.

" **Defaulting Lender** " means any Lender, as determined by the Agent, that has (a) failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans within three Business Days of the date required to be funded by it hereunder, (b) notified the Borrowers, the Agent, the Swingline Lender or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or generally has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) failed, within three Business Days after request by the Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans, (d) otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, or (e) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee custodian, administrator, or assignee appointed for it for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such capacity, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not become a Defaulting Lender solely as a result of the acquisition or maintenance of an ownership interest in such Lender or Person controlling such Lender or the exercise of control over a Lender or Person controlling such Lender by a Governmental Authority or an instrumentality thereof, so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject repudiate, disavow or disaffirm any contracts or agreements made with any Credit Party.

" **Discontinued Operations** " shall mean, as of any day, operations of any Credit Party or any of their Subsidiaries which have been discontinued, and which, as of such day, have been fully terminated, disposed of or liquidated.

" **Disposition** " shall mean the sale, transfer, lease or other disposition (including pursuant to a merger resulting in the subject Property no longer being owned by a Credit Party) of any Property.

" **Dollar** " and the sign " **$** " shall mean lawful money of the United States of America.

" **Domestic Lending Office** " shall mean, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on the signature pages hereof, or such other office of such Lender as such Lender may from time to time specify in writing to the Borrowers' Agent and the Agent.

" **Domestic Subsidiary** " shall mean any Subsidiary of any Borrower that is organized and domiciled in the United States of America; provided that , for the purposes of this Agreement and the other Loan Documents, neither NP International HoldCo nor NP International shall be treated as a Domestic Subsidiary even though organized under the laws of the State of Delaware.

" **Dominion Event** " shall have the meaning assigned to such term in Section 6.15(a) .

" **Dominion Termination Event** " shall have the meaning assigned to such term in Section 6.15(a) .

" **EBITDA** " shall mean, with respect to any Person for any period, the sum of (a) Net Income, (b) Interest Expense, (c) depreciation and amortization expense (excluding depreciation and amortization applicable to Discontinued Operations as of such period), and (d) federal, state and local income or franchise taxes, in each case of such Person for such period, computed and calculated, without duplication, on a Consolidated basis and in accordance with GAAP, consistently applied.

" **Eligible Assignee** " shall mean (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, or (d) any other commercial lender, finance company, insurance company, financial institution or fund reasonably acceptable to the Agent and the Borrowers' Agent; provided , however , that if an Event of Default has occurred which has not been waived or cured, such approval by the Borrowers' Agent shall not be required.

" **Eligible Equipment** " shall mean Equipment of a Credit Party which meets all of the following specifications; provided that such specifications may be revised from time to time by the Agent to account for events, conditions, contingencies and risks that the Agent becomes actually aware of after the Closing Date that, in the Agent's reasonable credit judgment, could adversely affect any Equipment or the Agent's interest therein:

(a) one of the Credit Parties has good title to such Equipment;

(b) such Credit Party has the right to subject such Equipment to a Lien in favor of the Agent; such Equipment is subject to a first priority perfected Lien in favor of the Agent for the

ratable benefit of the Lender Parties and is free and clear of all other Liens of any nature whatsoever (except for Liens permitted under Section 7.2(e) other than contested Liens);

(c) the full purchase price for such Equipment has been paid by the Credit Parties;

(d) such Equipment is located on premises (i) owned by one of the Credit Parties, which premises are subject to a first priority perfected Lien in favor of the Agent, or (ii) leased by one of the Credit Parties with respect to which the Agent has received an executed landlord's waiver or subordination agreement from the owner of such leased facility pursuant to which such owner waives or subordinates any Lien it may claim against such Equipment pursuant to a written waiver or subordination and access agreement acceptable to the Agent acting reasonably in all respects;

(e) such Equipment is in good working order and condition (ordinary wear and tear excepted) and is used or held for use by the Credit Parties in the ordinary course of business of the Credit Parties;

(f) such Equipment is not subject to any agreement which restricts the ability of the Credit Parties to use, sell, transport or dispose of such Equipment or which restricts the Agent's ability to take possession of, sell or otherwise dispose of such Equipment; and

(g) such Equipment does not constitute "fixtures" under the applicable laws of the jurisdiction in which such Equipment is located.

" **Eligible Inventory** " shall mean all raw materials, rolled and uncut or sheeted paper, or finished goods Inventory of the Credit Parties which complies with all of the following requirements: (a) such Inventory is owned by and recorded on the books and records of the applicable Credit Party in the ordinary course of business; (b) such Inventory is valued in accordance with GAAP at the lower of fair market value or cost;

and (c) such Inventory does not otherwise constitute Ineligible Inventory. Standards of eligibility and Reserves for Eligible Inventory may be fixed and revised from time to time by the Agent in its reasonable credit judgment based on events, conditions or other circumstances that the Agent becomes actually aware of after the Original Closing Date that, in the Agent's reasonable credit judgment, adversely affect or could reasonably be expected to adversely affect Eligible Inventory.

" **Eligible Real Estate** " shall mean Real Property Assets which meet all of the following specifications; provided that such specifications may be revised from time to time by the Agent in its reasonable credit judgment to account for events, contingencies and risks that the Agent becomes actually aware of after the Closing Date that, in the Agent's reasonable credit judgment, could adversely affect the Real Property Asset or the Agent's interest therein:

(a) one of the Credit Parties is the record owner of and has good fee title to such Real Property Asset;

(b) such Credit Party has the right to subject such Real Property Asset to a Lien in favor of the Agent for the ratable benefit of the Lender Parties; such Real Property Asset is subject to a first priority perfected Lien in favor of the Agent for the ratable benefit of the Lender Parties and is free and clear of all other Liens of any nature whatsoever (except for Liens

permitted under Section 7.2(e) other than contested Liens, and Liens permitted under Section 7.2(f) , Section 7.2(j) , Section 7.2(o) , Section 7.2 (p) and Section 7.2(q));

(c) such Real Property Asset is not subject to any agreement or condition which could restrict or otherwise adversely effect the Agent's ability to sell or otherwise dispose of such Real Property Asset; and

(d) such parcel of real property shall comply with all the requirements for a Closing Date Mortgaged Property set forth in Section 4.3(r) .

" **Eligible Receivables** " shall mean, as at any date of determination thereof, all Receivables of the Credit Parties which comply with all of the following requirements: (a) all payments due on the Receivable have been billed and invoiced in a timely fashion and in the normal course of business; (b) no payment is outstanding on the Receivable for more than one hundred (100) days after the date of invoice (except for Receivables fully insured or backed by a letter of credit in all respects acceptable to the Agent in its reasonable discretion) or more than sixty (60) days past due; and (c) the Receivables do not otherwise constitute Ineligible Receivables. Standards of eligibility and Reserves for Eligible Receivables may be fixed and revised from time to time by the Agent in its reasonable credit judgment based on events, conditions or other circumstances that the Agent becomes actually aware of after the Original Closing Date that, in the Agent's reasonable credit judgment, adversely affect or could reasonably be expected to adversely affect the Eligible Receivables. Additionally, in calculating Eligible Receivables, each of the following shall be excluded (to the extent the same are otherwise included in Eligible Receivables): (i) unpaid sales, excise or similar taxes owed by any of the Credit Parties (to the extent the same are included in Receivables); and (ii) returns, discounts, claims, credits and allowances of any nature asserted or taken by account debtors of any of the Credit Parties.

" **Environmental Claim** " shall mean any third party (including any Governmental Authority) action, lawsuit, claim or proceeding (including claims or proceedings at common law) which seeks to impose or alleges any liability for (a) pollution or contamination by, or releases or threatened releases of, Hazardous Substances into the air, surface water, ground water or land or the clean-up, abatement, removal, remediation or monitoring of such pollution, contamination or Hazardous Substances; (b) generation, recycling, reclamation, handling, treatment, storage, disposal or transportation of Hazardous Substances; (c) exposure to Hazardous Substances; (d) the safety or health of employees or other Persons in connection with any of the activities specified in any other subclause of this definition; or (e) the manufacture, processing, distribution in commerce, presence or use of Hazardous Substances. An "Environmental Claim" includes a common law action, as well as a proceeding to issue, modify or terminate an Environmental Permit to the extent that such a proceeding attempts to redress violations of the applicable permit, license, or regulation as alleged by any Governmental Authority.

" **Environmental Law** " shall mean all requirements imposed by any law (including The Resource Conservation and Recovery Act, The Comprehensive Environmental Response, Compensation, and Liability Act, the Clean Water Act, the Clean Air Act, and any state analogues of any of the foregoing), rule, regulation, or order of any Governmental Authority now or hereafter in effect that relate to (a) pollution, protection or clean-up of the air, surface water,

ground water or land; (b) solid, liquid or gaseous waste or Hazardous Substance generation, recycling, reclamation, release, threatened release, treatment, storage, disposal or transportation; (c) exposure of Persons or property to Hazardous Substances; (d) the manufacture, presence, processing, distribution in commerce, use, discharge, releases, threatened releases, or emissions of Hazardous Substances into the environment; (e) the storage of any Hazardous Substances; or (f) occupational health and safety

" **Environmental Liabilities** " shall mean all liabilities arising from any Environmental Claim, Environmental Permit or Requirements of Environmental Law, at law or in equity, and whether based on negligence, strict liability or otherwise, including: remedial, removal, response, abatement, restoration (including natural resources), investigative, or monitoring liabilities, personal injury and damage to property, natural resources or injuries to persons, and any other related costs, expenses, losses, damages, penalties, fines, liabilities and obligations, and all costs and expenses necessary to cause the issuance, reissuance or renewal of any Environmental Permit reasonably necessary for the conduct of any material aspect of the business of any Credit Party or any of their Subsidiaries, including attorney's fees and court costs. Environmental Liability shall mean any one of them.

" **Environmental Permit** " shall mean any permit, license, approval or other authorization under any applicable law, regulation and other requirement of any Governmental Authority relating to pollution or protection of health or the environment, including laws, regulations or other requirements relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, Hazardous Substances or toxic materials or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, recycling, presence, use, treatment, storage, disposal, transport, or handling of wastes, pollutants, contaminants or Hazardous Substances.

" **Equipment** " shall mean (a) any machinery or equipment and (b) any other Property classified as "equipment" under the UCC.

" **Equipment Component** " shall have the meaning specified for such term on Schedule 1.1C .

" **ERISA** " shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules, regulations, rulings and interpretations adopted by the Internal Revenue Service or the Department of Labor thereunder.

" **ERISA Affiliate** " shall mean any trade or business (whether or not incorporated) which together with any Credit Party or any Subsidiary of any Credit Party would be treated as a single employer under the provisions of Title I or Title IV of ERISA following the Closing Date.

" **Event of Default** " shall mean any of the events specified in Section 8.1 hereof, provided there has been satisfied any requirement in connection with any such event for the giving of notice or the lapse of time, or both, and " **Default** " shall mean any of such events, whether or not any such requirement for the giving of notice, or the lapse of any applicable grace or curative period (if any), or both, has been satisfied.

" **Excess Interest Amount** " shall have the meaning attributed to such term in Section 2.14 hereof.

" **Excluded Foreign Subsidiary** " shall have the meaning assigned to such term in Section 6.10 ; provided , that , as of the Closing Date, FinCo, Neenah Germany, NP International HoldCo, NP International, and Neenah Canada shall each be deemed to be Excluded Foreign Subsidiaries.

" **Excluded Taxes** " shall have the meaning attributed to such term in Section 10.17(a)(i) hereof.

" **Existing Credit Agreement** " shall have the meaning specified in the recitals of this Agreement.

" **Existing Indebtedness** " shall have the meaning specified in the recitals of this Agreement.

" **Existing Lenders** " shall have the meaning specified in the recitals of this Agreement.

" **Existing Letters of Credit** " shall mean the letters of credit issued under the Existing Credit Agreement and listed on Schedule 2.10 (a) hereto that are outstanding on the Closing Date.

" **Extended Facility Letter of Credit** " shall have the meaning attributed to such term in Section 2.10(j) hereof.

" **FATCA** " means Sections 1471 through 1474 of the Code, as of the date of this Agreement and any regulations or official interpretations thereof.

" **Federal Funds Effective Rate** " shall mean, for any day, a rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

" **Financial Officer** " shall mean, with respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

" **FinCo** " shall mean Neenah Paper International Finance Company B.V., a company formed under the laws of the Netherlands, all of whose issued and outstanding Stock is owned by the Parent or another Credit Party.

" **FinCo Note** " shall mean that certain promissory note, dated as of October 3, 2006, by FinCo to NP International HoldCo, that evidences certain of the Inter-Company Loans.

" **Fixed Charge Coverage Ratio** " shall mean, with respect to any Person and without duplication, the ratio of (a) EBITDA **less** (i) Capital Expenditures not funded by Indebtedness permitted by Section 7.1(c) or Section 7.1(m) ; **less** (ii) loans, advances and Investments made to

Persons that are not Credit Parties, **less** (iii) cash payments of federal, state, provincial and local income or franchise taxes, **plus** (iv) Cash Dividends and other distributions with respect to Stock held by a Credit Party to the extent received in cash by a Credit Party from any Person that is not a Credit Party, to (b) the sum of (i) cash Interest Expense, **plus** (ii) Scheduled Principal Payments, **plus** (iii) Cash Dividends, **plus** (iv) Stock Repurchases (other than Stock Repurchases made prior to January 1, 2013), **plus** (v) the Quarterly Equipment Component Amortization Amount per three calendar month period in respect of scheduled reductions, if any, of the Equipment Component as set forth in clause (a) of the definition of Equipment Component, **plus** (vi) the Quarterly Real Estate Component Amortization Amount per three calendar month period in respect of scheduled reductions, if any, of the Real Estate Component as set forth in clause (a) of the definition of Real Estate Component.

All components of the Fixed Charge Coverage Ratio shall be determined for the applicable Person on a Consolidated basis, without duplication and for the four (4) most recent consecutive fiscal quarters of the applicable Person ending on or prior to the date of determination; provided , that the results of operation of the Offshore Entities and their subsidiaries, including, without limitation, Neenah Germany and its subsidiaries, shall be excluded in the calculation of Fixed Charge Coverage Ratio.

" **Flood Hazard Property** " shall mean a Mortgaged Property the improvements on which are located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards and requiring either the Credit Party or Agent to purchase special flood insurance.

" **Funded Term Loan Amount** " shall mean the principal amount funded under the Term Loans on the date of advance thereof.

" **GAAP** " shall mean, as to a particular Person, those principles and practices (a) which are recognized as such by the Financial Accounting Standards Board or successor organization, and (b) which are consistently applied (or with respect to which any change in principles and practice mandated by the Financial Accounting Standards Board or successor organization are disclosed in writing to the Agent) for all periods after the date of this Agreement in a manner consistent with the manner in which such principles and practices were applied to the most recent audited financial statements of the relevant Person furnished to the Agent and the Lenders prior to the Closing Date (or with respect to which any change in principles and practice mandated by the Financial Accounting Standards Board or successor organization are disclosed in writing to the Agent).

" **Governmental Authority** " shall mean the United States of America, any state of the United States, and any political subdivision of any of the foregoing, any foreign governmental or supranational authority, and any agency, instrumentality, department, commission, board, bureau, central bank, authority, court or other tribunal, in each case whether executive, legislative, judicial, regulatory or administrative, having jurisdiction over the Agent, any of the Lenders, any Credit Party, any Subsidiary of any Credit Party, or their respective Property.

" **Grantor** " shall mean any Grantor, Assignor, Pledgor or Debtor, as such terms are defined in any of the Security Documents.

" **Guarantors** " shall mean each Subsidiary added as a guarantor pursuant to Section 6.10 .

" **Guaranty** " shall mean each and every guaranty of the Obligations from time to time executed and delivered to the Agent by any Guarantor, as amended, supplemented, modified, joined in pursuant to a Joinder Agreement and restated from time to time, each substantially in the form of (with appropriate changes based upon the local law of the applicable Guarantor's jurisdiction of creation).

" **Hazardous Substance** " shall mean any hazardous or toxic waste, substance or product or material defined as or regulated as "hazardous" or "toxic" from time to time by any Requirements of Environmental Law, including solid waste (as defined under The Resource Conservation and Recovery Act or its regulations, as amended from time to time), petroleum and any constituent thereof, and any radioactive materials and waste; provided, however, the words "Hazardous Substance" shall not mean or include any such Hazardous Substance used, generated, manufactured, stored, disposed of or otherwise handled in normal quantities in the ordinary course of business in compliance with all applicable Environmental Laws, or such that may be naturally occurring in any ambient air, surface water, ground water, land surface or subsurface strata.

" **Hedging Obligations** " shall mean, with respect to any Person, any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collateral protection agreements, forward rate currency or interest rate options, puts and warrants, commodity (including pulp) futures, forwards, swaps and options, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

" **Hedging Obligation Amount** " shall mean, with respect to any Hedging Obligation, the "derivative risk equivalent" (or equivalent figure) for such Hedging Obligation as of the end of the preceding calendar month (or other period as provided herein), being a figure calculated to provide an exposure measure for derivative obligations comparable with that of loans, in each case calculated based upon a methodology reported to the Agent in accordance with the terms hereof and acceptable to the Agent in its reasonable credit judgment. In the event that no Hedging Obligation Amount is reported as provided herein for any Hedging Obligation for any period, the Agent may use the most recently reported Hedging Obligation Amount for such Hedging Obligation, as adjusted in the Agent's reasonable credit judgment.

" **Hedging Obligations Aggregate Amount** " shall mean at any time, with respect to Hedging Obligations constituting Bank Products hereunder, an amount equal to the sum at such time of all Hedging Obligation Amounts associated with all such Hedging Obligations.

" **Highest Lawful Rate** " shall mean, with respect to the Agent or any Lender, the maximum nonusurious rate of interest permitted to be charged by, as applicable, the Agent or such Lender under applicable laws (if any) of the United States or any state from time to time in effect.

" **Indebtedness** " shall mean, as to any Person, without duplication: (a) all indebtedness of such Person for borrowed money; (b) any other indebtedness which is evidenced by a bond, debenture or similar instrument or upon which interest charges are traditionally paid; (c) all Capital Lease Obligations of such Person; (d) all obligations of such Person for the deferred purchase price of Property or services (except current trade accounts payable arising in the ordinary course of business and current accrued expenses, not the result of borrowing, arising in the ordinary course of business); (e) all reimbursement obligations of such Person in respect of outstanding letters of credit, acceptances and similar obligations created for the account of such Person; (f) all indebtedness, liabilities, and obligations secured by any Lien on any Property owned by such Person even though such Person has not assumed or has not otherwise become liable for the payment of any such indebtedness, liabilities or obligations secured by such Lien, but only to the extent of the value of the Property subject to such Lien (or, if less, the amount of the underlying indebtedness, liability or obligation); (g) net liabilities of such Person in respect of Hedging Obligations (calculated on a basis satisfactory to the Agent and in accordance with accepted practice); (h) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person; (i) all obligations of such Person to pay rent or other amounts under any Synthetic Lease; (j) all Indebtedness of another entity to the extent such Person is liable therefor (including any partnership in which such Person is a general partner and including any unlimited liability corporation) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor; and (k) all Contingent Obligations of such Person with respect to Indebtedness of others; provided , that such term shall not mean or include (i) any Indebtedness in respect of which monies sufficient to pay and discharge the same in full (either on the expressed date of maturity thereof or on such earlier date as such Indebtedness may be duly called for redemption and payment) shall be deposited with a depository, agency or trustee acceptable to the Agent in trust for the payment thereof, or (ii) any operating leases entered into in the ordinary course of business (to the extent such operating leases do not constitute Capital Lease Obligations or Synthetic Leases).

" **Indemnifiable Tax** " shall have the meaning attributed to such term in Section 10.17(a)(i) hereof.

" **Indenture Cap** " shall mean the maximum aggregate principal amount of Indebtedness permitted under Credit Facilities (as defined in the Senior Note Indenture and any Additional Senior Indenture) pursuant to any limitation or restriction set forth in the Senior Indenture, any other Senior Note Document or any Additional Senior Note Documents, as the same may be amended, restated, waived or otherwise modified from time to time; provided , that Parent may characterize its Indebtedness under the covenants set forth under the Senior Indenture, any other Senior Note Document or any Additional Senior Note Documents which limit Indebtedness in any manner permitted thereunder, as applicable, which may maximize the amount of the Indenture Cap.

" **Ineligible Inventory** " shall mean, as at any date of determination thereof, any Inventory of any Credit Party which does not comply with all of the following requirements:

(a) such Inventory is Collateral hereunder and is subject to a first priority perfected Lien in favor of the Agent for the ratable benefit of the Lender Parties and is free and clear of all other Liens of any nature whatsoever (except for Liens permitted under Section 7.2(e) other than contested Liens);

(b) such Inventory meets all applicable laws and standards imposed by any Governmental Authority having regulatory authority over it;

(c) such Inventory is in good condition, is not returned, shopworn, defective, damaged, obsolete, or broke inventory, and is currently usable or saleable in the normal course of business of the applicable Credit Party;

(d) such Inventory is not "slow moving";

(e) such Inventory is not work-in-process Inventory (other than rolled and uncut or sheeted paper), is not scrap or remnants Inventory, is not stores and is not packaging or shipping supplies or materials;

(f) such Inventory must not be in transit and must be housed or stored in the United States at either (i) a real Property location either owned or leased by a Credit Party; so long as such leased facility is covered by a landlord's waiver or subordination agreement received by the Agent from the owner of such leased facility pursuant to which such owner waives or subordinates any Lien it may claim against such Inventory, whether contractual or statutory, to the Lien in favor of the Agent against such Inventory pursuant to a written waiver or subordination and access agreement acceptable to the Agent in all respects, or (ii) a public warehouse facility utilized by a Credit Party, so long as such warehouse facility is covered by a warehousemen's waiver or subordination and access agreement received by the Agent from the operator of such warehouse facility pursuant to which such operator waives or subordinates any Lien it may claim against such Inventory, whether contractual or statutory, to the Lien in favor of the Agent against such Inventory and acknowledges that it holds and controls such Inventory for the benefit of the Agent for purposes of perfecting the Agent's Lien therein pursuant to a written waiver or subordination agreement reasonably acceptable to the Agent in all respects;

(g) such Inventory is not in the possession of or control of any bailee (other than a warehouseman as described above) or any agent or processor for or customer of any Credit Party or any of their Subsidiaries, unless such bailee, agent or processor has executed and delivered to the Agent an access/subordination agreement in form and substance reasonably acceptable to the Agent subordinating any Lien it may claim in such Inventory and acknowledging that it holds and controls such Inventory for the benefit of the Agent for purposes of perfecting the Agent's Lien therein;

(h) such Inventory must be adequately insured to the reasonable satisfaction of the Agent pursuant to insurance coverage required by this Agreement and the Security Documents;

(i) such Inventory must not be on consignment;

(j) such Inventory is not letterhead, watermarked, or styled in a manner for a particular purchaser, unless covered by a purchase order under which the purchaser has unconditionally agreed to take delivery;

(k) such Inventory does not constitute seedlings;

(l) such Inventory has neither been sold nor is subject to a Lien, claim or right of any person other than the Credit Parties or the Agent (except for Liens permitted under Section 7.2(e) other than contested Liens); and

(m) the Agent has not deemed such Inventory ineligible because the Agent in its reasonable credit judgment considers such Inventory to be unmarketable or the value thereof to be impaired or its ability to realize such value to be insecure.

Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, no Inventory purchased or otherwise acquired through any acquisition or other investment permitted hereunder after the Closing Date shall be included within the Borrowing Base for purposes hereof unless and until the Agent shall have conducted a field examination (which shall be conducted within a reasonable time (in the Agent's judgment) after Borrower's request at the Borrowers' cost and expense) of the applicable books, records and operations for the assets or Subsidiary so acquired in order to reasonably satisfy the Agent that the Inventory so acquired generally satisfies the above-described standards of eligibility.

" **Ineligible Receivables** " shall mean, as at any date of determination thereof, any Receivables of any Credit Party which do not comply with all of the following requirements:

(a) the Receivable has been created by the applicable Credit Party in the ordinary course of business from a completed, outright and lawful sale of goods, pursuant to which ownership has passed to the applicable account debtor on an absolute sales basis, or from the rendering of services by or on behalf of the applicable Credit Party and is deemed "earned" under the applicable service contract or other agreement or arrangement between the applicable Credit Party and the applicable account debtor;

(b) the Receivable is Collateral hereunder and is subject to a first priority perfected Lien in favor of the Agent for the ratable benefit of the Lender Parties and is free and clear of all other Liens of any nature whatsoever (except for Liens permitted under Section 7.2(e) other than contested Liens);

(c) the payments due on 50% or more of all billed Receivables owing to the applicable Credit Party by the applicable account debtor are less than 100 days past the date of invoice (except for Receivables fully insured or backed by a letter of credit in all respects acceptable to the Agent in its reasonable discretion) and less than 60 days from the due date thereof;

(d) the Receivable constitutes an "account" within the meaning of the UCC;

(e) the Receivable does not arise out of a bill and hold, ship-in-place, guaranteed sale, sale-and-return, consignment, progress billing, promotional (including samples), C.O.D. or cash in advance arrangement;

(f) the Receivable is not subject to any setoff, contra, offset, deduction, dispute, charge back, credit, counterclaim or other defense arising out of the transactions represented by the Receivable or independently thereof; provided , however , that in each case regarding an undisputed liquidated sum, such Receivable is an Ineligible Receivable only to the extent of such undisputed liquidated sum, and in each case regarding a disputed sum or claim, such Receivable is an Ineligible Receivable only to the extent of the sum or amount claimed by the party adverse to the applicable Credit Parties);

(g) the applicable account debtor has finally accepted the goods or services from the sale out of which the Receivable arose and has not (i) objected to such account debtor's liability thereon, (ii) rejected any of such services or goods or (iii) returned or repossessed any of such goods, except for goods returned in the ordinary course of business for which, in the case of goods returned, goods of equal or greater value have been shipped in return;

(h) the applicable account debtor is not any Governmental Authority, unless such account debtor is the United States of America or Canada (or any agency, instrumentality, department or other political subdivision thereof) and there has been compliance satisfactory to the Agent in all respects with the U.S. Federal Assignment of Claims Act or, as applicable, the Canadian Financial Administration Act or any applicable provincial legislation;

(i) the applicable account debtor is not an Affiliate of any Credit Party or any of their Subsidiaries;

(j) the applicable account debtor must have its principal place of business located within the United States or Canada, except for Receivables fully insured or backed by a letter of credit in all respects acceptable to the Agent in its reasonable discretion;

(k) the Receivable is not evidenced by a promissory note or other instrument or by chattel paper;

(l) the Receivable complies with all material Legal Requirements (including without limitation, all usury laws, fair credit reporting and billing laws, fair debt collection practices and rules, and regulations relating to truth in lending and other similar matters);

(m) the Receivable is in full force and effect and constitutes a legal, valid and binding obligation of the applicable account debtor enforceable in accordance with the terms thereof;

(n) the Receivable is denominated in and provides for payment by the applicable account debtor in U.S. dollars or Canadian dollars, except for Receivables fully insured or backed by a letter of credit denominated in U.S. dollars or Canadian dollars and in all other respects acceptable to the Agent in its reasonable discretion;

(o) the Receivable has not been and is not required to be charged or written off as uncollectible in accordance with GAAP;

(p) the Receivable is not due from an account debtor located in a jurisdiction (e.g., New Jersey, Minnesota and West Virginia or any Canadian province) which requires such Credit Party, as a precondition to commencing or maintaining an action in the courts of that jurisdiction, either to (i) receive a certificate of authority to do business and be in good standing in such jurisdiction; or (ii) file a notice of business activities report or similar report with such jurisdiction's taxing authority, unless (x) such Credit Party has taken one of the actions described in clauses (i) or (ii); or (y) the failure to take one of the actions described in either clause (i) or (ii) may be cured retroactively by such Credit Party at its election; and

(q) the credit standing of the applicable account debtor in relation to the amount of credit extended has not become unsatisfactory to the Agent in its reasonable discretion, except for Receivables fully insured or backed by a letter of credit in all respects acceptable to the Agent in its reasonable discretion.

In addition to the forgoing, the total amount of Receivables owing to the Credit Parties by an account debtor in excess of such account debtor's Concentration Limit of the total amount of Receivables owing to the Credit Parties by all account debtors shall also constitute "Ineligible Receivables" for purposes hereof, unless such Receivables exceeding such account debtor's Concentration Limit are fully backed or secured by a letter of credit acceptable to the Agent in its reasonable discretion. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, no Receivables purchased or otherwise acquired through any acquisition or other investment permitted hereunder after the Closing Date shall be deemed to constitute Eligible Receivables for purposes hereof unless and until the Agent shall have conducted a field examination (which shall be conducted within a reasonable time (in the Agent's judgment) after Borrower's request at the Borrowers' cost and expense) of the applicable books, records and operations for the assets or Subsidiary so acquired in order to satisfy the Agent that the Receivables so acquired generally satisfy the above-described standards of eligibility.

" **Intellectual Property** " shall mean all U.S. and foreign (a) patents, patent applications, patent disclosures, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof (" **Patents** "), (b) trademarks, service marks, trade names, domain names, logos, slogans, trade dress, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing (" **Trademarks** "), (c) copyrights and copyrightable subject matter (" **Copyrights** "), (d) rights of publicity, (e) moral rights and rights of attribution and integrity, (f) computer programs (whether in source code, object code, or other form),

databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing, (g) trade secrets and all confidential information, know-how, inventions, proprietary processes, formulae, models, and methodologies, (h) all rights in the foregoing and in other similar intangible assets, (i) all applications and registrations for the foregoing, and (j) all rights and remedies against infringement, misappropriation, or other violation thereof.

" **Intellectual Property Security Agreement** " shall have the meaning attributed to such term in Section 5.25 hereof.

" **Inter-Company Loans** " shall mean collectively, (a) the inter-company loans made from time to time by the Parent to NP International Holdco to finance, by means of loans described in clauses (b), (c) and (d), the 2006 acquisition of Neenah Germany, the substantially contemporaneous payment of the purchase price for any Permitted Offshore Acquisitions and the non-acquisition-related activities of NP International HoldCo and any of its direct or indirect subsidiaries that are Offshore Entities from time to time; provided that such inter-company loans are permitted under Section 7.7 ; (b) advances from time to time under the inter-company revolving line of credit from NP International HoldCo to FinCo, evidenced by the FinCo Note, which line of credit shall be used to provide FinCo with funds to finance, by means of loans described in clause (c), the activities of NP International and any of its direct or indirect subsidiaries that are Offshore Entities, to the extent permitted under this Agreement; (c) the inter-company loans made from time to time by FinCo to NP International to finance the 2006 acquisition of Neenah Germany, the substantially contemporaneous payment of the purchase price for any Permitted Offshore Acquisitions and the activities of NP International and any of its direct or indirect subsidiaries that are Offshore Entities, to the extent permitted under this Agreement; and (d) the inter-company loans made from time to time by NP International HoldCo to NP International and/or any of NP International HoldCo's direct or indirect subsidiaries that are Offshore Entities, to finance the substantially contemporaneous payment of the purchase price for any Permitted Offshore Acquisitions by NP International or any of its direct or indirect subsidiaries that are Offshore Entities, and the activities of NP International and any of its subsidiaries that are Offshore Entities, to the extent permitted under this Agreement.

" **Interest Expense** " shall mean, with respect to any Person for any period, the interest expense of such Person, on a Consolidated basis, during such period determined in accordance with GAAP, consistently applied, and shall in any event include, without limitation, (a) the amortization or write-off of debt discounts, (b) the amortization of all debt issuance costs, commissions and other fees payable in connection with the incurrence of Indebtedness to the extent included in interest expense, and (c) the portion of payments under Capital Lease Obligation allocable to interest expense.

" **Interest Option** " shall have the meaning specified in Section 2.8(a) hereof.

" **Interest Payment Dates** " shall mean (a) for Alternate Base Rate Borrowings (other than Swingline Loans), (i) the last Business Day of each calendar month prior to the Termination Date, and (ii) the Termination Date; (b) for LIBOR Borrowings, (i) last Business Day of each calendar month prior to the end of the applicable Interest Period and (ii) at the end of the applicable Interest Period; and (c) for Swingline Loans, (i) the last Business Day of each calendar month prior to the earlier to occur of the Termination Date or the date such Swingline Loans are required to be paid with proceeds of Revolving Loans in accordance with Section 2.11(c) , and (ii) the earlier to occur of the Termination Date or the date such Swingline Loans are required to be paid with proceeds of Revolving Loans in accordance with Section 2.11(c) .

" **Interest Period** " shall mean the period commencing on the date of the applicable LIBOR Borrowing and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is one (1), two (2) or three (3) months thereafter, as the Borrower's Agent may elect in accordance herewith; provided ,

however , that (a) if an Interest Period would end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) no Interest Period shall end later than the Termination Date, and (c) interest shall accrue from and including the first day of an Interest Period to, but excluding, the last day of such Interest Period.

" **Inventory** " shall mean all inventory, goods and merchandise now owned and hereafter acquired by any Credit Party, wherever located, to be furnished under any contract of service or held for sale or lease, all returned goods, raw materials, other materials and supplies of any kind, nature or description which are or will be used or consumed in the business of any Credit Party or any of their Subsidiaries or used in connection with the packing, shipping, advertising, selling or finishing of such goods, merchandise and such other personal property, and all documents of title or other documents representing any of them.

" **Investment** " shall mean the purchase or other acquisition of any securities or Indebtedness of, or the making of any loan, advance, extension of credit or capital contribution to (or the transfer of Property having the effect of any of the foregoing), or the incurring of any Contingent Obligation in respect of the Indebtedness of, any Person (in each case other than accounts receivable arising in the ordinary course of business).

" **IRS** " shall mean the United States Internal Revenue Service.

" **Issuing Bank** " shall mean the Agent, in its capacity as the issuer of any Letter of Credit pursuant to this Agreement. The terms "Agent" and "Issuing Bank" may be used interchangeably for such purpose.

" **Joinder Agreement** " shall mean any agreement, in Proper Form, executed by a Subsidiary of a Credit Party from time to time in accordance with Section 6.10 hereof, pursuant to which such Subsidiary joins in the execution and delivery of (a) this Agreement or a Guaranty, (b) the Contribution Agreement, or (c) any other Loan Document.

" **JPMorgan** " shall mean JPMorgan Chase Bank, N.A., together with its successors and assigns.

" **LC Collateral Account** " shall have the meaning specified for such term in Section 2.10(k) .

" **Leasehold Property** " shall mean any leasehold interest of any Credit Party as lessee under any lease of a Real Property Asset.

" **Legal Requirement** " shall mean any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

" **Lender or Lenders** " shall have the meaning specified in the preamble of this Agreement. Unless the context otherwise requires, the term "Lenders" shall include the Swingline Lender.

" **Lender Party** " shall mean the Agent, any Lender, or any of their respective Affiliates or branches.

" **Letters of Credit** " shall mean Standby Letters of Credit and Trade Letters of Credit. Letter of Credit shall mean any one of the Standby Letters of Credit or Trade Letters of Credit and shall include the Existing Letters of Credit.

" **Letter of Credit Advances** " shall mean all sums which may from time to time be paid by any and all of the Revolving Lenders pursuant to any and all of the Letters of Credit, together with all other sums, fees, reimbursements or other obligations which may be due to the Agent or any of the Revolving Lenders pursuant to any of the Letters of Credit.

" **Letter of Credit Exposure Amount** " shall mean at any time the sum of (a) the aggregate undrawn amount of all Letters of Credit outstanding at such time plus (b) the aggregate amount of all Letter of Credit Advances for which the Revolving Lenders have not been reimbursed and which remain unpaid at such time. The Letter of Credit Exposure Amount of any Revolving Lender at any time shall be its Commitment Percentage of the aggregate Letter of Credit Exposure Amount at such time.

" **LIBOR Borrowing** " shall mean, as of any date, that portion of the principal balance of the Loans bearing interest at the Adjusted LIBOR Rate as of such date and having the same Interest Period.

" **LIBOR Lending Office** " shall mean, with respect to any Lender, the office of such Lender specified as its "LIBOR Lending Office" opposite or below its name on the signature pages hereof, or (if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower's Agent and the Agent.

" **LIBOR Rate** " shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum equal to the rate appearing on Reuters Screen LIBOR01 Page (or, if no such page exists, on any successor or substitute page providing rate quotations comparable to those currently provided on such page of the Reuters Service, as determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days before the commencement of such Interest Period as the composite offered rate for dollar deposits approximately equal in principal amount to the Agent's portion of such LIBOR Borrowing and for a maturity equal to the applicable Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBOR Rate" with respect to such LIBOR Borrowing for such Interest Period shall be the average interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) at which dollar deposits approximately equal in principal amount to the Agent's portion of such LIBOR Borrowing and for a maturity equal to the applicable Interest Period are offered to the Agent in the London interbank market at approximately 11:00 a.m., London time, two Business Days before the commencement of such Interest Period.

" **Lien** " shall mean, with respect to any asset of any Person, (a) any mortgage, pledge, debenture, charge, encumbrance, security interest, collateral assignment or other lien or restriction of any kind on such asset, whether based on common law, constitutional provision, statute or contract, (b) the interest of any vendor or a lessor under any conditional sale agreement, title retention agreement or capital lease relating to such asset, (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities, or (d) any other right of or arrangement with any creditor to have such creditor's claim satisfied out of such assets, or the proceeds therefrom, prior to the general creditors of such Person owning such assets.

" **Loan Documents** " shall mean this Agreement, the Notes, the Applications, the Security Documents, the Guaranties, the Contribution Agreement, the Joinder Agreements, the Letters of Credit, all instruments, certificates and agreements now or hereafter executed and delivered to the Agent and/or the Lenders in connection with or pursuant to any of the foregoing (including without limitation, any fee letter between the Agent, JPMorgan and/or any of its Affiliates and any Borrower relating to the transactions contemplated by this Agreement), and all amendments, modifications, renewals, extensions, increases and rearrangements of, and substitutions for, any of the foregoing.

" **Loans** " shall mean the Term Loans, the Revolving Loans and the Swingline Loans. " **Loan** " shall mean any one of the Term Loans, Revolving Loans or the Swingline Loans.

" **Material Adverse Effect** " shall mean a material adverse effect on (a) the business, assets, prospects, operations, financial or other condition of the Credit Parties and their Subsidiaries taken as a whole, (b) the ability of the Credit Parties, taken as a whole, to perform their obligations under the Loan Documents, (c) the validity or enforceability of this Agreement, any of the Notes or any other Loan Documents or the rights or remedies of the Agent or the Lenders hereunder or thereunder, or (d) the validity or enforceability of the Agent's Lien on any material portion of the Collateral or the priority of such Lien.

" **Material Lease** " shall mean any lease agreement with respect to a Material Leasehold Property.

" **Material Leasehold Property** " shall mean (a) the Leasehold Properties listed on Schedule 1.1B and (b) a Leasehold Property of material value as Collateral or of material importance to the operations of the Credit Parties.

" **Maturity Date** " shall mean November 30, 2017; provided , that , "Maturity Date" shall mean August 15, 2014 in the event that, on or prior to such date, the Senior Notes have not been redeemed, repurchased, defeased, refinanced or extended (in each case to a date at least 90 days after November 30, 2017) or repaid.

" **Mill Properties** " shall mean those Mortgaged Properties in respect of which paper mill operations are conducted or where structures are located that are integral to such operations. Mill Property shall mean one of such Mill Properties.

" **Monthly Unaudited Financial Statements** " shall mean the financial statements of the Credit Parties and their subsidiaries, including all notes thereto, which statements shall include

(a) a balance sheet as of the end of the respective calendar month, (b) a statement of operations for such respective calendar month and for the fiscal year to date, subject to normal year-end adjustments, all setting forth in comparative form the corresponding figures for the corresponding period of the preceding fiscal year and (c) a statement of cash flows for the fiscal year to date, subject to normal year-end adjustments, setting forth in comparative form the corresponding figures in the corresponding period of the preceding fiscal year, all prepared in reasonable detail and in accordance with GAAP and certified by a Responsible Officer of Borrower's Agent as fairly and accurately presenting in all material respects the financial condition and results of operations of the Credit Parties and their subsidiaries, on a Consolidated basis, at the dates and for the periods indicated therein subject to normal year-end adjustments. The Monthly Unaudited Financial Statements for the Credit Parties and their subsidiaries shall be prepared on a Consolidated and consolidating basis, the parties recognizing that such consolidating statements will be prepared in accordance with GAAP only to the extent normal and customary.

" **Mortgage** " shall mean (a) a security instrument (whether designated as a deed of trust, an equitable mortgage, a debenture, a deed to secure debt, a mortgage, a leasehold mortgage, a leasehold deed of trust, a leasehold deed to secure debt, an assignment of leases and rents or by any similar title) executed and delivered by any Credit Party in such form as may be approved by the Agent, in each case with such changes thereto as may be recommended by the Agent's local counsel based on local laws or customary local practices, and (b) at the Agent's option, in the case of an Additional Mortgaged Property, an amendment to an existing Mortgage, in form satisfactory to the Agent, adding such Additional Mortgaged Property to the Real Property Assets encumbered by such existing Mortgage, in either case as such security instrument or amendment may be amended, supplemented or otherwise modified from time to time. " **Mortgages** " means all such instruments, including the Closing Date Mortgages and any Additional Mortgages.

" **Mortgaged Property** " shall mean a Closing Date Mortgaged Property or an Additional Mortgaged Property, as the case may be.

" **Neenah Canada** " shall have the meaning assigned to such term in the recitals of this Agreement.

" **Neenah Germany** " shall mean Neenah Germany GmbH (formerly known as FiberMark Beteiligungs GmbH) and Neenah Services GmbH & Co. KG. (formerly known as FiberMark Services GmbH & Co. KG.), collectively.

" **Net Income** " shall mean, with respect to any Person for any period, net income of such Person for the applicable calculation period determined in accordance with GAAP; provided , that there shall not be included in such calculation of net income (without duplication) (a) any extraordinary gains or losses (including in connection with the sale or write-up of assets), (b) any nonrecurring gains or losses, (c) any gains or losses from dispositions of property or assets, other than dispositions of Inventory and Equipment in the ordinary course of business, and the tax consequences thereof, (d) the net income or loss of any other Person that is not a Subsidiary of such Person for whom net income is being calculated (or is accounted for by such Person by the equity method of accounting), (e) the net income (or loss) of any other Person acquired by, or

merged with, such Person for whom net income is being calculated or any of its Subsidiaries for any period prior to the date of such acquisition, (f) the net income of any Subsidiary of such Person for whom net income is being calculated to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such net income is not at the time permitted by operation of the terms of its charter, certificate of incorporation or formation or other constituent document or any agreement or instrument or Legal Requirement applicable to such Subsidiary, all as determined in accordance with GAAP, (g) any non-cash non-recurring impairment charges with respect to a writedown of the carrying amount of the Consolidated assets of the Credit Parties acquired after the Closing Date (either through direct asset purchase or as part of the acquisition of all or substantially all of the Stock of another Person) based on the impairment of such assets, pursuant to the provisions of Section 7.4(f) and any benefits (including tax benefits) resulting from such writedown, and (h) any non-cash compensation expense realized for grants of performance shares, stock options or other rights to officers, directors and employees, provided that such shares, options or other rights can be redeemed at the option of the holder only for capital stock of such Person.

" **Net Recovery Value Percentage** " shall mean the "net recovery value percentage" under an orderly liquidation scenario for the Inventory, Equipment, or Real Property Assets of any Credit Party, as specifically set forth and described in the most recent appraisal of the Inventory, Equipment, or Real Property Assets of the applicable Credit Party received by the Agent pursuant to the provisions of Section 6.4 hereof (or with regard to work-in-process Inventory, gross recovery value percentage as set forth in such an appraisal and as discounted by the Agent in its reasonable credit judgment).

" **New Lender** " has the meaning assigned to such term in Section 2.15(d) .

" **New Lender Agreement** " means a New Lender Agreement entered into by a New Lender in accordance with Section 2.15(d) and accepted by the Agent in the form of attached hereto, or any other form approved by the Agent.

" **Non-Reporting Lender Party** " shall have the meaning specified for such term in the definition of "Bank Products".

" **Notes** " shall mean the Revolving Credit Notes, the Term Notes and the Swingline Note. Note shall mean any one of such promissory notes.

" **NP International** " shall mean Neenah Paper International, LLC, a Delaware limited liability company and a wholly owned subsidiary of NP International HoldCo.

" **NP International HoldCo** " shall mean Neenah Paper International Holding Company, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Parent.

" **NP International Lease** " shall mean any lease hereafter entered into by NP International to occupy a portion of the real property constituting the Parent's corporate headquarters, whether by assignment and assumption, or by direct lease with the landlord, which lease will be on terms substantially consistent with the terms of the Parent's lease for the portion of the space leased by NP International.

" **NP International Services Agreement** " shall mean that certain Management and Services Agreement referred to in Schedule 7.6 , as the same may be amended, extended, renewed, restated or replaced from time to time to the extent not prohibited by this Agreement, pursuant to which, among other things, NP International provides certain human resources services and sales and marketing technical support to some or all of the Credit Parties.

" **Obligations** " shall mean, without duplication, all obligations, liabilities and Indebtedness of the Credit Parties with respect to (a) the Security Documents and all other Loan Documents, including without limitation, (i) the principal of and interest on the Loans and (ii) the payment or performance of all other obligations, liabilities and Indebtedness of the Credit Parties to the Agent and the Lenders hereunder, under the Notes, under the Letters of Credit, under the Applications or under any one or more of the other Loan Documents, including all fees, costs, expenses and indemnity obligations hereunder and thereunder, and (b) all obligations and liabilities of the Credit Parties and/or any of their Subsidiaries now or hereafter owing to JPMorgan Chase Bank, N.A. or any other Lender Party under any Bank Product. The Obligations include interest (including interest that accrues or that would accrue but for the filing of a bankruptcy case by a Credit Party or any of its Subsidiaries, whether or not such interest would be an allowable claim under any applicable bankruptcy or other similar proceeding) and other obligations accruing or arising after (a) commencement of any case under any bankruptcy or similar laws by or against any Credit Party or any of their Subsidiaries (or that would accrue or arise but for the commencement of any such case) or (b) the personal liability of the Credit Parties or any of their Subsidiaries for the Obligations shall be discharged or otherwise cease to exist by operation of law or for any other reason.

" **Obligee** " and " **Obligees** " shall have the meanings assigned to such terms in Section 10.22 .

" **Offshore Entities** " shall mean FinCo, NP International HoldCo, NP International, Neenah Germany, each Excluded Foreign Subsidiary and each of the forgoing Persons' direct or indirect foreign subsidiaries.

" **Organizational Documents** " shall mean, with respect to a corporation, the certificate of incorporation, articles of incorporation and bylaws of such corporation; with respect to a limited partnership, the limited partnership agreement and certificate of limited partnership of such limited partnership; with respect to a joint venture, the joint venture agreement establishing such joint venture; with respect to a limited liability company, the articles of organization or certificate of formation and regulations or limited liability company agreement of such limited liability company; with respect to an unlimited liability company, the memorandum of association and articles of association and the certificate of incorporation of such company; and with respect to a trust, the instrument establishing such trust; in each case including any and all modifications thereof as of the date of the Loan Document referring to such Organizational Document and any and all future modifications thereof.

" **Original Closing Date** " shall have the meaning specified in the recitals of this Agreement.

" **Original Credit Agreement** " shall have the meaning specified in the recitals of this Agreement.

" **Other Connection Taxes** " shall have the meaning attributed to such term in Section 10.17(a)(iii) .

" **Other Tax** " shall have the meaning attributed to such term in Section 10.17(a)(iii) hereof.

" **Parent** " shall have the meaning specified in the preamble to this Agreement.

" **Participant Register** " has the meaning assigned to such term in Section 10.12(b) .

" **Parties** " shall mean all Persons other than the Agent and any Lender executing any Loan Documents.

" **Patents** " shall have the meaning specified for such term in the definition of "Intellectual Property."

" **PBGC** " shall mean the Pension Benefit Guaranty Corporation.

" **Perfection Certificate** " shall mean a certificate in the form of attached hereto or any other form approved by the Agent, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by each Credit Party on the date hereof.

" **Permitted Affiliate Transactions** " shall mean any of the following: (a) transactions between Credit Parties; (b) transactions between Offshore Entities, (c) customary directors' fees, customary directors' indemnifications and similar arrangements for officers and directors of the Credit Parties and the Offshore Entities entered into in the ordinary course of business, together with any payments made under any such indemnification arrangements; provided , that any of the foregoing owed to directors and officers of the Offshore Entities are only payable and paid by the Offshore Entities; (d) customary and reasonable loans, advances and reimbursements to officers, directors and employees of the Credit Parties and Offshore Entities for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business provided , that any of the foregoing owed to officers, directors and employees of the Offshore Entities are only payable and paid by the Offshore Entities; (e) the incurrence of intercompany Indebtedness permitted pursuant to Sections 7.1(f) and 7.1(o) hereof and Contingent Obligations permitted pursuant to Section 7.1(g) hereof, (f) employment agreements and arrangements entered into with directors, officers and employees of the Credit Parties or the Offshore Entities in the ordinary course of business; provided , that any obligations under any of the foregoing owed to directors, officers and employees of the Offshore Entities are only obligations of the Offshore Entities and are only paid by the Offshore Entities; and (g) other transactions, contracts or agreements existing on the Closing Date and which are set forth on Schedule 7.6 attached hereto, together with any renewals and extensions of such existing transactions, contracts or agreements, so long as such renewals and extensions are upon terms and conditions substantially identical to the terms and conditions set forth in such existing transactions, contracts and agreements (or otherwise no less favorable to the Credit Parties, as applicable), and such other

transactions, contracts or agreements with respect to the Offshore Entities entered into after the Closing Date, which (i) either (A) contain terms and conditions substantially similar to those transactions, contracts and agreements listed on Schedule 7.6 attached hereto or (B) are transactions, contracts or agreements customarily entered into by public companies for the provision of administrative services to their related companies (including, without limitation, legal, accounting, treasury, tax, human resources, billing and collection, accounts payable, risk management, compliance and other similar administrative services), and (ii) have been approved by the Agent in its reasonable discretion. Where any costs, expenses, fees or other payments to directors, officers or employees described herein are required to be made by, or to be obligations solely of, Offshore Entities, such amounts may be either paid directly by the Offshore Entities, or paid by any Credit Party and reimbursed in cash by Offshore Entities in the ordinary course of business which, in any event, shall not be longer than 60 days after such payment is made. In the event such costs, expenses, fees or other payments relate both to the Credit Parties and to one or more Offshore Entities, the Parent shall be entitled to make a reasonable, good faith allocation of such amounts as between the affected Credit Parties, on the one hand, and the affected Offshore Entities on the other.

" **Permitted Investment Securities** " shall mean each of the following, to the extent the same is pledged as additional Collateral hereunder and is subject to a first priority perfected Lien in favor of the Agent for the ratable benefit of the Lender Parties: (a) readily marketable, direct obligations of the United States of America or any agency or wholly-owned corporation thereof which are backed by the full faith and credit of the United States, maturing within one (1) year after the date of acquisition thereof, (b) certificates of deposit, commercial paper (if rated no lower than A-1/P-1) or other short-term direct obligations of (i) JPMorgan or (ii) any other domestic financial institution having capital and surplus in excess of $5,000,000,000, maturing within six months after the date of acquisition thereof, (c) money market mutual funds having aggregate assets in excess of $5,000,000,000, and (d) other Investments mutually agreed to in writing by the Borrowers' Agent and the Agent.

" **Permitted Offshore Acquisitions** " shall mean any acquisition by NP International HoldCo after the Closing Date, either directly or indirectly through one of more of its subsidiaries that are Offshore Entities, of all or a substantial part of the assets of any Person, or of the shares of Stock of, or similar interests in, any Person, that is permitted under the provisions of Section 7.4(6)(B) of this Agreement.

" **Permitted Overadvance** " shall have the meaning specified in Section 2.2(h) hereof.

" **Person** " shall mean any individual, corporation, business trust, unincorporated organization or association, partnership, joint venture, limited liability company, unlimited liability company, Governmental Authority or any other form of entity.

" **Plan** " shall mean any plan subject to Title IV of ERISA and maintained by any Credit Party for employees of any Credit Party or of any member of a "controlled group of corporations", as such term is defined in the Code, of which the Borrower, any of its Subsidiaries or any ERISA Affiliate it may acquire from time to time is a part, or any such plan to which the Borrower, any of its Subsidiaries or any ERISA Affiliate is required to contribute on behalf of its employees.

" **Pledged Cash** " shall mean, on any date, the aggregate amount of cash on deposit in the Special Cash Collateral Account on such date.

" **Post-Closing Mortgage Policy** " shall have the meaning specified for such term on Schedule 4.4 .

" **PPSA (Nova Scotia)** " shall mean the Personal Property Security Act (Nova Scotia), as amended from time to time.

" **Prime Rate** " shall mean the rate of interest per annum publicly announced from time to time by JPMorgan, or its successor financial institution, if any, at its principal office in New York City as its prime rate in effect at such time. Without notice to any Credit Party or any other Person, the Prime Rate shall change automatically from time to time as and in the amount by which said prime rate shall fluctuate, with each such change to be effective as of the date of each change in such prime rate. THE PRIME RATE IS A REFERENCE RATE AND DOES NOT NECESSARILY REPRESENT THE LOWEST OR BEST RATE ACTUALLY CHARGED BY JPMORGAN OR SUCH SUCCESSOR FINANCIAL INSTITUTION TO ANY OF ITS CUSTOMERS. JPMORGAN OR SUCH SUCCESSOR FINANCIAL INSTITUTION MAY MAKE COMMERCIAL LOANS OR OTHER LOANS AT RATES OF INTEREST AT, ABOVE AND BELOW THE PRIME RATE.

" **Principal Office** " shall mean the principal office in New York City of the Agent, or such other place as the Agent may from time to time by notice to the Borrowers' Agent designate.

" **Prohibited Transaction** " shall mean any non-exempt transaction set forth in Section 406 of ERISA or Section 4975 of the Code.

" **Proper Form** " shall mean in form and substance satisfactory to the Agent as of the time of delivery and execution.

" **Property** " shall mean any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.

" **Quarterly Equipment Component Amortization Amount** " shall have the meaning specified for such term on Schedule 1.1D .

" **Quarterly Real Estate Component Amortization Amount** " shall have the meaning specified for such term on Schedule 1.1E .

" **Quarterly Unaudited Financial Statements** " shall mean the financial statements of the Credit Parties and their subsidiaries,

including all notes thereto, which statements shall include (a) a balance sheet as of the end of the respective fiscal quarter, as applicable, (b) a statement of operations for such respective fiscal quarter, as applicable, and for the fiscal year to date, subject to normal year-end adjustments, all setting forth in comparative form the corresponding figures for the corresponding period of the preceding fiscal year and (c) a statement of cash flows for the fiscal year to date, subject to normal year-end adjustments, setting forth in comparative form the corresponding figures in the corresponding period of the preceding fiscal year, all prepared in

reasonable detail and in accordance with GAAP and certified by a Responsible Officer of Borrower's Agent as fairly and accurately presenting in all material respects the financial condition and results of operations of the Credit Parties and their subsidiaries, on a Consolidated basis, at the dates and for the periods indicated therein, subject to normal year-end adjustments. The Quarterly Unaudited Financial Statements for the Credit Parties and their subsidiaries shall be prepared on a Consolidated and consolidating basis, the parties recognizing that such consolidating statements will be prepared in accordance with GAAP only to the extent normal and customary.

" **Rate Selection Date** " shall mean that Business Day which is (a) in the case of an Alternate Base Rate Borrowing, the date of such borrowing, or (b) in the case of a LIBOR Borrowing, the date three (3) Business Days preceding the first day of any proposed Interest Period for such LIBOR Borrowing.

" **Rate Selection Notice** " shall have the meaning specified in Section 2.8(b)(i) hereof.

" **Reaffirmation Agreements** " means the Fourth Amendment to Security Agreement (Personal Property) and Reaffirmation Agreement entered into by the Credit Parties (other than Guarantor) and the Agent, the Reaffirmation of Pledge Agreement entered into by the Credit Parties (other than Guarantor) and the Agent, the Third Amendment to Patent Security Agreement and Reaffirmation Agreement entered into by the Credit Parties (other than Guarantor) and the Agent, the Third Amendment to Trademark Security Agreement and Reaffirmation Agreement entered into by the Credit Parties (other than Guarantor) and the Agent, the Reaffirmation of Copyright Security Agreement entered into by the Credit Parties (other than Guarantor) and the Agent, and the Reaffirmation of Trademark Security Agreement entered into by Neenah Paper FR, LLC and the Agent, in each case dated as of the date hereof.

" **Real Estate Component** " shall have the meaning specified for such term on Schedule 1.1F .

" **Real Property Asset** " shall mean, at any time of determination, any fee ownership or leasehold interest of any Credit Party in or to any real Property.

" **Receivables** " shall mean and include all of the accounts, instruments, documents, chattel paper and general intangibles of the Credit Parties, whether secured or unsecured, whether now existing or hereafter created or arising, and whether or not specifically assigned to the Agent for the ratable benefit of the Lender Parties.

" **Recipient** " means, as applicable, (a) the Agent, (b) any Lender and (c) the Issuing Bank.

" **Refinancing Indebtedness** " shall mean any Indebtedness of the Credit Parties or any of their Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, other Indebtedness of such Person, provided , that :

(a) the principal amount of such Refinancing Indebtedness does not exceed the sum of (i) the then outstanding principal amount of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded, (ii) the amount of accrued but unpaid interest on the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded and (iii) the

reasonable and customary transactional costs and expenses incurred by the Credit Parties in connection with incurring such Refinancing Indebtedness;

(b) the interest rate or rates to accrue under such Refinancing Indebtedness do not exceed the market interest rate or rates as of the time of the issuance or incurrence of such Refinancing Indebtedness then accruing on the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded;

(c) such extension, refinancing, renewal, replacement defeasance or refunding does not result in a shortening of the average weighted maturity of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (and, with respect to the Senior Notes, such extension, refinancing, renewal, replacement defeasance or refunding does not result in any principal amount owing with respect of such Refinancing Indebtedness becoming due earlier than the date that is 90 days following the Maturity Date);

(d) the subordination provisions (with respect to any Subordinated Indebtedness) and collateral security provisions (or absence thereof) of such Refinancing Indebtedness are in each case, as determined by the Agent in its sole discretion, substantially the same as, or more favorable to the applicable Credit Party and/or Subsidiary as those in the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded;

(e) the covenants, defaults, remedies and other terms of such Refinancing Indebtedness are in each case, as determined by the Agent in its sole discretion, substantially the same as, or not materially less favorable to the applicable Credit Party and/or Subsidiary as those in the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded; and

(f) no Default or Event of Default has occurred and is continuing or would result from the issuance or origination of such Refinancing Indebtedness.

" **Regulation D** " shall mean Regulation D of the Board of Governors of the Federal Reserve System from time to time in effect and shall include any successor or other regulation relating to reserve requirements applicable to member Lenders of the Federal Reserve System.

" **Regulatory Change** " shall mean, with respect to any Lender, any change on or after the date of this Agreement in any Legal Requirement (including Regulation D) or the adoption or making on or after such date of any Legal Requirement applying to Agent or a class of Lenders including such Person under any Legal Requirement (whether or not having the force of law) by any Governmental Authority charged with the interpretation or administration thereof.

" **Related Obligations** " shall have the meaning assigned to such term in Section 10.22 .

" **Reportable Event** " shall mean a "reportable event" as defined in Section 4043(c) of ERISA, excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation.

" **Request for Extension of Credit** " shall mean a written request for extension of credit substantially in the form of attached hereto.

" **Required Lenders** " shall mean Lenders having greater than 50% of the aggregate amount of the outstanding Term Loans, Revolving Loans, Letter of Credit Exposure Amount, Swingline Exposure and, prior to the termination of the Total Revolving Commitment, Unused Commitment; and provided , however , if only two (2) Lenders are then parties to this Agreement, Required Lenders shall mean both of such Lenders. Notwithstanding anything in this Agreement to the contrary, no Defaulting Lender shall be taken into account for any purpose in determining whether the Required Lenders have authorized or taken any action contemplated in this Agreement or any of the other Loan Documents, subject to Section 10.11 hereof.

" Required Revolving Lenders " shall mean Lenders having greater than 50% of the aggregate amount of the outstanding Revolving Loans, Letter of Credit Exposure Amount, Swingline Exposure and, prior to the termination of the Total Revolving Commitment, Unused Commitment; provided , however , if only two (2) Revolving Lenders are then parties to this Agreement, Required Revolving Lenders shall mean both of such Revolving Lenders. Notwithstanding anything in this Agreement to the contrary, no Defaulting Lender shall be taken into account for any purpose in determining whether the Required Revolving Lenders have authorized or taken any action contemplated in this Agreement or any of the other Loan Documents, subject to Section 10.11 hereof.

" Required Term Lenders " shall mean, at any time, Term Lenders having in the aggregate more than 50% of the Term Loans at such time or, prior to the funding of the Term Loans pursuant to Section 2.1 , 50% of the Term Loan Commitment; provided , however , if only two (2) Term Lenders are then parties to this Agreement, Required Term Lenders shall mean both of such Term Lenders. Notwithstanding anything in this Agreement to the contrary, no Defaulting Lender shall be taken into account for any purpose in determining whether the Required Term Lenders have authorized or taken any action contemplated in this Agreement or any of the other Loan Documents, subject to Section 10.11 hereof.

" **Requirements of Environmental Law** " shall mean all requirements imposed by any Environmental Law. Requirement of Environmental Law shall mean any one of them.

" **Reserves** " shall mean any and all reserves established by the Agent, in its reasonable credit judgment and without duplication, with respect to the Borrowing Base or in accordance with any express provision of this Agreement or any other Loan Document (including, without limitation, such reserves as may be necessary in any jurisdiction with respect to priming liens of any Governmental Authority or any pension authority) for purposes of reducing the Borrowers' ability to utilize any portion of the Borrowing Base.

" **Responsible Officer** " shall mean, with respect to any Person, the president, chief financial officer, treasurer, controller, or general counsel of such Person.

" **Revolving Commitment** " means, with respect to each Revolving Lender, the commitment, if any, of such Revolving Lender to make Revolving Loans and to acquire participations in Letters of Credit, Permitted Overadvances and Swingline Loans hereunder, expressed as an amount representing the maximum possible aggregate amount of such Revolving Lender's Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Sections 2.4 and 2.15 and (b) assignments by or to such Revolving

Lender pursuant to Section 10.12 . The initial amount of each Revolving Lender's Revolving Commitment is set forth on Schedule 1.1A hereto, or in the Assignment and Acceptance or New Lender Agreement pursuant to which such Revolving Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Revolving Lenders' Revolving Commitments as of the Closing Date is $105,000,000.00.

" **Revolving Commitment Increase Notice** " shall have the meaning specified for such term in Section 2.15(a) .

" **Revolving Credit Alternate Base Rate Borrowing** " shall mean, as of any date, that portion of the principal balance of the Revolving Loans bearing interest at the Alternate Base Rate as of such date.

" **Revolving Credit LIBOR Borrowing** " shall mean, as of any date, that portion of the principal balance of the Revolving Loans bearing interest at the Adjusted LIBOR Rate as of such date.

" **Revolving Credit Notes** " shall mean the promissory notes, each substantially in the form of attached hereto, of the Borrowers evidencing the Revolving Loans, payable to the order of the respective Revolving Lenders in the amount of said Revolving Lender's Revolving Commitment, and all renewals, extensions, modifications, rearrangements and replacements thereof and substitutions therefor. Revolving Credit Note shall mean any of such promissory notes.

" **Revolving Exposure** " means, with respect to any Revolving Lender at any time, the sum of the outstanding principal amount of such Revolving Lender's Revolving Loans and its Letter of Credit Exposure Amount and an amount equal to its Commitment Percentage of the aggregate principal amount of Swingline Loans at such time, plus an amount equal to its Commitment Percentage of the aggregate principal amount of Permitted Overadvances outstanding at such time.

" **Revolving Lenders** " shall mean, as of any date of determination, Lenders having a Revolving Commitment.

" **Revolving Loans** " shall mean the Revolving Loans made pursuant to Section 2.1 hereof, including any Permitted Overadvances. Revolving Loan shall mean one of such Revolving Loans.

" **Scheduled Principal Payments** " shall mean, with respect to any Person for any period, the aggregate amount of regularly scheduled payments of principal, if any, in respect of funded Indebtedness (including the principal component of any payments in respect of Capital Lease Obligations) paid or required to be paid by such Person and its consolidated Subsidiaries during such period.

" **Security Agreements** " shall mean (a) the Security Agreement (Personal Property) dated as of the Original Closing Date, between the Credit Parties (other than the Guarantor) and the Agent, for the ratable benefit of the Lender Parties, covering all Receivables, Inventory and all other tangible and intangible personal Property of such Credit Parties more particularly described

therein, as the same may thereafter be or have been joined in by a Credit Party pursuant to a Joinder Agreement, (b) the Pledge Agreement dated as of the Original Closing Date, between the Credit Parties named therein and the Agent, for the ratable benefit of the Lender Parties, covering all issued and outstanding Stock in each of the Borrowers' Domestic Subsidiaries, (c) any and all other security agreements, pledge agreements, collateral assignments (including without limitation assignments of insurance), assignments of contract rights or agreements, assignments or pledges of stock or partnership interests, or other similar documents now or hereafter executed in favor of the Agent for the ratable benefit of the Lender Parties, as security for the payment or performance of any and/or all of the Obligations, and (d) any amendment, modification, restatement or supplement of all or any of the above-described agreements and assignments, including, without limitation, the Reaffirmation Agreements.

" **Security Documents** " shall mean the Security Agreements, all related financing statements and any and all other agreements, Intellectual Property Security Agreements, Mortgages, debentures, deeds of trust, chattel mortgages, Tri-Party Agreements, guaranties, assignments of income, standby agreements, subordination agreements, undertakings and other instruments and financing statements now or hereafter executed and delivered as security for the payment and performance of the Obligations, as any of them may from time to time be amended, modified, restated or supplemented.

" **Senior Note Documents** " shall mean any and all agreements, instruments and other documents pursuant to which the Senior Notes have been or will be issued or otherwise setting forth the terms of the Senior Notes, the Senior Note Indenture and the obligations with respect thereto, including any guaranty agreements, bank product agreements or hedging agreements related thereto, all ancillary agreements as to which any agent, trustee or lender is a party or a beneficiary and all other agreements, instruments, documents and certificates executed in connection with any of the foregoing, in each case as such agreement, instrument or other document may be amended, restated, supplemented, refunded, replaced or otherwise modified from time to time in accordance with the terms thereof.

" **Senior Notes** " shall mean the 7-3/8% senior notes of the Parent due 2014, issued pursuant to the Senior Note Indenture.

" **Senior Note Indenture** " shall mean the Indenture, dated as November 30, 2004, between Parent, the subsidiaries of the Parent party thereto, and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee.

" **Settlement** " shall have the meaning specified for such term in Section 2.11(f) .

" **Settlement Date** " shall have the meaning specified for such term in Section 2.11(f) .

" **Significant Offshore Entity** " shall mean any Offshore Entity that, at the time of determination, would constitute a "significant subsidiary" of the Parent within the meaning of Rule 1-02 of Regulation S-X promulgated by the Securities and Exchange Commission as in effect on the Closing Date; provided , however , that any references to "10 percent" in the tests contained in sections w(1) and w(2) thereof shall be replaced with references to "2.5 percent".

" **Special Cash Collateral Account** " shall mean that certain deposit account identified as such in Section II of the Perfection Certificate, established or to be established with JPMorgan Chase Bank, N.A. or one of its Affiliates, into which the Borrowers deposit certain proceeds received by them from the Disposition of Property pursuant to Section 2.7(d) ; provided that such deposit account is subject to an account control agreement and/or such other Security Documents required by the Agent, each in form and substance satisfactory to the Agent, pursuant to which the Agent has (i) been granted a first priority Lien on and security interest in such account and all cash held from time to time therein and (ii) sole control over the amounts held from time to time therein, and which is otherwise maintained as provided in Section 3.3 .

" Specified Representations " shall mean the representations and warranties with respect to the Borrower set forth in Sections 5.1 , 5.3 , 5.4 , 5.14 , 5.19 , and 5.25 of this Agreement.

" **Standby Letters of Credit** " shall mean all standby letters of credit issued by the Agent for the account or liability of any Borrower pursuant to the terms set forth in this Agreement and shall include all standby letters of credit which are Existing Letters of Credit.

" **Statutory Reserves** " shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including without limitation, any marginal, special, emergency or supplemental reserves) expressed as a decimal, established by the Board of Governors of the Federal Reserve System of the United States and any other banking authority to which any Lender is subject with respect to the Adjusted LIBOR Rate for Eurocurrency Liabilities (as defined in Regulation D), including without limitation, those reserve percentages imposed under Regulation D.

" **Stock** " shall mean as to a Business Entity, all capital stock, partnership interests, membership interests or other indicia of equity rights issued by such Business Entity from time to time.

" **Stock Repurchases** " shall mean, with respect to any period, all cash purchases by Parent of its of common stock made during such period.

" **Subordinated Indebtedness** " shall mean, with respect to any Credit Party or any of their Subsidiaries, Indebtedness subordinated in right of payment to such Credit Party's or such Subsidiary's monetary Obligations on terms satisfactory to and approved in writing by the Agent and the Required Lenders, in their reasonable credit judgment, so long as all other terms thereof (including without limitation, regularly scheduled payments and financial and negative covenants) are satisfactory to and approved in writing by the Agent and the Required Lenders, in their reasonable credit judgment.

" **Subsidiary** " shall mean, as to a particular parent Business Entity, any Business Entity (excluding any Offshore Entity) of which more than fifty percent (50%) of the Stock issued by such Business Entity is at the time directly or indirectly owned by such parent Business Entity or by one or more of its Affiliates (other than an Offshore Entity).

" **Swingline Exposure** " shall mean, at any time, the aggregate principal amount of all Swing Loans outstanding at such time.

" **Swingline Lender** " shall mean JPMorgan or any other Lender that becomes the Agent, in each case in its capacity as the Swingline Lender hereunder.

" **Swingline Loans** " shall mean the Swingline Loans made pursuant to Section 2.11(a) hereof. Swingline Loan shall mean any one of such Swingline Loans.

" **Swingline Note** " shall mean the promissory note, substantially in the form of attached hereto, of the Borrowers evidencing the Swingline Loans, payable to the order of the Swingline Lenders in the original principal amount of $15,000,000, and all renewals, extensions, modifications, rearrangements and replacements thereof and substitutions therefor.

" **Synthetic Lease** " shall mean any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which lease or other arrangement is required or is permitted to be classified and accounted for as an operating lease under GAAP but which is intended by the parties thereto for tax, bankruptcy, regulatory, commercial law, real estate law and all other purposes as a financing arrangement.

" **Tax** " shall have the meaning attributed to such term in Section 10.17(a)(v) hereof.

" **Term Lenders** " means, as of any date of determination, Lenders having a Term Loan Commitment.

" **Term Loan Alternate Base Rate Borrowing** " shall mean, as of any date, that portion of the principal balance of the Term Loans bearing interest at the Alternate Base Rate as of such date.

" **Term Loan LIBOR Borrowing** " shall mean, as of any date, that portion of the principal balance of the Term Loans bearing interest at the Adjusted LIBOR Rate as of such date.

" **Term Loan Commitment** " means (a) as to any Term Lender, the aggregate commitment of such Term Lender to make Term Loans as set forth in Schedule 1.1A hereto or in the most recent Assignment and Assumption executed by such Term Lender and (b) as to all Term Lenders, the aggregate commitment of all Term Lenders to make Term Loans, which aggregate commitment shall be $30,000,000 on the date of this Agreement. After advancing the Term Loan, each reference to a Term Lender's Term Loan Commitment shall refer to that Term Lender's Commitment Percentage of the Term Loans.

" **Term Loans** " means the Term Loans extended by the Term Lenders to the Borrowers pursuant to Section 2.1 hereof.

" **Term Notes** " shall mean the promissory notes, each substantially in the form of attached hereto, of the Borrowers evidencing the Term Loans, payable to the order of the respective Term Lenders in the amount of said Term Lender's Term Loan Commitment, and all renewals, extensions, modifications, rearrangements and replacements thereof and substitutions therefor. Term Loan Note shall mean any of such promissory notes.

" **Termination Date** " shall mean the earliest of (a) the Maturity Date, and (b) any date the Termination Date is accelerated or the Total Commitment is terminated by the Agent pursuant to Section 8.1 hereof.

" **Title Company** " shall mean First American Title Insurance Company or one or more other title insurance companies reasonably satisfactory to the Agent.

" **Total Commitment** " shall mean, on any day, the aggregate of all of the Lenders' Commitments on such day. As of the Closing Date, the Total Commitment is $135,000,000.

" **Total Revolving Commitment** " shall mean, on any day, the aggregate of all of the Revolving Lenders' Revolving Commitments on such day. As of the Closing Date, the Total Revolving Commitment is $105,000,000.

" **Trade Letters of Credit** " shall mean all trade or documentary letters of credit issued by the Agent for the account or liability of any Borrower pursuant to the terms set forth in this Agreement and shall include all trade or documentary letters of credit which are Existing Letters of Credit.

" **Trademarks** " shall have the meaning specified for such term in the definition of "Intellectual Property."

" **Tri-Party Agreements** " shall collectively mean tri-party agreements, in Proper Form, to be executed and delivered by and among the Agent, the Credit Parties required by the Agent and the applicable financial institutions described in Section II of the Perfection Certificate, together with all modifications and/or replacements thereof which are approved in writing by the Agent, for purposes of (a) evidencing control by the Agent in one or more deposit accounts (including Collection Accounts) maintained by the applicable Credit Parties with any such specified financial institution, in the case of the Agent, for purposes of perfection of the Agent's Lien in such deposit accounts for the ratable benefit of the Lender Parties, and (b) with respect to deposit accounts constituting Collection Accounts, facilitating the collection of Receivables in accordance with the terms of Section 6.15 hereof.

" **True-Up Loans** " shall have the meaning assigned to such term in the recitals of this Agreement.

" **UCC** " shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

" **Unused Commitment** " shall mean, as to a particular Revolving Lender, the daily difference of such Revolving Lender's Revolving Commitment on such day less the Current Sum applicable to such Revolving Lender on such day.

1.2 Accounting Terms and Determinations . Except where specifically otherwise provided:

(a) The symbol " **$** " and the word " **dollars** " shall mean lawful money of the United States of America.

(b) Any accounting term not otherwise defined shall have the meaning ascribed to it under GAAP. If any Credit Party is required after the Closing Date to implement any change(s) in its accounting principles and practice as a result of any changes in GAAP mandated by the Financial Accounting Standards Board or successor organization, and if such change(s) result in any material change in the method of calculation of the Fixed Charge Coverage Ratio, then for all periods after the date of implementation of such change(s) until one or more appropriate amendments of this Agreement addressing such change(s) in GAAP are negotiated, executed and delivered by the parties hereto in a form acceptable to all such parties, the Fixed Charge Coverage Ratio shall be calculated hereunder utilizing GAAP as in effect prior to such change(s).

(c) Unless otherwise expressly provided, any accounting concept and all financial covenants shall be determined on a Consolidated basis, and financial measurements shall be computed without duplication.

(d) Wherever the term "including" or any of its correlatives appears in the Loan Documents, it shall be read as if it were written "including (by way of example and without limiting the generality of the subject or concept referred to)".

(e) Wherever the word "herein" or "hereof" is used in any Loan Document, it is a reference to that entire Loan Document and not just to the subdivision of it in which the word is used.

(f) References in any Loan Document to Section numbers are references to the Sections of such Loan Document.

(g) References in any Loan Document to Exhibits, Schedules, Annexes and Appendices are to the Exhibits, Schedules, Annexes and Appendices to such Loan Document, and they shall be deemed incorporated into such Loan Document by reference.

(h) Any term defined in the Loan Documents which refers to a particular agreement, instrument or document shall also mean, refer to and include all modifications, amendments, supplements, restatements, renewals, extensions and substitutions of the same; provided , that nothing in this subsection shall be construed to authorize any such modification, amendment, supplement, restatement, renewal, extension or substitution except as may be permitted by other provisions of the Loan Documents.

(i) Unless otherwise expressly stated in any Loan Document, all times of day used in the Loan Documents mean local time in New York, New York.

(j) Defined terms may be used in the singular or plural, as the context requires.

1.3 UCC Changes . All terms used herein which are defined in the UCC shall, unless otherwise defined herein, have the meanings ascribed to them in the UCC both as in effect on the date of this Agreement and as hereafter amended.

1.4 Joint and Several Obligations; Borrowers' Agent .

(a) All obligations of the Borrowers hereunder shall be joint and several. Any notice, request, waiver, consent or other action made, given or taken by any Borrower shall bind all of the Borrowers.

(b) Each of the Credit Parties hereby authorizes the Parent and each of the Responsible Officers of the Parent listed on Schedule 1.4 hereto or otherwise designated by the Parent from time to time as provided below, to act as agent for all of the Credit Parties, and to execute and deliver on behalf of any Credit Party such notices, requests, waivers, consents, certificates, and other documents, and to take any and all actions, required or permitted to be delivered or taken by the Credit Parties hereunder. The Credit Parties may replace any of the Responsible Officers listed in Schedule 1.4 hereto or add any additional Responsible Officers by the delivery of a written notice by the Parent to the Agent specifying the names of each new Responsible Officer and the offices held by each such Person. Each Credit Party hereby agrees that any such notices, requests, waivers, consents, certificates and other documents executed, delivered or sent by the Parent or any Responsible Officer of the Parent and any such actions taken by the Parent or any Responsible Officer of the Parent shall bind each Credit Party.

2. Loans; Letters of Credit; Notes; Payments; Prepayments; Interest Rates.

2.1 Commitments . Subject to the terms and conditions hereof, each Lender, severally and not jointly, agrees to make Revolving Loans to the Borrowers from time to time on and after the Closing Date until, but not including, the Termination Date, in an aggregate principal amount at any one time outstanding (including such Lender's Commitment Percentage of the Letter of Credit Exposure Amount and the Swingline Exposure at such time) up to, but not exceeding, such Lender's Revolving Commitment. Subject to the terms and conditions of Section 4.2 hereof, the Term Lenders, severally and not jointly, agree to make a single Term Loan advance to the Borrowers on or after the Closing Date but prior to November 30, 2012, in an amount equal to such Term Lender's Term Loan Commitment. Such single Term Loan advance will be transferred to the Borrowers on such requested date by making immediately available funds available to the Agent's designated account, not later than 10:00 a.m. Chicago time. Any unused Term Loan Commitment not utilized on the date of the Term Loan advance shall be automatically terminated. Notwithstanding the foregoing, the aggregate principal amount of the Revolving Loans outstanding at any time shall not exceed the lesser of (a) the Indenture Cap, and (b) (i) the lesser at such time of (A) the Total Revolving Commitment and (B) (1) the Borrowing Base as of such time less (2) all applicable Reserves, less (ii) the aggregate Letter of Credit Exposure Amount and Swingline Exposure at such time less (iii) the aggregate amount of the items specified in clauses (b)(ii) and (b)(iii) of the definition of "Availability." Subject to the conditions herein, any such Revolving Loan prepaid prior to the Termination Date may be reborrowed as an additional Revolving

Loan by the Borrowers pursuant to the terms of this Agreement. Amounts prepaid or repaid in respect of Term Loans may not be reborrowed.

2.2 Loans .

(a) Subject to Sections 4.1 and 4.3 hereof, all Revolving Loans shall be advanced and made ratably by the Revolving Lenders in accordance with the Revolving

Lenders' respective Revolving Commitments. Subject to Section 4.2 hereof, the Term Loans shall be made available in accordance with Section 2.1 by the Term Lenders in accordance with the Term Lenders' respective Term Loan Commitments. The Term Loans shall amortize as set forth in Section 2.6 hereof.

(b) When requesting a Revolving Loan hereunder, the Borrowers shall give the Agent notice of a request for a Loan in accordance with Section 4.1(a) hereof; provided , however , no notice of a request for a Revolving Loan in accordance with Section 4.1(a) hereof shall be required to be presented by the Borrowers to the Agent if a check, wire transfer request or other item issued by any Borrower shall be presented for payment against any controlled disbursement account maintained with the Agent in connection with the account or accounts established and maintained by the Agent for the purposes of deposits and collections of Receivables in accordance with Section 6.15(a) hereof, and the Agent shall then cause the Lenders (subject to the settlement delay provisions of Section 2.2(f) hereof) to make a Revolving Loan for the purpose of crediting said controlled disbursement account in an amount sufficient to permit such check, wire transfer request or other item to be honored if (i) such Revolving Loan is to be made prior to the Termination Date, (ii) the Availability would be equal to or greater than zero after giving effect to such Revolving Loan, and, if applicable, the resulting payment of any Obligations to be contemporaneously paid with the proceeds of such requested Revolving Loan, and (iii) no Default or Event of Default shall have occurred which is then continuing. Each such Revolving Loan advanced for the purpose of crediting any such controlled disbursement account shall be deemed to be a Revolving Credit Alternate Base Rate Borrowing until a Rate Selection Notice is otherwise properly presented for such Revolving Credit Alternate Base Rate Borrowing converting such borrowing to a Revolving Credit LIBOR Borrowing. Notwithstanding anything to the contrary contained in Section 2.11 , if any request for a Loan in accordance with Section 4.1(a) hereof requests Revolving Loans in the form of Alternate Base Rate Borrowings, the Agent may make a Swingline Loan available to the Borrowers in an aggregate amount not to exceed the amount of such requested Revolving Loans, and the aggregate amount of the corresponding requested Revolving Loans shall be reduced accordingly by the principal amount of such Swingline Loan. Except as otherwise provided in the settlement delay provisions of Section 2.2(f) hereof, the Agent shall promptly advise the Lenders of any notice of a request for a Loan (other than a Swingline Loan) given pursuant to Section 4.1(a) or of any such Revolving Loan advanced for purposes of crediting any such controlled disbursement account and of each Lender's portion of a requested borrowing (based on such Lender's Commitment Percentage).

(c) Except as otherwise provided or specified in the settlement delay provisions of Section 2.2(f) below, each Lender shall make its Revolving Loans available on the proposed dates thereof by causing its Applicable Lending Office to pay the amount required to the Agent at the Principal Office in immediately available funds not later than 1:00 p.m., and the Agent shall as soon as practicable, but in no event later than 5:00 p.m. on such date, credit the amount so received to a general deposit account designated and maintained by the applicable Borrower. If a requested Revolving Loan shall not occur on the Closing Date or any date specified by the Borrowers as set forth in the applicable Request for Extension of Credit, as the case may be, because all of the conditions for such Revolving Loan set forth herein or in any of the other Loan Documents shall not have been met, the Agent shall return the amounts so received from the Lenders in respect of such requested Revolving Loan to the applicable Lenders as soon as practicable.

(d) The obligations of the Lenders hereunder are several and not joint; therefore, notwithstanding anything herein to the contrary: (i) no Revolving Lender shall be required to make Revolving Loans at any one time outstanding in excess of such Lender's Revolving Commitment and no Term Lender shall be required to make Term Loans at any time after November 30, 2012 and in an amount in excess of such Term Lender's Term Loan Commitment; (ii) if a Revolving Lender fails to make a Revolving Loan as and when required hereunder and the Borrowers subsequently make a repayment on the Revolving Loans, such repayment shall be shared among the non-defaulting Revolving Lenders in accordance with the respective Commitment Percentages until each non-defaulting Revolving Lender has received its Commitment Percentage of all of the outstanding Revolving Loans, after which the balance of such repayment shall be applied against such Defaulting Lender's Commitment Percentage of the outstanding Revolving Loans; and (iii) the failure of any Revolving Lender to make any Revolving Loan or any payment in respect of its participation in Swingline Loans and Letter of Credit Advances shall not in itself relieve any other Revolving Lender of its obligation to lend hereunder (provided , that no Lender shall be responsible for the failure of any other Lender to make a Loan such other Lender is obligated to make hereunder).

(e) The Revolving Loans made by the Lenders on any date and the Swing Loans made by the Swingline Lender shall be in integral multiples of $25,000; provided , however , that the LIBOR Borrowings made on any date shall be in minimum aggregate principal amounts of $3,000,000, with any increases over such minimal amount being in integral aggregate multiples of $1,000,000.

(f) The arrangements between the Agent and the Lenders with respect to making and advancing the Revolving Loans and making payments under Letters of Credit shall be handled on the following basis: no less than once a week, the Agent will provide each Lender with a statement showing, for the period of time since the date of the most recent of such statements previously provided, the aggregate principal amount of new Revolving Loans made to the Borrowers, the aggregate amount of new Letter of Credit Advances which have not been reimbursed, the aggregate face amount of new Letters of Credit issued for the account of the Borrowers, the aggregate principal amount of new Swingline Loans made to the Borrowers, the amount of remittances and payments actually collected and applied by the Agent to reduce the outstanding principal balance of the Revolving Loans, to reduce the outstanding principal balance of the Swingline Loans and to reimburse Letter of Credit Advances during such period and the outstanding principal balances of the Revolving Loans and the Swingline Loans and the aggregate Letter of Credit Exposure Amount outstanding at the end of such period. If a Revolving Lender's pro-rata share (based on such Revolving Lender's Commitment Percentage) of the Revolving Loans and the unreimbursed Letter of Credit Advances made during such period exceeds such Revolving Lender's pro-rata share of remittances and payments applied to reduce the Revolving Loans and reimburse Letter of Credit Advances during such period, the difference will be paid and made available in same day funds by such Revolving Lender to the Agent, and if such Revolving Lender's pro-rata share (based on such Revolving Lender's Commitment Percentage) of remittances and payments applied to reduce the Revolving Loans and reimburse Letter of Credit Advances during such period exceeds such Revolving Lender's pro-rata share (based on such Revolving Lender's Commitment Percentage) of the Revolving Loans and the unreimbursed Letter of Credit Advances made during such period, the difference will be paid and made available in same day funds by the Agent to such Revolving Lender.

(g) The Agent shall render to the Borrowers' Agent each month a statement of the Borrowers' account of all transactions of the type described in Section 2.2(f) hereof, and all payments applied to the Term Loans, which shall be deemed to be correct and accepted by and be binding upon the Borrowers unless the Agent receives a written statement of the Borrowers' exceptions to such account statement within thirty (30) days after such statement was rendered to the Borrowers' Agent.

(h) Notwithstanding anything to the contrary set forth in this Section 2.2 or in any other provision of this Agreement, the Agent, on its own initiative and in its sole discretion, but for the ratable benefit of the Lenders, may extend Revolving Loans or issue Letters of Credit in excess of Availability (collectively " **Permitted Overadvances** ") in an aggregate amount at any one time not exceeding $5,000,000 upon and subject to the following terms: (i) no Permitted Overadvances shall be in excess of (A) the Total Revolving Commitment, less (B) the aggregate Revolving Loans, Letter of Credit Exposure Amount and Swingline Exposure at such time (excluding such Permitted Overadvances) less (C) the aggregate amount of the items specified in clauses (b)(ii) and (b)(iii) of the definition of "Availability"; (ii) no Permitted Overadvances shall be outstanding for more than thirty (30) consecutive days; and (iii) no more than two (2) Permitted Overadvances can be extended by the Agent during any 180 consecutive day period. The extension of any Permitted Overadvance shall not operate as a waiver of any Default or Event of Default.

2.3 Commitment Fees . In consideration of each Revolving Lender's Revolving Commitment, the Borrowers agree to pay to the Agent for the account of each Revolving Lender a commitment fee (each a " **Commitment Fee** ") (computed on the basis of the actual number of days elapsed in a year composed of 360 days, subject to the terms of Section 10.6 hereof) in an amount equal to the product of (a) the Applicable Commitment Fee Percentage times (b) such Revolving Lender's average Unused Commitment for the applicable calculation period; provided , however , that such Revolving Lender's pro rata share of the Swingline Exposure shall be disregarded for purposes of calculating such Revolving Lender's Unused Commitment for Commitment Fee purposes, except in respect of the Swingline Lender, whose Unused Commitment for Commitment Fee purposes shall be reduced by the Swingline Exposure. The Commitment Fee shall be due and payable in arrears (i) on the last Business Day of each month prior to the Termination Date, and (ii) on the Termination Date, with each Commitment Fee to commence to accrue as of the date of this Agreement and to be effective as to any reduction in the Total Revolving Commitment pursuant to Section 2.4(a) below as of the date of any such decrease, and each Commitment Fee shall cease to accrue (except with respect to interest at the Default Rate on any unpaid portion thereof) on the Termination Date. All past due Commitment Fees shall bear interest at the Default Rate and shall be payable upon demand by the Agent.

2.4 Termination and Reductions of Revolving Commitments .

(a) Upon at least five (5) Business Days' prior irrevocable written notice to the Agent, the Borrowers may at any time in whole permanently terminate, or from time to time in part permanently reduce (except as noted below), the Total Revolving Commitment ratably among the Revolving Lenders in accordance with the amounts of their Revolving Commitments; provided , however , that the Total Revolving Commitment shall not be reduced at any time to an amount less than the aggregate of each Revolving Lender's Current Sum outstanding at such

time; provided , further , that the Borrowers shall not at any time reduce the Total Revolving Commitment pursuant to this Section 2.4(a) to an amount less than $75,000,000, except pursuant to a permanent termination in whole thereof. Each partial reduction of the Total Revolving Commitment shall be in a minimum of $5,000,000, or an integral multiple of $1,000,000 in excess thereof.

(b) To effect the payment of any and all Commitment Fees and all other Obligations outstanding and owing hereunder or under any other Loan Documents, subject to the provisions of Sections 2.1 and 4.1 hereof, the Agent may, but shall not be obligated to, cause the Revolving Lenders to make a Revolving Loan or request that the Swingline Lender make a Swingline Loan if (i) such Revolving Loan or Swingline Loan, as applicable, is to be made prior to the Termination Date, (ii) the Availability would be equal to or greater than zero after giving effect to such Revolving Loan or Swingline Loan, as applicable, and the resulting payment of Commitment Fees to be contemporaneously paid with the proceeds of such Loan, and (iii) no Default or Event of Default shall have occurred which is then continuing. The inability of the Agent to cause the payment of any such Commitment Fees or other Obligations in accordance with the preceding sentence shall not in any way whatsoever affect the Credit Parties' obligation to otherwise pay such amounts in accordance with the applicable terms hereof or of any other Loan Documents.

2.5 Mandatory and Voluntary Prepayments .

(a) If the Current Sum applicable to a Revolving Lender at any time exceeds such Revolving Lender's Revolving Commitment, the Agent shall notify the Borrowers' Agent of such excess amount (such notice being permitted to be given orally and need not be in writing) and the Borrowers shall immediately make a prepayment on such Revolving Lender's Revolving Credit Note or otherwise reimburse such Revolving Lender for Letter of Credit Advances or cause one or more Swingline Loans to be prepaid or one or more Letters of Credit to be canceled and surrendered in an amount sufficient to reduce such Revolving Lender's Current Sum to an amount no greater than such Revolving Lender's Revolving Commitment. Any prepayments required by this subparagraph (a) shall be applied to outstanding Revolving Credit Alternate Base Rate Borrowings up to the full amount thereof before such prepayments are applied to outstanding Revolving Credit LIBOR Borrowings (together with any Consequential Loss resulting from such prepayment).

(b) The Borrowers shall make prepayments of the Revolving Loans and the Swingline Loans from time to time so that the Availability equals or exceeds zero at all times. Specifically, if the Availability at any time is less than zero (except for the existence of a Permitted Overadvance), the Agent shall notify the Borrowers' Agent of the deficiency (such notice being permitted to be given orally and need not be in writing) and the Borrowers shall immediately make a prepayment on the Revolving Credit Notes or otherwise reimburse the Agent for Letter of Credit Advances or cause one or more Swingline Loans to be prepaid or one or more Letters of Credit to be canceled and surrendered in an amount sufficient to cause the Availability to be at least equal to zero (except for the existence of a Permitted Overadvance). Any prepayments required by this subparagraph (b) shall be applied to outstanding Revolving Credit Alternate Base Rate Borrowings up to the full amount thereof before such prepayments

are applied to outstanding Revolving Credit LIBOR Borrowings (together with any Consequential Loss resulting from such prepayment).

(c) In addition to the mandatory prepayments required by Sections 2.5(a) and 2.5(b) above, the Borrowers shall have the right, at their option, to prepay any of the Loans in whole at any time or in part from time to time, without premium or penalty, except as otherwise provided in this Section 2.5 or of Section 2.9(a), 2.9(b) or 2.9(c) hereof. Each prepayment of Swingline Loans, Revolving Credit Alternate Base Rate Borrowings or Term Loan Alternate Base Rate Borrowings may be made in any amount, and such prepayments shall be applied against the Revolving Credit Notes, the Swingline Note or the Term Notes, as applicable. Prepayments under this subparagraph (c) shall be subject to the following additional conditions:

(i) In giving notice of prepayment as hereinafter provided, the Borrowers shall specify, for the purpose of paragraphs (ii) and (iii) immediately following, the manner of application of such prepayment as between Alternate Base Rate Borrowings and LIBOR Borrowings and as between Swingline Loans, Revolving Loans and Term Loans; provided, that in no event shall any LIBOR Borrowing be partially prepaid such that less than $3,000,000 remains outstanding.

(ii) Prepayments applied to any LIBOR Borrowing may be made on any Business Day, provided, that (A) the Borrowers shall have given the Agent at least three (3) Business Days' prior irrevocable written or telecopied notice of such prepayment (other than automatic payments of Revolving Loans with proceeds from Receivables in accordance with the terms of Section 6.15(b), for which no prior notice of prepayment shall be required), specifying the principal amount of the LIBOR Borrowing to be prepaid, the particular LIBOR Borrowing to which such prepayment is to be applied and the prepayment date; and (B) if such prepayment is made on any day other than the last day of the Interest Period corresponding to the LIBOR Borrowing to be prepaid, the Borrowers shall pay upon demand directly to the Agent for the account of the applicable Lenders the Consequential Loss as a result of such prepayment.

(iii) Prepayments applied to any Alternate Base Rate Borrowing may be made on any Business Day, provided, that with respect thereto (other than automatic payments of Revolving Loans with proceeds from Receivables in accordance with the terms of Section 6.15(b), for which no prior notice of prepayment shall be required), the Borrowers shall have given the Agent prior irrevocable written notice or notice by telephone (which is to be promptly confirmed in writing) of any such prepayment on the Business Day of such prepayment, specifying the principal amount of the Alternate Base Rate Borrowing to be prepaid.

(d) If any notice of any prepayment has been given, the principal amount specified in such notice, together with (in the case of any prepayment of a LIBOR Borrowing) interest thereon to the date of prepayment and any resulting Consequential Loss, shall be due and payable on such prepayment date.

2.6 Notes; Payments; Accounts .

(a) Subject to the provisions of Section 10.12 hereof relating to replacement and substitution of the Notes, (i) all Revolving Loans made by a Revolving Lender to the Borrowers shall be evidenced by a single Revolving Credit Note dated as of the Closing Date, delivered and payable to such Revolving Lender in a principal amount equal to such Revolving Lender's Revolving Commitment as of the Closing Date, (ii) all Term Loans made by a Term Lender to the Borrowers shall be evidenced by a single Term Note dated as of the Closing Date, delivered and payable to such Term Lender in a principal amount equal to such Term Lender's Term Loan Commitment as of the Closing Date, and (iii) all Swingline Loans made by the Swingline Lender to the Borrowers shall be evidenced by a single Swingline Note dated as of the Closing Date, delivered and payable to the Swingline Lender in a principal amount equal to $15,000,000.

(b) The outstanding principal balance of each and every Revolving Loan, as evidenced by the Revolving Credit Notes, shall mature and be fully due and payable on the Termination Date. The outstanding principal balance of each and every Swingline Loan, as evidenced by the Swingline Note, shall mature and be fully due and payable on the earlier to occur of the Termination Date or the date such Swingline Loans are required to be paid with proceeds of Revolving Loans in accordance with Section 2.11(c) . The Borrowers shall make installment payments of principal on the Term Loans commencing on March 31, 2013 and continuing on the last Business Day of each June, September, December, and March thereafter in the aggregate principal amount set forth below for such period until the Term Loans have been paid in full:

Period ending on the last Business Day of each March, June, September, and December	**Amount**
Period commencing on March 31, 2013 and ending on December 31, 2014	2.5% of the Funded Term Loan Amount
Period commencing on March 31, 2015 and ending on December 31, 2016	3.75% of the Funded Term Loan Amount
Period commencing on March 31, 2017 and ending on September 30, 2017	12.5% of the Funded Term Loan Amount

To the extent not previously paid, all unpaid Term Loans shall be paid in full in cash by the Borrowers on the Termination Date.

(c) Subject to Section 10.6 hereof, the Borrowers hereby agree to pay accrued interest on the unpaid principal balance of the Loans on the Interest Payment Dates, commencing with the first of such dates to occur after the date of this Agreement. After the Termination Date, accrued and unpaid interest on the Term Loans, the Revolving Loans and the Swingline Loans shall be payable on demand.

(d) To effect payment of accrued interest owing on the Loans as of the Interest Payment Dates, subject to the provisions of Sections 2.1 and 4.1 hereof, the Agent may, but shall not be obligated to, cause the Revolving Lenders to make a Revolving Loan or request that the Swingline Lender make a Swingline Loan to pay in full the amount of accrued interest

owing and payable on the Loans as of the respective Interest Payment Date, if (i) such Revolving Loan or Swingline Loan, as applicable, is to be made prior to the Termination Date, (ii) the Availability would be equal to or greater than zero after giving effect to such Revolving Loan or Swingline Loan, as applicable, and the resulting payment of accrued interest to be contemporaneously paid with the proceeds of such Loan, and (iii) no Default or Event of Default shall have occurred which is then continuing. The inability of the Agent to cause a payment of any accrued interest owing on the Loans on any Interest Payment Date in accordance with the preceding sentence shall not in any way whatsoever effect the Credit Parties' obligation to otherwise pay such amounts in accordance with the applicable terms hereof or any other Loan Documents.

(e) The Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the type of each Loan made hereunder, and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Agent hereunder for the account of the Lenders and each Lender's share thereof.

(f) The entries made in the accounts maintained pursuant to paragraph (e) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of the Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

2.7 Application of Payments and Prepayments .

(a) Except as otherwise provided in Sections 2.5(a) and 2.5(b) hereof, prepayments on the Revolving Credit Notes shall be applied to payment of the aggregate unpaid principal amounts of the Revolving Credit Notes, with the balance of any such prepayments, if any, being applied to accrued interest. Payments of accrued interest on each Revolving Credit Note in accordance with Section 2.6(c) hereof shall be applied to the aggregate accrued interest then outstanding under the Revolving Credit Notes, while payment by the Borrowers of the aggregate principal amount outstanding under the Revolving Credit Notes on the Termination Date shall be applied to principal.

(b) Except as otherwise provided in Sections 2.5(a) and 2.5(b) hereof, prepayments on the Term Notes shall be applied to payment of the aggregate unpaid principal amounts of the Term Notes in inverse order of maturity, with the balance of any such prepayments, if any, being applied to accrued interest. Payments of accrued interest on each Term Note in accordance with Section 2.6(c) hereof shall be applied to the aggregate accrued interest then outstanding under the Term Notes, while payment by the Borrowers of the aggregate principal amount outstanding under the Term Notes on the Termination Date shall be applied to principal.

(c) Except as otherwise provided in Sections 2.5(a) and 2.5(b) hereof, prepayments on the Swingline Note shall be applied to payment of the aggregate unpaid principal amount of the Swingline Note, with the balance of any such prepayments, if any, being applied to accrued interest. Payments of accrued interest on the Swingline Note in accordance

with Section 2.6(c) hereof shall be applied to the aggregate accrued interest then outstanding under the Swingline Note, while payment by the Borrowers of the aggregate principal amount outstanding under the Swingline Note on the Termination Date shall be applied to principal.

(d) All payments remitted to the Agent and all such payments not relating to principal or interest of specific Loans, or not constituting payment of specific fees or other specific Obligations, and all proceeds of Collateral received by the Agent, shall be applied, ratably, subject to the provisions of this Agreement, first , to pay any fees, indemnities or expense reimbursements then due to the Agent from the Borrowers; second , to pay any fees or expense reimbursements then due to the Lenders from the Borrowers; third , to pay interest due in respect of all Swingline Loans; fourth , to pay interest due in respect of all Revolving Loans; fifth , to pay interest due in respect of all Term Loans; sixth , to pay or prepay principal of the Swingline Loans; seventh , to pay or prepay principal of the Revolving Loans and unpaid reimbursement obligations in respect of Letters of Credit, and thereafter to serve as cash collateral to be held by the Agent to secure the Letter of Credit Exposure Amount; eighth , to pay or prepay principal of the Term Loans; ninth , to the payment of any other Obligation due to the Agent or any Lender (excluding any amounts relating to Obligations under any Bank Product); tenth , to the payment of any Obligations under any Bank Product (excluding any amounts relating to Obligations under any Bank Product owed to any Non-Reporting Lender Party); and eleventh , to the payment of any Obligations under any Bank Product owed to any Non-Reporting Lender Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrowers, or unless an Event of Default has occurred and is continuing, neither the Agent nor any Lender shall apply any payments which it receives to any LIBOR Borrowing, except (i) on the expiration date of the Interest Period applicable to any such LIBOR Borrowing, or (ii) in the event, and only to the extent, that there are no outstanding Alternate Base Rate Borrowings and the Borrowers have consented to such application.

(e) Except for any settlement delay provided or specified in Section 2.2(f) hereof, each payment or prepayment received by the Agent hereunder or under any Note for the account of a Lender shall be paid promptly to such Lender, in immediately available funds. If the Agent fails to send to any Lender the product of such Lender's Commitment Percentage, times the aggregate amount of any such payment or prepayment received by the Agent for the account of all the Lenders by the close of business on the date such payment was deemed received by the Agent in accordance with Section 2.7(f) below, the Agent shall pay to such Lender interest on such Lender's pro-rata portion of such payment timely received by the Agent from such date of receipt by the Agent to the date that such Lender receives its pro-rata portion of such payment, such interest to accrue at the Federal Funds Effective Rate and to be payable upon written request from such Lender.

(f) Other than automatic payments of Obligations with proceeds from Receivables in accordance with the terms of Section 6.15(b) , all sums payable by the Borrowers to the Agent hereunder or pursuant to the Notes or any of the other Loan Documents for its own account or the account of the Lenders shall be payable in United States dollars in immediately available funds not later than 1:00 p.m. on the date such payment or prepayment is due and shall be made without set-off, counterclaim or deduction of any kind. Any such payment or prepayment received and accepted by the Agent after 1:00 p.m. shall be considered for all purposes (including the payment of interest, to the extent permitted by law) as having been made

on the next succeeding Business Day. All such payments or prepayments shall be made at the Principal Office. If any payment or prepayment becomes due and payable on a day which is not a Business Day, then the date for the payment thereof shall be extended to the next succeeding Business Day and interest shall be payable thereon at the then applicable rate per annum during such extension.

(g) If any Lender shall fail to make any payment required to be made by it hereunder, then the Agent may, in its sole discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Agent for the account of such Lender to satisfy such Lender's obligations hereunder until all such unsatisfied obligations are fully paid.

2.8 Interest Rates for Loans .

(a) Subject to Section 10.6 hereof, the Loans shall bear interest on their respective outstanding principal balances at the Alternate Base Rate; provided , that (i) all principal outstanding, whether then due and payable, after the occurrence of an Event of Default which has not been cured to the satisfaction of the Agent and the Required Lenders or waived in writing by the Agent and the Required Lenders shall bear interest at the Default Rate, which shall be due and payable upon demand, (ii) past due principal and interest shall bear interest at the Default Rate, which shall be payable on demand, and (iii) subject to the provisions hereof, the Borrowers shall have the option of having all or any portion of the principal balances from time to time outstanding under the Loans (other than Swingline Loans) bear interest until their respective maturities at a rate per annum equal to the Adjusted LIBOR Rate (together with the Alternate Base Rate, individually herein called an " **Interest Option** " and collectively called " **Interest Options** "). The records of the Agent, with respect to Interest Options, Interest Periods and the amounts of Loans to which they are applicable shall be binding and conclusive, absent manifest error. Interest on the Loans shall be calculated at the Alternate Base Rate, except where it is expressly provided pursuant to this Agreement that the Adjusted LIBOR Rate is to apply.

(b) The Borrowers shall have the right to designate or convert their Interest Options in accordance with the provisions hereof. Provided no Default or Event of Default has occurred and is continuing, and subject to the provisions of the last sentence of Subsection 2.8(a) hereinabove and the provisions of Section 2.9 hereof, the Borrowers may elect to have the Adjusted LIBOR Rate apply or continue to apply to all or any portion of the principal balances of the Loans. Each change in Interest Options shall be a conversion of the rate of interest applicable to the specified portion of the Loans, but such conversion alone shall not change the outstanding principal balance of the Loans. The Interest Options shall be designated or converted in the manner provided below:

(i) The Borrowers' Agent shall give the Agent notice by telephone, promptly confirmed by written notice (the " **Rate Selection Notice** ") substantially in the form of hereto. Each such telephone and written notice shall specify the amount and type of borrowings which are the subject of the designation; the amount and type of borrowings into which such borrowings are to be converted or for which an Interest Option is designated; the proposed date for the designation or conversion (which, in the case of conversion of LIBOR Borrowings, shall be the last day of the Interest Period applicable

thereto) and the Interest Period or Periods, if any, selected by the Borrowers. Such notice by telephone shall be irrevocable and shall be given to the Agent no later than the applicable Rate Selection Date. If (A) a new Revolving Loan is to be a Revolving Credit LIBOR Borrowing, (B) an existing Revolving Credit LIBOR Borrowing is maturing at the time that a new Revolving Loan is being requested and the Borrowers are electing to have such existing portion of the outstanding principal balance of the Revolving Loans going forward bear interest at the same Interest Option and for the same Interest Period as the new Revolving Loan, (C) a portion of a Revolving Credit Alternate Base Rate Borrowing is to be converted so as to bear interest at the same Interest Option and for the same Interest Period as the new Revolving Loan, (D) the Term Loan is to be a Term Loan LIBOR Borrowing or (E) the aggregate outstanding principal amount of the Term Loans constituting a Term Loan Alternate Base Rate Borrowing is to be converted to a Term Loan LIBOR Borrowing then the Rate Selection Notice shall be included in the Request for Extension of Credit applicable to the new Revolving Loan or the Term Loan, which shall be given to the Agent no later than the applicable Rate Selection Date.

(ii) No more than eight (8) LIBOR Borrowings and corresponding Interest Periods shall be outstanding at any one time. Each LIBOR Borrowing shall be in a minimum aggregate principal amount of at least $3,000,000, with any increases over such minimum amount being in integral aggregate multiples of $1,000,000.

(iii) Principal included in any borrowing shall not be included in any other borrowing which exists at the same time.

(iv) Each designation or conversion shall occur on a Business Day.

(v) Except as provided in Section 2.9 hereof, no LIBOR Borrowing shall be converted on any day other than the last day of the applicable Interest Period.

(vi) The Agent shall promptly advise the Lenders of any Rate Selection Notice given pursuant to this Section 2.8 and of each Lender's pro-rata portion of such designation or conversion hereunder.

(c) All interest and fees (including the Commitment Fee, but excluding any prepayment fee owing pursuant to Section 2.4 hereof) will be computed on the basis of a year of 360 days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable.

2.9 Special Provisions Applicable to LIBOR Borrowings .

(a) If, after the date of this Agreement, the adoption of any applicable Legal Requirement or any change in any applicable Legal Requirement or in the interpretation or administration thereof by any Governmental Authority or compliance by the Agent or any Lender with any request or directive (whether or not having the force of law) of any Governmental Authority shall at any time make it unlawful or impracticable for any Lender to permit the establishment of or to maintain any LIBOR Borrowing, the commitment of the Lenders to establish or maintain the Adjusted LIBOR Rate affected by such adoption or change shall forthwith be canceled and the Borrowers shall forthwith, upon demand by the Agent to the

Borrowers' Agent, (i) convert the Adjusted LIBOR Rate with respect to which such demand was made to the Alternate Base Rate; (ii) pay all accrued and unpaid interest to date on the amount so converted; and (iii) pay any amounts required to compensate the Agent and the Lenders for any additional cost or expense which the Agent or any Lender may incur as a result of such adoption of or change in such Legal Requirement or in the interpretation or administration thereof and any Consequential Loss which the Agent or any Lender may incur as a result of such conversion to the Alternate Base Rate. If, when the Agent so notifies the Borrowers' Agent, the Borrowers have given a Rate Selection Notice specifying one or more borrowings of the type with respect to which such demand was made but the selected Interest Period or Interest Periods has not yet begun, such Rate Selection Notice shall be deemed to be of no force and effect, as if never made, and the balance of the Loans specified in such Rate Selection Notice shall bear interest at the Alternate Base Rate until a different available Interest Option shall be designated in accordance herewith.

(b) If, after the date of this Agreement, the adoption of any applicable Legal Requirement or any change in any applicable Legal Requirement or in the interpretation or administration thereof by any Governmental Authority or compliance by the Agent or any Lender with any request or directive (whether or not having the force of law) from any Governmental Authority shall at any time as a result of any portion of the principal balance of the Loans being maintained on the basis of the Adjusted LIBOR Rate:

(i) subject any Lender to any tax (including any United States interest equalization tax), levy, impost, duty, charge, fee, or any deduction or withholding for any tax, levy, impost, duty, charge or fee on or from the payment due under any LIBOR Borrowing or other amounts due hereunder, other than (A) Indemnifiable Taxes and Other Taxes (as to which Section 10.17 shall govern) or (B) income taxes and franchise taxes in lieu of income taxes imposed on the applicable Lender by the jurisdiction (or any political subdivision thereof) under which such Lender is organized or maintains a lending office; or

(ii) change the basis of taxation of payments due from the Borrowers to the Agent or any Lender under any LIBOR Borrowing (otherwise than by a change in the rate of taxation of the overall net income of the Agent or such Lender); or

(iii) impose, modify, increase or deem applicable any reserve requirement (excluding that portion of any reserve requirement included in the calculation of the Statutory Reserves), special deposit requirement or similar requirement (including state law requirements and Regulation D) imposed, modified, increased or deemed applicable by any Governmental Authority against assets held by the Agent or any Lender, or against deposits or accounts in or for the account of the Agent or any Lender, or against loans made by the Agent or any Lender, or against any other funds, obligations or other Property owned or held by the Agent or any Lender; or

(iv) impose on the Agent or any Lender any other materially restrictive or limiting condition regarding any LIBOR Borrowing;

and the result of any of the foregoing is to increase the cost to any Lender of agreeing to make or of making, renewing or maintaining such borrowing on the basis of the Adjusted LIBOR Rate, or reduce the amount of principal or interest received by any Lender, then, upon demand by such Lender, the Borrowers shall pay to such Lender, from time to time as specified by such Lender, additional amounts which shall compensate such Lender for such increased cost or reduced amount. Such Lender will promptly notify the Borrowers' Agent in writing of any event, upon becoming actually aware of it, which will entitle any Lender to additional amounts pursuant to this paragraph. Such Lender's determination of the amount of any such increased cost, increased reserve requirement or reduced amount shall be conclusive and binding, absent manifest error, provided that the calculation thereof and reason therefore is certified and is set forth in reasonable detail in such certification by such Lender.

The Borrowers shall have the right, if any Lender issues any notice referred to in the preceding paragraph, upon three (3) Business Days' notice to the Agent, either (A) to repay in full (but not in part) any borrowing with respect to which such notice was given, together with any accrued interest thereon, or (B) to convert the Adjusted LIBOR Rate in effect with respect to such borrowing from such Lender to the Alternate Base Rate; provided , that any such repayment or conversion shall be accompanied by payment of (x) the amount required to compensate the appropriate Lender or Lenders for the increased cost or reduced amount referred to in the preceding paragraph; (y) all accrued and unpaid interest to date on the amount so repaid or converted; and (z) any Consequential Loss which may be incurred as a result of such repayment or conversion. Additionally, if any Lender issues any notice referred to in the preceding paragraph, the Borrowers shall also have the corresponding rights in Section 10.16(c) .

(c) If for any reason with respect to any Interest Period the Agent shall have determined (which determination shall be conclusive and binding upon the Borrowers) that: (i) the Agent is unable through its customary general practices to determine a rate at which the Agent is offered deposits in United States dollars by prime banks in the London interbank market, in the appropriate amount for the appropriate period, or by reason of circumstances affecting the London interbank market generally, the Agent is not being offered deposits for the applicable Interest Period and in an amount equal to the amount of the Agent's pro-rata portion of any LIBOR Borrowing requested by the Borrowers, or (ii) the Adjusted LIBOR Rate will not adequately and fairly reflect the cost to any Lender of making and maintaining any LIBOR Borrowing hereunder for any proposed Interest Period, then the Agent shall give the Borrowers' Agent notice thereof explaining in reasonable detail the circumstances giving rise to such notice, and thereupon, (A) any Rate Selection Notice previously given by the Borrowers designating an Adjusted LIBOR Rate which has not commenced as of the date of such notice from the Agent shall be deemed for all purposes hereof to be of no force and effect, as if never given, and (B) until the circumstances giving rise to such notice from the Agent no longer exist, each Rate Selection Notice requesting an Adjusted LIBOR Rate shall be deemed a request for an Alternate Base Rate Borrowing, and each outstanding LIBOR Borrowing then in effect shall be converted, without any notice to or from the Borrowers, upon the termination of the Interest Period then in effect to an Alternate Base Rate Borrowing.

(d) The Borrowers hereby agree (without duplication of any other indemnity obligation hereunder) to indemnify the Agent and each of the Lenders against and hold each of them harmless from any Consequential Loss which it may incur or sustain as a consequence of

(i) any prepayment (mandatory or optional) of any LIBOR Borrowing, (ii) any acceleration of the Loans or exercise of remedies upon an Event of Default that results in the repayment or conversion of any LIBOR Borrowing, or any increase in the cost of maintaining any LIBOR Borrowing, or (iii) any failure by the Borrowers to convert or to borrow any LIBOR Borrowing on the date specified by the Borrowers. This indemnity shall survive termination of the Commitment and this Agreement. A certificate as to any additional amounts payable to the Agent or any Lender pursuant to this paragraph, detailing the basis therefor and submitted by the Agent or such Lender to the Borrowers' Agent shall be conclusive and binding upon the Borrowers, absent manifest error, provided the calculation thereof is set forth in reasonable detail in such notice.

(e) If the Borrowers request quotes of the Adjusted LIBOR Rate for different Interest Periods being considered for election by the Borrowers, the Agent will use reasonable efforts to provide such quotes to the Borrowers promptly. However, all such quotes provided shall be representative only and shall not be binding on the Agent or any Lender, nor shall they be determinative, directly or indirectly, of any Adjusted LIBOR Rate or any component of any such rate, nor will the Borrowers' failure to receive or the Agent's failure to provide any requested quote or quotes either (i) excuse or extend the time for performance of any obligation of the Borrowers or for the exercise of any right, option or election of the Borrowers or (ii) impose any duty or liability on the Agent or any Lender. If the Borrowers request a list of the Business Days in any calendar month, the Agent will use reasonable efforts to provide such list promptly. However, any such list provided shall be understood to identify only those days which the Agent believes in good faith at the time such list is prepared will be the Business Days for such month. The Agent shall not have any liability for any failure to provide, delay in providing, error or mistake in or omission from, any such quote or list.

(f) With respect to any Lender having a LIBOR Lending Office which differs from its Domestic Lending Office, all Loans advanced by such Lender's LIBOR Lending Office shall be deemed to have been made by such Lender and the obligation of the Borrowers to repay such Loans shall nevertheless be to such Lender and shall be deemed held by such Lender, to the extent of such portions of the Loan, for the account of such Lender's LIBOR Lending Office.

(g) Notwithstanding any provision of this Agreement to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of the Loans hereunder in any manner it sees fit, it being understood, however, that for the purposes of this Agreement, all determinations hereunder shall be made as if such Lender had actually funded and maintained its portion of each LIBOR Borrowing during each Interest Period for the Loans through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the LIBOR Rate for such Interest Period.

(h) The Borrowers' obligation to pay increased costs and Consequential Loss with regard to each LIBOR Borrowing as specified in this Section 2.9 hereof shall, in accordance with Section 10.7 , survive termination of this Agreement.

2.10 Letters of Credit .

(a) Subject to the terms and conditions contained herein, the Borrowers shall have the right to utilize a portion of the Revolving Commitment from time to time prior to the Termination Date to obtain from the Agent one or more Letters of Credit for the account of the Borrowers, and, if applicable, NP International HoldCo and NP International, in such amounts and in favor of such beneficiaries as the Borrowers from time to time shall request; provided , that in no event shall the Agent have any obligation to issue any Letter of Credit if (i) the face amount of such Letter of Credit, plus the Letter of Credit Exposure Amount at such time would exceed $10,000,000, (ii) the face amount of such Letter of Credit would exceed Availability, (iii) such Letter of Credit would have an expiry date beyond the earlier to occur of (A) five (5) Business Days prior to the scheduled Termination Date (subject to Section 2.10(j)), (B) with respect to Standby Letters of Credit, one full year after the issuance date of such Standby Letter of Credit, or (C) with respect to Trade Letters of Credit, one hundred eighty (180) days after the issuance date of such Trade Letter of Credit, (iv) such Letter of Credit is not in a form and does not contain terms satisfactory to the Agent in its reasonable credit judgment, (v) the Borrowers have not executed and delivered such Applications and other instruments and agreements relating to such Letter of Credit as the Agent shall have reasonably requested, (vi) an Default or Event of Default has occurred and is continuing, or (vii) such Letter of Credit is not being issued or has not been issued in connection with transactions occurring in the ordinary course of business of the Credit Parties or any of their Subsidiaries. Each Letter of Credit may be issued for the account of or used by the Borrowers or any of their Subsidiaries that are Credit Parties, but the Credit Parties shall have full liability for each Letter of Credit. The Existing Letters of Credit, all of which are identified on Schedule 2.10(a) , shall be deemed to have been issued under this Agreement. The above limitations on the tenor of any Letter of Credit issued (or in the case of Existing Letters of Credit deemed issued) hereunder shall not be deemed to be violated by the inclusion in such Letter of Credit of an "evergreen clause" providing for the automatic renewal of such Letter of Credit for successive periods not exceeding one year in each instance, absent notice to the beneficiary and the account party of the Issuing Bank's election not to renew such Letter of Credit at least thirty (30) days prior to the then effective expiry date of such Letter of Credit.

(b) If requesting the issuance of any Letter of Credit, the Borrowers' Agent on behalf of the Borrowers shall give at least three (3) Business Days' prior written notice to the Agent, at its Domestic Lending Office, which written notice shall be the requisite Application for a Letter of Credit on the Agent's customary form. In accordance with the provisions of Section 2.2(f) hereof, the Agent shall periodically notify each Lender that a Letter of Credit has been requested in the amount reflected in such Application and inform such Lender of the amount of its pro-rata portion of such proposed Letter of Credit (based upon such Lender's Commitment Percentage).

(c) Simultaneously with the Agent's issuance and delivery of any Letter of Credit, the Agent shall be deemed, without further action, to have sold to each Revolving Lender, and each such Revolving Lender shall be deemed, without further action by any party hereto, to have purchased from the Agent, a participation interest (which participation shall be nonrecourse to the Agent) equal to such other Revolving Lender's Commitment Percentage at such time in such Letter of Credit and all of the Letter of Credit Exposure Amount related to

such Letter of Credit. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in each Letter of Credit, as well as its obligation to make the payments specified in this Section 2.10 and the right of the Agent to receive the same in the manner specified herein, are absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation, the occurrence and continuance of a Default or Event of Default hereunder, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(d) The Borrowers promise to repay, to the order of the Agent, the amount of all Letter of Credit Advances. To effect repayment of any such Letter of Credit Advance, the Agent shall automatically satisfy such Letter of Credit Advance (subject to the terms and conditions of Sections 2.1 and 4.1 hereof) by causing the Revolving Lenders to make a Revolving Loan or the Swingline Lender to make a Swingline Loan if (i) such Letter of Credit Advance is (and such Revolving Loan or Swingline Loan, as applicable, is to be) made prior to the Termination Date, (ii) the Availability would be equal to or greater than zero after giving effect to such Revolving Loan or Swingline Loan, as applicable, and the resulting repayment of such Letter of Credit Advance to be contemporaneously paid with the proceeds of such Loan, and (iii) no Default or Event of Default shall have occurred which is then continuing, and any such Revolving Loan or Swingline Loan shall bear interest pursuant to Section 2.8(a) at the Alternate Base Rate. If any Letter of Credit Advance cannot be so satisfied, such Letter of Credit Advance shall be considered for all purposes as a demand obligation owing by the Borrowers to the Agent, and each such Letter of Credit Advance shall bear interest from the date thereof at the Default Rate, without notice of presentment, demand, protest or other formalities of any kind (said past due interest on such Letter of Credit Advance being payable on demand). The unavailability of a Revolving Loan or Swingline Loan to effect repayment of any such Letter of Credit Advance in accordance with the second sentence of this Section 2.10(d) shall not in any way whatsoever affect the Borrowers' obligation to pay each Letter of Credit Advance on demand and to pay interest at the Default Rate on the amount of such unreimbursed Letter of Credit Advance. Except for any settlement delay provided in Section 2.2(f), the Agent will pay to each Revolving Lender such Revolving Lender's Commitment Percentage of all amounts received from the Borrowers by the Agent, if any, for application, in whole or in part, against the Letter of Credit Advances in respect to any Letter of Credit, but only to the extent such Revolving Lender has made its full pro-rata payment of each drawing under the Letter of Credit to which such Letter of Credit Advance relates. All rights, powers, benefits and privileges of this Agreement with respect to the Revolving Loans, all security therefor (including the Collateral) and guaranties thereof (including the Guaranties) and all restrictions, provisions for repayment or acceleration and all other covenants, warranties, representations and agreements of the Borrowers contained in this Agreement with respect to the Revolving Loans shall apply to such Letter of Credit Advances.

(e) In consideration of the issuance of each Letter of Credit pursuant to the provisions of this Section 2.10, the Borrowers agree to pay (subject to Section 10.6 hereof) to the Agent for the ratable benefit of the Revolving Lenders a letter of credit fee (computed on the basis of the actual number of days elapsed in a year composed of 360 days) in an amount equal to the product of (i) the Applicable Margin in effect for Revolving Credit LIBOR Borrowings for the applicable period times (ii) the undrawn amount of the applicable Letter of Credit, with each letter of credit fee to commence to accrue as of the date of issuance of such Letter of Credit and

to be effective as to any reductions in the undrawn amount of such Letter of Credit as of the date of any such reduction (whether resulting from payments thereunder by the Agent, by agreement of the beneficiary thereunder or automatically by the terms of the Letter of Credit). Such letter of credit fee shall be due and payable, in arrears, on the last Business Day of each calendar month and on the Termination Date.

(f) The Borrowers hereby agree to pay to the Agent for the Agent's sole benefit a fronting fee equal to 0.25% on the face amount of each Letter of Credit issued hereunder. Fronting fees shall be payable to the Agent at its Principal Office in immediately available funds on the date of issuance of such Letter of Credit. Notwithstanding anything to the contrary contained herein, no fronting fees shall be due and payable with respect to the Existing Letters of Credit. All past due fronting fees shall bear interest at the Default Rate and shall be payable upon demand by the Agent. The Borrowers also hereby agree to pay to the Agent for the Agent's sole benefit any and all other issuance, administrative, amendment, negotiation, payment and other normal and customary fees which are charged by the Agent in connection with the issuance or negotiation of any of Letter of Credit and the presentation or payment of any draw under any such Letter of Credit, with all of such amounts being due and payable to the Agent upon demand.

(g) The obligations of the Borrowers under this Agreement in respect of the Letters of Credit and all Letter of Credit Advances are absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including the following circumstances:

(i) any lack of validity or enforceability of this Agreement, any Letter of Credit or any Loan Document;

(ii) any amendment or waiver of default under or any consent to departure from the terms of this Agreement or any Letter of Credit without the express prior written consent of the Agent;

(iii) the existence of any claim, set-off, defense or other right which any beneficiary or any transferee of any Letter of Credit (or any entities for whom any such beneficiary or any such transferee may be acting), or any Person (other than the Agent or the Lenders) may have, whether in connection with this Agreement, the Letters of Credit, the transactions contemplated hereby or any unrelated transaction;

(iv) any statement, draft, certificate, or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; provided , that the Agent will examine each document presented under each Letter of Credit to ascertain that such document appears on its face to comply with the terms thereof; and

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

In the event that any restriction or limitation is imposed upon or determined or held to be applicable to the Agent, any Revolving Lender or any Credit Party by, under or pursuant to any Legal Requirement now or hereafter in effect or by reason of any interpretation thereof by any Governmental Authority, which in the respective sole judgment of the Agent or any Revolving Lender would prevent any Revolving Lender from legally incurring liability under a Letter of Credit issued or proposed to be issued hereunder, then the Agent shall give prompt written notice thereof to the Borrowers' Agent, whereupon the Agent shall have no obligation to issue any additional Letters of Credit then or at any time thereafter. In addition, if as a result of any Regulatory Change which imposes, modifies or deems applicable (x) any tax, reserve, special deposit or similar requirement against any Letters of Credit issued or participated to by any Revolving Lender; (y) any fee, expense or assessment against the Letters of Credit issued by the Agent or any Lender for deposit insurance, or (z) any other charge, expense or condition which increases the actual cost to the Agent or any Revolving Lender of issuing or maintaining such Letters of Credit, or reduces any amount receivable by the Agent or any Revolving Lender hereunder in respect of any Letter of Credit or any participation therein (which increase in cost, or reduction in amount receivable, shall be the result of the Agent's or such Revolving Lender's reasonable allocation of the aggregate of such increases or reductions resulting from such event), then the Borrowers (subject to Section 10.6 hereof) shall pay to the Agent or such Revolving Lender, upon demand and from time to time, amounts sufficient to compensate such Person for each such increase from the effective date of such increase to the date of demand therefor. Each such demand shall be accompanied by a certificate setting forth in reasonable detail the calculation of the amount then being demanded in accordance with the preceding sentence and each such certificate shall be conclusive absent manifest error.

(h) THE BORROWERS HEREBY INDEMNIFY AND HOLD HARMLESS EACH LENDER AND THE AGENT FROM AND AGAINST ANY AND ALL CLAIMS AND DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES WHICH SUCH LENDER OR THE AGENT MAY INCUR (OR WHICH MAY BE CLAIMED AGAINST SUCH LENDER OR THE AGENT BY ANY PERSON WHATSOEVER) IN CONNECTION WITH THE EXECUTION AND DELIVERY OR TRANSFER OF OR PAYMENT OR FAILURE TO PAY UNDER ANY LETTER OF CREDIT, INCLUDING ANY CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES WHICH THE AGENT OR SUCH LENDER, AS THE CASE MAY BE, MAY INCUR (WHETHER INCURRED AS A RESULT OF, ITS OWN NEGLIGENCE OR OTHERWISE) BY REASON OF OR IN CONNECTION WITH THE FAILURE OF ANY OTHER LENDER (WHETHER AS A RESULT OF ITS OWN NEGLIGENCE OR OTHERWISE) TO FULFILL OR COMPLY WITH ITS OBLIGATIONS TO THE AGENT OR SUCH LENDER, AS THE CASE MAY BE, HEREUNDER (BUT NOTHING HEREIN CONTAINED SHALL AFFECT ANY RIGHTS THE BORROWERS MAY HAVE AGAINST SUCH DEFAULTING LENDER); PROVIDED , THAT THE BORROWERS SHALL NOT BE REQUIRED TO INDEMNIFY ANY LENDER OR THE AGENT FOR ANY CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, THAT THE SAME ARE DETERMINED BY A FINAL JUDICIAL DECISION TO HAVE BEEN CAUSED BY (i) THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE PARTY SEEKING INDEMNIFICATION OR (ii) SUCH LENDER'S OR THE AGENT'S (AS THE CASE MAY BE) FAILURE TO PAY UNDER ANY LETTER OF CREDIT AFTER THE PRESENTATION TO IT OF A REQUEST REQUIRED TO BE PAID UNDER APPLICABLE LAW. NOTHING

IN THIS SECTION 2.10(h) IS INTENDED TO LIMIT THE OBLIGATIONS OF THE BORROWERS UNDER ANY OTHER PROVISION OF THIS AGREEMENT.

(i) Subject to the settlement delay procedures of Section 2.2(f), the Agent shall give telephonic or facsimile notice to the Revolving Lenders of the receipt and amount of any draft presented under any Letter of Credit and the date on which payment thereon will be made, and each of the Revolving Lenders shall, by 1:00 p.m. on the date such payment is to be made under such Letter of Credit, pay in immediately available funds, an amount equal to the product of (i) such Revolving Lender's Commitment Percentage times (ii) the amount of such payment to be made by the Agent to the beneficiary under such Letter of Credit. Any Revolving Lender failing to timely deliver its requisite portion of any such payment shall deliver the same to the Agent as soon as possible thereafter, together with interest on such amount for each day from the due date for such payment to the date of payment by such Revolving Lender to the Agent of such amount at a rate of interest per annum equal to the Federal Funds Effective Rate for such period. Each Revolving Lender hereby absolutely and unconditionally assumes, as primary obligor and not as a surety, and agrees to pay and discharge, and to indemnify and hold the Agent harmless from liability and respect of, such Revolving Lender's pro-rata share (based on such Revolving Lender's Commitment Percentage) of any amounts owing by such Revolving Lender to the Agent in accordance with the immediately preceding sentence. Nothing herein shall be deemed to require any Revolving Lender to pay to the Agent any amount as reimbursement for any payment made by the Agent to acquire (discount) for its own account prior to maturity thereof any acceptance created under a Letter of Credit.

(j) Notwithstanding the contrary provisions of Section 2.10(a)(iii)(A), Letters of Credit may be issued with expiry dates later than the fifth Business Day prior to the scheduled Termination Date upon the terms and conditions set forth in this Section 2.10(j) (any such Letter of Credit, an "**Extended Facility Letter of Credit**"). No Extended Facility Letter of Credit shall have an expiry date later than one (1) year after the scheduled Termination Date. From the date thirty (30) days prior to the scheduled Termination Date and at all times thereafter when any Extended Facility Letters of Credit are outstanding, the Borrower shall maintain cash collateral in a special purpose collateral account in the name of the Borrower, but subject to the sole dominion and control of the Agent, in an amount not less than 110% of the aggregate Letter of Credit Exposure Amount relating to all Extended Facility Letters of Credit then outstanding.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrowers' Agent receives notice from the Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with Letter of Credit Exposure Amount representing greater than 50% of the total Letter of Credit Exposure Amount) demanding the deposit of cash collateral pursuant to this paragraph, the Borrowers shall deposit in an account with the Agent, in the name of the Agent and for the benefit of the Revolving Lenders (the "**LC Collateral Account**"), an amount in cash equal to 110% of the Letter of Credit Exposure Amount as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clause (o) or (p) of Section 8.1. Such deposit shall be held by the Agent as collateral for the payment and performance of the Obligations. The Agent shall have

exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Borrowers hereby grant the Agent a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Agent and at the Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Agent to reimburse a Revolving Lender for Letter of Credit Advances for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the Letter of Credit Exposure Amount at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with Letter of Credit Exposure Amount representing greater than 50% of the total Letter of Credit Exposure Amount), be applied to satisfy other Obligations. If the Borrowers are required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrowers within three Business Days after all such Events of Default have been cured or waived.

2.11 Swingline Loans .

(a) Subject to the terms and conditions hereof, the Swingline Lender may, in its sole discretion, make loans for the Swingline Lender's own account (each a " **Swingline Loan** ") to the extent the same would otherwise have been available to the Borrowers under the Revolving Commitment in an aggregate principal amount at any one time outstanding up to, but not exceeding, $15,000,000; provided , however , that at no time shall the Swingline Lender make any Swingline Loan to the extent that, after giving effect to such Swingline Loan, the aggregate amount of each Lender's Current Sum at such time would exceed the Total Revolving Commitment; and provided further , however , that the Swingline Lender shall not make any Swingline Loan if any Event of Default exists of which the Swingline Lender has actual knowledge. Each Swingline Loan shall be a Revolving Credit Alternate Base Rate Borrowing and shall in any event mature no later than the Termination Date. Subject to the conditions herein and within the limits set forth in the first sentence of this paragraph, any Swingline Loan prepaid prior to the Termination Date may be reborrowed as an additional Swingline Loan by the Borrowers pursuant to the terms of this Agreement; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan; and provided further that such refinance restriction shall not apply with respect to any "Swingline Loan" under the Existing Credit Agreement outstanding on the Closing Date.

(b) To request a Swingline Loan, the Borrowers' Agent shall notify the Agent of such request by telephone (confirmed by telecopy), not later than 1:00 p.m., on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Agent will promptly advise the Swingline Lender of any such notice received from the Borrowers' Agent, and subject to the terms of this Agreement, the Swingline Lender may make a Swingline Loan available to the Borrowers by means of a credit to the general deposit account of the Borrowers specified in such request with the Swingline Lender by 5:00 p.m. on the requested date of such Swingline Loan.

(c) The Swingline Lender may demand at any time that each Revolving Lender pay to the Agent, for the account of the Swingline Lender, in the manner provided below, such Revolving Lender's Commitment Percentage of all or a portion of the outstanding Swingline Loans, which demand shall be made through the Agent, shall be in writing and shall specify the outstanding principal amount of Swingline Loans demanded to be paid. The Agent shall forward notice of each such demand to each Revolving Lender on the day such demand is received by the Agent (except that any such notice or demand received by the Agent after 2:00 p.m. on any Business Day or any such demand received on a day that is not a Business Day shall not be required to be forwarded to the Revolving Lenders by the Agent until the next succeeding Business Day), together with a statement prepared by the Agent specifying the amount of each Revolving Lender's Commitment Percentage of the aggregate principal amount of the Swingline Loans stated to be outstanding in such notice or demanded to be paid pursuant to such demand, and, notwithstanding whether or not the conditions precedent set forth in Sections 4.1 or 4.2 shall have been satisfied (which conditions precedent the Revolving Lenders hereby irrevocably waive), each Revolving Lender shall, before 11:00 a.m. on the Business Day next succeeding the date of such Revolving Lender's receipt of such notice, make available to the Agent, in immediately available funds, for the account of the Swingline Lender, the amount specified in such statement. Upon such payment by a Revolving Lender, such Revolving Lender shall, except as provided in Section 2.11(d) below, be deemed to have made a Revolving Loan to the Borrowers in the amount of such payment. The Borrowers agree that all such Revolving Loans so deemed made shall be deemed to have been requested by them and direct that all proceeds thereof shall be used to repay the Swingline Loans to the Swingline Lender, and the Agent shall use such funds received from the Revolving Lenders to repay the Swingline Loans to the Swingline Lender. To the extent that any Revolving Lender fails to make such payment available to the Agent for the account of the Swingline Lender, the Borrowers shall repay such Swingline Loan on demand.

(d) Upon the occurrence of any Event of Default described in Sections 8.1(n) through 8.1(s) each Revolving Lender shall acquire, without recourse or warranty, an undivided participation in each Swingline Loan otherwise required to be repaid by such Revolving Lender pursuant to Section 2.11(c) above, which participation shall be in a principal amount equal to such Revolving Lender's Commitment Percentage of such Swingline Loan, by paying to the Swingline Lender on the date on which such Revolving Lender would otherwise have been required to make a payment in respect of such Swingline Loan pursuant to Section 2.11(c) above, in immediately available funds, an amount equal to such Revolving Lender's Commitment Percentage of such Swingline Loan. If all or part of such amount is not in fact made available by such Revolving Lender to the Swingline Lender on such date, the Swingline Lender shall be entitled to recover any such unpaid amount on demand from such Revolving Lender together with interest accrued from such date at the Federal Funds Effective Rate for the first Business Day after such payment was due and thereafter at the rate of interest then applicable to Alternate Base Rate Borrowings.

(e) From and after the date on which any Revolving Lender (i) is deemed to have made a Revolving Loan pursuant to Section 2.11(c) above with respect to any Swingline Loan or (ii) purchases an undivided participation interest in a Swingline Loan pursuant to Section 2.11(d) above, the Swingline Lender shall promptly distribute to such Revolving Lender such Revolving Lender's Commitment

Percentage of all payments of principal of and interest

received by the Swingline Lender on account of such Swingline Loan other than those received from a Revolving Lender pursuant to Sections 2.11(c) or 2.11(d) above.

(f) The Agent, on behalf of the Swingline Lender, shall request settlement (a " **Settlement** ") with the Revolving Lenders on at least a weekly basis or on any date that the Agent elects, by notifying the Revolving Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 12:00 noon on the date of such requested Settlement (the " **Settlement Date** "). Each Revolving Lender (other than the Swingline Lender, in the case of the Swingline Loans) shall transfer the amount of such Revolving Lender's Commitment Percentage of the outstanding principal amount of the applicable Swingline Loan with respect to which Settlement is requested to the Agent, to such account of the Agent as the Agent may designate, not later than 2:00 p.m. on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.1 have then been satisfied. Such amounts transferred to the Agent shall be applied against the amounts of the Swingline Lender's Swingline Loans and, together with Swingline Lender's Commitment Percentage of such Swingline Loan, shall constitute Revolving Loans of such Revolving Lenders, respectively. If any such amount is not transferred to the Agent by any Revolving Lender on such Settlement Date, the Swingline Lender shall be entitled to recover such amount on demand from such Revolving Lender together with interest thereon as specified in Section 2.12(b) .

2.12 Pro-Rata Treatment .

(a) Except to the extent otherwise provided herein (including without limitation, as specified in Sections 2.2(f) , 2.10(b) and 2.12(c) hereof): (i) each borrowing from the Revolving Lenders under Section 2.1 hereof shall be made, each payment of Commitment Fees shall be made and applied for the account of the Revolving Lenders, and each termination or reduction of the Revolving Commitments of the Revolving Lenders under Section 2.4 hereof shall be applied, pro-rata, according to each Revolving Lender's Commitment Percentage; (ii) each payment or prepayment by the Borrowers of principal of or interest on Loans (other than Swingline Loans) shall be made to the Agent for the account of the Lenders pro-rata in accordance with the respective unpaid principal amounts of such Loans held by such Lenders, and amounts payable with respect to Swingline Loans shall be paid only to the Swingline Lender; (iii) the Revolving Lenders (other than the Agent in its capacity as a Revolving Lender) shall purchase from the Agent participations in the Letters of Credit to the extent of their respective Commitment Percentages upon issuance by the Agent of each Letter of Credit as otherwise provided for herein, and (iv) the Revolving Lenders (other than the Swingline Lender) shall purchase from the Swingline Lender participations in the Swingline Loans to the extent of their respective Commitment Percentages upon request by the Swingline Lender as otherwise provided for herein.

(b) Except for any settlement delay provided or specified in Section 2.2(f) , unless the Agent shall have been notified in writing by any Revolving Lender prior to the date of a proposed Loan that such Revolving Lender will not make the amount that would constitute such Revolving Lender's Commitment Percentage of such Revolving Loan on such date available to the Agent at the Principal Office, the Agent may assume that such Revolving Lender has made such amount available to the Agent on such date, and the Agent may, in reliance upon

such assumption and subject to the terms and conditions of this Agreement, make such amount available to the Borrowers by depositing the same, in immediately available funds, in a general deposit account maintained by the Borrowers and designated by the Borrower's Agent in the applicable Request for Extension of Credit. Any Revolving Lender failing to timely deliver its requisite portion of such Revolving Loan shall deliver the same to the Agent as soon as possible thereafter, together with interest on such amount for each day from the due date for such payment to the date of payment by such Revolving Lender to the Agent of such amount at a rate of interest per annum equal to the Federal Funds Effective Rate for such period. In addition, the Borrowers hereby agree that upon demand by the Agent, the Borrowers shall reimburse the Agent for any such amount which any Revolving Lender has failed to timely deliver to the Agent, but which the Agent may have previously made available to the Borrowers in accordance with the other provisions of this Section 2.12(b) . If a requested Revolving Loan shall not occur on any date specified by the Borrowers as set forth in the applicable Request for Extension of Credit because all of the conditions for such Revolving Loan set forth herein or in any of the other Loan Documents shall have not been met, the Agent shall return the amounts so received from the Revolving Lenders in respect of such requested Revolving Loan to the applicable Revolving Lenders as soon as practicable.

(c) Notwithstanding any provision to the contrary contained in this Section 2.12 or in any other provision hereof, each Revolving Lender shall only receive interest upon and a portion of the Commitment Fee paid hereunder based upon the amount of funds actually advanced by such Revolving Lender to Borrowers from time to time.

2.13 Sharing of Payments, Etc . The Credit Parties agree that, in addition to (and without limitation of) any right of set-off, bankers' lien or counterclaim a Lender may otherwise have, each Lender shall be entitled, at its option, to offset balances held by it for the account of any of the Credit Parties at any of its offices against any principal of or interest on any of such Lender's Loans to the Borrowers hereunder, such Revolving Lender's Commitment Percentage of the Letter of Credit Exposure Amounts or the Swingline Exposure, or any other Obligation of the Credit Parties owing to any such Lender under any of the Loan Documents regardless of whether such offset balances are then due to the Credit Parties, in which case it shall promptly notify the Borrowers' Agent and the Agent thereof, provided , that such Lender's failure to give such notice shall not affect the validity thereof. If a Lender shall obtain payment (other than the Swingline Lender obtaining payment of all or any portion of a Swingline Loan) of any principal of or interest on any Loan made by it under this Agreement, any Letter of Credit Exposure Amount, any Swingline Exposure or other obligation then due to such Lender under any Loan Document, through the exercise of any right of set-off (including, without limitation, any right of set-off or lien granted under Section 10.19 hereof), banker's lien, counterclaim or similar right, or otherwise, it shall promptly purchase from the other Lenders participations in the Loans made by, the Letter of Credit Exposure Amount or the Swingline Exposure of, or the other obligations of the Credit Parties hereunder or thereunder of, the other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable to the end that all the Lenders shall share the benefit of such payment (net of any expenses which may be incurred by such Lender in obtaining or preserving such benefit) pro-rata in accordance with their respective Commitment Percentages. To such end all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Credit Parties agree, to the fullest extent they may effectively

do so under applicable law, that any Lender so purchasing a participation in the Loans made by, Letter of Credit Exposure Amount or the Swingline Exposure of, or other obligations hereunder of, the other Lenders may exercise all rights of set-off, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of said Loans, Letter of Credit Exposure Amount, Swingline Exposure or other obligations in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Credit Parties.

2.14 Recapture . If on any Interest Payment Date the Agent does not receive for the account of one or more Lenders payment in full of interest computed at the Alternate Base Rate and/or the Adjusted LIBOR Rate, as applicable (computed without regard to any limitation by the Highest Lawful Rate), because the Alternate Base Rate and/or the Adjusted LIBOR Rate, as applicable (so computed), exceeds or has exceeded the Highest Lawful Rate applicable to such Lenders, the Borrowers shall pay to the Agent for the account of such Lenders, in addition to interest otherwise required, on each Interest Payment Date thereafter, the Excess Interest Amount (calculated as of each such subsequent Interest Payment Date); provided , that in no event shall the Borrowers be required to pay, for any computation period, interest at a rate exceeding the Highest Lawful Rate applicable to such Lenders during such period. As used herein, the term " **Excess Interest Amount** " shall mean, on any day, the amount by which (a) the amount of all interest which would have accrued prior to such day on the outstanding principal of the Notes of the applicable Lender (had the Alternate Base Rate and/or the Adjusted LIBOR Rate, as applicable, at all times been in effect without limitation by the Highest Lawful Rate applicable to such Lender) exceeds (b) the aggregate amount of interest actually paid to the Agent for the account of such Lender on its Notes on or prior to such day.

2.15 Increase of Revolving Commitments .

(a) If no Default or Event of Default or Material Adverse Effect shall have occurred and be continuing, the Borrowers may at any time prior to the Termination Date request one or more increases of the Revolving Commitments by notice to the Agent in writing of the amount of such proposed increase (each such notice, a " **Revolving Commitment Increase Notice** "); provided , however , that , (i) the Revolving Commitment of any Revolving Lender may not be increased without such Revolving Lender's consent, (ii) the aggregate amount of the Revolving Commitments as so increased shall not exceed $150,000,000, and (iii) the Revolving Commitments may not be increased without the consent of the Agent (which consent shall not be unreasonably withheld or delayed).

(b) In connection with any proposed increase in the Revolving Commitments, the Borrowers may, in their sole discretion, but with the consent of the Agent as to any Person that is not at such time a Revolving Lender (which consent shall not be unreasonably withheld or delayed), offer to any existing Revolving Lender or to one or more additional banks or financial institutions the opportunity to participate in all or a portion of such unsubscribed portion of the Revolving Commitments, by notifying the Agent of such request; provided , that the Revolving Commitment of any New Lender shall not be less than $10,000,000 and shall be in an integral multiple of $2,500,000. Promptly and in any event within five (5) Business Days after receipt of such notice from the Borrowers of their desire to offer such unsubscribed commitments to certain

existing Revolving Lenders or to the additional banks or financial institutions identified therein, the Agent shall notify such proposed lenders of the opportunity to participate in all or a portion of such unsubscribed portion of the increased Revolving Commitments.

(c) Any existing Revolving Lender that accepts the Borrowers' offer to increase its Revolving Commitment shall execute a Revolving Commitment Increase Agreement with the Borrowers, the Guarantors and the Agent, whereupon such Lender shall be bound by, and entitled to the benefits of, this Agreement with respect to the full amount of its Revolving Commitment as so increased.

(d) Any additional bank or financial institution which is not an existing Revolving Lender and which accepts the Borrowers' offer to participate in the increased Revolving Commitments shall execute and deliver to the Agent, the Borrowers and the Guarantors a New Lender Agreement setting forth its Revolving Commitment (subject to the limitations on the amounts thereof set forth herein), and upon the effectiveness of such New Lender Agreement such bank or financial institution (a " **New Lender** ") shall become a Revolving Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement, and the signature pages hereof shall be deemed to be amended to add the name of such New Lender.

(e) Upon any increase in the Revolving Commitments pursuant to this Section 2.15 , Schedule 1.1A shall be deemed amended to reflect the Revolving Commitment of each Revolving Lender (including any New Lender) as thereby increased.

2.16 Defaulting Lenders .

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any Swingline Exposure or Letter of Credit Exposure Amount exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and Letter of Credit Exposure Amount of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Commitment Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's Swingline Exposure and Letter of Credit Exposure Amount does not exceed the total of all non-Defaulting Lenders' Commitments and (y) the conditions set forth in Section 4.1 are satisfied at such time; and

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize, for the benefit of the Issuing Bank, the Borrowers' obligations corresponding to such Defaulting Lender's Letter of Credit Exposure Amount (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.10(k) for so long as such Letter of Credit Exposure Amount is outstanding; and

(iii) if the Letter of Credit Exposure Amount of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Revolving Lenders pursuant to Section 2.3 and Section 2.9(e) shall be adjusted in accordance with such non-Defaulting Lenders' Commitment Percentages.

(b) so long as any Revolving Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Agent shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.15(a) , and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.15(a)(i) (and Defaulting Lenders shall not participate therein).

(c) In the event that the Agent, the Borrower, and the Swingline Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and Letter of Credit Exposure Amount of the Lenders shall be readjusted to reflect the inclusion of such Revolving Lender's Revolving Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the other Revolving Lenders (other than Swingline Loans) as the Agent shall determine may be necessary in order for such Revolving Lender to hold such Revolving Loans in accordance with its Commitment Percentage.

3. Collateral.

3.1 Security Documents . The Loans and all other Obligations shall be secured by the Collateral and the Agent and the Lenders are entitled to the benefits thereof. The applicable Credit Parties shall duly execute and deliver the Security Documents, all consents of third parties necessary to permit the effective granting of the Liens created thereby (subject only to Liens permitted under Section 7.2 hereof), and other documents, consistent with the terms of this Agreement and the other Loan Documents, as may be reasonably required by the Agent to grant to the Agent, for the ratable benefit of the Lender Parties, a valid, perfected and enforceable first priority Lien on and security interest in the Collateral (subject only to the Liens permitted under Section 7.2 hereof), including without limitation, any and all original stock certificates, stock transfer powers, assignments and other documents and instruments necessary or desirable under the laws of any applicable jurisdiction with regard to the Stock covered by any Security Agreement.

3.2 Filing and Recording . The Credit Parties shall, at their sole cost and expense, cooperate with the Agent in causing all financing statements, Intellectual Property Security Agreements and other Security Documents pursuant to this Agreement to be duly recorded and/or filed or otherwise perfected in all places necessary or desirable in the Agent's discretion to perfect the Liens of the Agent, and the Credit Parties shall take such other actions as the Agent may reasonably request, in order to perfect and protect the Liens of the Agent, for the ratable benefit of the Lender Parties, in the Collateral. The Credit Parties, to the extent permitted by law, hereby authorize the Agent to file any financing statement in respect of any Lien created pursuant to the Security Documents which may at any time be required to perfect such Liens or

which, in the reasonable opinion of the Agent, may at any time be desirable, although the same may have been executed only by the Agent or, at the option of the Agent, to sign such financing statement on behalf of the applicable Credit Parties (to the extent that execution by them is necessary or desirable in the Agent's discretion), and file the same, and the Credit Parties hereby irrevocably designate the Agent their respective agents, representatives and designees as its agent and attorney-in-fact for this purpose. In the event that any re-recording or refiling thereof (or the filing of any statements of continuation or assignment of any financing statement) is required to protect and preserve such Lien, the Credit Parties shall, at the Credit Parties' cost and expense, cause the same to be recorded and/or refiled at the time and in the manner requested by the Agent.

3.3 Special Cash Collateral Account . All amounts on deposit from time to time in the Special Cash Collateral Account shall constitute part of the Collateral hereunder and shall not constitute payment of the Obligations until applied thereto as hereinafter provided. Any income received with respect to amounts from time to time on deposit in the Special Cash Collateral Account, including any interest, shall be deposited in the Collection Account. The Agent shall at all times have control and complete dominion over the Special Cash Collateral Account and all amounts on deposit therein; provided, however, that the Borrowers may, upon the written request of Borrowers' Agent delivered to the Agent, from time to time withdraw and use the requested funds (a) to pay, prepay or repay Obligations in respect of the Revolving Loans, and (b) and, subject to obtaining the Agent's prior written consent, for any other purpose not herein prohibited. The Agent agrees that it will not unreasonably withhold, delay or condition such consent so long as (A) Availability, as determined by the Agent, is not less than $35,000,000 at the time of and immediately after giving effect to such withdrawal and application of funds, and (B) Borrowers have not made a request (that was approved by the Agent) to withdraw Pledged Cash pursuant to clause (b) of this Section within the immediately preceding thirty (30) days. Any use of Pledged Cash by the Borrowers other than as permitted in the foregoing provisions of this Section shall require the consent of the Required Lenders only.

4. Conditions.

4.1 All Revolving Loans . The obligation of each Revolving Lender to make any Revolving Loans (for purpose of clarity, all Swingline Loans shall be governed exclusively by the terms of Section 2.11) and the obligation of the Agent to issue any Letter of Credit is subject to the satisfaction of the following conditions:

(a) the Agent shall have received the following, all of which shall be duly executed and in Proper Form: (i) in the case of a Revolving Loan, other than a Revolving Loan for the purposes described in Sections 2.2(b) , 2.4(b) , 2.6(d) and 2.10(d) ,

(A) with respect to each Alternate Base Rate Borrowing, Agent shall have received by no later than 1:00 p.m. on the applicable Rate Selection Date, telephonic notice from the Borrowers' Agent of the proposed date and amount of such Revolving Loan, and by no later than 2:00 p.m. on the applicable Rate Selection Date, a Request for Extension of Credit, signed by a Responsible Officer or Cash Officer of the Borrowers' Agent (or any person designated in writing by a Responsible Officer or Cash Officer of the Borrowers' Agent), and

(B) with respect to each LIBOR Borrowing, Agent shall have received by no later than 12:00 noon on the applicable Rate Selection Date, telephonic notice from the Borrowers' Agent of the proposed date and amount of such Revolving Loan, and no later than 1:00 p.m. on the applicable Rate Selection Date, a Request for Extension of Credit, signed by a Responsible Officer or Cash Officer of the Borrowers' Agent (or any person designated in writing by a Responsible Officer or Cash Officer of the Borrowers' Agent),

or (ii), in the case of issuance of a Letter of Credit (other than the Existing Letters of Credit), (A) a completed Application (as may be required by the Agent) signed by a Responsible Officer or Cash Officer of the Borrowers' Agent (or any person designated in writing by a Responsible Officer or Cash Officer of the Borrowers' Agent) by 12:00 noon three (3) Business Days prior to the proposed date of issuance of such Letter of Credit; (B) payment of the first letter of credit fee as and by the time required in Section 2.10 of this Agreement; and (C) such other Applications, certificates and other documents as the Agent may reasonably require;

along with, in each case , such financial information as the Agent may require to substantiate compliance with all financial covenants contained herein by the Borrowers (or, as applicable, to demonstrate that compliance with any such financial covenant is not then required) if the Agent believes at such time that any of the financial covenants contained herein are then applicable and that the Borrowers are not then in compliance therewith;

(b) all representations and warranties of the Borrowers and any other Person set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects with the same effect as though made on and as of such date, except for (i) those representations and warranties which relate to a specified date, which shall be true and correct as of such date and (ii) those changes in such representations and warranties otherwise permitted by the terms of this Agreement;

(c) there shall have occurred no Material Adverse Effect, after giving effect to the requested Revolving Loan(s) or Letter (s) of Credit;

(d) no Default or Event of Default shall have occurred and be continuing;

(e) if requested by the Agent, it shall have received a certificate executed by the Financial Officer or other Responsible Officer of each Credit Party as to the compliance with subparagraphs (b) through (d) above;

(f) the making of such Revolving Loan or the issuance of such Letter of Credit, shall not be prohibited by, or subject the Agent or any Lender to, any penalty or onerous condition under any Legal Requirement; and

(g) the Borrowers shall have paid all legal fees and expenses of the type described in Section 10.9 hereof for which invoices have been presented through the date of such Loan or the issuance of such Letter of Credit.

4.2 Term Loans . The obligation of each Term Lender to make any Term Loans is subject to the satisfaction of the following conditions prior and after giving effect to the advance of the Term Loans:

(a) the Agent shall have received the following, all of which shall be duly executed and in Proper Form:

(i) with respect to each Alternate Base Rate Borrowing, Agent shall have received by no later than 1:00 p.m. on the applicable Rate Selection Date, telephonic notice from the Borrowers' Agent of the proposed date and amount of the Term Loan, and by no later than 2:00 p.m. on the applicable Rate Selection Date, a Request for Extension of Credit, signed by a Responsible Officer or Cash Officer of the Borrowers' Agent (or any person designated in writing by a Responsible Officer or Cash Officer of the Borrowers' Agent), and

(ii) with respect to each LIBOR Borrowing, Agent shall have received by no later than 12:00 noon on the applicable Rate Selection Date, telephonic notice from the Borrowers' Agent of the proposed date and amount of the Term Loan, and no later than 1:00 p.m. on the applicable Rate Selection Date, a Request for Extension of Credit, signed by a Responsible Officer or Cash Officer of the Borrowers' Agent (or any person designated in writing by a Responsible Officer or Cash Officer of the Borrowers' Agent);

along with, in each case , such financial information as the Agent may require to substantiate compliance with all financial covenants contained herein by the Borrowers (or, as applicable, to demonstrate that compliance with any such financial covenant is not then required) if the Agent believes at such time that any of the financial covenants contained herein are then applicable and that the Borrowers are not then in compliance therewith;

(b) all Specified Representations shall be true and correct in all material respects; and

(c) no Default shall occur in the observance of any covenant, condition or agreement to be observed or performed on the part of any Credit Party or any of their Subsidiaries pursuant to the terms of Section 6.9 (both prior to and after giving effect to the advance of the Term Loans).

4.3 First Loan or Letter of Credit . In addition to the matters described in Section 4.1 hereof, the obligation of any Lender to make the Term Loan and the initial Revolving Loans (including, without limitation, the True-Up Loans) or the obligation of the Agent to issue the first Letter of Credit is subject to the receipt by the Agent of each of the following, on or before October 11, 2012 (except as otherwise specifically provided in any Loan Document, including Schedule 4.4), in Proper Form:

(a) the Notes executed by the Borrowers;

(b) the Reaffirmation Agreements executed by the Credit Parties, as applicable;

(c) a certificate of corporate resolutions and incumbency executed by the Secretary or an Assistant Secretary of each Borrower dated as of the date of this Agreement, authorizing (i) each Borrower's entering into the transactions contemplated hereby and (ii) the delivery by each Borrower of the Loan Documents to be executed and delivered by such Borrower;

(d) a certificate of corporate resolutions and incumbency executed by the Secretary or an Assistant Secretary of the Guarantor, dated as of the date of this Agreement, authorizing the Guarantor to (i) enter into the transactions contemplated hereby and (ii) deliver the Loan Documents to be executed and delivered by the Guarantor;

(e) certified copies of the Organizational Documents of each Credit Party;

(f) certificates from the Secretary of State or other appropriate public official as to the continued existence and good standing of each Credit Party in its applicable jurisdiction of formation, dated within thirty (30) days of the Closing Date, together, if requested by the Agent, with confirmation by telephone or telecopy (where available) on the Closing Date from such official(s) as to such matters;

(g) certificates from the appropriate public officials of those jurisdictions where the nature of each Borrower's business makes it necessary or desirable to be qualified to do business as a foreign corporation, which jurisdictions are set forth in Section I of the Perfection Certificate, as to the good standing and qualification as a foreign corporation (as may be appropriate) of the Credit Parties, dated within sixty (60) days of the Closing Date;

(h) the financial statements described in Section 5.2 hereof, together with any management letters, if any, received for such financial statements;

(i) the most recent schedule and aging of Receivables of the Credit Parties (dated within thirty (30) days of the Closing Date);

(j) a copy of the Agent's field examination of the books and records of the Credit Parties and their Subsidiaries and the results of such field examination;

(k) favorable legal opinions (i) from Bryan Cave LLP, outside counsel for the Credit Parties, (ii) Foley & Lardner LLP, special Michigan and Wisconsin counsel to the Credit Parties, and (iii) internal counsel to the Credit Parties, each dated the Closing Date, each addressed to the Agent and the Lenders and acceptable in all respects to the Agent in its reasonable credit judgment;

(l) certificates of insurance satisfactory to the Agent in all respects evidencing the existence of all insurance required to be maintained by the Credit Parties pursuant to Section 6.7 of this Agreement and all other terms of the Security Documents;

(m) the applicable Credit Parties, JPMorgan and the applicable financial institutions listed in Section II of the Perfection Certificate shall have entered into the Tri-Party Agreements;

(n) access agreements and waivers or subordinations of landlord and warehouseman's liens (whether statutory or contractual) held by any owner of each real property location leased and any operator of each public warehouse location utilized by any Credit Party set forth in Section IV(2) of the Perfection Certificate, in each case reasonably satisfactory to the Agent;

(o) evidence satisfactory to the Agent that no Material Adverse Effect shall have occurred since December 31, 2011;

(p) a certificate of a Responsible Officer of the Credit Parties in the form of annexed hereto certifying on behalf of the Credit Parties as to the solvency of the Credit Parties and their Subsidiaries after giving effect to the funding of the Term Loans and any initial Revolving Loans and related matters set forth in Section 5.19 ;

(q) the Perfection Certificate, dated the Closing Date, substantially in the form of hereto, duly executed by each Credit Party;

(r) (i) a fully executed (and, where required, notarized) Mortgage or amendment to Mortgage (each a " **Closing Date Mortgage** " and, collectively, the " **Closing Date Mortgages** "), in proper form for recording in the applicable jurisdiction, encumbering each Real Property Asset owned in fee as of the Closing Date and listed on Schedule 4.3(r)-1 (each such Real Property Asset, a " **Closing Date Mortgaged Property** "); (ii) in the case of each Material Leasehold Property existing as of the Closing Date copies of all leases between any Credit Party and any landlord or tenant, and any modifications, supplements or amendments thereto; (iii) (A) evidence reasonably acceptable to the Agent as to whether any Closing Date Mortgaged Property that is a Mill Property owned by the Credit Parties is a Flood Hazard Property, and (B) if there are any such Flood Hazard Properties, evidence that the applicable Credit Party has obtained flood hazard insurance as required by law with respect to each Flood Hazard Property in reasonable amounts approved by the Agent, or evidence reasonably acceptable to the Agent that such insurance is not available; (iv) appraisals, together with reliance letters where applicable, concerning each Closing Date Mortgaged Property owned by the Credit Parties from one or more independent real estate appraisers reasonably satisfactory to the Agent, which appraisals shall set forth the Net Recovery Value Percentage of such Closing Date Mortgaged Property and be in form, scope and substance reasonably satisfactory to the Agent and shall satisfy the requirements of any applicable laws and regulation; and (v) evidence reasonably satisfactory to the Agent that there are no material taxes, levies, duties, imposts, deductions, charges (including water and sewer charges),

withholdings, assessments or impositions of any kind which have been due and payable for more than thirty (30) days with respect to such Closing Date Mortgaged Property, except those for which extensions have been obtained and except for those which have been disclosed to the Agent and which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained in accordance with GAAP;

(s) a copy of the Credit Parties' hedging policies, which hedging policies shall be reasonably satisfactory to the Agent;

(t) Availability as of the Closing Date, as determined by the Agent, shall not be less than $30,000,000 after giving effect to the initial Revolving Loan made or to be made, and the Existing Letters of Credit and after payment of fees and expenses for such transactions; and

(u) all other Loan Documents and any other instruments or documents consistent with the terms of this Agreement and relating to the transactions contemplated hereby as the Agent may reasonably request, executed by the applicable Credit Parties or any other Person required by the Agent;

and subject to the further conditions that, at the time of the the initial Revolving Loan, (i) the ownership, corporate structure, solvency and capitalization of the Credit Parties and their Subsidiaries shall be satisfactory to the Lenders in all respects; (ii) the Agent and the Lenders shall have had the opportunity, if they elect, to examine the books of account and other records and files of the Credit Parties and their Subsidiaries and to make copies thereof, and to conduct a preclosing audit which shall include, without limitation, verification of Eligible Receivables, Eligible Inventory, Eligible Equipment and Eligible Real Estate, verification of satisfactory status of customer and supplier accounts, payment of payroll taxes and accounts payable and formulation of an opening Borrowing Base as of the Closing Date (with the results of such examination and audits to have been satisfactory to the Agent and the Lenders in all respects); (iii) all such actions as the Agent shall reasonably require to perfect the Liens created pursuant to the Security Documents shall have been taken, including without limitation, (A) the delivery to the Agent of all Property with respect to which possession is necessary or desirable for the purpose of perfecting such Liens, (B) with respect to Collateral covered by the Security Agreements, the filing of appropriately completed and duly executed Uniform Commercial Code or other applicable financing statements, (C) with respect to all Collateral constituting Stock in any Credit Party or any of their Subsidiaries, delivery to the Agent of original stock certificates and stock transfer powers with regard to all of the applicable Stock, and (D) with respect to all Collateral consisting of Intellectual Property, the recording of appropriate documents in the U.S. Patent and Trademark Office, the U.S. Library of Congress, the United States Copyright Office, and any domain name registry, as applicable; (iv) the Agent shall also have received evidence reasonably satisfactory to it that the Liens created by the Security Documents constitute first priority Liens (except for any Liens expressly provided for in Sections 7.2(a) , 7.2(c) , 7.2(d) , 7.2(e) and 7.2(f) below), including without limitation, satisfactory Uniform Commercial Code or other applicable search reports and satisfactory authorizations to file releases of Liens or termination statements with respect to any existing prior Liens to be released; (v) the terms, conditions and amount of all Indebtedness of each Credit Party shall be acceptable to the Agent; (vi) the Borrowers shall contemporaneously pay on the Closing Date all fees owed to the Agent and the Lenders by the Borrowers under this Agreement or under any commitment letters or fee letters entered into between the Borrowers or any of its Affiliates and JPMorgan or any of its Affiliates, including without limitation, reasonable legal fees and expenses described in Section 10.9 or otherwise for which invoices have been presented; and (vii) all other legal matters incident to the transactions herein contemplated shall be reasonably satisfactory to counsel for the Agent and respective counsel for each of the Lenders.

4.4 Post-Closing Deliveries . Borrowers shall deliver or cause to be delivered to the Agent each of the items set forth on Schedule 4.4 , in each case within thirty (30) days after the

Closing Date or prior to such later date as the Agent may determine and agree to in writing in its sole discretion. Borrowers' failure to deliver each such item on or before the date specified (as such date may be extended by the Agent in writing in its sole discretion) shall constitute an immediate Event of Default.

5. Representations and Warranties .

To induce the Agent and the Lenders to enter into this Agreement, the Credit Parties represent and warrant to the Agent and the Lenders, as of the date of this Agreement and as of the date any Loan is made hereunder or any Letter of Credit is issued hereunder, as follows:

5.1 Organization . Each Credit Party and each of their then existing Subsidiaries are duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation; has all corporate or other applicable Business Entity power and authority to own its respective Property and assets and to conduct its respective businesses as presently conducted; and is duly qualified to do business and in good standing in each and every state or provincial jurisdiction where its respective business requires such qualification, except for those jurisdictions in which the failure to qualify and/or be in good standing does not cause a Material Adverse Effect to occur.

5.2 Financial Statements .

(a) The Consolidated financial statements of the Credit Parties and their Subsidiaries delivered to the Agent and the Lenders in connection with this Agreement, including without limitation, the monthly unaudited financial statements dated as of August 31, 2012, fairly present, in accordance with GAAP, the Consolidated financial condition and the results of operations of the Credit Parties and their Subsidiaries as of the dates and for the periods indicated, subject to the qualifications with respect to the pro forma financial statements of the Credit Parties and their Subsidiaries set forth therein. No Material Adverse Effect has occurred since December 31, 2011.

(b) The Credit Parties have heretofore furnished to the Agent, for each month from the projected Closing Date through December 31, 2014, and thereafter for each calendar year through the term of this Agreement, projected income statements, balance sheets and cash flows of the Credit Parties and their Subsidiaries, on a Consolidated basis, together with one or more schedules demonstrating prospective compliance with all financial covenants contained in this Agreement, such projections disclosing all material assumptions made by the Credit Parties in formulating such projections. The projections are based upon estimates and assumptions which the Credit Parties believe are reasonable in light of the conditions which existed as of the time the projections were made, have been prepared on the basis of the material assumptions stated therein and reflect as of the date of this Agreement and the Closing Date an estimate believed reasonable by the Credit Parties as to the results of operations and other information projected therein.

5.3 Enforceable Obligations; Authorization . The Loan Documents are legal, valid and binding obligations of the Credit Parties to the extent they are party thereto, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency,

reorganization, moratorium or other similar laws affecting creditors rights generally and by general equitable principles including remedies of specific performance and injunction. The execution, delivery and performance of the Loan Documents have all been duly authorized by all necessary corporate, and if necessary shareholder or member, action; are within the corporate or other applicable Business Entity power and authority of the applicable Credit Parties; do not and will not contravene or violate any material Legal Requirement or the Organizational Documents of any Credit Party; do not and will not result in the breach of, or constitute a default under, any material agreement or instrument by which any Credit Party or any material portion of its Property is bound or affected; and do not and will not result in the creation of any Lien upon any Property of any Credit Party except as expressly contemplated herein or therein, and do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or non-renewal of any permit, license, authorization or approval applicable to the operations or any of the Property of any Credit Party that could reasonably be expected to have a Material Adverse Effect. Except as otherwise set forth on Schedule 5.3 , all necessary consents and approvals of any Governmental Authority and all other requisite material permits, registrations and consents have been obtained for the delivery and performance of the Loan Documents.

5.4 Other Debt . Neither any Credit Party nor any Offshore Entity is in default in the payment of any other Indebtedness or under any agreement, mortgage, deed of trust, security agreement or lease to which it is a party, the result of which has, or could reasonably be expected to have, a Material Adverse Effect.

5.5 Litigation . Except as set forth on Schedule 5.5 attached hereto, there is no litigation, administrative proceeding or investigation pending or, to the knowledge of any Credit Party, threatened against, nor any outstanding judgment, order or decree affecting, any Credit Party or any Offshore Entity before or by any Governmental Authority or arbitral body which individually or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect. No Credit Party is knowingly in material default with respect to any material judgment, writ, rule, regulation, order or decree of any Governmental Authority binding on it or its Property. No Offshore Entity is knowingly in material violation with respect to any material judgment, writ, rule, regulation, order or decree of any Governmental Authority binding on it or its Property, which violation individually or in the aggregate with all other such violations have, or could reasonably be expected to have, a Material Adverse Effect.

5.6 Taxes . Each Credit Party and each Offshore Entity has filed all federal, provincial, state, local or foreign income, franchise and other material tax returns required to have been filed and paid all taxes shown thereon to be due, except those for which extensions have been obtained and except for those which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained in accordance with GAAP. No federal income tax returns of any Credit Party or Offshore Entity have been audited by the Internal Revenue Service, the Canada Revenue Agency, the Netherlands national tax authority (Belastingdienst) or the German national tax authority (Bundesfinanzhof), the determination under which could reasonably be expected to have a Material Adverse Effect. No Credit Party or Offshore Entity, as of the Closing Date, requested or been granted any extension of time to file any federal tax return. No Credit Party or Offshore Entity has, as of the Closing Date, requested or been granted any extension of time to file any state, provincial, local or foreign tax return, other than extensions with respect to tax liabilities where such Credit Party's

or Offshore Entity's failure to pay such tax liabilities would not have a Material Adverse Effect. Except for any tax sharing agreement entered into and delivered to the Agent pursuant to the terms hereof, no Credit Party or Offshore Entity is a party to, or has any material obligation under, any tax sharing arrangement with any Person. Each Guarantor is, and has been at all times since its creation or organization, classified as a disregarded entity for United States federal tax purposes.

5.7 No Material Misstatements; Full Disclosure . No report, financial statement, exhibit, schedule or other written information prepared and furnished by or on behalf of any Credit Party to the Agent or any Lender in connection with this Agreement or any other Loan Documents contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the Closing Date, each Credit Party has disclosed to the Agent all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. There is no contingent liability or fact that could reasonably be expected to have a Material Adverse Effect which has not been specifically set forth in the Parent's public filings with the Securities and Exchange Commission filed on or prior to the Closing Date, or in a schedule hereto.

5.8 Subsidiaries and Offshore Entities . As of the Closing Date, no Credit Party has any Subsidiaries or any other majority, or material minority ownership interests in any other Person other than as listed in Section I and II of the Perfection Certificate. Except as expressly indicated in Section I and II of the Perfection Certificate, as of the Closing Date, each of the Subsidiaries and Offshore Entities listed in Section I and II of the Perfection Certificate is wholly-owned by the Credit Party or other Person indicated on such schedule. As of the Closing Date, respectively, in Section I and II of the Perfection Certificate set forth (a) the jurisdiction of incorporation or organization of each Subsidiary of any Credit Party and each Offshore Entity, and (b) the percentage of each Credit Party's, any of its Subsidiaries' or such other Person's (as indicated thereon) ownership of the Stock of each Subsidiary of any Credit Party and each Offshore Entity.

5.9 Representations by Others . All representations and warranties made by or on behalf of any Credit Party or any of its Subsidiaries in any Loan Document shall constitute representations and warranties of each Credit Party hereunder.

5.10 Permits, Licenses, Etc . Each Credit Party owns, possesses or has the benefit of all other material permits, licenses (including Intellectual Property licenses) and Intellectual Property rights which are required (a) to conduct its respective business or (b) for the operation and use of each Real Property Asset owned in fee and each Material Leasehold Property.

5.11 ERISA . No Reportable Event has occurred with respect to any Plan which could reasonably be expected to result in any material liability. Each Plan complies in all material respects with all applicable provisions of ERISA and the Code, and each Credit Party or each ERISA Affiliate have filed all reports required by ERISA and the Code to be filed with respect to each Plan. The Credit Parties do not have any knowledge of any event which could reasonably be expected to result in a liability of any Credit Party or any ERISA Affiliate to the PBGC other

than for applicable premiums. No failure to meet the minimum funding standard (as described in Section 302 of ERISA and Section 412 of the Code), whether or not waived, exists with respect to any Plan. No event has occurred and no condition exists that could reasonably be expected to constitute grounds for a Plan to be terminated under circumstances which would cause the Lien provided under Section 4068 of ERISA to attach to any Property of any Credit Party or any ERISA Affiliate. No event has occurred and no condition exists that could reasonably be expected to cause the Lien provided under Section 303 of ERISA or Section 430 of the Code to attach to any Property of any Credit Party or any ERISA Affiliate. No Credit Party has incurred or reasonably expects to incur any liability as a result of a complete or partial withdrawal from a multiemployer plan that could reasonably be expected to have a Material Adverse Effect. There is no matter pending that could reasonably be expected to have a Material Adverse Effect with respect to any of the Plans before the Internal Revenue Service, the Department of Labor, or the PBGC. No Credit Party has incurred or reasonably expects to incur any contingent liability with respect to any post-retirement welfare benefits (other than in accordance with Section 4980B of the Code) under any "employee welfare plan" (within the meaning of Section 3(1) of ERISA) that could reasonably be expected to have a Material Adverse Effect.

5.12 Title to Properties; Possession Under Leases .

(a) The Credit Parties have good and insurable title to or a valid leasehold interest in, all of their respective material Property shown on the balance sheet referred to in Section 5.2(b) for the Credit Parties and their Subsidiaries or, if applicable, the most recent Consolidated balance sheet for the Credit Parties and their Subsidiaries provided under the terms of Section 6.3(a) , 6.3(b) or 6.3(c) and all material Property acquired since the date of such respective balance sheets, except for such Property as is no longer used or useful in the conduct of their respective businesses or as have been disposed of in the ordinary course of business or otherwise in accordance with this Agreement, and except for minor defects in title that do not interfere with the ability of any Credit Party or any of their Subsidiaries to conduct their respective businesses as now conducted. All such assets and Property are free and clear of all Liens other than those permitted by Section 7.2 hereof.

(b) The Credit Parties (and to the knowledge of the Credit Parties, each of the Credit Parties' predecessors in interest under said leases) have complied in all material respects with all obligations under all Material Leases to which any of them is a party and under which any of them is in occupancy, except where non-compliance does not affect such Credit Party's use or occupancy thereof, as applicable, and all Material Leases are in full force and effect, and each of the Credit Parties, as applicable, enjoy peaceful and undisturbed possession under all such Material Leases. Section V of the Perfection Certificate sets forth each lease in existence as of the date of this Agreement and the Closing Date of real Property of any Credit Party, and upon the request of the Agent, the Credit Parties will provide the Agent with complete and correct copies of all of such leases of real Property then in effect. As of the date of this Agreement and the Closing Date, there are no Material Leasehold Properties other than those in clause (a) of the definition thereof.

5.13 Assumed Names . As of the date of this Agreement and the Closing Date, no Credit Party is currently conducting its business under any assumed name or names, except as set forth in Section VI of the Perfection Certificate.

5.14 Investment Company Act . No Credit Party, nor any of its Subsidiaries, is an investment company within the meaning of the Investment Company Act of 1940, as amended, or, directly or indirectly, controlled by or acting on behalf of any Person which is an investment company, within the meaning of said Act.

5.15 Public Utility Holding Company Act . No Credit Party, nor any of its Subsidiaries, is a "public utility company," or an "affiliate" or a "subsidiary company" of a "public utility company," or a "holding company," as such terms are defined in the Public Utility Holding Company Act of 2005, as amended (" **PUHCA** "). No Credit Party, nor any of its Subsidiaries, is an "affiliate" or a "subsidiary company" of an unregistered, non-exempt "holding company" as such terms are defined in PUHCA.

5.16 Agreements . Schedule 5.16 attached hereto is a complete and correct list, as of the date of this Agreement and the Closing Date, of (a) other than the Loan Documents, all credit agreements or indentures for borrowed money and capitalized leases to which any Credit Party is a party and all Property of the Credit Parties subject to any Lien securing such Indebtedness or capitalized lease obligation, (b) each letter of credit and guaranty to which any Credit Party is a party, (c) all other material instruments in effect as of the date of this Agreement providing for, evidencing, securing or otherwise relating to any Indebtedness for borrowed money of any Credit Party (other than the Indebtedness hereunder), and (d) all obligations of any Credit Party to issuers of appeal bonds issued for account of any Credit Party, in each case other than the Loan Documents. The Borrowers shall, upon, request by the Agent, deliver to the Agent and the Lenders a complete and correct copy of all such credit agreements, indentures, capitalized leases, letters of credit, guarantees and other instruments described in Schedule 5.16 or arising after the date of this Agreement, including any modifications or supplements thereto, as in effect on the date of this Agreement.

5.17 Environmental Matters .

(a) No material aspect of the business of any Credit Party or any of their Subsidiaries requires any Environmental Permit which has not been obtained and which is not now in full force and effect.

(b) Except as described in Schedule 5.17(b) , each Credit Party and each of their Subsidiaries is in material compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Requirement of Environmental Law or Environmental Permit reasonably necessary to the conduct of any material aspect of the business of any Credit Party or any of their Subsidiaries.

(c) Each Credit Party and each of their Subsidiaries (i) has obtained and maintained in effect all Environmental Permits, (ii) along with their respective Properties (whether leased or owned) has been and is in material compliance with all applicable Requirements of Environmental Law and Environmental Permits except as described in Schedule 5.17(c)(ii) , (iii) along with their respective Properties (whether leased or owned) is not subject to any material (A) Environmental Claims or (B) Environmental Liabilities, in either case direct or contingent arising from or based upon any act, omission, event, condition or

circumstance occurring or existing on or prior to the date of this Agreement, except as set forth in any of the environmental assessments or studies described on Schedule 5.17(c)(iii) , or as disclosed on Schedule 5.17(c)(iii) , and (iv) except as described in Schedule 5.17(c)(iv) , has not received individually or collectively any written notice from any Governmental Authority of any material violation or alleged material violation of any Requirements of Environmental Law or Environmental Permit or any written notice of any material Environmental Claim in connection with their respective Properties.

(d) Except as described in Schedule 5.17(d) , no Credit Party nor any of their Subsidiaries has actual knowledge of any material violation of any applicable Requirements of Environmental Law and Environmental Permits by, or of any material Environmental Claims or Environmental Liabilities arising against, any of the prior owners or operators and predecessors in interest with respect to any of the Credit Parties' or any of their Subsidiaries' respective Property.

(e) Except as described in Schedule 5.17(e) , no Credit Party nor any of their Subsidiaries has any actual knowledge of the presence or release of any Hazardous Substance at any of their respective Properties in quantities or under circumstances that under applicable Requirements of Environmental Law could require remedial action having a Material Adverse Effect.

(f) Except as described in Schedule 5.17(f) , no Credit Party nor any of their Subsidiaries has any actual knowledge of any facts or circumstances, including proposed or anticipated changes in applicable Requirements of Environmental Law that would materially increase the cost of maintaining compliance or otherwise result in a Material Adverse Effect.

(g) The matters disclosed in Schedule 5.17 (other than those described in Schedule 5.17(f)) could not reasonably be expected to result in a Material Adverse Effect.

5.18 No Change in Credit Criteria or Collection Policies . There has been no material adverse change in credit criteria or collection policies concerning Receivables of any Credit Party since November 5, 2009, which has had or which is likely to have a Material Adverse Effect.

5.19 Solvency .

(a) The value of the assets of each Credit Party (including contribution rights from other Credit Parties), based on a fair valuation thereof, is not less than the amount that will be required to be paid on or in respect of the probable liability on the existing debts and other liabilities (including contingent liabilities) of such Credit Party, as they are expected to become absolute and mature. The value of the assets of each of the Subsidiaries of the Credit Parties (including contribution rights from other Credit Parties), based on a fair valuation thereof, is not less than the amount that will be required to be paid on or in respect of the probable liability on the existing debts and other liabilities (including contingent liabilities) of each such Subsidiary, as they are expected to become absolute and mature.

(b) The assets of each Credit Party do not constitute unreasonably small capital for such Credit Party to carry out its business as now conducted and as proposed to be

conducted including the capital needs of such Credit Party, taking into account (i) the nature of the business conducted by such Credit Party, (ii) the particular capital requirements of the business conducted by such Credit Party, (iii) the anticipated nature of the business to be conducted by such Credit Party in the future, and (iv) the projected capital requirements and capital availability of such current and anticipated business. The assets of each of the Subsidiaries of each Credit Party do not constitute unreasonably small capital for such Subsidiary to carry out its business as now conducted and as proposed to be conducted, including the capital needs of each such Subsidiary, taking into account (A) the nature of the business conducted by such Subsidiary, (B) the particular capital requirements of the business conducted by such Subsidiary, (C) the anticipated nature of the business to be conducted by such Subsidiary in the future, and (D) the projected capital requirements and capital availability of such current and anticipated business.

(c) No Credit Party, nor any of their Subsidiaries, intends to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be received by each such Credit Party and Subsidiary and the timing and amounts to be payable on or in respect of debt of each such Credit Party and Subsidiary, as applicable). The cash flow of each such Credit Party and Subsidiary, after taking into account all anticipated uses of the cash of each such Credit Party and Subsidiary, should at all times be sufficient to pay all such amounts on or in respect of debt of each such Credit Party and Subsidiary when such amounts are anticipated to be required to be paid.

(d) The Credit Parties do not believe that final judgments against any of them or any of their Subsidiaries in actions for money damages presently pending, if any, will be rendered at a time when, or in an amount such that, the applicable Credit Party or Subsidiary will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum reasonable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered). The cash flow of each such Credit Party and Subsidiary, as applicable, after taking into account all other anticipated uses of the cash of each such Credit Party and Subsidiary, as applicable (including the payments on or in respect of debt referred to in subparagraph (c) of this Section 5.19), should at all times be sufficient to pay all such judgments promptly in accordance with their terms (taking into account the maximum reasonable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered).

5.20 Status of Receivables and Other Collateral . Each Credit Party represents and warrants that (a) each Credit Party is and shall be the sole owner, free and clear of all Liens except in favor of the Agent or otherwise permitted under Section 7.2 hereunder, of and fully authorized to sell, transfer, pledge and/or grant a security interest in all of the Collateral (other than Excluded Collateral, as defined in the applicable Security Documents) owned by such Credit Party, and (b) each Receivable reported by the Credit Parties as an Eligible Receivable meets the requirements of the definition of Eligible Receivable, each item of Inventory reported by the Credit Parties as Eligible Inventory meets the requirements of the definition of Eligible Inventory, each item of Eligible Equipment reported by the Credit Parties as Eligible Equipment meets the requirements of the definition of Eligible Equipment, each Real Property Asset reported by the Credit Parties as Eligible Real Estate meets the requirements of the definition of Eligible Real Estate.

5.21 Transactions with Related Parties . Any and all transactions, contracts, licenses, or other agreements existing on the date of this Agreement and the Closing Date which have been entered into by and among any Credit Party and any Affiliate, officer, or director of any Credit Party (other than Permitted Affiliate Transactions), have been entered into and made upon terms and conditions not less favorable to the applicable Credit Parties than those terms which could have been obtained from wholly independent and unrelated sources.

5.22 Intellectual Property . Section III of the Perfection Certificate sets forth a true, accurate and complete listing, as of the date of this Agreement, of all Patents, Trademarks and Copyrights that are the subject of registrations or applications in any state, federal, or foreign Intellectual Property registry or any domain name registry and all Intellectual Property licenses thereof, of the Credit Parties as of the date of this Agreement and the Closing Date, showing as of the date of this Agreement and the Closing Date the owner, the jurisdiction of registry, the registration or application number, and the date of registry thereof. The Credit Parties are the sole and exclusive owners of (and the current record owners of) all the registrations and applications listed in Section III of the Perfection Certificate. Except as set forth in Section III of the Perfection Certificate, the conduct of the respective businesses (including the products and services) of the Credit Parties as currently conducted does not, in any material respect, infringe, misappropriate, or otherwise violate any person's Intellectual Property rights, and there has been no such claim asserted or threatened in the past three (3) years against any of the Credit Parties. To the knowledge of the Credit Parties, no Person is infringing, misappropriating, or otherwise violating any Intellectual Property owned, used, or held for use by the Credit Parties in the conduct of their respective businesses, and no such claims have been asserted or threatened against any Person by the Credit Parties in the past three (3) years. Except as created or permitted under the Loan Documents, no Lien exists with respect to the interest of any Credit Party in any such Intellectual Property or licenses to Intellectual Property, and no Credit Party has transferred or subordinated any interest it may have in such Intellectual Property or licenses to Intellectual Property. The Credit Parties shall, from time to time as necessary to keep such schedule updated in all material respects (but no more often than quarterly, except in the event that the Credit Parties acquire material Intellectual Property through the acquisition of, or merger or consolidation with, any Person, or acquisition of material assets of any Person), deliver to the Agent an updated Section III of the Perfection Certificate, together with a certificate of an authorized officer of the Borrowers' Agent certifying that the information set forth on such schedule is true, correct and complete as of such date. The execution and delivery of this Agreement and the other Loan Documents, and the consummation of the transactions contemplated hereby and thereby, will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Credit Parties' rights to own, use, or hold for use any of the Intellectual Property as owned, used, or held for use in the conduct of the business as currently conducted.

5.23 Related Businesses . As of the date of this Agreement and the Closing Date, the Credit Parties are engaged in the businesses of producing and selling paper products. These operations require financing on a basis such that the credit supplied can be made available from time to time to Borrowers, as required for the continued successful operation of Borrowers and the other Credit Parties taken as a whole. Borrowers have requested the Lenders to make credit available hereunder for the purposes set forth in Section 6.9 and generally for the purposes of financing the operations of Borrowers and the other Credit Parties. Each Borrower and each

other Credit Party expects to derive benefit (and the board of directors of each Borrower and other Credit Party has determined that such Borrower or other Credit Party may reasonably be expected to derive benefit), directly or indirectly, from a portion of the credit extended by Lenders hereunder, both in its separate capacity and as a member of the group of companies, since the successful operation and condition of each Borrower and each other Credit Party is dependent on the continued successful performance of the functions of the group as a whole. Each Credit Party acknowledges that, but for the agreement of each of the other Credit Parties to execute and deliver this Agreement, the Agent and the Lenders would not have made available the credit facilities established hereby on the terms set forth herein.

5.24 Material Leasehold Properties . No Credit Party is in default in any material respect under any lease with respect to any Material Leasehold Property, and to the knowledge of any Credit Party, no other party thereto is in default under any such lease.

5.25 Security Interests . Each of the Security Documents creates in favor of the Agent, for the benefit of the Agent and the Lenders, a legal, valid and enforceable security interest in the Collateral secured thereby. Upon the filing of the Uniform Commercial Code financing statements and the other personal property security financing statements and, to the extent governed by United States federal law, as applicable, upon the recording of a patent security agreement in the form of hereto, a trademark security agreement in the form of hereto and a copyright security agreement in the form of hereto (the " **Intellectual Property Security Agreements** "), in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, such security interests in and Liens on the Collateral granted thereby that may be perfected by such aforementioned filings or recordings shall be perfected, first priority security interests (subject, as to priority, only to Liens permitted under Section 7.2 that, as a matter of law (including, without limitation, the priority rules of the Uniform Commercial Code and the applicable personal property security legislation), would be prior to the Liens of the Collateral Agent, and no further recordings or filings are or will be required in connection with the creation, perfection or enforcement of such security interests and Liens, other than (a) the filing of continuation statements or financing change statements in accordance with applicable law, (b) the recording of the Intellectual Property Security Agreements in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, with respect to after-acquired U.S. Patent, Trademark and Copyright applications and registrations and (c) the recordation of appropriate evidence of the security interest in the appropriate foreign registry with respect to all foreign Intellectual Property.

5.26 Deposit Accounts . Each deposit account of the Credit Parties (including each Collection Account) is listed in Section II of the Perfection Certificate, and each Collection Account is specified as such on such Schedule; provided that Section II of the Perfection Certificate may be updated by the Credit Parties from time to time when the Credit Parties add or remove deposit accounts in accordance with this Agreement. Each deposit account of the Credit Parties (including each Collection Account), including each deposit account listed on Section II of the Perfection Certificate or established pursuant to Section 7.18 , is a Controlled Account (except with respect to the accounts referred to in Section 7.18(c) to the extent provided therein).

6. Affirmative Covenants.

Each Credit Party covenants and agrees with the Agent and the Lenders that prior to the termination of this Agreement, each Credit Party will perform and observe each and all of the following covenants:

6.1 Businesses and Properties . At all times: (a) do or cause to be done all things reasonably necessary to obtain, preserve, renew and keep in full force and effect the rights, licenses, permits, franchises, and Intellectual Property material to the conduct of its businesses; (b) maintain and operate such businesses in the same general manner in which they are presently conducted and operated, with such changes as such Credit Party deems prudent or as otherwise permitted by this Agreement; (c) comply in all material respects with all material Legal Requirements applicable to such businesses and the operation thereof, whether now in effect or hereafter enacted (including without limitation, all material Legal Requirements relating to public and employee health and safety and all Environmental Laws); and (d) maintain, preserve and protect all Property material to the conduct of such businesses and keep such Property in good repair, working order and condition, and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto reasonably necessary in order that the business carried on in connection therewith may be properly conducted at all times. Notwithstanding the foregoing provisions of this Section 6.1 , the Credit Parties shall not be required to comply with the requirements of clauses (a), (b) or (d) of this Section 6.1 with respect to any Properties (whether or not Mortgaged Properties) (i) at which operations shall have been permanently discontinued and (ii) to the extent the Board of Directors of the Parent shall have determined that the preservation and maintenance of such Properties and the rights, licenses and permits related to such Properties, as applicable, are no longer desirable in the conduct of the business of the Credit Parties and their Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Lenders, or that the preservation or maintenance thereof is not necessary in connection with any transaction permitted under the Loan Documents. With respect to any Properties at which operations are permanently discontinued, the Credit Parties will take customary and prudent steps to secure such Properties from unauthorized Persons and to make or cause to be made repairs and replacements necessary to prevent the development of hazardous safety conditions at such Properties.

6.2 Taxes . Pay and discharge promptly when due all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its Property before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, might give rise to Liens upon such Property or any part thereof (except as otherwise permitted by Section 7.2 hereof), unless being diligently contested in good faith by appropriate proceedings and as to which adequate reserves in an amount not less than the aggregate amount secured by such Liens have been established in accordance with GAAP; provided , however , that such contested amounts giving rise to such Liens shall be immediately paid upon commencement of any procedure or proceeding to foreclose any of such Liens unless the same shall be validly stayed by a court of competent jurisdiction or a surety bond, which is satisfactory in all respects to the Agent, is delivered to the Agent for the ratable benefit of the Lender Parties in an amount no less than such contested amounts.

6.3 Financial Statements and Information . Furnish to the Agent (and Agent will thereafter furnish a copy to Lenders of) each of the following, which may be furnished via electronic means acceptable to the Agent and, in the case of the materials described in clause (h)(ii) of this Section, by first class U.S. mail:

(a) as soon as available and in any event within ninety (90) days after the end of each fiscal year of the Credit Parties, Annual Audited Financial Statements of the Credit Parties and their Subsidiaries;

(b) as soon as available and in any event within forty-five (45) days after the end of each fiscal quarter (that is not also the end of a fiscal year) of the Credit Parties, Quarterly Unaudited Financial Statements of the Credit Parties and their Subsidiaries;

(c) as soon as available and in any event within thirty (30) days after the end of the month, Monthly Unaudited Financial Statements of the Credit Parties and their Subsidiaries;

(d) concurrently with the financial statements provided for in Subsections 6.3(a) , 6.3(b) and 6.3(c) hereof, (i) a Compliance Certificate, signed by a Responsible Officer of the Borrowers' Agent setting forth, among other things, in the case of a Compliance Certificate delivered in connection with Subsections 6.3(a) and 6.3(b) , reasonably detailed calculations of the Fixed Charge Coverage Ratio calculated as of the end of such fiscal year or fiscal quarter, as applicable; provided , that if the Fixed Charge Coverage Ratio is not being tested as of such fiscal quarter or fiscal year end date pursuant to Section 7.12 , such calculation of the Fixed Charge Coverage Ratio shall still be delivered, but may be delivered in a separate certificate, which certificate shall be delivered as soon as available and in any event within fifteen (15) days after the delivery of the Compliance Certificate delivered pursuant to this Subsection 6.3(d) for the end of such fiscal year or fiscal quarter end, and provided , further , that , (A) in no event shall the delivery of a Fixed Charge Coverage Ratio calculation be deemed to imply that Section 7.12 is then being tested, such testing to be determined strictly in accordance with the express terms of Section 7.12 , and (B) failure to provide a calculation of the Fixed Charge Coverage Ratio at times and for periods when the Fixed Charge Coverage Ratio is not being tested pursuant to Section 7.12 shall not, in and of itself, constitute a Default or an Event of Default, and (ii) a written certificate in Proper Form, identifying each Subsidiary which is otherwise required by the provisions of Section 6.10 hereof to become a Guarantor at the request of the Agent, but which has not yet done so as of the date of such certificate, and providing an explanation of the reasons why each such Subsidiary is not a Guarantor, signed by a Responsible Officer of the Borrowers' Agent;

(e) as soon as available and in any event within five (5) Business Days after the date of issuance thereof (if any such management letter is ever issued), any management letter prepared by the independent public accountants who reported on the financial statements provided for in Subsection 6.3(a) above, with respect to the internal audit and financial controls of the Credit Parties and their Subsidiaries;

(f) from any date when Availability is less than $25,000,000 (and until such time thereafter when Availability has exceeded $35,000,000 for sixty (60) consecutive days) or

upon the occurrence and during the continuation of a Default or Event of Default, within two (2) Business Days after the end of each week, a Receivables report in the form of setting forth the sales, collections and total customer debits and credits for the Credit Parties, on a Consolidated basis, for such week, certified by a Responsible Officer of the Borrowers' Agent; provided , however , from any date when Availability is less than $25,000,000 (and until such time when Availability has exceeded $35,000,000 for sixty (60) consecutive days) or upon the occurrence and during the continuation of a Default or Event of Default, Agent may, in its discretion, require such reports on a basis more frequently than weekly;

(g) from any date when Availability is less than $25,000,000 (and until such time thereafter when Availability has exceeded $35,000,000 for sixty (60) consecutive days) or upon the occurrence and during the continuation of a Default or Event of Default, within two (2) Business Days after the end of each week, an Inventory designation report in the form of, certified by a Responsible Officer of the Borrowers' Agent; provided , however , from any date when Availability is less than $25,000,000 (and until such time when Availability has exceeded $35,000,000 for sixty (60) consecutive days) or upon the occurrence and during the continuation of a Default or Event of Default, Agent may, in its discretion, require such reports on a basis more frequently than weekly;

(h) as soon as available, and in any event postmarked (in the case of (ii) below) within fifteen (15) days after the end of each calendar month, (i) Receivable agings and reconciliations, accounts payable agings and reconciliations, lockbox statements and all other schedules, computations and other information, all in reasonable detail, as may be reasonably required or requested by the Agent with regard to the Credit Parties and their Subsidiaries, all certified by a Responsible Officer of the Borrowers' Agent, and (ii) copies of all monthly accounts statements for each deposit account covered by a Tri-Party Agreement;

(i) as soon as available and in any event within fifteen (15) Business Days after the end of each calendar month, (A) a certificate setting forth the calculation of the Indenture Cap as of the end of such calendar month (in form and substance reasonably acceptable to the Agent), and (B) a Borrowing Base Compliance Certificate;

(j) as soon as available and in any event by January 31 st of each calendar year, management-prepared Consolidated and consolidating financial projections of the Credit Parties and their Subsidiaries for such year and the immediately following two (2) fiscal years (setting forth such projections on both an annual basis and on a monthly basis for the upcoming fiscal year and on an annual basis only for the two (2) fiscal years thereafter), such projections to be prepared and submitted in such format and detail as reasonably requested by the Agent; and

(k) such other information relating to the financial condition, operations and business affairs of the Credit Parties or any of their Subsidiaries as from time to time may be reasonably requested by the Agent.

Notwithstanding the delineation of specified time periods above in this Section 6.3 for the applicable information, the Agent reserves the right to require the applicable information be

furnished to the Agent and the Lenders on a more frequent basis, as determined by the Agent in its discretion. All collateral reports of each Credit Party, including each Guarantor, shall be prepared in a manner compatible with the Borrowers' reporting procedures.

6.4 Inspections; Field Examinations; Inventory Appraisals and Physical Counts .

(a) Upon reasonable notice (which may be telephonic notice), at all reasonable times during (so long as no Default or Event of Default has occurred and is continuing) regular business hours and as often as the Agent may reasonably request, permit any authorized representative designated by the Agent, including, without limitation any consultant engaged by the Agent, together with any authorized representatives of any Lender desiring to accompany the Agent, to visit and inspect the Properties and records of the Credit Parties and their Subsidiaries and to make copies of, and extracts from, such records and permit any authorized representative designated by the Agent (together with any accompanying representatives of any Lender) to discuss the affairs, finances and condition of the Credit Parties and their Subsidiaries with the appropriate Financial Officer and such other officers as the Credit Parties shall deem appropriate and the Credit Parties' independent public accountants, as applicable.

(b) The Agent and any consultant of the Agent shall each have the right to examine (and any authorized representatives of any Lender shall have the right to accompany the Agent during any such examination), as often as the Agent may request, the existence and condition of the Receivables, books and records of the Credit Parties and to review their compliance with the terms and conditions of this Agreement and the other Loan Documents, subject to governmental confidentiality requirements. The Agent shall also have the right to verify with any and all customers of the Credit Parties the existence and condition of the Receivables, as often as the Agent may require, without prior notice to or consent of any Credit Party. Without in any way limiting the foregoing, the Agent shall have the right to (i) conduct field examinations of the Credit Parties' operations at the Borrowers' expense as often as the Agent may request and (ii) to order and obtain an appraisal of the Inventory, Equipment and Real Property Assets of the Credit Parties by an appraisal firm satisfactory to the Agent as often as the Agent may request (subject to the proviso at the end of this clause (b)). Without in any way limiting the foregoing, the Credit Parties agree to cooperate and to cause their Subsidiaries to cooperate in all respects with the Agent and its representatives and consultants in connection with any and all inspections, examinations and other actions taken by the Agent or any of its representatives or consultants pursuant to this Section 6.4 . The Credit Parties hereby agree to promptly pay, upon demand by the Agent (or the applicable Lender, if appropriate), any and all reasonable fees and expenses incurred by the Agent or, during the continuance of any Default or Event of Default, any Lender, in connection with any inspection, examination or review permitted by the terms of this Section 6.4 (including without limitation the fees of third party appraisers, accountants, attorneys and consultants); provided , however , that so long as no Default or Event of Default is continuing, the Borrowers shall only be obligated to pay for (x) one (1) field examination per each twelve (12)-month period following the Closing Date, (y) one (1) appraisal of Inventory during each twelve (12)-month period after the Closing Date, and (z) at Agent's discretion, up to one (1) appraisal of Equipment and Real Property Assets during each twelve (12)-month period after the Closing Date (other than the initial field examinations and appraisals for any Receivables, Inventory, Equipment and/or Real Property Assets acquired

through an acquisition or other Investment permitted under the terms of this Agreement, it being agreed that the Borrowers shall be obligated to pay for each such initial field examination and/or appraisal, as applicable, conducted with respect to each such acquisition or Investment). For avoidance of doubt, the Property inspection rights granted to the Agent and the Lenders in this Section 6.4, do not include the Property of the Offshore Entities.

(c) At the Agent's request, not more frequently than once during any consecutive twelve month period if no Default or Event of Default then exists at the time of such request by the Agent, and as frequently as requested by the Agent after the occurrence of any Default or Event of Default which has not been cured or waived in writing by the Agent and the Required Lenders, the Credit Parties shall conduct, at their own expense, a physical count of their Inventory and promptly supply the Agent with a copy of such counts accompanied by a report of the value (based on the lower of cost or market value) of such Inventory. Additionally, the Credit Parties shall promptly provide the Agent with copies of any other physical counts of the Credit Parties' Inventory which are conducted by the Credit Parties after the Closing Date.

6.5 Further Assurances. Upon request by the Agent, promptly execute and deliver any and all other and further agreements and instruments and take such further action as may be reasonably requested by the Agent to (a) cure any defect in the execution and delivery of any Loan Document or more fully to describe particular aspects of the Credit Parties' or any of their Subsidiaries' agreements set forth in the Loan Documents or so intended to be, (b) to carry out the provisions and purposes of this Agreement and the other Loan Documents, and (c) grant, preserve, protect and perfect the first priority Liens created or intended to be created by the Security Documents in the Collateral. Upon written request of the Agent, promptly cause a first priority perfected security interest or pledge to be granted to the Agent, for the ratable benefit of the Lender Parties, in 66 $^{2}/_{3}$% (or such greater percentage that, due to a change in applicable law after the date hereof, (i) could not reasonably be expected to cause the undistributed earnings of such foreign Subsidiary as determined for U.S. federal income tax purposes to be treated as a deemed dividend to such foreign Subsidiary's U.S. parent and (ii) could not reasonably be expected to cause any material adverse tax consequences) of the Stock of Neenah Canada, together with such related certificates, legal opinions and documents as the Agent may reasonably require, each in Proper Form. Upon written request by the Agent, promptly furnish the Agent with a then current listing of all assumed names that any Credit Party is then utilizing in conducting their respective businesses. Promptly furnish the Agent with notice of any transfer of Intellectual Property to another Credit Party and promptly execute and deliver any and all other and further agreements and instruments as may be reasonably requested by the Agent in connection therewith.

6.6 Books and Records. Maintain financial records and books in accordance with accepted financial practice and GAAP.

6.7 Insurance.

(a) Maintain the insurance required by this Section 6.7 at all times by financially sound and reputable insurers (or, to the extent consistent with prudent business practice, a program of self-insurance approved by the Agent, such approval not to be unreasonably withheld).

(b) Maintain insurance, to such extent, on such of its Properties and against such liabilities, casualties, risks and contingencies, including fire and other risks insured against by extended coverage, employee liability and business interruption, at least as is customary with companies similarly situated and in the same or similar businesses, and subject to deductibles that are no greater than are customary with such companies, provided , however , that such insurance shall insure the Property of the Credit Parties and each of their Subsidiaries against all risk of physical damage, including without limitation, loss by fire, explosion, theft, fraud and such other casualties as may be reasonably satisfactory to the Agent, but in no event at any time in an amount less than the replacement value of the Collateral; provided , further , that from and after the permanent cessation of operations at any of their facilities (whether or not they are Mortgaged Properties) in accordance with Section 6.1 , the Credit Parties will not be required to maintain property insurance with respect to the fixed assets comprising such facility unless such facilities are located on Eligible Real Property used in the computation of the Borrowing Base or such insurance is required by law, as determined by the Agent (the Credit Parties agreeing to provide not less than five (5) Business Days' advance notice to Agent prior to the effective date of any cancellation or non-renewal of such insurance).

(c) Maintain in full force and effect worker's compensation coverage and public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with its operations and with the use of any Properties owned, occupied or controlled by any Credit Party or any of their Subsidiaries, in such amounts as the Agent shall reasonably deem necessary.

(d) Maintain such other insurance as may be required by applicable law and furnish to the Agent, upon written request, full information as to the insurance carried.

(e) All insurance covering Property subject to a Lien in favor of the Agent for the benefit of the Lenders granted pursuant to the Security Documents shall provide that, in the case of each separate loss, the full amount of insurance proceeds shall be payable to the Agent, and all liability insurance maintained by the Credit Parties shall name the Agent as additional insured. All such property and liability insurance shall further provide for at least thirty (30) days' (ten (10) days' with respect to cancellation for non-payment of premium or at the request of the insured) prior written notice to the Agent of the cancellation or substantial modification thereof. If any Credit Party fails to maintain such insurance, the Agent may arrange for such insurance, but at the Borrowers' expense and without any responsibility on the Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Upon the occurrence and during the continuance of an Event of Default, the Agent shall have the sole right, in the name of the Lenders, any Credit Party and its Subsidiaries, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies. The Credit Parties shall deliver certificates evidencing renewal of the insurance required hereunder and evidence that the premiums have been paid before termination of any insurance policies required hereunder. Upon request, Debtors shall deliver certificates evidencing the insurance required hereunder and copies of the underlying policies as they are available.

6.8 ERISA . At all times: (a) make contributions to each Plan in a timely manner and in an amount sufficient to comply with the minimum funding standards requirements of ERISA; (b) immediately upon acquiring knowledge of (i) any Reportable Event in connection with any Plan or (ii) any Prohibited Transaction in connection with any Plan, that could reasonably be expected to result in the imposition of material damages or a material excise tax on any Credit Party or any Subsidiary thereof, furnish the Agent a statement executed by a Responsible Officer of such Credit Party or Subsidiary setting forth the details thereof and the action which such Credit Party or Subsidiary proposes to take with respect thereto within thirty (30) days and, when known, any action taken by the Internal Revenue Service or Department of Labor with respect thereto; (c) notify the Agent promptly within thirty (30) days upon receipt by any Credit Party or any Subsidiary thereof of any notice of the institution of any proceedings or other actions which could reasonably be expected to result in the termination of any Plan by the PBGC and furnish the Agent with copies of such notice; (d) pay when due, or within any applicable grace period allowed by the PBGC, all required premium payments to the PBGC; (e) furnish the Agent with copies of the annual report for each Plan filed with the Internal Revenue Service not later than ten (10) days after the Agent requests such report; (f) furnish the Agent with copies of any request for waiver of the funding standards or extension of the amortization periods required by Sections 302 and 304 of ERISA or Sections 412 and 431 of the Code promptly within thirty (30) days after the request is submitted to the Secretary of the Treasury, the Department of Labor or the Internal Revenue Service, as the case may be; and (g) pay when due all installment contributions required under Section 303 of ERISA or Section 430 of the Code or within ten (10) days of a failure to make any such required contributions when due furnish the Agent with written notice of such failure.

6.9 Use of Proceeds .

(a) Subject to the terms and conditions contained herein, use the proceeds of the Revolving Loans (i) to finance ongoing working capital needs of the Credit Parties not otherwise prohibited herein; (ii) for the issuance of Letters of Credit for the account of the Credit Parties in accordance with and subject to the terms of this Agreement; (iii) to finance acquisitions permitted under Section 7.4 ; (iv) for general corporate purposes of the Credit Parties in the ordinary course of business and (v) to the extent not included in clauses (i) through (v) of this Section 6.9 to finance any transactions permitted under Section 7.4 or Section 7.11 and any Investments not prohibited by this Agreement, whether or not in the ordinary course of business; and

(b) subject to the terms and conditions contained herein, use the proceeds of the Term Loans to redeem, defease or retire Senior Notes;

provided , that no proceeds of any Loan shall be used (x) for any purpose which would constitute a violation of Regulation U (" **Reg U** ") of the Board of Governors of the Federal Reserve System or Regulations T or X of the Board of Governors of the Federal Reserve System or any successor regulation of any thereof or of any other rule, statute or regulation governing margin stock from time to time and (y) for any other purpose which would cause such Loan to be a " **purpose credit** "within the meaning of Reg U. Following this transaction, no more than twenty-five percent (25%) (or such lesser percentage as may be established from time to time under Reg U or

any successor statute) of the assets of Borrowers and their Subsidiaries, subject to any restriction on sale or pledge, will consist of, or be represented by margin stock.

6.10 Borrowers; Guarantors; Joinder Agreements . Promptly inform the Agent of the creation or acquisition of any Subsidiary of any Credit Party after the Closing Date and, within thirty (30) days after the written request of the Agent (or the Required Lenders in the case of clause (b) below) delivered in accordance with Section 10.2 below, cause:

(a) each such Subsidiary (i) that is a Domestic Subsidiary to become a Borrower by execution and delivery to the Agent, for the ratable benefit of the Lender Parties, of a Joinder Agreement, and (ii) that is not a Domestic Subsidiary (other than an Excluded Foreign Subsidiary) to become a Guarantor by execution and delivery to the Agent, for the ratable benefit of the Lender Parties, of a Guaranty and/or a Joinder Agreement, as applicable;

(b) a first priority perfected security interest to be granted to the Agent, for the ratable benefit of the Lender Parties, in all of the Stock of such Subsidiary owned by the Credit Parties or any of their other Subsidiaries if such newly acquired or created Subsidiary is a Domestic Subsidiary or is treated, for U.S. federal tax purposes, as an entity that is disregarded as an entity separate from its owner within the meaning of Treas. Reg. § 301.7701-1. The Credit Parties and their Subsidiaries shall not be required to pledge any issued and outstanding Stock of any such newly acquired or created foreign subsidiary that is not disregarded as an entity separate from its owner within the meaning of Treas. Reg. § 301.7701-1 (an " **Excluded Foreign Subsidiary** ") or is otherwise an Offshore Entity; provided, that no Credit Party shall be deemed at any time to be an Excluded Foreign Subsidiary;

(c) each such Subsidiary (other than an Excluded Foreign Subsidiary) to grant to the Agent, for the ratable benefit of the Lender Parties, a security interest (subject only to (i) Liens permitted under Section 7.2(e) as to Receivables, Inventory and Permitted Investment Securities, and (ii) Liens permitted under Section 7.2 as to all other Collateral existing as of the date of acquisition by any Credit Party or any other Subsidiary thereof of such newly acquired Subsidiary, if applicable) in all accounts, inventory, equipment, furniture, fixtures, chattel paper, documents, instruments, general intangibles and other tangible and intangible personal Property and all real Property owned at any time by such Subsidiary and all products and proceeds thereof (subject to similar exceptions as set forth in the Security Documents); and

(d) cause such Subsidiary to deliver to the Agent such other Joinder Agreements, guaranties, contribution and set-off agreements, security agreements, pledge agreements, Tri-Party Agreements and other Loan Documents and such related certificates, Uniform Commercial Code, other customary lien search reports, legal opinions and other documents (including Organizational Documents) as the Agent may reasonably require, each in form and substance reasonably satisfactory to the Agent, and to submit to a collateral audit conducted by an independent audit firm designated by Agent and satisfactory to the Agent in its reasonable discretion;

provided , however , that (i) any such Subsidiary that is an Excluded Foreign Subsidiary shall not be required to become a Guarantor or grant any Liens hereunder and (ii) Neenah Menasha Water and Power Company shall not be required to become a Borrower or grant any Liens hereunder;

provided , further , that until such Subsidiary becomes a Guarantor or a Borrower pursuant to the terms of this Agreement it shall not become a Credit Party. To the extent reasonably feasible, all of the foregoing requirements shall be affected by the execution and delivery of a Joinder Agreement.

6.11 Notice of Events . Notify the Agent within two (2) Business Days after any Responsible Officer of any Credit Party or any of their Subsidiaries acquires knowledge of the occurrence of, or if any Credit Party or any of their Subsidiaries causes or intends to cause, as the case may be, any of the following: (a) the institution of any lawsuit, administrative proceeding or investigation affecting any Credit Party or any of their Subsidiaries, including without limitation any examination or audit by the IRS, the adverse determination under which could reasonably be expected to be material; (b) any development or change in the business or affairs of any Credit Party or any of their Subsidiaries which has had or which is likely to have, in the reasonable judgment of any Responsible Officer of the applicable Credit Parties, a Material Adverse Effect; (c) any Event of Default or Default, together with a reasonably detailed statement by a Responsible Officer on behalf of the Borrowers' Agent of the steps being taken to cure the effect of such Event of Default or Default; (d) the occurrence of a default or event of default by any Credit Party or any of their Subsidiaries under any agreement or series of related agreements to which it is a party, which default or event of default could reasonably be expected to have a Material Adverse Effect; (e) any written notice of any material violation by, or investigation of any Credit Party or any of their Subsidiaries in connection with any actual or alleged material violation of any Legal Requirement imposed by the Environmental Protection Agency, the Occupational Safety Hazard Administration or any other Governmental Authority which has or is likely to have, in the reasonable judgment of any Responsible Officer of the applicable Credit Parties, a Material Adverse Effect; and (f) any significant change in the accuracy of any material representations and warranties of the Credit Parties or any of their Subsidiaries in this Agreement or any other Loan Document (including without limitation, the representations and warranties in Section 5.20(b)).

6.12 Environmental Matters . Without limiting the generality of Section 6.1(c) hereof, (a) comply in all material respects with all material limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Requirement of Environmental Law, or Environmental Permit; (b) obtain and maintain in effect all Environmental Permits necessary to the conduct of its business, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) keep its Property free of any Environmental Claims or Environmental Liabilities that could reasonably be expected to have a Material Adverse Effect. In the event that any Credit Party or any of their Subsidiaries receives any such written demand or claim from any Person with respect to any such Environmental Liabilities, the Credit Parties agree to promptly take action and thereafter diligently pursue the same to completion in a manner necessary to cause the applicable Environmental Liabilities to be remediated as soon as reasonably possible in accordance with all applicable Requirements of Environmental Law. **EACH OF THE CREDIT PARTIES HEREBY INDEMNIFIES AND AGREES TO HOLD THE AGENT AND THE LENDERS HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, DAMAGE, SUIT, ACTION OR PROCEEDING ARISING OUT OF THEIR RESPECTIVE BUSINESSES OR THE BUSINESSES OF ANY OF THE OTHER CREDIT PARTIES OR ANY SUBSIDIARIES OF ANY OF THEM, PERTAINING TO**

ANY ENVIRONMENTAL LIABILITIES, INCLUDING WITHOUT LIMITATION, CLAIMS OF ANY GOVERNMENTAL AUTHORITY OR ANY OTHER PERSON ARISING UNDER ANY REQUIREMENT OF ENVIRONMENTAL LAW OR UNDER TORT, CONTRACT OR COMMON LAW; PROVIDED , THAT THE FOREGOING INDEMNITY SHALL NOT APPLY TO THE EXTENT, BUT ONLY TO THE EXTENT, THE APPLICABLE LIABILITY, LOSS, DAMAGE, SUIT, ACTION OR PROCEEDING IS DETERMINED BY A FINAL JUDICIAL DECISION TO HAVE BEEN CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE PARTY SEEKING INDEMNIFICATION.

6.13 End of Fiscal Year . Cause each of its fiscal years and the fiscal years of each of its Subsidiaries to end on December 31 st of the applicable year.

6.14 Pay Obligations and Perform Other Covenants . Make full and timely payment of the Obligations, whether now existing or hereafter arising, as and when due and payable, duly comply, and cause each of its Subsidiaries to duly comply, with all of the terms and covenants contained in this Agreement and in each of the other Loan Documents at all times and places and in the manner set forth therein, and except for the filing of continuation and renewal statements and the making of other filings by the Agent as secured party or assignee, at all times take all actions necessary to maintain the Liens and security interests provided for under or pursuant to this Agreement and the Security Documents as valid perfected first priority Liens on the Collateral intended to be covered thereby (subject only to other Liens expressly permitted by Section 7.2 hereof) and supply all information to the Agent necessary for such maintenance.

6.15 Collection of Receivables; Application of Receivables Proceeds .

(a) At all times after (i) Availability is less than $25,000,000, or (ii) the occurrence of a Default or an Event of Default (any such time, until the occurrence of a Dominion Termination Event, a " **Dominion Event** "), and until such time when Availability has exceeded $35,000,000 for sixty (60) consecutive days and no Default or Event of Default is continuing (a " **Dominion Termination Event** "), the Borrowers shall cause all payments received by any Borrowers or any of their Subsidiaries (other than any Guarantor, except as provided below) on account of Receivables of the Borrowers (whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise) to be promptly deposited in the form received (but with any endorsements of the applicable Borrower or Subsidiary necessary for deposit or collection, and if received in funds other than U.S. dollars, with such arrangements for conversion to U.S. dollars as may be acceptable to the Agent) into one or more Collection Accounts of the Borrowers designated by the Agent. Funds received in a Collection Account of a Borrower shall be subject to daily wire transfer to an account designated by the Agent pursuant to arrangements with the applicable depository that are acceptable to the Agent, and in connection therewith, the Agent and JPMorgan are irrevocably authorized to cause all collected funds on all Receivables received by the Agent or JPMorgan from whatever means, whether pursuant to any Tri-Party Agreement or otherwise, to be

applied by the Agent to reduce the outstanding balance of the Revolving Loans. Upon the occurrence of a Dominion Event, and from time to time thereafter until a Dominion Termination Event as the Agent may require, funds held in any other deposit account of any Borrower shall be remitted to the Agent, except as the Agent may permit to fund outstanding drafts or transfers or otherwise in its discretion; and until

the occurrence of a Dominion Termination Event, funds contained in any account of any Borrower shall be subject to withdrawal by the Agent only, as hereinafter provided, except as otherwise expressly authorized by the Agent. Upon the occurrence of a Dominion Event, the Borrowers shall, at any time and from time to time upon request of the Agent, liquidate any Permitted Investment Securities held by them and remit the proceeds to the Agent. Prior to the occurrence of a Default or Event of Default, all remittances and payments that are deposited with the Agent in accordance with this Section 6.15(a) will be applied by the Agent on the same day received (or on the next Business Day in the case of remittances and payments received after 11:00 a.m.) to reduce the outstanding balance of the Revolving Loans, subject to final collection in cash of the item deposited. After the occurrence of a Default or Event of Default, all remittances and payments that are deposited with the Agent in accordance with this Section 6.15(a) will be applied by the Agent in accordance with Section 2.7. Upon the occurrence of a Dominion Event, and until the occurrence of a Dominion Termination Event, each Guarantor shall be subject to cash management arrangements (including with respect to payments received on account of Receivables, short term investments and intercompany transfers of funds) pursuant to which funds in each such Guarantor's accounts may be applied to reduce the outstanding balance of the Revolving Loans acceptable to the Agent, whether or not demand has been made under the relevant Guaranty. Upon the occurrence of a Dominion Event, if any Credit Party, or any other Person acting for or in concert with the Credit Parties, receives any monies, checks, notes, drafts or other payments relating to or as proceeds of Receivables or other Collateral except as contemplated by this Section 6.15(a), the Credit Parties shall, or shall cause such Person to, receive and hold such items in trust for, and as the sole and exclusive property of, the Agent (for the benefit of the Lender Parties) and, immediately upon receipt thereof, remit the same (or cause the same to be remitted) in hand to or as directed by the Agent.

(b) Until the occurrence of a Dominion Event, the Credit Parties shall be required, and hereby agree, to promptly deposit Receivable payments when received into any Controlled Account maintained by the Credit Parties pursuant to the terms hereof and designated to the Agent as a Collection Account. The Agent shall not deliver any "sole control" activation notices under any Tri-Party Agreement until the occurrence of a Dominion Event. Upon the occurrence of a Dominion Event, all amounts in each Controlled Account shall be subject to the provisions of Section 6.15(a), and none of such Controlled Accounts shall be utilized for disbursement purposes, except as otherwise consented to by the Agent.

6.16 Receivables and Other Collateral Matters. The Credit Parties shall maintain books and records pertaining to the respective Collateral owned by each of them in detail, form and scope as the Agent shall reasonably require, and concurrently with the delivery by any Credit Party to the Agent of any accounts receivable aging or any sales report summary hereunder, the Credit Parties will disclose to the Agent which Receivables, if any, arise out of contracts with the United States or any department, agency or instrumentality thereof, and will, upon request from the Agent, use commercially reasonable efforts to execute or cause to be executed any instruments and take any steps required by the Agent in order that all monies due or to become due under any such contract shall be assigned to the Agent and notice thereof given under the Federal Assignment of Claims Act. The Credit Parties will, promptly after any Responsible Officer of any of them learns thereof, report to the Agent any material loss or destruction of, or substantial damage to, any portion or component of the Collateral with fair market value in excess of $500,000, and any other matters materially affecting the value, enforceability or

collectability of any of the Collateral with fair market value in excess of $500,000. If any amount payable under or in connection with any Receivable is evidenced by a promissory note or other instrument, as such terms are defined in the Uniform Commercial Code), such promissory note or instrument shall be promptly pledged, endorsed, assigned and delivered to the Agent as additional Collateral. The Credit Parties shall not redate, nor allow any of their Subsidiaries to redate, any invoice or sale, or without written notice to the Agent, make or allow to be made sales on extended dating beyond that customary in the industry. Finally, neither any Credit Party, nor any of their Subsidiaries, shall be entitled to pledge the Agent's or any Lender's credit on any purchases or for any purpose whatsoever.

6.17 Agreements. The Credit Parties shall deliver or cause to be delivered to the Agent copies of all tax sharing agreements and all material employment agreements, management fee agreements, loan agreements, notes and other documentation evidencing any Indebtedness of the Borrower or any Subsidiary not delivered or provided prior to the Closing Date.

6.18 Hedging Strategy. The Credit Parties will enter into and maintain Hedging Obligations permitted hereunder in accordance with and as determined by the hedging policies referred to in Section 4.3(s), with such changes thereto as may be reasonably acceptable from time to time to the Agent.

6.19 Conforming Leasehold Interests; Matters Relating to Additional Real Property Collateral.

(a) If any Credit Party acquires any Material Leasehold Property after the Closing Date, the Credit Party shall use commercially reasonable efforts to cause the landlord with respect to such Material Leasehold Property to execute and deliver to the Agent waivers or subordinations of any and all landlord rights (whether statutory or contractual) held by such landlord with respect to any Collateral located on such Material Leasehold Property.

(b) From and after the Closing Date, in the event that (i) any Credit Party acquires any Material Leasehold Property or any fee interest in any Real Property Asset, or (ii) at the time any Person becomes a Subsidiary (other than a Subsidiary that is not required to become a Borrower or Guarantor), such Person owns or holds any fee interest in any Real Property Asset, excluding any such Real Property Asset the encumbering of which requires the consent of any then-existing senior lienholder, where the Credit Parties are unable to obtain such senior lienholder's consent (any such non-excluded Real Property Asset described in the foregoing clause (i) or (ii) being an "**Additional Mortgaged Property**"), such Credit Party shall deliver to the Agent, as soon as reasonably practicable after such Person acquires such Additional Mortgaged Property, the following (subject to Section 6.19(c)):

(A) Additional Mortgages. A fully executed (and where required, notarized) Mortgage (or, in the discretion of the Agent, an amendment to an existing Mortgage) (each an "**Additional Mortgage**" and, collectively, the "**Additional Mortgages**"), in proper form for recording in the applicable jurisdiction, encumbering the interest of such Credit Party in such Additional Mortgaged Property, and the Agent shall have the right in its sole discretion to record such Additional Mortgage;

(B) Surveys . With respect to each Additional Mortgaged Property located in the United States or constituting a Mill Property, such surveys or surveyor certificates as the Agent may reasonably require;

(C) Deeds . Copies of all deeds by which such Credit Party received title with respect to each Additional Mortgaged Property that is a fee interest in a Real Property Asset;

(D) Leases . Copies of all leases between any Credit Party and any landlord or tenant with respect to any Material Leasehold Property, including any and all modifications, supplements, and amendments thereto.

(E) Matters Relating to Flood Hazard Properties . (1) Evidence as to whether any Additional Mortgaged Property that is located in the United States or is a Mill Property is a Flood Hazard Property and (2) if any such Additional Mortgaged Property is a Flood Hazard Property, evidence that the applicable Credit Party has obtained flood insurance as required by law with respect to each such Flood Hazard Property in amounts reasonably approved by the Agent, or evidence reasonably acceptable to the Agent that such insurance is not available;

(F) Title Insurance . (1) If required by the Agent, ALTA mortgagee title insurance policies or unconditional commitments therefor (the " **Additional Mortgage Policies** ") issued by the Title Company with respect to the Additional Mortgaged Property, in an amount not less than the fair market value of the Additional Mortgaged Property, or such lesser amount as may be reasonably satisfactory to the Agent, insuring fee simple title or leasehold title, as applicable, to each such Additional Mortgaged Property vested in such Credit Party and assuring the Agent that such Additional Mortgage creates a valid and enforceable first priority Lien on such Additional Mortgaged Property, subject only to any standard or other exceptions as may be reasonably acceptable to the Agent and which appear as exceptions on Schedule B to the applicable Additional Mortgage Policy, which Additional Mortgage Policy (a) shall include endorsements (to the extent available) for customary matters reasonably requested by the Agent, including, but not limited to, those endorsements listed on Schedule 4.3 (r) and (b) shall provide for affirmative insurance and such reinsurance as may be reasonable and customary and as the Agent may reasonably request, all of the foregoing in form and substance reasonably satisfactory to the Agent; and (2) evidence reasonably satisfactory to the Agent that such Credit Party has (a) delivered to the Title Company all certificates and affidavits required by the Title Company in connection with the issuance of the Additional Mortgage Policy and (b) paid to the Title Company or to the appropriate Governmental Authorities all expenses and premiums of the Title Company in connection with the issuance of the Additional Mortgage Policy and all recording and stamp taxes (including mortgage recording taxes, fees and other charges and intangible taxes) payable in connection with recording the Additional Mortgage in the appropriate real estate records;

(G) Copies of Documents Relating to Title Exceptions . Copies of all recorded documents listed as exceptions to title or otherwise referred to in each Additional Mortgage Policy;

(H) Opinions of Counsel . (1) A favorable opinion of counsel (which counsel shall be reasonably satisfactory to the Agent), as to the due authorization, execution and delivery by such Credit Party of such Additional Mortgage and such other matters as the Agent may reasonably request, and (2) an opinion of counsel (which counsel shall be reasonably satisfactory to the Agent) in the state or province in which such Additional Mortgaged Property is located with respect to the enforceability of the form of Additional Mortgages to be recorded in such state or province and such other reasonable and customary matters (including without limitation any matters governed by the laws of such state regarding personal property security interests in respect of any Collateral) as the Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Agent;

(I) Environmental Audit . If required by the Agent, reports and other information in form, scope and substance reasonably satisfactory to the Agent and prepared by environmental consultants reasonably satisfactory to the Agent and accompanied by reliance letters where applicable, concerning any Environmental Claims or Environmental Liabilities to which any Credit Party may be subject with respect to such Additional Mortgaged Property; and

(J) Taxes . Evidence reasonably satisfactory to the Agent that there are no outstanding material taxes, levies, duties, imposts, deductions, charges (including water and sewer charges), withholdings, assessments or impositions of any kind which have been due and payable for more than thirty (30) days with respect to such Additional Mortgaged Property, except to the extent that any such matters are being contested in accordance with the terms of Section 6.2 .

(c) In the case of the acquisition in any transaction or series of related transactions by any Credit Party of one or more Additional Mortgaged Properties having an acquisition price of $250,000 or less in the aggregate, the applicable Credit Party shall not be required to deliver the items set forth in Section 6.19(b)(ii)(I) with respect to such Additional Mortgaged Properties, and the remaining items required to be delivered for such Additional Mortgaged Properties pursuant to Section 6.19(b) shall be delivered quarterly, thirty (30) days after the end of each fiscal quarter for all such Additional Mortgaged Properties acquired during such fiscal quarter; provided , however , that in the event that the Credit Parties acquire (i) any such properties in any quarter having an acquisition price in excess of $2,000,000 in the aggregate, or (ii) any such property that is or is expected to be material to its operations, the applicable Credit Parties shall deliver such remaining items to the Agent as soon as reasonably practicable thereafter.

7. Negative Covenants.

The Credit Parties covenant and agree with the Agent and the Lenders that prior to the termination of this Agreement, the Credit Parties will not do any of the following:

7.1 Indebtedness . Create, incur, suffer or permit to exist, or assume or guarantee, directly or indirectly, or become or remain liable with respect to any Indebtedness, whether direct, indirect, absolute, contingent, or otherwise, except the following:

(a) Indebtedness to the Lenders and the Agent pursuant hereto;

(b) Indebtedness secured by Liens permitted by Section 7.2 hereof;

(c) Purchase money Indebtedness (including the amount of any Capital Lease Obligations required to be capitalized and included as a liability on the consolidated balance sheet of the Credit Parties and their Subsidiaries incurred to finance Capital Expenditures) including under conditional sales agreements and other title retention arrangements but excluding purchase money Indebtedness incurred in respect of Inventory; provided that the aggregate amount of such purchase money Indebtedness incurred during any fiscal year of the Credit Parties shall not exceed $5,000,000;

(d) Other liabilities existing on the date of this Agreement and set forth on Schedule 5.16 attached hereto, with no renewals, extensions, modifications or increases thereof being permitted, unless the same constitutes Refinancing Indebtedness;

(e) Current accounts payable and unsecured current liabilities (including current accrued expenses), not the result of borrowings, to vendors, suppliers, landlords, lessors and persons providing services, for expenditures on ordinary trade terms for goods and services normally required by the Credit Parties or any of their Subsidiaries in the ordinary course of business;

(f) Indebtedness of any Credit Party to any other Credit Party, provided , that , no such Indebtedness may be cancelled, compromised or otherwise discounted in any respect without the written consent of the Required Lenders;

(g) Contingent Obligations of a Credit Party with respect to (i) Indebtedness of another Credit Party that is permitted hereunder or (ii) Indebtedness of an Offshore Entity that is permitted under Section 7.20 ;

(h) Current and deferred taxes and other assessments and governmental charges (to the extent permitted by Section 7.2 (e) hereof);

(i) Customary and prudent Hedging Obligations entered into in the ordinary course of business with the Agent, any Lender or any of their respective Affiliates for the sole purpose of protecting the Credit Parties and their Subsidiaries against fluctuations in interest rates, currency exchange rates, commodity (including pulp) prices and similar risks, so long as such Hedging Obligations are not speculative in nature and are incurred in the normal course of

business and consistent with industry practices, and, with respect to Hedging Obligations constituting Bank Products;

(j) Refinancing Indebtedness, to the extent the same relates to any Indebtedness permitted by Sections 7.1(c) and 7.1(d) hereof;

(k) Indebtedness incurred in connection with the financing of environmental remediation or Capital Expenditures made to acquire, develop, construct, install, equip or replace existing Equipment, in each case only to the extent (i) such Equipment is primarily intended to establish, maintain or improve the compliance by such Credit Party with applicable Environmental Law (including, as is necessary to maintain certain licenses or permits held by the Credit Parties and required in the conduct of their businesses), (ii) such Indebtedness does not exceed $30,000,000 in the aggregate at any time outstanding, (iii) such Indebtedness (A) is loaned by or guaranteed by a Governmental Authority or government-sponsored entity and is interest-free or at a below-market interest rate, (B) is subject to customary intercreditor arrangements acceptable to the Agent in its sole discretion, and (C) is secured only by Liens permitted by Section 7.2(l) ;

(l) unsecured letters of credit issued by any third party for the account of any Credit Party, provided that at no time shall the sum of the Letter of Credit Exposure Amount plus the outstanding face amount of all letters of credit issued pursuant to this Section 7.1 (l) plus the drawn and unreimbursed amount of such letters of credit exceed $20,000,000;

(m) Senior unsecured Indebtedness, and/or senior subordinated unsecured Indebtedness, evidenced by Additional Senior Notes, provided , that (i) the sum of the outstanding principal amount of all Additional Senior Notes and the Senior Notes shall not exceed $375,000,000, and (ii) upon the issuance of any Additional Senior Notes, the Fixed Charge Coverage Ratio for the Borrowers and their Subsidiaries (after giving effect to the incurrence of the Indebtedness evidenced by the Additional Senior Notes and, to the extent applicable, any application of the proceeds thereof to the retirement of existing Indebtedness, provided , that such application occurs, or irrevocable notice of the redemption, prepayment or purchase of which is given, substantially contemporaneously with the issuance of such Additional Senior Notes) shall be greater than 1.15 to 1.00 for the most recently completed four quarter period, assuming that for purposes of calculating the Fixed Charge Coverage Ratio for such period (calculated on a pro forma basis in a manner reasonably acceptable to the Agent) such Indebtedness was incurred on the first day of such applicable period;

(n) Indebtedness owing in respect of operating leases entered into in the ordinary course of business that on or prior to March 31, 2011 were not required to be treated as Capital Lease Obligations under GAAP, but as a result of any changes in GAAP mandated by the Financial Accounting Standards Board or successor organization and implemented after March 31, 2011, are required to be treated as Capital Lease Obligations under GAAP; provided that the aggregate amount of such Indebtedness owing with respect to such operating leases shall not exceed $15,000,000; and

(o) other Indebtedness in an aggregate amount not to exceed $10,000,000 at any one time outstanding;

provided , however , that notwithstanding the foregoing, in no event shall the Credit Parties enter into any Hedging Obligation constituting Bank Products at any time when the Hedging Obligations Aggregate Amount exceeds $20,000,000, or which would cause the Hedging Obligations Aggregate Amount to exceed $20,000,000 immediately after the incurrence thereof.

The Credit Parties, the Agent and the Lenders agree that, notwithstanding anything contained in Section 7.1(f) or in any other provision contained in this Agreement which may appear to be to the contrary, any and all Indebtedness permitted by Section 7.1(f) hereof (together with any and all Liens from time to time securing the same as permitted by Section 7.2 hereof) is hereby made and at all times hereafter shall be inferior and subordinate in all respects to the Obligations from time to time owing to the Agent or any Lender pursuant hereto and to any Lien against any Collateral from time to time now or hereafter securing any of such Obligations pursuant to the terms hereof and the Security Documents. Additionally, the Credit Parties, the Agent and the Lenders agree that, notwithstanding anything contained in any provision of this Agreement, any and all contractual, statutory or constitutional Liens which may now or hereafter held by any Credit Party against any Property of any other Credit Party or any of their Subsidiaries as a result of any intercompany lease or sublease by such Credit Party to such other Credit Party or Subsidiary of any real Property owned or leased by the lessor or sublessor Credit Party are, and at all times hereafter shall be, inferior and subordinate in all respects to any Lien now or hereafter held by the Agent, for the ratable benefit of the Lender Parties, against any Collateral as security for any of the Obligations pursuant to the terms hereof and the Security Documents. The Credit Parties agree to execute and deliver on their own behalf, and to cause to be executed and delivered by and on behalf of their Subsidiaries, any and all subordination agreements, in form and content reasonably acceptable to the Agent, which the Agent may hereafter require to further evidence the subordination of the Indebtedness permitted by Section 7.1(f) above, the Liens permitted by Section 7.2 and any such contractual, statutory or constitutional landlord's Liens held by any Credit Party.

7.2 Liens . Create or suffer to exist any Lien upon any of its Property (including without limitation, real property assets and personal property assets, including Stock in its Subsidiaries) now owned or hereafter acquired, or acquire any Property upon any conditional sale or other title retention device or arrangement or any purchase money security agreement; provided , however , that the Credit Parties may create or suffer to exist:

(a) Liens in effect on the date of this Agreement and which are described on Schedule 7.2 attached hereto, provided , that the Property covered thereby does not increase in scope and such Liens may not be renewed and extended (other than continuation filings or similar filings to maintain the effectiveness of any such Lien), unless such renewal and extension is with respect to Refinancing Indebtedness permitted by Section 7.1(j) above;

(b) Liens against the Collateral in favor of the Agent as security for the Obligations;

(c) Liens incurred and pledges and deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance, old-age pensions

and other social security benefits (not including any lien described in Section 430(k) of the Code);

(d) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's, processors' and vendors' liens and other similar liens, incurred in good faith in the ordinary course of business and securing obligations which are incurred in the ordinary course of business and are not overdue for a period of more than thirty (30) days or which are being contested in good faith by appropriate, diligently pursued proceedings as to which the Credit Parties or any of their Subsidiaries, as the case may be, shall, to the extent required by GAAP, consistently applied, have set aside on its books adequate reserves;

(e) Liens securing the payment of taxes, assessments and governmental charges or levies, that are not delinquent, are permitted by Section 6.2 hereof, or are being diligently contested in good faith by appropriate proceedings and as to which adequate reserves have been established in accordance with GAAP; provided , however , that a Reserve against Availability will be established in an amount equal to the aggregate amount of any and all such federal, state, provincial or local taxes which are being diligently contested;

(f) Zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee) which do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;

(g) Liens securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, surety, customs and appeal bonds and other obligations of like nature, incurred as an incident to and in the ordinary course of business, including without limitation security given in the ordinary course of business to a public utility, a municipality, or a governmental or other public authority where required by such utility, municipality or governmental or public authority in connection with the operations of any Credit Party, in each case in an amount not to exceed $5,000,000 and not secured by Inventory or Receivables;

(h) Purchase money Liens securing the Indebtedness permitted by Section 7.1(c) above, provided , as a result of the creation of any such Lien, (i) no Default or Event of Default shall have occurred, (ii) the principal amount of such Lien does not exceed 100% of the purchase price of the asset acquired with such permitted Indebtedness plus accrued interest on such Indebtedness plus protective advances made by the holder of such permitted Indebtedness, and (iii) such Lien shall not apply to any other Property other than the asset acquired with such purchase money Indebtedness;

(i) Liens in favor of any Credit Party securing any Indebtedness permitted pursuant to Section 7.1(f) hereof;

(j) Liens arising from judgments, orders, or other awards not constituting an Event of Default;

(k) Liens upon Property (i) acquired by the Credit Parties after the Closing Date, (ii) purchased in whole or in substantial part (in no event less than 75% of the aggregate purchase price) with proceeds of Indebtedness permitted pursuant to Section 7.1(k) hereof, which Liens secure only such Indebtedness, and (iii) which Property, in the reasonable discretion of the Agent, can be readily removed from the facility on which it is located at a commercially reasonable cost and without any damage (other than de minimus damage) or impairment (other than de minimus impairment) of the use, functionality or value of such facility;

(l) all rights reserved to or vested in any Governmental Authority by the terms of any lease, franchise, grant or permit held by any Credit Party or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or periodic payments as a condition of the continuation thereof, or to distrain against or to obtain a Lien on any Property of any Credit Party in the event of failure to make such annual or other periodic payments;

(m) Liens upon cash or Permitted Investment Securities in an amount not to exceed $5,000,000 at any time to secure Hedging Obligations;

(n) rights of tenants, subtenants, licensees or other parties in possession, if any, but only (i) as tenants or licensees or otherwise to the extent of their possessory rights or interests and (ii) so long as such rights do not, in the aggregate, materially detract from the value of the Properties of the Credit Parties or materially impair the use thereof in the operation of the business of the Credit Parties;

(o) with respect to any lease of any Leasehold Property entered into in accordance with the terms hereof, the rights of the landlord to such leased property and the terms and conditions contained in the corresponding lease, but only so long as such Credit Party is current with respect to payment of all rent and other amounts due to such landlord under such lease;

(p) any encumbrance for which adequate title insurance is provided against losses that may be suffered by the Agent and the Lenders, which insurance is reasonably acceptable to the Agent; and

(q) other Liens securing the payment of obligations, other than Indebtedness or Hedging Obligations, in an amount not to exceed $5,000,000 at any time outstanding; provided , that such Liens are not upon Inventory, Receivables, Eligible Equipment, Eligible Real Estate, or Deposit Accounts;

provided , however , notwithstanding anything contained above in this Section 7.2 to the contrary, (i) if any of the permitted Liens are of the type that are being contested in good faith by appropriate proceedings as to the Credit Parties, the Indebtedness giving rise to such contested Lien (s) must be immediately paid upon commencement of any foreclosure process or proceeding with respect to such Lien(s) unless the same shall be effectively stayed or a surety bond or title insurance with respect thereto (which is reasonably satisfactory in all respects to the Agent), is

posted; and (ii) in no event will the Credit Parties create or suffer to exist any Lien upon any Stock of their existing or future Subsidiaries or upon any Stock of NP International HoldCo, NP International, or FinCo (other than Liens in favor of the Agent as security for the Obligations).

7.3 Contingent Liabilities . Create, incur, suffer or permit to exist, directly or indirectly, any Contingent Obligations, other than:

(a) The Obligations of each Guarantor to the Agent and the Lenders under the terms of any Guaranty;

(b) Any Contingent Obligations of the Credit Parties under any Hedging Obligations permitted by Section 7.1(i) above;

(c) The guarantees by the Credit Parties of any obligations of any other Credit Party that are not prohibited by this Agreement or of any Indebtedness of any other Credit Party if such Indebtedness so guaranteed is permitted under the terms of Section 7.1 above;

(d) The guarantees by any Credit Party of Indebtedness created, incurred or existing pursuant to the terms of Section 7.20 hereof, provided , that , at all times any such guaranty is in effect the maximum amount of such guaranteed Indebtedness shall be deemed to be an Investment in an Offshore Entity on the date such guaranty is entered into, and any such Investment must be permitted under Section 7.7 hereof (whether through one or a combination of the clauses thereof so long as such amounts aggregate to such maximum amount); and

(e) Any guarantee by the Parent of NP International's obligations under the NP International Lease, if such guarantee is required by the landlord under the NP International Lease.

7.4 Mergers, Consolidations and Dispositions and Acquisitions of Assets . In any single transaction or series of related transactions, directly or indirectly:

(a) Wind up its affairs, liquidate or dissolve;

(b) Be a party to any merger or consolidation;

(c) (i) Sell, convey, lease, transfer or otherwise dispose of all or any portion of the Property (except for the sale of Inventory in the ordinary course of business) of any Credit Party, or agree to take any such action, or (ii) permit any Offshore Entity to sell, convey, lease, transfer or otherwise dispose of all or any substantial portion of the Property (except for the sale of Inventory in the ordinary course of business) of such Offshore Entity, or permit any Offshore Entity to agree to take any such action;

(d) Sell, assign, pledge, transfer or otherwise dispose of, or in any way part with control of, any Stock of any of its Subsidiaries or of any Offshore Entity or any Indebtedness or obligations of any character of any of its Subsidiaries or of any Offshore Entity, or permit any such Subsidiary or Offshore Entity to do so with respect to any Stock of any other subsidiary or any Indebtedness or obligations of any character of any Credit Party, any of their Subsidiaries or any Offshore Entity, or permit any of their Subsidiaries or any of the Offshore

Entities to dissolve or liquidate, or to issue any additional Stock other than to the Credit Parties or, solely with respect to Neenah Germany's subsidiaries, to Neenah Germany or one of its directly or indirectly wholly owned subsidiaries;

(e) Take any board of director or shareholder action with a view toward dissolution, liquidation or termination; or

(f) Purchase or otherwise acquire, directly or indirectly, in a single transaction or a series of related transactions, all or a substantial portion of the assets of any Person or any shares of Stock of, or similar interest in, any Person;

provided , however that notwithstanding the foregoing, any of the following described actions may be undertaken, so long as no Default or Event of Default then exists or would exist immediately after giving effect to the applicable event:

(1) any Subsidiary of any Credit Party may merge or consolidate with any Credit Party or any other Subsidiary of any Credit Party, provided , that if (i) one or more of the entities so merging or consolidating was a Borrower, and if the surviving entity is not yet a Borrower, such surviving entity must be a wholly-owned Domestic Subsidiary and such surviving entity shall simultaneously with such merger, execute and deliver to the Agent a Joinder Agreement with respect to this Agreement, together with all requested Security Documents, as required at such time by the Agent, appropriately completed in Proper Form, and (ii) one or more of the entities so merging or consolidating was a Guarantor (and so long as none of the entities was a Borrower, in which event clause (i) shall apply), and if the surviving entity is not yet a Guarantor, such surviving entity must be a wholly-owned Canadian Subsidiary and such surviving entity shall simultaneously with such merger, execute and deliver to the Agent a Guaranty or a Joinder Agreement, together with all requested Security Documents, as required at such time by the Agent, appropriately completed in Proper Form;

(2) any of the Credit Parties' Subsidiaries may sell, lease, transfer or otherwise dispose of any of its assets to a Credit Party or any other wholly-owned Subsidiary of the Borrower, provided , that if (i) the entity selling, leasing, transferring or otherwise disposing of its assets is a Borrower, and if the entity to whom the sale, lease, transfer or other disposition was made is not a Borrower, such entity must be a wholly-owned Domestic Subsidiary and such entity shall simultaneously with such lease, transfer or disposition, execute and deliver to the Agent a Joinder Agreement, together with all requested Security Documents, as required at such time by the Agent, appropriately completed in Proper Form, and (ii) the entity selling, leasing, transferring or otherwise disposing of its assets is a Guarantor, and if the entity to whom the sale, lease, transfer or other disposition was made is not a Borrower or a Guarantor, such entity must be a wholly-owned Canadian Subsidiary and

such entity shall simultaneously with such lease, transfer or disposition, execute and deliver to the Agent a Guaranty or a Joinder Agreement, together with all requested Security Documents, as required at such time by the Agent, appropriately completed in Proper Form;

(3) any Subsidiary may be dissolved or liquidated, so long as such dissolution or liquidation results in all assets of such Subsidiary being owned by a Credit Party or a wholly-owned Subsidiary; provided , that if (i) the entity dissolving or liquidating is a Borrower, and if the entity to whom all assets of such dissolving or liquidating entity are transferred is not yet a Borrower, such entity must be a wholly-owned Domestic Subsidiary and such entity shall simultaneously with such transfer execute and deliver to the Agent a Joinder Agreement, together with all requested Security Documents, as required at such time by the Agent, appropriately completed in Proper Form, and (ii) the entity dissolving or liquidating is a Guarantor, and if the entity to whom all assets of such dissolving or liquidating entity are transferred is not yet a Borrower or a Guarantor, such entity must be a wholly-owned Canadian Subsidiary and such entity shall simultaneously with such transfer execute and deliver to the Agent a Guaranty or a Joinder Agreement, together with all requested Security Documents, as required at such time by the Agent, appropriately completed in Proper Form;

(4) (A) any of the Credit Parties may (i) sell Inventory in the ordinary course of business, (ii) sell, exchange or otherwise dispose of Permitted Investment Securities in the ordinary course of business; (iii) terminate, surrender or sublease a lease of real Property in the ordinary course of business; (iv) sell or otherwise dispose of equipment and fixtures that are obsolete, worn out or no longer needed in the business of the Credit Parties; (v) sell, exchange, lease, transfer or otherwise dispose of (in each case for reasonably equivalent value) real Property having a fair market value not to exceed the sum of (1) $2,000,000 for all such transactions in the aggregate in any calendar year; plus (2) the excess (if any) of $2,000,000 over the amount of dispositions pursuant to this clause (A) (v) consummated in the immediately preceding calendar year; and (vi) sell or otherwise dispose of, for fair and adequate consideration any other equipment and fixtures having a fair market value not to exceed $1,000,000 in the aggregate during the period from the Closing Date through the Termination Date; provided that , upon the occurrence and during the continuation of a Dominion Event, all net proceeds of any and all of the foregoing shall be paid to the Agent for application in accordance with Section 2.7 ; (B) any of the Offshore Entities may (i) sell, exchange or otherwise dispose of marketable investments in which their cash is invested in the ordinary course of business; (ii) terminate, surrender or sublease a lease of real Property in the ordinary course of business; (iii) sell or otherwise dispose of equipment and fixtures that are obsolete, worn out or no longer needed in the business of the Offshore

Entities; (iv) in the case of Neenah Germany and its subsidiaries, assign their accounts receivable, or any portion thereof, to secure a line of credit in the maximum principal amount of €15,000,000; (v) sell or otherwise dispose of, for fair and adequate consideration, any other equipment and fixtures having a fair market value not to exceed €5,000,000 in the aggregate during the period from the Closing Date through the Termination Date; (vi) sell, contribute or otherwise transfer Property to any other Offshore Entity, or to a Person that, contemporaneously with such sale, contribution or transfer will become an Offshore Entity; (vii) transfer and issue Stock to other Offshore Entities as necessary to implement the corporate restructuring of the Credit Parties' foreign operations, subject to changes to such restructuring from time to time as may be approved by the Agent in writing prior to the implementation of such restructuring; and (C) any Offshore Entity created or acquired after March 31, 2011 that is not directly or indirectly wholly owned by the Parent may issue Stock from time to time to holders of minority interests in its Stock, provided that after giving effect to such issuance, the Offshore Entity will remain majority owned directly or indirectly by the Parent.

(5) (i) to the extent any Collateral is sold or otherwise permanently disposed of as permitted by this Section 7.4, such Collateral shall be sold or otherwise disposed of free and clear of the Liens of the Security Documents and the Agent shall take such actions, including executing and filing appropriate releases, as are appropriate in connection therewith, and no approval of any of Lenders shall be required therefor, and (ii) to the extent any Collateral is leased as permitted by this Section 7.4, the Parent or the applicable Credit Party may request that the Agent enter into a subordination, non-disturbance and attornment agreement in form and substance acceptable to the related lessee and to the Agent, as applicable (and no approval of any of the Lenders shall be required therefor) and the Agent may require the delivery of Security Documents, including without limitation, a collateral assignment of lease, in form and substance reasonably acceptable to it; and

(6) (A) the Credit Parties may purchase or otherwise acquire all or a substantial portion of the assets of one or more Persons, or any shares of Stock of, or similar interest in, any Person; provided, that, (i) such transaction or series of transactions is not otherwise prohibited hereunder, (ii) the Credit Parties comply with the requirements of this Agreement, including without limitation Section 6.10 and Section 6.19, in connection with such transaction or series of transactions, (iii) the aggregate purchase price (including merger consideration, if applicable) paid by the Credit Parties in any transaction or series of transactions under this Section 7.4(6)(A) and by the Offshore Entities in any transaction or series of transactions under Section 7.4(6)(B) does not exceed $100,000,000 in any twelve month period or $200,000,000 in the aggregate for all transactions under this Section 7.4(6) consummated after

the Closing Date, (iv) the Availability immediately after giving effect to the completion of any transaction or series of transactions under this Section 7.4(6) shall not be less than $25,000,000 on a pro forma basis (and the Borrowers shall provide the Agent with a pro forma calculation in form and substance reasonably satisfactory to the Agent) including all consideration given in connection with such transaction or series of transactions as having been paid in cash at the time of the initial completion of any such transaction or series of transactions, and (v) the Fixed Charge Coverage Ratio for the Borrowers and their Subsidiaries (after giving effect to such transaction or series of transactions, including, to the extent applicable, the retirement of any Indebtedness occurring, or irrevocable notice of the redemption, prepayment or purchase of which Indebtedness is given, substantially contemporaneously with the consummation of such transaction or transactions) shall be greater than 1.15 to 1.00 for the most recently completed four quarter period assuming that for purposes of calculating the Fixed Charge Coverage Ratio for such period (calculated on a pro forma basis in a manner acceptable to the Agent) such transaction or series of transactions occurred on the first day of such applicable period; and (B) any of the Offshore Entities may purchase or otherwise acquire all or a substantial portion of the assets of one or more Persons, or any shares of Stock of, or similar interest in, any Person; provided , that , (i) such transaction or series of transactions is not otherwise prohibited hereunder, (ii) the Credit Parties and the Offshore Entities comply with the requirements of this Agreement in connection with such transaction or series of transactions, (iii) the aggregate purchase price (including merger consideration, if applicable) paid by the Credit Parties in any transaction or series of transactions under Section 7.4(6)(A) and by the Offshore Entities in any transaction or series of transactions under this Section 7.4(6)(B) does not exceed $100,000,000 in any twelve month period or $200,000,000 in the aggregate for all transactions under this Section 7.4(6) consummated after the Closing Date, (iv) the Availability immediately after giving effect to the completion of any transaction or series of transactions under this Section 7.4(6) shall not be less than $25,000,000 on a pro forma basis (and the Borrowers shall provide the Agent with a pro forma calculation in form and substance reasonably satisfactory to the Agent) including all consideration given in connection with such transaction or series of transactions as having been paid in cash at the time of the initial completion of any such transaction or series of transactions, and (v) the Fixed Charge Coverage Ratio for the Borrowers and their Subsidiaries (after giving effect to such transaction or series of transactions, including, to the extent applicable, the retirement of any Indebtedness occurring, or irrevocable notice of the redemption, prepayment or purchase of which Indebtedness is given, substantially contemporaneously with the consummation of such transaction or transactions) shall be greater than 1.15 to 1.00 for the most recently completed four quarter period assuming that for purposes of calculating

the Fixed Charge Coverage Ratio for such period (calculated on a pro forma basis in a manner acceptable to the Agent) such transaction or series of transactions occurred on the first day of such applicable period.

7.5 Nature of Business . Materially change the nature of its business or enter into any business which is substantially different from the business in which it is engaged as of the Closing Date, except for entry into related businesses that do not in the aggregate substantially change the overall composition of the Credit Parties' or the Offshore Entities respective businesses; provided that the Credit Parties shall not be required to remain in the timber or pulp business.

7.6 Transactions with Related Parties . Except for any Permitted Affiliate Transactions and other transactions specifically permitted by Section 7.4 or 7.7 , enter into any other transaction, contract, license or agreement of any kind with any Affiliate, officer or director of any Credit Party or any of their Subsidiaries, unless such transaction, contract or agreement is made upon terms and conditions not less favorable to such Person than those which could have been obtained from wholly independent and unrelated third parties.

7.7 Investments, Loans . Make, directly or indirectly, any Investment in or loan or advance to any Person, or make any commitment to make such loan, advance or Investment, except:

(a) Stock of any Domestic Subsidiary or any Guarantor acquired or issued in accordance with the other provisions of this Agreement, including without limitation, the provisions of Section 6.10 above, or Stock of any other Subsidiary or Offshore Entity with the prior written consent of the Agent;

(b) Permitted Investment Securities;

(c) loans otherwise permitted by the provisions of Section 7.1(f) above;

(d) loans to employees of any Credit Party made in the ordinary course of business, so long as the aggregate amount of all such loans outstanding at any time does not exceed $500,000;

(e) loans or advances to, or Investments in, any Credit Party;

(f) loans or capital contributions to (i) Neenah Menasha Water and Power Company in an aggregate amount not to exceed $500,000 in any twelve (12)- month period, and (ii) Neenah Canada in an aggregate amount not to exceed $2,500,000 in any twelve (12)-month period;

(g) Inter-Company Loans;

(h) Investments in NP International HoldCo made prior to December 31, 2006 in order to finance the 2006 acquisition of Neenah Germany;

(i) other loans, advances or Investments in FinCo, NP International and NP International HoldCo in an aggregate amount not to exceed €250,000 at any time outstanding;

(j) any expenses, including, without limitation, insurance and workers compensation expenses, reasonably incurred by the Parent in the ordinary course of business on a "blanket" or "umbrella" basis for benefit of the Credit Parties, NP International HoldCo and NP International;

(k) any Letter of Credit issued pursuant to Section 2.10 of this Agreement, to the extent it may directly or indirectly benefit NP International HoldCo and NP International, or either of them;

(l) any guarantee by the Parent of NP International's obligations under the NP International Lease, if such guarantee is required by the landlord under the NP International Lease;

(m) guarantees by one or more Credit Parties of Indebtedness of an Offshore Entity that is permitted under Section 7.20 and for which Reserves equal to the amount of such guaranteed Indebtedness have been established and are being maintained with respect to Availability; and

(n) Other loans, advances or Investments not covered by clauses (a) through (i) above, in any aggregate amount not to exceed $15,000,000 at any time outstanding.

7.8 ERISA Compliance .

(a) At any time engage in any Prohibited Transaction with respect to a Plan which could reasonably be expected to result in a material liability; or permit any Plan to be terminated in a manner which could result in the imposition of a Lien on any Property of any Credit Party or any of their Subsidiaries pursuant to ERISA.

(b) Engage in any transaction in connection with which any Credit Party or any Subsidiary thereof would or could reasonably be expected to be subject to either a material civil penalty assessed pursuant to the provisions of Section 502 of ERISA or a material tax imposed under the provisions of Section 4975 of the Code.

(c) Terminate any Plan in a "distress termination" under Section 4041 of ERISA, or take any other action which could reasonably be expected to result in a material liability of any Credit Party or any Subsidiary thereof to the PBGC.

(d) Fail to make payment when due of all amounts which, under the provisions of any Plan, any Credit Party or any Subsidiary thereof is required to pay as contributions thereto, or, with respect to any Plan, fail to satisfy the minimum funding standard (as described in Section 302 of ERISA and Section 412 of the Code), whether or not waived, with respect thereto.

(e) Adopt an amendment to any Plan restricted by Section 436 of the Code.

7.9 Trade Credit Extensions . Extend credit to customers other than normal and prudent extensions of trade credit for goods and services in the ordinary course of business.

7.10 Change in Accounting Method . Make or permit any change in accounting method or financial reporting practices except as may be required by GAAP, as in effect from time to time.

7.11 Redemption, Dividends, Stock Issuance, Distributions and Payments . At any time:

(a) Redeem (whether as a result of mandatory or optional redemption obligations or rights), purchase, retire or otherwise acquire, directly or indirectly, any shares of its Stock or any warrants or other similar instruments issued by any Credit Party or any Subsidiary thereof, except Stock Repurchases, so long as (A) no Default or Event of Default exists on the trade date for the applicable Stock Repurchase, or would result from such purchase, (B) the aggregate amount of such Stock Repurchases does not exceed (i) $15,000,000 in the aggregate for the period commencing on November 16, 2011 and ending on December 31, 2012, and (ii) $10,000,000 in the aggregate for any fiscal year of Parent commencing on or after January 1, 2013 (exclusive of amounts paid prior to January 1, 2013), (C) such Stock Repurchase has been duly authorized by Parent's board of directors, and (D) the Borrowers shall have pro forma Availability of at least $25,000,000 on the trade date of such Stock Repurchase and, on an average basis, for the sixty (60)-day period before such trade date, in each case after giving effect to such Stock Repurchase;

(b) Declare or pay, directly or indirectly, any dividend, except (i) dividends paid to a Credit Party which is a direct parent of the Credit Party paying a dividend, (ii) non-cash dividends paid to the holders of any Stock of the Parent in the form of additional Stock of the Parent, and (iii) Cash Dividends to the holders of any Stock of the Parent, so long as (A) no Default or Event of Default exists on the date that the applicable Cash Dividend is declared or paid, or would result from the payment thereof, (B) the aggregate amount of such Cash Dividends paid during any twelve (12)-month period does not exceed $12,000,000 in the aggregate, (C) such Cash Dividend is legally declared and payable, (D) the Borrowers shall have pro forma Availability of at least $25,000,000 on the date of such payment and, on an average basis, for the sixty (60)-day period before the payment of such dividends, in each case after giving effect to such payment, and (E) Borrower's Agent shall have (x) given the Agent at least five (5) Business Days prior written notice specifying the amount and date of such proposed Cash Dividend and, (y) if required by the Agent, submitted a certificate of a Responsible Officer setting forth reasonably detailed calculations demonstrating compliance with the required Availability test described above and certifying that the other conditions set forth in this clause (b) have been satisfied;

(c) Make any other distribution of any Property, cash, securities or a combination thereof, with respect to (whether by reduction of capital or otherwise) any shares of its Stock except as permitted in Section 7.11(b) above;

(d) Set apart any money for a sinking fund or other analogous fund for any dividend or other distribution on its Stock or for any redemption, purchase, retirement, or other acquisition of any of its Stock; or

(e) Redeem (whether as a result of mandatory or optional redemption obligations or rights), purchase, defease or retire for value, or make any principal payment on, any Subordinated Indebtedness, prior to the Termination Date (other than any non-cash conversion to equity and any principal payments on Indebtedness permitted under Section 7.1(f)).

7.12 Fixed Charge Coverage Ratio .

Permit the Fixed Charge Coverage Ratio of the Borrowers and their Subsidiaries to be less than 1.1 to 1.0 as of the last day of any fiscal quarter for the four quarter period ending on such day, such ratio to be tested with respect to the most recently ended fiscal quarter (a) so long as the Term Loan Commitment or the Term Loans are outstanding; and (b) after the Term Loans shall have been repaid or prepaid in full, on any date from time to time on which Availability falls below $20,000,000, and on the last day of each fiscal quarter ending thereafter, in each case until such time when Availability has exceeded $35,000,000 for sixty (60) consecutive days and no Default or Event of Default is continuing.

7.13 Sale of Receivables . Sell, assign, discount, transfer or otherwise dispose of any Receivables, promissory notes, drafts or trade acceptances or other rights to receive payment held by it, with or without recourse.

7.14 Sale and Lease-Back Transactions . (a) Enter into any arrangement, directly or indirectly, with any Person whereby any Credit Party shall sell or transfer any Property, real or personal, which is used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such Property or other Property which such Credit Party intends to use for substantially the same purpose or purposes as the Property being sold or transferred, except for the sale of Property, the aggregate value of which does not exceed $5,000,000 during the term of this Agreement, so long as (i) no Default or Event of Default then exists or would exist immediately after giving effect to such sale, and (ii) upon the occurrence and during the continuation of a Dominion Event, the net proceeds of such sale are used to prepay Revolving Loans pursuant to Section 2.5 , or (b) cause any Offshore Entity to enter into any arrangement, directly or indirectly, with any Person whereby any Offshore Entity shall sell or transfer any Property, real or personal, which is used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such Property or other Property which such Offshore Entity intends to use for substantially the same purpose or purposes as the Property being sold or transferred, except for the sale of Property, the aggregate value of which does not, during the term of this Agreement, when added to the aggregate amount of all Indebtedness of the Offshore Entities (other than FinCo, NP International and NP International HoldCo) at any time outstanding, exceed €50,000,000.

7.15 Change of Name or Place of Business . Permit any Credit Party to change its address, name, identity, type of organization, corporate structure (e.g. by merger, consolidation, change in corporate form or otherwise), jurisdiction of organization, location of its chief

executive office or principal place of business or the place it keeps its material books and records, unless the Borrowers' Agent has (a) notified the Agent of such change in writing at least ten (10) Business Days before the effective date of such change, (b) taken such action, reasonably satisfactory to the Agent, to have caused the Liens against all Collateral in favor of the Agent for the ratable benefit of the Lender Parties to be at all times fully perfected and in full force and effect and (c) delivered such certificates of Governmental Authorities as the Agent may require substantiating such change.

7.16 Restrictive Agreements. Other than as provided in this Agreement, the Senior Note Documents and the Additional Senior Note Documents (but only to the extent the conditions and restrictions in the Additional Senior Note Documents are no more restrictive than those restrictions and conditions in the Senior Note Documents), directly or indirectly (a) agree to restrict or condition (i) the payment of any dividends or other distributions to any Credit Party; (ii) the payment of any Indebtedness owed to any Credit Party; (iii) the making of any loans or advances to any Credit Party; or (iv) the transfer of any of its properties or assets to any Credit Party, or (b) cause any Offshore Entity to agree to restrict or condition the payment of any dividends or other distributions to any Offshore Entity or to any Credit Party to the extent such condition or restrictions would prohibit the distribution of amounts necessary to pay the interest accruing on the Inter-Company Loans.

7.17 Tax Classification. Elect, without the prior consent of the Agent, a different classification for United States federal tax purposes than the classification that such Credit Party, or such Subsidiary, as the case may be, had when such Person became a party to this Agreement or any other Loan Document.

7.18 Deposit Accounts. (a) Establish any additional deposit accounts for any purpose (i) which are not listed in Section II of the Perfection Certificate (as updated from time to time pursuant to the terms hereof) and (ii) unless such additional deposit accounts are Controlled Accounts; (b) allow any of Parent's foreign exchange accounts identified in Section II of the Perfection Certificate, each with Bank of America, N.A., to remain open or to be reopened, or to hold any funds of any Credit Party, unless such foreign exchange accounts are covered by a Tri-Party Agreement containing arrangements satisfactory to the Agent with respect to such accounts, or (c) allow the aggregate balance of one or more deposit accounts heretofore or hereafter established in the ordinary course of business as part of the administration of employee benefits or other corporate-related matters and not subject to a Tri-Party Agreement to exceed $200,000 (other than deposit accounts of any Credit Party held with a Lender which deposit accounts solely receive funds from deposit accounts that are subject to Tri-Party Agreements).

7.19 Organizational Documents; Tax Sharing Agreements. Modify any of their Organizational Documents in a manner that is adverse to the Lenders; or enter into any tax sharing agreement that is, or modify any tax sharing agreement in a manner that is, adverse to the Lenders.

7.20 Limitation on Indebtedness of Offshore Entities.

(a) Limitations on Indebtedness. Permit (i) FinCo, NP International and NP International HoldCo to create, incur, assume or suffer to exist Indebtedness other than (A)

Indebtedness owing to the Parent or to a Person for whom the beneficial ownership of 100% of the Stock in such Person is owned, directly or indirectly, by the Parent free and clear of all Liens, and (B) any Indebtedness of NP International owing in respect of operating leases entered into in the ordinary course of business that prior to March 31, 2011 were not required to be treated as Capital Lease Obligations under GAAP, but as a result of any changes in GAAP mandated by the Financial Accounting Standards Board or successor organization and implemented after March 31, 2011, are required to be treated as Capital Lease Obligations under GAAP, and (ii) the Offshore Entities (other than FinCo, NP International and NP International HoldCo) to create, incur, assume or suffer to exist Indebtedness in excess of €50,000,000 at any time outstanding.

(b) Limitations on Assets. Permit FinCo, NP International and NP International HoldCo to hold Property other than (i) Stock in Persons for whom the beneficial ownership, directly or indirectly, of more than fifty percent (50%) of the Stock of such Persons is owned by the Parent, free and clear of all Liens, (ii) Inter-Company Loans for which such party is the lender thereunder, (iii) cash received in the form of loan proceeds from an Inter-Company Loan, provided that such cash is loaned, advanced or otherwise invested in Permitted Offshore Acquisitions or the activities of NP International and any Offshore Entity subsidiaries of NP International from time to time substantially contemporaneously after receipt, (iv) cash received in the form of dividends or repayment of Inter-Company Loans, provided that such cash is either (A) applied to accrued and unpaid interest on such Inter-Company Loans or (B) is distributed substantially contemporaneously after receipt in the form of distributions to the holder(s) of such Person's Stock or a repayment of principal then outstanding under an Inter-Company Loan owing by such Person, (v) in the case of NP International, payments received for services performed under the NP International Services Agreement, (vi) in the case of NP International HoldCo and NP International, cash received directly or indirectly from the Parent that is used to pay the wages, salaries and benefits of employees of NP International in the ordinary course of business, (vii) cash representing (A) profits earned by NP International for services performed under the NP International Services Agreement prior to March 31, 2011 and (B) amounts retained in the reasonable business judgment of the Parent to provide for the payment of bonuses to employees of NP International in the ordinary course of business, (viii) Investments by NP International HoldCo and NP International, or either of them, that would qualify as Permitted Investment Securities, but for the fact that they are not pledged to the Agent and the Lenders as Collateral, and (ix) the property occupied by NP International under the NP International Lease, if and to the extent that prior to March 31, 2011 the NP International Lease was not required to be treated as a Capital Lease Obligation under GAAP, but as a result of any changes in GAAP mandated by the Financial Accounting Standards Board or successor organization and implemented after March 31, 2011 the NP International Lease is required to be treated as a Capital Lease Obligation under GAAP.

8. Events of Default and Remedies.

8.1 Events of Default . If any of the following events shall occur and be continuing, then the Agent may (and, if directed by the Required Lenders, shall), by written notice (or facsimile notice) to the Borrowers' Agent, take any or all of the following actions at the same or different times: (i) accelerate the Termination Date and declare the Loans, all Letter of Credit Advances, the Commitment Fees and all other Obligations then outstanding to be, and thereupon the Loans, said Letter of Credit Advances, the Commitment Fees and all other Obligations shall

forthwith become, immediately due and payable, without further notice of any kind, notice of intention to accelerate, presentment and demand or protest, or other notice of any kind all of which are hereby expressly waived by each Credit Party; (ii) terminate all or any portion of the Commitments and any obligation to issue any additional Letters of Credit; (iii) demand that the Credit Parties provide the Agent, for the ratable benefit of the Lender Parties, and the Credit Parties jointly and severally agree upon such demand to, provide cash collateral in an amount equal to 110% of the aggregate Letter of Credit Exposure Amount then outstanding, pursuant to Section 2.10(k) ; and (iv) exercise any and all other rights pursuant to the Loan Documents or available under applicable law:

(a) The Credit Parties or any of their Subsidiaries shall fail to pay or prepay (i) any Obligation (other than Related Obligations) constituting principal, as and when due and payable, whether at the due date thereof (by acceleration, lapse of time or otherwise) or at any date fixed for prepayment thereof in accordance with the other provisions of the Loan Documents, (ii) any Obligation (other than Related Obligations) constituting interest or fees within two Business Days of the time such amount is due as and when due and payable, or (iii) any other Obligations (other than Related Obligations) within five (5) Business Days of the time such amount is due and payable; or

(b) (i) Any Credit Party (A) shall fail to pay when due, or within any applicable period of grace, any other Indebtedness (excluding Indebtedness outstanding hereunder) in excess of $5,000,000 in principal amount unless such payment is being contested in good faith (by appropriate proceedings) and adequate reserves have been provided therefor, or (B) shall default (beyond any applicable grace and curative periods) in any other manner with respect to any other Indebtedness (excluding Indebtedness outstanding hereunder) in excess of $5,000,000 in principal amount if the effect of any such default or event of default shall be to accelerate or to permit the holder of any such other Indebtedness, at its option, to accelerate the maturity of such Indebtedness prior to the stated maturity thereof; or (ii) any Offshore Entity shall default (beyond any applicable grace and curative periods) in any manner with respect to any Indebtedness under any working capital line of credit in excess of €5,000,000 in principal amount, or any other Indebtedness in excess of €15,000,000 in principal amount.

(c) Any representation or warranty made or deemed made by any Credit Party in connection with any Loan Document or in any certificate, report, notice or financial statement furnished at any time in connection with this Agreement shall prove to have been incorrect, false or misleading in any material respect when made or deemed to have been made; or

(d) Except as provided in Section 8.1(e) or 8.1(f) below, Default shall occur in the punctual and complete performance or observance of any covenant, condition or agreement to be observed or performed on the part of any Credit Party or any of their Subsidiaries pursuant to the terms of any provision of this Agreement or any other Loan Document, and such Default remains uncured fifteen (15) Business Days after the earlier to occur of (i) the Agent giving written notice of such Default to the Borrowers' Agent or (ii) any Responsible Officer of any Credit Party or any of their Subsidiaries acquired actual knowledge of the existence of such Default; or

(e) Default shall occur in the punctual and complete performance or observance of any covenant, condition or agreement to be observed or performed on the part of any Credit Party or any of their Subsidiaries pursuant to the terms of Section 6.3 or 6.11 hereof (other than Sections 6.3(f) through Section 6.3(i) and such Default remains uncured for two (2) Business Days; or

(f) Default shall occur in the punctual and complete performance or observance of any covenant, condition or agreement to be observed or performed on the part of any Credit Party or any of their Subsidiaries pursuant to the terms of Section 6.2 , Sections 6.3(f) through 6.3(i) , Section 6.9 , Sections 7.1 through Section 7.20 hereof; or

(g) Final judgment or judgments (or any decree or decrees for the payment of any fine or any penalty) for the payment of an uninsured money award in excess of $2,000,000 in the aggregate shall be rendered against any Credit Party, or in excess of €5,000,000 against any Offshore Entity, and in either case the same shall remain undischarged and unpaid for a period of thirty (30) days during which execution shall not be effectively stayed or bonded; or

(h) Any Credit Party or any of their Subsidiaries shall have concealed, removed, or permitted to be concealed or removed, any part of its Property, with intent to hinder, delay or defraud its creditors or any of them, or made or suffered a transfer of any of its Property which is or could reasonably be expected to be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or

(i) Any of the following shall occur where such occurrence could reasonably be expected to result in any material liability: (i) a Reportable Event shall have occurred with respect to a Plan; (ii) the filing by any Credit Party, any ERISA Affiliate, or an administrator of any Plan of a notice of intent to terminate such Plan under the provisions of Section 4041 of ERISA; (iii) the receipt of notice by any Credit Party, any ERISA Affiliate or an administrator of a Plan that the PBGC has instituted proceedings to terminate (or appoint a trustee to administer) such a Plan; (iv) any other event or condition exists which might, in the opinion of the Agent, constitute grounds under the provisions of Section 4042 of ERISA for the termination of or the appointment of a trustee to administer any Plan by the PBGC; (v) a Plan shall fail to maintain a minimum funding standard required by Section 412 of the Code for any plan year or a waiver of standard is sought or granted under the provisions of Section 412(c) of the Code; (vi) any Credit Party or any ERISA Affiliate has incurred, or is likely to incur, a liability under the provisions of Section 4062, 4063, 4064 or 4201 of ERISA; (vii) any Credit Party or any ERISA Affiliate fails to pay the full amount of an installment required under Section 430(j) of the Code; or (viii) any Prohibited Transaction involving any Plan; or

(j) This Agreement, any Note, any of the Security Documents or any other Loan Document, or any material provision thereof, shall for any reason cease to be, or shall be asserted by any Credit Party not to be, a legal, valid and binding obligation of any Credit Party, enforceable in accordance with its terms, or the Lien purported to be created by any of the Security Documents shall for any reason cease to be, or be asserted by any Credit Party not to be, a valid, first priority perfected Lien against any material portion of the Collateral (except to the extent otherwise permitted under this Agreement or any of the Security Documents); or

(k) Any Credit Party or any of its Subsidiaries which is a party to any Tri-Party Agreement fails to perform and observe, and/or cause to be performed and observed, all material covenants, provisions and conditions to be performed, discharged and observed by such Credit Party or Subsidiary under the terms of any Tri-Party Agreement; or

(l) Any financial institution (other than JPMorgan) which is a party to any Tri-Party Agreement fails to perform and observe, and/or cause to be performed and observed, all material covenants, provisions and conditions to be performed, discharged and observed by such financial institution under the terms of any Tri-Party Agreement and such failure remains uncured (or such defaulting financial institution and applicable Tri-Party Agreement is not replaced by the Credit Parties with a substitute financial institution and replacement Tri-Party Agreement both reasonably acceptable to the Agent) five (5) Business Days after the Agent gives written notice of such failure to the Borrowers' Agent; or

(m) A Change of Control shall occur.

In addition, if any of the following events shall occur, then (i) the Loans, the Letter of Credit Advances, the Commitment Fees and all other Obligations then outstanding and payable hereunder shall automatically, without demand, presentment, protest, notice of intent to accelerate, notice of acceleration or other notice to any Person of any kind, all of which are hereby expressly waived by each Credit Party, become immediately due and payable and (ii) all Commitments and further obligations to issue any additional Letters of Credit shall be immediately and automatically terminated:

(n) Any Credit Party or any of their Subsidiaries or any Significant Offshore Entity shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall generally fail to pay its debts as they become due or shall take any corporate action to authorize any of the foregoing; or

(o) An involuntary proceeding shall be commenced against any Credit Party or any of their Subsidiaries or any Significant Offshore Entity seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official for it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of 60 days; or

(p) Any involuntary order shall be entered in any proceeding against any Credit Party or any of their Subsidiaries or any Significant Offshore Entity decreeing the dissolution, liquidation or split-up thereof, and such order shall remain in effect for sixty (60) days; or

(q) Any Credit Party or any of their Subsidiaries or any Significant Offshore Entity shall admit in writing its inability to pay its debts as they become due; or

(r) Any Credit Party or any of their Subsidiaries shall suffer any writ of attachment or execution or any similar process to be issued or levied against it or any substantial part of its Property which is not released, stayed, bonded or vacated within thirty (30) days after its issue or levy; or

(s) Any court shall order a meeting of the creditors, or any class of creditors that includes any of the Lender Parties on account of any of the Obligations, of any Credit Party or any of their Subsidiaries, or any Credit Party or any of their Subsidiaries shall request or apply for any such order, or take any corporate action to authorize any such request or application.

8.2 Remedies Cumulative . No remedy, right or power conferred upon the Agent or any Lender is intended to be exclusive of any other remedy, right or power given hereunder or now or hereafter existing at law, in equity, or otherwise, and all such remedies, rights and powers shall be cumulative.

9. The Agent.

9.1 Appointment, Powers and Immunities . Each Lender hereby irrevocably appoints and authorizes the Agent to act as its agent hereunder and under the Letters of Credit and the other Loan Documents with such powers as are specifically delegated to the Agent by the terms hereof and thereof, together with such other powers as are reasonably incidental thereto. Each Lender hereby irrevocably appoints and authorizes the Agent to act as its agent under the Letters of Credit which the Agent has issued with such powers as are specifically delegated to the Agent by the terms hereof and thereof, together with such other powers as are reasonably incidental thereto. The Agent may each perform any and all of their respective duties and exercise their respective rights and powers by or through any one or more sub-agents appointed by the Agent in its reasonable credit judgment. The exculpatory, indemnity, and expense reimbursement provisions of the Loan Documents shall apply to any such sub-agent in such capacity. The Agent (which such term as used in this Section 9 , shall, in each case, (a) include reference to its Affiliates and its own and its Affiliates' officers, directors, employees' and agents (including any sub-agents)) (i) shall not have duties or responsibilities except those expressly set forth in this Agreement, the Letters of Credit and the other Loan Documents, and shall not by reason of this Agreement or any other Loan Document be a trustee for any Lender; (ii) shall not be responsible to any Lender for any recitals, statements, representations or warranties contained in this Agreement, the Letters of Credit or any other Loan Document, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement, the Letters of Credit or any other Loan Document, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, the Letters of Credit or any other Loan Document or any other certificate or document referred to or provided for herein or therein or any property covered thereby or for any failure by any Party or any other Person (other than the Agent) to perform any of its obligations hereunder or thereunder; (iii) shall not be required to initiate or conduct any litigation or collection proceedings hereunder or under the Letters of Credit or any other Loan Document except to the extent requested by the Required Lenders, provided that the Agent shall not be required to take any action which exposes the Agent to

personal liability or which is contrary to this Agreement or any other Loan Documents or applicable law, and (iv) shall not be responsible for any action taken or omitted to be taken by it hereunder or under the Letters of Credit or any other Loan Document or any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, INCLUDING PURSUANT TO ITS OWN NEGLIGENCE , except to the extent it is determined by a final judicial decision that such act or omission constituted its own gross negligence or willful misconduct. The Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by them with reasonable care. Without in any way limiting any of the foregoing, each Lender acknowledges that the Agent shall not have any greater responsibility in the operation of the Letters of Credit than is specified in the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication No. 600 or any successor publication). In any foreclosure proceeding concerning any collateral for the Notes, each holder of a Note if bidding for its own account or for its own account and the accounts of other Lenders is prohibited from including in the amount of its bid an amount to be applied as a credit against its Note or the Notes of the other Lenders, instead such holder must bid in cash only. However, in any such foreclosure proceeding, the Agent may (but shall not be obligated to) submit a bid for all Lenders (including itself) in the form of a credit against the Notes of all of the Lenders, and the Agent or its designee may (but shall not be obligated to), with the consent of the Required Lenders, accept title to such collateral for and on behalf of all Lenders. The Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Agent in its reasonable credit judgment.

9.2 Reliance . The Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telex, telegram or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel (which may be counsel for the Credit Parties), independent accountants and other experts selected by the Agent. As to any matters not expressly provided for by this Agreement, the Letters of Credit or any other Loan Document, the Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and thereunder in accordance with instructions of the Required Lenders, and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

9.3 Defaults . The Agent shall not be deemed to have knowledge of the occurrence of a Default or Event of Default unless it has received notice from a Lender or the Borrowers' Agent specifying such Default or Event of Default and stating that such notice is a " **Notice of Default** ." In the event that the Agent receives such a notice of the occurrence of a Default or Event of Default, the Agent shall give prompt notice thereof to the Lenders (and shall give each Lender prompt notice of each such non-payment). The Agent shall (subject to Section 9.7 hereof) take such action with respect to such Default or Event of Default as shall be directed by the Required Lenders and within its rights under the Loan Documents and at law or in equity, provided that , unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, permitted or within its rights under any of the Loan Documents or under applicable law with respect to such Default or Event of Default.

9.4 Rights as a Lender . With respect to its Commitment, the Loans and any Letter of Credit Exposure Amount, the Agent in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Agent, and the term " **Lender** " or " **Lenders** " shall, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent may (without having to account therefor to any Lender) accept deposits from, lend money to and generally engage in any kind of banking, trust, letter of credit, agency or other business with any Credit Party (and any of their Affiliates) as if it were not acting as the Agent, and the Agent may accept fees and other consideration from any Credit Party (in addition to the fees heretofore agreed to between the applicable Credit Parties and the Agent) for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

9.5 Indemnification . **The Lenders agree to indemnify the Agent (to the extent not reimbursed under Section 2.9(d) , Section 2.10(h) , Section 6.12 , Section 10.9 or Section 10.10 hereof, but without limiting the obligations of the applicable Credit Parties under said Section 2.9(d) , Section 2.10(h) , Section 6.12 , Section 10.9 or Section 10.10), ratably in accordance with their respective Commitments, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever (INCLUDING THE CONSEQUENCES OF THE NEGLIGENCE OF SUCH INDEMNIFIED PERSON, but excluding any act or omission to the extent the same is determined by a final judicial decision to have been caused by or resulted from the gross negligence or willful misconduct of such indemnified person) which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement, the Letters of Credit or any other Loan Document or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including the costs and expenses which the applicable Credit Parties are obligated to pay under Section 2.9(d) , Section 2.10(h) , Section 6.12 , Section 10.9 or Section 10.10 hereof but excluding, unless a Default or Event of Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents, INCLUDING THE NEGLIGENCE OF SUCH INDEMNIFIED PERSON, but excluding any act or omission to the extent the same is determined by a final judicial decision to have been caused by or resulted from the gross negligence or willful misconduct of such indemnified person. The obligations of the Lenders under this Section 9.5 shall survive the termination of this Agreement and the repayment of the Indebtedness arising in connection with this Agreement.**

9.6 Non-Reliance on Agent and Other Lenders . Each Lender agrees that it has received current financial information with respect to the Credit Parties and the other Parties and that it has independently and without reliance on the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Credit Parties and the other Parties and decision to enter into this Agreement and that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or any of the other Loan Documents. The Agent shall not be required to keep itself informed as to the performance or observance by any Party of this Agreement, the Letters of Credit or any of the other Loan

Documents or any other document referred to or provided for herein or therein or to inspect the properties or books of the Credit Parties or any Party. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent, under the Letters of Credit or the other Loan Documents, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Credit Parties or any other Party (or any of their Affiliates) which may come into the possession of the Agent.

9.7 Failure to Act. Except for action expressly required of the Agent hereunder, under the Letters of Credit and under the other Loan Documents, the Agent shall in all cases be fully justified in failing or refusing to act hereunder and thereunder unless it shall receive further assurances to its satisfaction by the Lenders of their indemnification obligations under Section 9.5 hereof against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

9.8 Resignation or Removal of Agent. Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by giving notice thereof to the Lenders and the Borrowers' Agent, and the Agent may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent reasonably acceptable to the Borrowers. If no successor Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent reasonably acceptable to the Borrowers; provided, however, that if an Event of Default has occurred which has not been waived or cured to the satisfaction of the Agent and the Required Lenders, the Borrowers' approval of a successor Agent shall not be required. Any successor Agent shall be a Lender which has an office in the United States with a combined capital and surplus of at least $2,000,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. Such successor Agent shall promptly specify by notice to the Borrowers' Agent and the Lenders its office for the purpose of any notices and payments hereunder. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Section 9 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

9.9 Syndication Agent; Sole Lead Arranger; Sole Bookrunner. Any syndication agent, sole lead arranger or sole bookrunner appointed in connection with the Loan Documents or the transactions contemplated thereby, in its capacity as such, shall have no rights, powers, duties or responsibilities, and no rights, powers, duties or responsibilities shall be read into this Agreement or any other Loan Document or otherwise exist on behalf of or against any such syndication agent, sole lead arranger or sole bookrunner, in its capacity as such (in each case without prejudice to the rights, powers, duties or responsibilities of any such Person in its capacity as a Lender, Agent, or otherwise as a Party to any Loan Document, other than in its capacity as syndication agent, sole lead arranger or sole bookrunner). If any such syndication

agent, sole lead arranger or sole bookrunner resigns from such capacity, no successor syndication agent, sole lead arranger or sole bookrunner, as applicable, shall be appointed.

10. Miscellaneous.

10.1 No Waiver. No waiver of any Default or Event of Default shall be deemed to be a waiver of any other Default or Event of Default. No failure to exercise and no delay on the part of the Agent or any Lender in exercising any right or power under any Loan Document or at law or in equity shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or the abandonment or discontinuance of steps to enforce any such right or power, preclude any further or other exercise thereof or the exercise of any other right or power. No course of dealing between the Credit Parties and the Agent or any Lender shall operate as a waiver of any right or power of the Agent or any Lender. No notice to or demand on any Credit Party or any other Person shall entitle the Credit Parties or any other Person to any other or further notice or demand in similar or other circumstances.

10.2 Notices. Except as otherwise expressly permitted hereunder or under any other Loan Document, all notices under the Loan Documents shall be in writing and either (a) delivered to the intended recipient, (b) sent via overnight courier, or (c) sent by facsimile (promptly confirmed by mail, except for any notice pursuant to Section 4.1(a) hereof which need not be confirmed by mail), in each case to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof; or, as to any Lender who is a signatory hereto, at such other address as shall be designated by such Lender in a notice to the Borrowers' Agent and the Agent given in accordance with this Section 10.2 or to such other address as a party may designate in a notice given in accordance with the provisions of this Section 10.2. The Borrowers' Agent may change its address for purposes hereof by providing written notice of such address change to the Lenders and the Agent in accordance with the provisions of this Section 10.2, with any such change in address only being effective ten (10) Business Days after such change of address has been deemed given in accordance with the provisions hereof. Notices shall be deemed to have been given (whether actually received or not) when delivered (or, if sent via overnight courier, on the next Business Day after the date sent); provided, however, that the notices required or permitted by Sections 2.2(b) and 4.1(a) hereof shall be effective only when actually received by the Agent.

10.3 Governing Law. UNLESS OTHERWISE SPECIFIED THEREIN, EACH LOAN DOCUMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

10.4 Survival; Parties Bound. All representations, warranties, covenants and agreements made by or on behalf of the Credit Parties in connection herewith shall survive the execution and delivery of the Loan Documents and shall not be affected by any investigation made by any Person. The term of this Agreement shall be until the termination or lapse of all Commitments, the final maturity of each Note, the payment of all amounts due under the Loan Documents, and the return of all outstanding Letters of Credit (or the cash collateralization of all outstanding Letters of Credit in an amount equal to 110% of the aggregate Letter of Credit Exposure Amount then outstanding).

10.5 Counterparts . This Agreement may be executed in several identical counterparts, and by the parties hereto on separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original instrument, and all such separate counterparts shall constitute but one and the same instrument.

10.6 Limitation of Interest . The Credit Parties and the Lenders intend to strictly comply with all applicable laws, including applicable usury laws, if any. Accordingly, the provisions of this Section 10.6 shall govern and control over every other provision of this Agreement or any other Loan Document which conflicts or is inconsistent with this Section, even if such provision declares that it controls. As used in this Section, the term " **interest** " includes the aggregate of all charges, fees, benefits or other compensation which constitute interest under applicable law, provided , that , to the maximum extent permitted by applicable law, (a) any non-principal payment shall be characterized as an expense or as compensation for something other than the use, forbearance or detention of money and not as interest, and (b) all interest at any time contracted for, reserved, charged or received shall be amortized, prorated, allocated and spread, in equal or in unequal parts during the full term of the Loans and the Commitments so that interest for the entire term does not exceed the Highest Lawful Rate. In no event shall the Borrowers or any other Person be obligated to pay, or the Agent or any Lender have any right or privilege to reserve, receive or retain, (y) any interest in excess of the maximum amount of nonusurious interest permitted under the laws of the United States or of any state, if any, which are applicable to the Agent or such Lender, respectively, or (z) total interest in excess of the amount which the Agent or such Lender could lawfully have contracted for, reserved, received, retained or charged had the interest been calculated for the full term of the Loans at the Highest Lawful Rate, if any, applicable to the Agent or such Lender. None of the terms and provisions contained in this Agreement or in any other Loan Document which directly or indirectly relate to interest shall ever be construed without reference to this Section 10.6 , or be construed to create a contract to pay any Lender for the use, forbearance or detention of money at an interest rate in excess of the Highest Lawful Rate applicable to such Lender. If the term of any Loans or the Notes is shortened by reason of acceleration of maturity as a result of any Default or Event of Default or by any other cause, or by reason of any required or permitted prepayment, and if for that (or any other) reason the Agent or any Lender at any time is owed or receives (and/or has received) interest in excess of interest calculated at the Highest Lawful Rate applicable to the Agent or such Lender, then and in any such event all of any such excess interest owed to or received by the Agent or such Lender shall be canceled automatically as of the date of such acceleration, prepayment or other event which produces the excess, and, if such excess interest has been paid to the Agent or such Lender, it shall be credited pro tanto against the then-outstanding principal balance of the Borrowers' obligations to the Agent or such Lender, effective as of the date or dates when the event occurs which causes it to be excess interest, until such excess is exhausted or all of such principal has been fully paid and satisfied, whichever occurs first, and any remaining balance of such excess shall be promptly refunded to its payor.

10.7 Survival . The obligations of the Borrower under Sections 2.3 , 2.9 , 2.10(h) , 10.9 , 10.10 and 10.17 hereof shall survive the repayment of the Loans and all other Obligations, the termination of the Commitments and the cancellation or expiration of the Letters of Credit.

10.8 Captions . The headings and captions appearing in the Loan Documents have been included solely for convenience and shall not be considered in construing the Loan Documents.

10.9 Expenses, Etc . The Borrowers agree to pay or reimburse on demand of the Agent the following: (a) the reasonable fees and expenses of Vinson & Elkins LLP, counsel to the Agent, or any other legal counsel engaged by the Agent in connection with (i) the preparation, execution and delivery of this Agreement (including the exhibits and schedules hereto) and the Loan Documents and the making of the Loans and the issuance of Letters of Credit hereunder and (ii) any modification, supplement or waiver of any of the terms of this Agreement, the Letters of Credit or any other Loan Document; (b) all out-of-pocket costs and expenses (including attorneys' fees) of the Lenders and the Agent, or any of them, in connection with any Default or Event of Default or the enforcement of this Agreement, the Letters of Credit or any other Loan Documents; (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement, any Letter of Credit or any other Loan Document or any other document referred to herein or therein; (d) all out-of-pocket costs, expenses, taxes, assessments and other charges incurred by the Agent in connection with any filing, registration, recording or perfection of any security interest contemplated by this Agreement, any other Loan Document or any document referred to herein or therein, and the cost of title insurance; and (e) reasonable expenses of due diligence incurred by the Agent prior to or as of the Closing Date.

10.10 Indemnification . **The Borrowers agree to indemnify the Agent, the Lenders and each Affiliate thereof and their respective directors, officers, employees, partners and agents from, and hold each of them harmless against, any and all losses, liabilities (including Environmental Liabilities), claims, costs (including Environmental Claims) or damages to which any of them may become subject, insofar as such losses, liabilities, claims, costs or damages arise out of or result from any (a) actual or proposed use by any Credit Party of the proceeds of any extension of credit (whether a Loan or a Letter of Credit) by any Lender hereunder, (b) breach by any Credit Party of this Agreement or any other Loan Document, (c) violation by any Credit Party or any of their Subsidiaries of any law, rule, regulation or order including any Requirements of Environmental Law, (d) Liens or security interests granted on any Property pursuant to or under the Loan Documents, to the extent resulting from any Hazardous Substance located in, on or under any such Property, (e) ownership by the Lenders or the Agent of any Property following foreclosure under the Loan Documents, to the extent such losses, liabilities, claims, costs or damages arise out of or result from any Hazardous Substance, located in, on or under such Property prior to or at the time of such foreclosure, including losses, liabilities, claims, costs or damages which are imposed upon Persons under laws relating to or regulating Hazardous Substances, solely by virtue of ownership, (f) any Lender or the Agent being deemed an operator of any such Property by a court or other regulatory or administrative agency or tribunal or other third party, to the extent such losses, liabilities, claims, costs or damages arise out of or result from any Hazardous Substance, petroleum, petroleum product or petroleum waste located in on or under such Property at or prior to any foreclosure thereon under the Loan Document, or (g) investigation, litigation or other proceeding (including any threatened investigation or proceeding) relating to any of the foregoing, and the Borrowers agree to reimburse the Agent and each Lender, and each Affiliate thereof**

and their respective directors, officers, employees, partners, counsel and agents, upon demand for any out-of-pocket expenses (including reasonable legal fees) and costs incurred in connection with any such investigation or proceeding, AND WHETHER ANY SUCH LOSS, LIABILITY, CLAIM OR DAMAGE RESULTS FROM THE NEGLIGENCE OF ANY SUCH INDEMNIFIED PERSON; but excluding any such losses, liabilities, claims, costs, damages or expenses incurred by a Person or any Affiliate thereof or their respective directors, officers, employees, partners, counsel or agents to the extent the same is determined by a final judicial decision to have been caused by or resulted from the gross negligence or willful misconduct of such Person, Affiliate, director, officer, employee, partner, counsel or agent. No party hereto, nor any other Person indemnified hereunder, shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems or for any special, indirect, consequential or punitive damages in connection with the Loan Documents or the transaction contemplated thereby.

10.11 Amendments, Waivers, Etc . No amendment, modification or waiver of any provision of this Agreement, the Notes or any other Loan Document, nor any consent to any departure by the Credit Parties or any of their Subsidiaries, nor by the Agent or any Lenders therefrom, shall in any event be effective unless the same shall be agreed or consented to in writing by the Required Lenders and the Borrowers, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided , that no such amendment, waiver or consent shall, unless consented to in writing by each affected Lender (excluding a Defaulting Lender except with respect to clauses (a) and clause (c) below), do any of the following: (a) increase the Total Commitment or any Commitment of any such Lender or subject the Agent or any such Lender to any additional obligations; (b) reduce the principal of, or interest on, any Loan, any Letter of Credit Exposure Amount or any fee hereunder (provided , that any waiver of Default Rate interest shall not be considered a reduction of interest); (c) waive or postpone any scheduled date fixed for any payment of principal of, or interest on, any Loan, any Letter of Credit Exposure Amount or any fee or other sum to be paid hereunder; (d) change the percentage of any of the Commitments or of the aggregate unpaid principal amount of any of the Loans, any Letter of Credit Exposure Amount, or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement; (e) increase any of the applicable Borrowing Base advance rates or sublimits; (f) change any provision contained in Sections 2.2(d) , 2.2(e) , 2.7 , 2.11 , 10.9(b) or 10.10 hereof or this Section 10.11 or Section 10.16 hereof; (g) release the Borrowers from liability for any of the Obligations; (h) release any Guarantor from any Guaranty; (i) other than as expressly permitted by this Agreement, release any Collateral for any of the Obligations if the value of such Collateral (excluding the value of all other Collateral released pursuant to Section 7.4(f)(3) or 10.21(f) hereof) exceeds $2,000,000 in the aggregate, as reasonably determined by the Agent; (j) change any of the definitions of " **Obligations** " or " **Required Lenders** " contained herein; or (k) change any of the definitions of " **Eligible Equipment** ," " **Eligible Inventory** ," " **Eligible Real Estate** ," " **Eligible Receivables** ," " **Ineligible Receivables** ," or " **Ineligible Inventory** " contained herein, if the effect of any such change would be to materially increase the Borrowing Base provided that any change to these definitions shall be deemed to affect all Lenders, including Term Lenders; provided further that nothing in this Section 10.11 shall affect, limit or restrict the Agent's right to establish, fix, reduce, increase or otherwise revise any standards of eligibility for any items included within the Borrowing Base or any Reserves, from time to time in accordance

with other provisions of this Agreement and subject to the limitations set forth herein; and furthermore provided that no such amendment, waiver or consent shall: (a) amend, modify or waive any condition precedent to a Revolving Loan set forth in Section 4.1 and Section 4.3 (including in connection with any waiver of an existing Default or Event of Default) without the written consent of the Required Revolving Lenders; (b) amend, modify or waive any condition precedent to a Term Loan set forth in Section 4.2 (including in connection with any waiver of an existing Default or Event of Default) without the written consent of the the Term Lenders; (c) impose any greater restriction on the ability of any Revolving Lender to assign any of its rights or obligations thereunder without the written consent of the Required Revolving Lenders; or (d) impose any greater restriction on the ability of any Term Lender to assign any of its rights or obligations thereunder without the written consent of the Required Term Lenders. Anything in this Section 10.11 to the contrary notwithstanding, no amendment, waiver or consent shall be made with respect to Section 9 without the written consent of the Agent, and no amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties of the Swingline Lender hereunder without the prior written consent of the Swingline Lender. Notwithstanding any contrary provision hereof, if any Lender (a) fails to consent to any of the above-described items requiring the unanimous consent of the Lenders when such consent has been agreed to by the Agent and the Required Lenders, (b) is a Defaulting Lender hereunder, or (c) requests compensation under Section 2.9(d) and/or Section 10.16 , the Agent or the Borrowers shall be entitled to cause such non-consenting Lender to be replaced hereunder by an Eligible Assignee in compliance with all relevant provisions of Section 10.12 hereof without payment of any prepayment or termination fee. In such event, such non-consenting Lender agrees to abide by the relevant provisions of Section 10.12 hereof in connection with the replacement of such non-consenting Lender by the Eligible Assignee secured by the Agent or the Borrowers. Notwithstanding the foregoing right of the Borrowers to replace a Lender that requests compensation under Section 2.9(d) and/or Section 10.16 , the Borrowers shall continue to be obligated to pay such Lender all amounts owing under Section 2.9(d) and/or Section 10.16 for the period such Lender remains a Lender hereunder. Notwithstanding the foregoing right of the Borrowers to replace any such non-consenting Lender, neither the Agent nor any Lender shall have any obligation to the Borrowers to find or locate any substitute lender or lenders to replace any such non-consenting Lender.

10.12 Successors and Assigns .

(a) This Agreement shall be binding upon and inure to the benefit of the Credit Parties, the Agent, and the Lenders and their respective successors and permitted assigns, provided that the undertaking of the Lenders hereunder to make Loans to the Borrowers and to issue Letters of Credit for the account of the Borrowers shall not inure to the benefit of any successor of the Borrowers, other than a successor expressly permitted by the terms of this Agreement. The Borrowers may not assign or transfer any of their rights or obligations hereunder without the prior written consent of all of the Lenders (and any attempted assignment or transfer by the Borrowers without such consent shall be null and void), and no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.12 . Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than (i) the parties hereto, their respective successors and assigns permitted hereby, (ii) any participant of a Lender (to the extent provided in subparagraph (b)

below), and (iii) to the extent expressly set forth herein, the Affiliates of the Agent and each of the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Each Lender may sell participations to any Person in all or part of any Loan, or all or part of its Notes, the Letter of Credit Exposure Amount, the Swingline Exposure or Commitments, to another bank or other entity, in which event, without limiting the foregoing, the provisions of Sections 10.10 and Section 10.16 shall inure to the benefit of each purchaser of a participation and the pro-rata treatment of payments, as described in Section 2.12 , shall be determined as if such Lender had not sold such participation. In the event any Lender shall sell any participation: (i) the Borrowers, the Agent, and the other Lenders shall continue to deal solely and directly with such selling Lender in connection with such selling Lender's rights and obligations under the Loan Documents (including the Note(s) held by such selling Lender), (ii) such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrowers relating to the Loans, Letter of Credit Exposure Amount and Swingline Exposure, including the right to approve any amendment, modification or waiver of any provision of this Agreement other than (and then only if expressly permitted by the applicable participation agreement) amendments, modifications or waivers with respect to (1) any reduction of fees payable hereunder to the Lender, (2) any reduction of the amount of principal or the rate of interest payable on, or the dates fixed for the scheduled repayment of principal of, the Loans and other sums to be paid to the Lenders hereunder, and (3) any postponement of any date for the payment of any amount payable in respect of the Loans of such Lender, and (iii) the Borrowers agree, to the fullest extent they may effectively do so under applicable law, that any participant of a Lender may exercise all rights of set-off, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such participant were a direct holder of Loans if such Lender has previously given notice of such participation to the Borrowers.

The Borrowers agree that each participant shall be entitled to the benefits of Section 10.17 (subject to the requirements and limitations therein, including the requirements under Section 10.17(h) (it being understood that the documentation required under Section 10.17 (h) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section; provided that such participant (A) agrees to be subject to the provisions of Section 10.16(c) as if it were an assignee under paragraph (c) of this Section; and (B) shall not be entitled to receive any greater payment under Section 10.17 , with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation. Each Lender that sells a participation agrees, at the applicable Borrower's request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 10.16(c) with respect to any participant. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the " **Participant Register** "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information related to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit

or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participant for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(c) Each Lender may assign to one or more Lenders or Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment at the time owing to it, the related Note or Notes held by it and its Letter of Credit Exposure Amount); provided , however , that , (i) the Agent and the Borrowers must give their respective prior written consent, which consent will not be unreasonably withheld, conditioned or delayed (except that the Borrowers' consent to any such assignment shall not be required if (A) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund or (B) an Event of Default has occurred which has not been waived or cured to the satisfaction of the Agent and the Required Lenders), (ii) the aggregate amount of the applicable Commitment, Loans, Letter of Credit Exposure Amount and Swingline Exposure (without duplication) of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance (as defined below) with respect to such assignment is delivered to the Agent) shall in no event be less than $5,000,000 (except for certain exceptions approved by the Borrowers and the Agent) and shall be in an amount that is an integral multiple of $1,000,000 (unless all of the assigning Lender's applicable Commitment, Loans, Letter of Credit Exposure Amount and Swingline Exposure is being assigned); (iii) the aggregate amount of the applicable Commitment and/or Loans of the assigning Lender immediately after each partial assignment must be at least $5,000,000 (except for certain exceptions approved by the Borrowers and the Agent) and shall be in an amount which is an integral multiple of $1,000,000; provided , however , that upon the occurrence and during the continuance of any Event of Default, any Lender shall be entitled to assign to one or more Lenders or Eligible Assignees all of such assigning Lender's Commitment, Loans, Letter of Credit Exposure Amount and Swingline Exposure in accordance with the other terms of this Section 10.12 ; and (iv) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in its records, and to the Borrowers' Agent, for its acceptance on behalf of the Borrowers if the Borrowers' approval of such assignment is otherwise required under the terms of this Section 10.12 , an Assignment and Acceptance in substantially the form of annexed hereto, or in such other form as may be approved by the Agent (each an " **Assignment and Acceptance** ") with blanks appropriately completed, together with any Note or Notes subject to such assignment and a processing and recordation fee of $3,500 (for which the Borrowers shall have no liability). Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five (5) Business Days after the execution thereof, unless a shorter period of time may be agreed to by the Agent in its sole and absolute discretion, (A) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (B) the Lender thereunder shall, to the extent provided in such assignment, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(d) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Lender assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument or document furnished pursuant thereto; (ii) such assignor Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Credit Parties or any of their Subsidiaries or the performance or observance by the Credit Parties of any of their obligations under any of the Loan Documents; (iii) such assignee confirms that it has received a copy of this Agreement and the other Loan Documents, together with copies of the financial statements of the Credit Parties previously delivered in accordance herewith and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee confirms that it will keep confidential all information with respect to the Credit Parties furnished to it by the Credit Parties, such assignor Lender, or the Agent (other than information generally available to the public or otherwise available to the Agent on a non-confidential basis or otherwise permitted pursuant to the terms of this Agreement); (v) such assignee will, independently and without reliance upon the Agent, such assignor Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all obligations that by the terms of the Loan Documents are required to be performed by it as a Lender.

(e) The Agent, acting for this purpose as an agent of the Borrowers, shall maintain at its office a copy of each Assignment and Acceptance delivered to it and a register containing the names and addresses of the Lenders and the Commitments of, and principal amount (and stated interest) of the Loans owing to, and the Letter of Credit Exposure Amount and Swingline Exposure of, each Lender from time to time (the " **Register** "). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrowers, the Agent, and the Lenders shall treat each person the name of which is recorded therein as a Lender hereunder for all purposes of the Loan Documents. Such records shall be available for inspection by the Borrowers or any Lender at any reasonable time and from time to the upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and the assignee thereunder together with the Note(s) subject to such assignment, the written consent to such assignment and the fee payable in respect thereto, the Agent shall, if such Assignment and Acceptance has been completed with blanks appropriately filled, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrowers and the Lenders. Contemporaneously with the receipt by the Borrowers of such Assignment and Acceptance and

the surrendered Note(s), the Borrowers, at their own expense, shall execute and deliver to the Agent in exchange for the surrendered Note(s), a new Note or Notes payable to the order of such assignee in an amount equal to the applicable Commitment, Loans, Letter of Credit Exposure Amount and Swingline Exposure (without duplication) assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained Commitments, Loans, Letter of Credit Exposure Amount and/or Swingline Exposure hereunder, a new Note or Notes to the order of the assigning Lender in an amount equal to the applicable Commitment, Loans, Letter of Credit Exposure Amount and/or Swingline Exposure retained by it hereunder. Such new Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note(s), shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of the surrendered Note(s). Such surrendered Note shall be marked canceled and returned to the Borrowers' Agent.

(g) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.12 , disclose to the assignee or participant or proposed assignee or participant, any information relating to the Credit Parties and/or any Subsidiary of the Credit Parties furnished to such Lender by or on behalf of the Credit Parties or such applicable Subsidiary, so long as such assignee or participant or proposed assignee or participant confirms that it will keep confidential all information with respect to the Credit Parties furnished to it by the Credit Parties, such assignor Lender, or the Agent (other than information generally available to the public or otherwise available to the Agent on a non-confidential basis or otherwise permitted pursuant to the terms of this Agreement).

(h) Notwithstanding anything herein to the contrary, any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

10.13 Entire Agreement . This Agreement and the other Loan Documents embody the entire agreement and understanding among the Credit Parties, the Agent and the Lenders relating to the subject matter hereof and supersede all prior proposals, agreements and understandings relating to the subject matter hereof. Any conflict between the provisions of this Agreement and the provisions of any other Loan Documents shall be governed by the provisions of this Agreement. The Credit Parties certify that they are relying on no representation, warranty, covenant or agreement except for those set forth in this Agreement and the other Loan Documents of even date herewith.

10.14 Severability . If any provision of any Loan Documents shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

10.15 Disclosures . Every reference in the Loan Documents to disclosures of the Borrower or other Credit Parties to the Agent and the Lenders in writing, to the extent that such references refer to disclosures at or prior to the execution of this Agreement, shall be deemed

strictly to refer only to written disclosures delivered to the Agent and the Lenders in an orderly manner prior to or concurrently with the execution hereof.

10.16 Capital Adequacy . Without duplication of the provisions of Section 2.9 :

(a) If after the date of this Agreement, any Lender shall have determined that the adoption or effectiveness (regardless of whether previously announced) after the date of this Agreement of any applicable Legal Requirement or treaty regarding capital adequacy or liquidity, or any other Change in Law after the date of this Agreement, or any change in the interpretation or administration thereof by any Governmental Authority or comparable agency charged with the interpretation or administration thereof after the date of this Agreement, or compliance by any Lender with any request or directive regarding capital adequacy made or adopted after the date of this Agreement (whether or not having the force of law) of any such Governmental Authority, has or would have the effect of increasing the cost of, or reducing the rate of return on the capital of such Lender (or any holding company of which such Lender is a part) as a consequence of its obligations hereunder or under any Letter of Credit or its Note to a level below that which such Lender or holding company could have achieved but for such adoption, change or compliance by an amount deemed by such Lender to be material, then from time to time, upon demand by such Lender (with a copy to the Agent) in the form of a certificate stating the cause of such demand and reasonably detailed calculations therefor, the Borrowers (subject to Section 10.6 hereof) agree to pay to such Lender such additional amount or amounts as will compensate such Lender or holding company for such reduction.

(b) The certificate of any Lender setting forth such amount or amounts as shall be necessary to compensate such Lender or its holding company as specified in Section 10.16(a) above (and setting forth the calculation thereof in reasonable detail) shall be conclusive and binding, absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within five (5) Business Days after such Lender delivers such certificate. In preparing such certificate, such Lender may employ such assumptions and allocations of costs and expenses as it shall in good faith deem reasonable and may use any reasonable averaging and attribution method.

(c) If any Lender requests compensation from the Borrowers under this Section 10.16 or under Sections 2.9(b) or 10.17 , then at any time within 120 days after receipt by the Borrowers' Agent of the certificate from such Lender regarding the circumstances and calculation of the applicable compensation so requested, the Borrowers shall have the right to seek and obtain one or more substitute lenders approved by the Agent (which approval shall not be unreasonably withheld so long as each such substitute lender is an Eligible Assignee) to replace such Lender hereunder in compliance with all relevant provisions of Section 10.12 hereof. In such event, the Agent or the Borrowers shall be entitled to cause such Lender so requesting compensation to be replaced hereunder by an Eligible Assignee in compliance with all relevant provisions of Section 10.12 hereof without payment of any prepayment or termination fee, and, any such Lender so requesting compensation agrees to abide by the relevant provisions of Section 10.12 hereof in connection with the replacement of such non-consenting Lender by the Eligible Assignee secured by the Agent or the Borrowers. Contemporaneously with the replacement of such Lender hereunder with one or more such substitute lenders, the Borrowers shall cause such substitute lender(s) to pay in full, as the purchase price for such

assignment, the Obligations owed to such replaced Lender, including all accrued, unpaid interest thereon and any Consequential Loss owing by the Borrowers to such replaced Lender as a result of such payment. Notwithstanding the foregoing terms and provisions of this Section 10.16, (i) the Borrowers shall remain obligated to make timely payment of the additional compensation set forth in the certificate presented to the Borrowers by such replaced Lender under the terms of Section 10.16(b) above for the periods prior to the applicable replacement date, and (ii) neither the Agent nor any Lender shall have any obligation to the Borrowers to find or locate any substitute lender or lenders to replace any Lender requesting compensation from the Borrowers under this Section 10.16.

(d) Failure or delay on the part of any Lender Party to demand compensation pursuant to this Section 10.16 or under Sections 2.9(b) or 10.17 shall not constitute a waiver of such Lender Party's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender Party pursuant to any such section for any increased costs or reductions incurred more than one hundred eighty (180) days prior to the date that such Lender Party (or the Agent on behalf of such Lender Party) notifies the Borrower of the circumstance giving rise to such increased costs or reductions and of such Lender Party's intention to claim compensation therefor; provided further that, if the circumstance giving rise to such increased costs or reductions arises with retroactive effect, then the one hundred eighty (180)-day period referred to above shall be extended to include the period of retroactive effect thereof.

10.17 Taxes.

(a) As used in this Section 10.17, the following terms shall have the following meanings:

(i) "**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.16(c)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 10.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 10.17(h); and (d) any U.S. federal withholding Taxes imposed under FATCA.

(ii) "**Indemnifiable Tax**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any

obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

(iii) "**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, any Loan or Loan Document, or sold or assigned an interest in any Loan Document).

(iv) "**Other Tax**" means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 10.16 (c)).

(v) "**Tax**" means any present or future tax, levy, impost, duty, deduction, withholding, charge, assessment or fee of any nature (including interest thereon and penalties and additions thereto) that is imposed by any Governmental Authority.

(b) If any Credit Party is required by any applicable Legal Requirement to make any deduction or withholding for or on account of any Tax from any payment to be made by it under this Agreement, under the Notes, under any Letter of Credit or under any other Loan Documents, then the Credit Party shall (A) promptly notify the applicable Lender, the holder of Notes or other relevant Persons hereunder that is entitled to such payment of such requirement to so deduct or withhold such Tax, (B) pay to the relevant Governmental Authorities the full amount required to be so deducted or withheld, (C) promptly forward to such Lender, holder or other relevant Person an official receipt (or certified copies thereof), or other documentation reasonably acceptable to such holder or other relevant Person, evidencing such payment to such Governmental Authorities and (D) if such Tax is an Indemnifiable Tax, pay to such Lender, holder or other relevant Person, in addition to whatever net amount of such payment is paid to such holder or other relevant Person, such additional amount as is necessary to ensure that the total amount actually received by such holder or other relevant Person (free and clear of Indemnifiable Tax imposed on or with respect to such additional amount) will equal the full amount of the payment such holder or other relevant Person would have received had no such deduction or withholding been required.

(c) In addition, the relevant Credit Party or Credit Parties shall pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(d) Each Lender or holder of a Note shall, upon request by the Credit Parties, take requested measures to mitigate the amount of Indemnifiable Tax required to be deducted or

withheld from any payment made by the Credit Parties under this Agreement, under the Notes or under any other Loan Documents if such measures can, in the sole and absolute opinion of such Lender or holder, be taken without such Person suffering any economic, legal, regulatory or other disadvantage (provided , however , that no such Person shall be required to designate a funding office that is not located in the United States of America).

(e) As soon as practicable after any payment of Indemnifiable Taxes by the Borrowers to a Governmental Authority, the Borrowers' Agent shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(f) The Borrowers shall jointly and severally indemnify each Recipient for any Indemnifiable Taxes that are paid or payable by such Recipient in connection with any Loan Document (including amounts paid or payable under this Section 10.17(f)) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnifiable Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 10.17(f) shall be paid within ten (10) days after the Recipient delivers to the Borrowers' Agent a certificate stating the amount of any Indemnified Taxes so paid or payable by such Recipient and describing the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Recipient shall deliver a copy of such certificate to the Agent.

(g) Each Lender shall severally indemnify the Agent for any Taxes (but, in the case of any Indemnifiable Taxes, only to the extent that the Borrowers have not already indemnified the Agent for such Indemnifiable Taxes and without limiting the obligation of the Borrowers to do so) attributable to such Lender that are paid or payable by the Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 10.17(g) shall be paid within ten (10) days after the Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(h) (i) Any Lender that is entitled to an exemption from or reduction of the deduction, withholding or payment of an Indemnifiable Tax or Other Tax, with respect to payments under this Agreement, under any Note, under any Letter of Credit or under any other Loan Document shall deliver to the Credit Parties and the Agent, at the time or times reasonably requested by the Credit Parties, such properly completed and executed documentation reasonably requested by the Credit Parties of the Agent as will permit such payments to be made

without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrowers' Agent or the Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrowers' Agent or the Agent as will enable the Borrowers' Agent or the Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 10.17(h)(ii)(A) through (E) below) shall not

be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of the Borrowers' Agent or the Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 10.17(h) . If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within ten (10) days after such expiration, obsolescence or inaccuracy) notify the Borrowers' Agent and the Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, in the event that the relevant Credit Party is resident for tax purposes in the United States, any Lender shall deliver to the Credit Party and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Credit Parties or the Agent, but only if such Lender is legally entitled to do so), whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax,

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under this Agreement constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a tax certificate substantially in the form of Exhibit S-1 to the effect that such Lender is not (a) a " **bank** " within the meaning of Section 881(c)(3)(A) of the Code, (b) a " **10 percent shareholder** " of such Borrower within the meaning of Section 881(c)(3)(B) of the Code (c) a " **controlled foreign corporation** " described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under this Agreement (including a partnership or a

participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (i)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a tax certificate substantially in the form of Exhibit F-2 on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrowers' Agent or the Agent to determine the amount of Tax (if any) required by law to be withheld.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrowers' Agent and the Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers' Agent and the Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers' Agent and the Agent as may be necessary for the Borrowers' Agent and the Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 10.17(h)(iii), "**FATCA**" shall include any amendments made to FATCA after the date of this Agreement.

(i) Each Lender and each Note holder agrees that if, in its sole discretion exercised in good faith, it has received a refund of any Taxes (i) previously paid by it and as to which it has been indemnified by or on behalf of the Borrowers or (ii) previously deducted by the Credit Parties (including, without limitation, any Indemnifiable Taxes deducted from any additional amounts paid under clause (b) above), the relevant Lender or Note holder, as the case may be, shall reimburse the Credit Parties to the extent of the amount of any refund (but only to the extent of any indemnity payments made under this Section 10.17 with respect to the Taxes giving rise to such refund); provided, however, that the Credit Parties, upon the request of the Lender or Note holder, as the case may be, agree to repay to such Lender or Note holder, as the case may be, the amount paid over to the Credit Parties (together with penalties, interest or other charges), in the event such Lender or Note holder is required to repay such amount to the relevant Governmental Authority. Notwithstanding anything to the contrary in this Section 10.17(i), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 10.17(i) if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 10.17(i) shall not be construed to require any

indemnified party to make available its Tax returns (or any other information related to its Taxes which it deems confidential) to the indemnifying party or any other Person.

(j) For purposes of Section 10.17(g) and (h), the term "Lender" includes the Issuing Bank.

10.18 Waiver of Claim. Each Borrower hereby waives and releases the Agent and all Lenders from any and all claims or causes of action which the Borrowers or any of them may own, hold or claim in respect of any of the Agent or any Lenders as of the date of this Agreement.

10.19 Right of Setoff. The Lender Parties each are hereby authorized at any time and from time to time during the existence of an Event of Default or a Dominion Event, without notice to any Credit Party (any such notice being expressly waived by the Credit Parties by their execution of the applicable Loan Documents), to setoff and apply any and all deposits (general or special, time or demand, provisional or final, whether or not such setoff results in any loss of interest or other penalty, and including without limitation all certificates of deposit) at any time held, and any other funds or property at any time held, and other Indebtedness at any time owing by the Agent or such other Lender Party to or for the credit or the account of any such Credit Party against any and all of the Obligations irrespective of whether or not Agent or such other Lender Party shall have made any demand under this Agreement, the Notes or any other Loan Document. Each Credit Party (by their execution of the applicable Loan Documents) also hereby grants to Agent and each of the other Lender Parties a security interest in and hereby transfers, assigns, sets over, and conveys to the Agent and to each of the other Lender Parties, as security for payment of all Obligations, all such deposits, funds or property of such Credit Party or Indebtedness of the Agent or any other Lender Party to any such Credit Party. Should the right of the Agent or any other Lender Party to realize funds in any manner set forth hereinabove be challenged and any application of such funds be reversed, whether by court order or otherwise, the Lenders shall make restitution or refund to the applicable Credit Parties pro rata in accordance with their respective Commitment Percentages. Each Lender agrees to promptly notify the Borrowers' Agent and the Agent after any such setoff and application by it or any of its Affiliates, provided that the failure to give such notice will not affect the validity of such setoff and application. The rights of the Agent and the other Lender Parties under this Section are in addition to other rights and remedies (including without limitation other rights of setoff) which the Agent or the other Lender Parties may have. This Section is subject to the terms and provisions of Section 2.12 hereof.

10.20 Waiver of Right to Jury Trial. EXCEPT AS PROHIBITED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE NOTES, ANY OF THE OTHER LOAN DOCUMENTS OR ANY TRANSACTIONS EVIDENCED THEREBY.

10.21 Additional Provisions Regarding Collection of Receivables and other Collateral .

(a) Each Credit Party (by its execution of the applicable Loan Documents) hereby designates and constitutes the Agent or the Agent's designee as each Credit Party's attorney-in-fact with power to endorse each such Credit Party's name upon any notes, acceptances, checks, drafts, money orders or other evidence of payment of any Receivables or any other Collateral that may come into its possession; to sign or endorse such Credit Party's name on any invoice, bill of lading or other title or ownership documents relating to any Receivables or Inventory, drafts against any customers of any Credit Party, assignments and verifications of Receivables and, upon the occurrence and during the continuance of any Event of Default, notices to customers of any Credit Party; to send verifications of Receivables; and to notify the U.S. Postal Service authorities to change the address for delivery of mail addressed to any Credit Party to such address as the Agent may designate at any time after the occurrence of any Event of Default which is continuing. All acts of said attorney or designee are hereby ratified and approved by each Credit Party (by its execution of the applicable Loan Documents), and said attorneys or designee shall not be liable for any acts of omission or commission, for any error of judgment or for any mistake of fact or law, provided that the Agent or its designee shall not be relieved of liability to the extent it is determined by a final judicial decision that its act, error or mistake constituted gross negligence or willful misconduct. The power of attorney granted under this subparagraph is coupled with an interest and is irrevocable until all of the Obligations are paid in full and this Agreement and the Commitments are terminated.

(b) The Agent, without notice to or consent of any Credit Party, at any time after the occurrence and during the continuation of an Event of Default: (i) may sue upon or otherwise collect, extend the time of payment of, or compromise or settle for cash, credit or otherwise upon any terms, any of the Receivables or any instruments or insurance applicable thereto and/or release any account debtor thereon; (ii) is authorized and empowered to accept or direct shipments of Inventory and accept the return of the goods represented by any of the Receivables; and (iii) shall have the right to receive, endorse, assign and/or deliver in its name or the name of any Credit Party any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Credit Party (by its execution of the applicable Loan Documents) hereby waives notice of presentment, protest and non-payment of any instrument so endorsed.

(c) Nothing herein contained shall be construed to constitute any Credit Party as agent of the Agent for any purpose whatsoever, and the Agent shall not be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof (except to the extent it is determined by a final judicial decision that the Agent's or a Lender's act or omission constituted gross negligence of willful conduct). The Agent and the Lenders shall not, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof or for any damage resulting therefrom (except to the extent it is determined by a final judicial decision that the Agent's or such Lender's error, omission or delay constituted gross negligence or willful misconduct). The Agent and the Lenders do not, by anything herein or in any assignment or otherwise, assume any of any Credit Party's obligations under any contract or agreement assigned to the Agent or the Lender, and the Agent and the Lenders shall not be responsible in any way for the performance by any Credit Party of any of the terms and conditions thereof.

(d) Upon the occurrence and during the continuation of any Event of Default: (i) if any of the Receivables includes a charge for any tax payable to any governmental tax authority, the Agent is hereby authorized (but in no event obligated) in its discretion to pay the amount thereof to the proper taxing authority for the account of any Credit Party and to charge any Credit Party's account therefor; and (ii) the Borrowers shall notify the Agent if any Receivables include any tax due to any such taxing authority and, in the absence of such notice, the Agent shall have the right to retain the full proceeds of such Receivables and shall not be liable for any taxes that may be due from any Credit Party by reason of the sale and delivery creating such Receivables.

(e) Upon the occurrence and continuation of any Event of Default, the Agent may at any time and from time to time employ and maintain in the premises of any Credit Party a custodian selected by the Agent who shall have full authority to do all acts necessary to protect the Agent's and the Lenders' interests and to report to the Agent thereon. Each Credit Party (by its execution of the applicable Loan Documents) hereby agrees to cooperate with any such custodian and to do so whatever the Agent may reasonably request to preserve the Collateral. All costs and expenses incurred by the Agent by reason of the employment of the custodian shall be added to the Obligations and may be charged to any Credit Party's account.

(f) The Lenders hereby irrevocably authorize the Agent, at its option and in its discretion, to release any Lien granted to or held by the Agent upon any Collateral (i) upon termination of the Total Commitment and payment in full in cash and satisfaction (or cash collateralization pursuant to the terms of the Loan Documents) of all Loans, any Letter of Credit Exposure Amount, and all other Obligations which have matured and which the Agent has been notified in writing are then due and payable; or (ii) constituting property being sold or disposed of in the ordinary course of any Credit Party's business and in compliance with the terms of this Agreement and the other Loan Documents (with respect to which the Agent may rely conclusively on any certificate of any Credit Party, without further inquiry); or (iii) constituting property in which the Credit Parties owned no interest at the time the Lien was granted or at any time thereafter; or (iv) if approved, authorized or ratified in writing by the Lenders. Upon request by the Agent at any time, the Lenders will confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section 10.21(f) .

(g) Without in any manner limiting the Agent's authority to act without any specific or further authorization or consent by the Lenders (as set forth in Section 10.21(f)), each Lender agrees to confirm in writing, upon request by the Agent, the authority to release Collateral conferred upon the Agent under Section 10.21(f) . Upon receipt by the Agent of confirmation from the Lenders of its authority to release any particular item or types of Collateral, and upon prior written request by any Credit Party, the Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Agent for the benefit of the Lenders upon such Collateral; provided , however , that (i) the Agent shall not be required to execute any such document on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligations or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Obligations or any Lien upon all interests in the Collateral retained by any Credit Party.

10.22 Bank Product Obligations .

(a) The term " **Obligations** ," as defined and used in this Agreement, includes all Obligations under all Bank Products of any Credit Party or any of their Subsidiaries (collectively, " **Related Obligations** ") to the Agent, JPMorgan, , or any other Lender Party (each an " **Obligee** " and, collectively, the " **Obligees** "). Accordingly, the benefit of the Loan Documents and of the provisions of this Agreement relating to the Collateral shall extend to and be available in respect of the Related Obligations solely on the condition and understanding, as among the Agent and all Obligees, that (i) the Related Obligations shall be entitled to the benefit of the Loan Documents and the Collateral to the extent expressly set forth in this Agreement and the other Loan Documents and to such extent the Agent shall hold, and have the right and power to act with respect to, any Guaranty and the Collateral on behalf of and as agent for the Obligees, but the Agent is otherwise acting solely as agent for the Lenders and shall have no fiduciary duty, duty of loyalty, duty of care, duty of disclosure or other obligation whatsoever to any Obligee, (ii) all matters, acts and omissions relating in any manner to any Guaranty, the Collateral, or the omission, creation, perfection, priority, abandonment or release of any Lien, shall be governed solely by the provisions of this Agreement and the other Loan Documents and no separate Lien, right, power or remedy shall arise or exist in favor of any Obligee under any separate instrument or agreement or in respect of any Related Obligation, (iii) each Obligee shall be bound by all actions taken or omitted, in accordance with the provisions of this Agreement and the other Loan Documents, by the Agent and the Required Lenders, each of whom shall be entitled to act at its sole discretion and exclusively in its own interest given its own Commitments and its own interest in the Loans, Letter of Credit Obligations and other Obligations to it arising under this Agreement or the other Loan Documents, without any duty or liability to any other Obligee or as to any Related Obligation and without regard to whether any Related Obligation remains outstanding or is deprived of the benefit of the Collateral or becomes unsecured or is otherwise affected or put in jeopardy thereby, (iv) no Obligee (except the Agents and the Lenders, to the extent set forth in this Agreement) shall have any right to be notified of, or to direct, require or be heard with respect to, any action taken or omitted in respect of the Collateral or under this Agreement or the Loan Documents and (v) no Obligee shall exercise any right of setoff, banker's lien or similar right except to the extent such right is exercised in compliance with Section 2.13 .

(b) The Borrowers hereby irrevocably and unconditionally guarantee to each of the Obligees the full and prompt payment and performance of any and all Related Obligations to each Obligee. Such guaranty shall be an absolute, continuing, irrevocable, and unconditional guaranty of payment and performance, and not a guaranty of collection, and the Borrowers shall remain liable on its obligations hereunder until the payment and performance in full of the Related Obligations. No set-off, counterclaim, recoupment, reduction, or diminution of any obligation, or any defense of any kind or nature which any Credit Party or any of their Subsidiaries may have against any Obligee or any other party shall be available to, or shall be asserted by, any Credit Party against any Obligee or any subsequent holder of the Related Obligations or any part thereof or against payment of the Related Obligations or any part thereof.

(c) If any Credit Party becomes liable for any obligations or indebtedness owing by any Subsidiary of any Credit Party to any Obligee by endorsement or otherwise, other than under this Section 10.22 , such liability shall not be in any manner impaired or affected

hereby, and the rights of each Obligee shall be cumulative of any and all other rights that any Obligee may ever have against the Borrower.

(d) In the event of default by any Subsidiary of any Credit Party in payment or performance of any of the Related Obligations, or any part thereof, when any part of the Related Obligations becomes due, whether by its terms, by acceleration, upon demand or otherwise, the Borrowers shall promptly pay the amount due thereon to the applicable Obligee without notice or demand in dollars and it shall not be necessary for any Obligee, in order to enforce such payment by the Borrowers, first to institute suit or exhaust its remedies against any Subsidiary of any Credit Party or any others liable on such Related Obligations, or to enforce any rights against any collateral which shall ever have been given to secure such Related Obligations. Notwithstanding anything to the contrary contained in this Section 10.22 , the Credit Parties hereby irrevocably subordinate to the prior and defeasible payment in full of the Related Obligations, any and all rights the Borrowers may now or hereafter have under any agreement or at law or in equity (including, without limitation, any law subrogating the Borrowers to the rights of any of the Obligees) to assert any claim against or seek contribution, indemnification or any other form of reimbursement from any Subsidiary of any Credit Party or any other party liable for payment of any or all of the Related Obligations for any payment made by any Borrower under or in connection with this Section 10.22 or otherwise.

(e) The Borrowers hereby agree that their obligations under this Section 10.22 shall not be released, discharged, diminished, impaired, reduced, or affected for any reason or by the occurrence of any event, including, without limitation, one or more of the following events, whether or not with notice to or the consent of any Borrower: (i) the taking or accepting of collateral as security for any or all of the Related Obligations or the release, surrender, exchange, or subordination of any collateral now or hereafter securing any or all of the Related Obligations; (ii) any partial release of the liability of any Borrower hereunder or any other Credit Party under the Loan Documents, or the full or partial release of any other guarantor from liability for any or all of the Related Obligations; (iii) any disability of any Credit Party or any of their Subsidiaries, or the dissolution, insolvency, or bankruptcy of any Credit Party, any of their Subsidiaries, any guarantor or any other party at any time liable for the payment of any or all of the Related Obligations; (iv) any renewal, extension, modification, waiver, amendment, or rearrangement of any or all of the Related Obligations or any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Related Obligations; (v) any adjustment, indulgence, forbearance, waiver, or compromise that may be granted or given by any Obligee to any Credit Party, any of their Subsidiaries, or any other party ever liable for any or all of the Related Obligations; (vi) any neglect, delay, omission, failure, or refusal of any Obligee to take or prosecute any action for the collection of any of the Related Obligations or to foreclose or take or prosecute any action in connection with any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Related Obligations; (vii) the unenforceability or invalidity of any or all of the Related Obligations or of any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Related Obligations; (viii) any payment by any Credit Party, any Subsidiary of any Credit Party or any other party to any Obligee is held to constitute a preference under applicable bankruptcy or insolvency law or if for any other reason any Obligee is required to refund any payment or pay the amount thereof to someone else; (ix) the settlement or compromise of any of the Related Obligations; (x) the non-perfection of any security interest or lien securing any or all of the Related Obligations; (xi)

any impairment of any collateral securing any or all of the Related Obligations; (xii) the failure of any Obligee to sell any collateral securing any or all of the Related Obligations in a commercially reasonable manner or as otherwise required by law; (xiii) any change in the corporate existence, structure, or ownership of any Credit Party or any of their Subsidiaries; or (xiv) any other circumstance which might otherwise constitute a defense available to, or discharge of, any Credit Party or any of their Subsidiaries.

(f) The Borrowers hereby waive promptness, diligence, notice of any default under the Related Obligations, demand of payment, notice of acceptance of this Agreement, presentment, notice of protest, notice of dishonor, notice of the incurring by any Subsidiary of any Credit Party of additional obligations or indebtedness, and all other notices and demands with respect to the Related Obligations and this Agreement.

10.23 Construction . The Borrowers, each other Credit Party, the Agent, and each Bank acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the parties hereto.

10.24 Joint and Several Obligations . Notwithstanding anything to the contrary contained herein or in any other Loan Documents (but giving effect to Section 1.4(a)), the Borrowers acknowledge that they and the Guarantors are jointly and severally responsible for their respective agreements, covenants, representations, warranties and obligations contained and set forth in this Agreement or in any other Loan Document to which the applicable Party is a party.

10.25 USA Patriot Act . Each Lender hereby notifies the Credit Parties that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " **Act** "), it is required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of the Credit Parties and other information that will allow such Lender to identify the Credit Parties in accordance with the Act.

10.26 Judgment . The specification under the Loan Documents of Dollars and payment in New York City is of the essence. The Credit Parties' obligations hereunder and under the other Loan Documents to make payments in Dollars (the " **Obligation Currency** ") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Lender Parties of the full amount of the Obligation Currency expressed to be payable to the Lender Parties under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment in any court, it is necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the " **Judgment Currency** ") an amount due in the Obligation Currency, the rate of exchange used shall be that at which the Lender Parties could, in accordance with normal banking procedures, purchase Dollars with the Judgment Currency on the Business Day preceding that on which final judgment is given. The obligation of the Credit Parties in respect of any such sum due from it to the Lender Parties hereunder shall, notwithstanding any judgment in such Judgment Currency, be discharged only to the extent that,

on the Business Day immediately following the date on which the Lender Parties receive any sum adjudged to be so due in the Judgment Currency, the Lender Parties may, in accordance with normal banking procedures, purchase Dollars with the Judgment Currency. If the Dollars so purchased are less than the sum originally due to the Lender Parties in Dollars, the Credit Parties agree, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender Parties against such loss, and if the Dollars so purchased exceed the sum originally due to the Lender Parties in Dollars, the Lender Parties agree to remit to the Credit Parties such excess.

10.27 Jurisdiction; Service of Process. Each Credit Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that any Lender Party may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Credit Party or its properties in the courts of any jurisdiction. Each Credit Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.2. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

10.28 Confidentiality. Each of the Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent requested by any rating agency or market data collector (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep it confidential), (d) to the extent required by law or by any subpoena or similar legal process, (e) to any other party to this Agreement, (f) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (g) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of, or any prospective assignee of, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Credit Parties and their obligations, (h) with the consent of

the Borrowers or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrowers. For the purposes of this Section, "Information" means all information received from the Credit Parties relating to any of the Credit Parties, the Offshore Entities, their respective subsidiaries or their respective businesses, other than any such information that is available to the Agent, the Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrowers; provided that, in the case of information received from the Borrowers after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THIS SECTION 10.28 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE CREDIT PARTIES AND THEIR RELATED PARTIES AND AFFILIATES, OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS, CONSENTS AND AMENDMENTS, FURNISHED BY THE CREDIT PARTIES, THE AGENT OR THEIR RESPECTIVE RELATED PARTIES AND AFFILIATES, PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE CREDIT PARTIES AND THEIR RELATED PARTIES AND AFFILIATES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE CREDIT PARTIES AND THE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

10.29 No Fiduciary Duty/Conflicts. The Lender Parties may have economic interests that conflict with those of Borrowers, their stockholders and/or their Affiliates. Borrowers agree that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender Party, on the one hand, and Borrowers, their stockholders or their affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents

(including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders Parties, on the one hand, and Borrowers, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender Party has assumed an advisory or fiduciary responsibility in favor of any Borrower, its stockholders or its Affiliates

with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender Party has advised, is currently advising or will advise any Borrower, its stockholders or its Affiliates on other matters) or any other obligation to Borrowers except the obligations expressly set forth in the Loan Documents and (y) each Lender Party is acting solely as principal and not as the agent or fiduciary of any Borrower, its management, stockholders, creditors or any other Person. Each Borrower acknowledges and agrees that each Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Borrower agrees that it will not claim that any Lender Party has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Borrower, in connection with such transaction or the process leading thereto.

10.30 Release of Neenah Canada .

(a) The Borrowers and Neenah Canada hereby request that the Lenders consent to the release of Neenah Canada as Guarantor under the Security Documents and the other Loan Documents and waive any violation of this Agreement that would otherwise exist or arise as a result of such release in the absence of such consent. In reliance on the representations and warranties of the Borrowers contained herein, and subject to the terms, and satisfaction of the conditions precedent, set forth in Section 4 hereof, effective as of the Closing Date, the Lenders hereby consent to the release of Neenah Canada as Guarantor and waive any violation of this Agreement that would otherwise exist or arise upon such release in the absence of such consent. Effective as of the Closing Date, Neenah Canada shall be deemed to have been released as Guarantor under the Loan Documents. Furthermore, upon the Closing Date, (i) the Agent shall file one or more PPSA releases required to release Neenah Canada as Guarantor under the Security Documents.

(b) On and following the Closing Date, the Agent is hereby authorized and directed to execute and deliver such documents and instruments as may be reasonably requested by the Parent to give effect to the release of Neenah Canada as Guarantor, including without limitation lien releases, re-assignments of Intellectual Property pledged by Neenah Canada (if any) under the Intellectual Property Security Agreement, and releases under any Tri-Party Agreements.

(c) The releases set forth in this Section 10.30 are limited solely to the release of Neenah Canada as Guarantor, and nothing contained herein shall be deemed a consent to, or waiver of, any other action or inaction of any other Credit Party. Neither the Agent nor the Lenders shall be obligated to grant any future waivers, consents or amendments with respect to the Credit Agreement or any other Loan Document.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

NEENAH PAPER, INC.,
as a Borrower

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Sr. Vice President, CFO and Treasurer

Address for Notices:
3460 Preston Ridge Road, Suite 600
Alpharetta, Georgia 30005
Attention: General Counsel
Facsimile: 678-518-3283

With a copy to:
Bryan Cave LLP
One Atlantic Center — Fourteenth Floor
1201 West Peachtree Street, NW
Atlanta, Georgia 30309-3488
Attention: Robert C. Lewinson
Facsimile: 404-420-0623

NEENAH PAPER MICHIGAN, INC.,
as a Borrower

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Sr. Vice President, CFO and Treasurer

NPCC HOLDING COMPANY, LLC,
as a Borrower

By: Neenah Paper, Inc., as its sole member

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Sr. Vice President, CFO and Treasurer

NEENAH PAPER FVC, INC., as a Borrower

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Sr. Vice President, CFO and Treasurer

NEENAH PAPER FR, LLC, as a Borrower

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Sr. Vice President, CFO and Treasurer

Acknowledged and Agreed by:

RELEASED PARTY :

NEENAH PAPER COMPANY OF CANADA

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Sr. Vice President, CFO and Treasurer

JPMORGAN CHASE BANK, N.A.,
as a Lender, as Agent and as Swingline Lender

By: /s/ Jeff A. Tompkins
Name: Jeff A. Tompkins
Title: Authorized Officer

Address for Notices:
2200 Ross Avenue, 9th Floor TX 2921
Dallas, Texas 75201
Attention: Jeff A. Tompkins
Facsimile: 214-965-2594

With a copy to:
Vinson & Elkins LLP
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201
Attention: Erec R. Winandy
Facsimile: 214-999-7756

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Dennis S. Losin
Name: Dennis S. Losin
Title: Senior Vice President

Address for Notices:
300 Galleria Parkway, Suite 800
Atlanta, GA 30339
Attention: Dennis S. Losin, CFA
Facsimile: (312) 453-4735

UBS AG, Stamford Branch,
as a Lender

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

By: /s/ David Urban
Name: David Urban
Title: Associate Director

Address for Notices:
UBS AG, Stamford Branch
677 Washington Blvd.
Stamford, CT 06901
Attention: Jitesh Hotwani
Facsimile: (203) 719-3888

GOLDMAN SACHS LENDING PARTNERS LLC, as a Lender

By: /s/ Mark Walton
Name: Mark Walton
Title: Authorized Signatory

Address for Notices:
200 West Street
New York, NY 10282-2198
Attention: Michelle Latzoni
Facsimile: (646) 769 7700

BMO HARRIS BANK, N.A.,
as a Lender

By: /s/ Kimberly Ptak
Name: Kimberly Ptak
Title: Vice President

Address for Notices:
111 W. Monroe, 20E
Chicago, IL 60603
Attention: Kimberly Ptak
Facsimile: 312.765.1641

EXHIBIT A

FORM OF REVOLVING CREDIT NOTE

$[-] October , 2012

Neenah Paper, Inc., a Delaware corporation ("Neenah Paper") and the subsidiaries of Neenah Paper signatory hereto (collectively with Neenah Paper, the "Borrowers"), for value received, hereby jointly and severally promise to pay to the order of [NAME OF LENDER] (the "Lender") the principal sum of [AMOUNT] ($[-]) or, if less, the amount of Revolving Loans loaned by the Lender to the Borrowers pursuant to the Credit Agreement referred to below, in lawful money of the United States of America and in immediately available funds, on the date(s) and in the manner provided in the Credit Agreement. The Borrowers also jointly and severally promise to pay interest on the unpaid principal balance hereof, for the period such balance is outstanding, at the principal office of the Lender, in like money, at the rates of interest as provided in the Credit Agreement described below, on the date(s) and in the manner provided in the Credit Agreement.

This Revolving Credit Note is issued pursuant to, and is entitled to the benefits of, that certain Second Amended and Restated Credit Agreement, dated as of October 11, 2012, by and among the Borrowers, the Guarantors from time to time party thereto, the financial institutions from time to time party thereto as "Lenders", and JPMorgan Chase Bank, N.A., as Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), and evidences the Revolving Loans made by the Lender to the Borrowers thereunder. All capitalized terms used but not defined herein shall have the meanings specified in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence and during the continuance of certain Events of Default and for prepayments on the terms and conditions specified therein.

The Borrowers waive presentment, notice of dishonor, protest and any other notice or formality with respect to the enforcement of this Revolving Credit Note, except any notices required under the terms of the Credit Agreement.

In any action or proceeding involving any state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Borrower would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its joint and several liability hereunder, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by any Borrower or Lender or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

(Signature Page Follows)

THIS REVOLVING CREDIT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO NATIONAL BANKS.

[Signature Page Follows]

BORROWERS:

NEENAH PAPER, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER MICHIGAN, INC.

By: _____
Name: _____
Title: _____

NPCC HOLDING COMPANY, LLC

By: Neenah Paper, Inc., as its sole member

By: _____
Name: _____
Title: _____

NEENAH PAPER FVC, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER FR, LLC

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF SWINGLINE NOTE

$15,000,000 October , 2012

Neenah Paper, Inc., a Delaware corporation ("Neenah Paper") and the subsidiaries of Neenah Paper signatory hereto (collectively with Neenah Paper, the "Borrowers"), for value received, hereby jointly and severally promise to pay to the order of [NAME OF SWINGLINE LENDER] (the "Swingline Lender") the principal sum of Fifteen Million Dollars ($15,000,000) or, if less, the amount of Swingline Loans loaned by the Swingline Lender to the Borrowers pursuant to the Credit Agreement referred to below, in lawful money of the United States of America and in immediately available funds, on the date(s) and in the manner provided in the Credit Agreement. The Borrowers also jointly and severally promise to pay interest on the unpaid principal balance hereof, for the period such balance is outstanding, at the principal office of the Swingline Lender, in like money, at the rates of interest as provided in the Credit Agreement described below, on the date(s) and in the manner provided in the Credit Agreement.

This Swingline Note is issued pursuant to, and is entitled to the benefits of, that certain Second Amended and Restated Credit Agreement, dated as of October 11, 2012, by and among the Borrowers, the Guarantors from time to time party thereto, the financial institutions from time to time party thereto as "Lenders", and JPMorgan Chase Bank, N.A., as Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), and evidences the Swingline Loans made by the Swingline Lender to the Borrowers thereunder. All capitalized terms used but not defined herein shall have the meanings specified in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence and during the continuance of certain Events of Default and for prepayments on the terms and conditions specified therein.

The Borrowers waive presentment, notice of dishonor, protest and any other notice or formality with respect to the enforcement of this Swingline Note, except any notices required under the terms of the Credit Agreement.

In any action or proceeding involving any state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Borrower would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its joint and several liability hereunder, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by any Borrower or Swingline Lender or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

(Signature Page Follows)

THIS SWINGLINE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO NATIONAL BANKS.

[Signature Page Follows]

BORROWERS:

NEENAH PAPER, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER MICHIGAN, INC.

By: _____
Name: _____
Title: _____

NPCC HOLDING COMPANY, LLC

By: Neenah Paper, Inc., as its sole member

By: _____
Name: _____
Title: _____

NEENAH PAPER FVC, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER FR, LLC

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF TERM NOTE

$[-] October , 2012

Neenah Paper, Inc., a Delaware corporation ("Neenah Paper") and the subsidiaries of Neenah Paper signatory hereto (collectively with Neenah Paper, the "Borrowers"), for value received, hereby jointly and severally promise to pay to the order of [NAME OF LENDER] (the "Lender") the principal sum of [AMOUNT] ($[-]) or, if less, the amount of Term Loans loaned by the Lender to the Borrowers pursuant to the Credit Agreement referred to below, in lawful money of the United States of America and in immediately available funds, on the date(s) and in the manner provided in the Credit Agreement. The Borrowers also jointly and severally promise to pay interest on the unpaid principal balance hereof, for the period such balance is outstanding, at the principal office of the Lender, in like money, at the rates of interest as provided in the Credit Agreement described below, on the date(s) and in the manner provided in the Credit Agreement.

This Term Note is issued pursuant to, and is entitled to the benefits of, that certain Second Amended and Restated Credit Agreement, dated as of October 11, 2012, by and among the Borrowers, the Guarantors from time to time party thereto, the financial institutions from time to time party thereto as "Lenders", and JPMorgan Chase Bank, N.A., as Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), and evidences the Term Loan made by the Lender to the Borrowers thereunder. All capitalized terms used but not defined herein shall have the meanings specified in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence and during the continuance of certain Events of Default and for prepayments on the terms and conditions specified therein.

The Borrowers waive presentment, notice of dishonor, protest and any other notice or formality with respect to the enforcement of this Term Note, except any notices required under the terms of the Credit Agreement.

In any action or proceeding involving any state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Borrower would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its joint and several liability hereunder, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by any Borrower or Lender or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

(Signature Page Follows)

THIS TERM NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO NATIONAL BANKS.

[Signature Page Follows]

BORROWERS:

NEENAH PAPER, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER MICHIGAN, INC.

By: _____
Name: _____
Title: _____

NPCC HOLDING COMPANY, LLC

By: Neenah Paper, Inc., as its sole member

By: _____
Name: _____
Title: _____

NEENAH PAPER FVC, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER FR, LLC

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

[Letterhead of Company]

, 200

JPMorgan Chase Bank, N.A., as Agent
2200 Ross Avenue, 9th Floor TX 2921
Dallas, Texas 75201
Attention: Jeff A. Tompkins
Telecopy No.: 214-965-2594

Ladies and Gentlemen:

I hereby certify to you as follows:

(a) I am the duly elected [Title] of NEENAH PAPER, INC., a Delaware corporation (the "Company"). All capitalized terms used but not defined herein shall have the meanings specified in the Second Amended and Restated Credit Agreement dated as of October 11, 2012 (together with all amendments, restatements, modifications or renewals, the "Credit Agreement"), among the Company, certain subsidiaries of Company (together with Company, each a "Borrower" and collectively, the "Borrowers"), the Guarantors from time to time party thereto, each of the financial institutions which may from time to time become a party thereto (individually, a "Lender" and collectively, the "Lenders"), and JPMorgan Chase Bank, N.A. ("JPMorgan"), as agent for the Lenders (in such capacity, together with its successors in such capacity, the "Agent").

(b) I have reviewed the terms of the Credit Agreement, and have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and the condition of the Credit Parties during the immediately preceding [applicable time period].

(c) Except as disclosed on Annex A attached hereto, the review described in paragraph (b) above did not disclose the existence during or at the end of such period, and I have no knowledge of the existence as of the date hereof, of any condition or event which constitutes a Default or an Event of Default. Provided in Annex B to this Certificate are the financial statements and information required to be furnished to the Agent pursuant to Section 6.3 of the Credit Agreement.

I further certify that, based on the review described in paragraph (b) above, no Credit Party has at any time during or at the end of such period, except as (i) specifically described in paragraph (p) below or (ii) permitted by the Credit Agreement, done any of the following:

(d) Changed its respective address, name, identity, type of organization, corporate structure (e.g., by merger, consolidation, change in corporate form or otherwise), jurisdiction of organization, location of its chief executive office or principal place of business or the place it keeps its material books and records, or established any trade names;

(e) Permitted any of its Subsidiaries to issue any equity or securities or otherwise change its capital structure;

(f) Permitted the Fixed Charge Coverage Ratio of the Credit Parties and their Subsidiaries, on a Consolidated basis, to be less than 1.1 to 1.0 as of the last day of any fiscal quarter for the four quarter period ending on such day, such ratio to be tested with respect to the most recently ended fiscal quarter (a) so long as the Term Loan Commitment or the Term Loans are outstanding and (b) after the Term Loans shall have been repaid or prepaid in full, on any date from time to time on which Availability falls below $20,000,000, and on the last day of each fiscal quarter ending thereafter, in each case until such time when Availability has exceeded $35,000,000 for sixty (60) consecutive days and no Default or Event of Default is continuing;

(g) Become aware of, obtained knowledge of, or received notification of, the institution of any lawsuit, administrative proceeding or investigation affecting any Credit Party or any of their Subsidiaries (other than the litigation described in Schedule 5.5 of the Credit Agreement), including without limitation any examination or audit by the IRS which individually or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect;

(h) Become aware of, obtained knowledge of, or received notification of any breach or violation of any material covenant contained in any instrument or agreement in respect of indebtedness for money borrowed by the Borrower or any of the Subsidiaries that would permit or result in the acceleration of any Indebtedness that would have a Material Adverse Effect;

(i) Become aware of, obtained knowledge of, or received notification of any development or change in the business or affairs of any Credit Party or any of their Subsidiaries which has had or which is likely to have a Material Adverse Effect;

(j) Become aware of, obtained knowledge of, or received notification of the occurrence of a default or event of default by any Credit Party or any of their Subsidiaries under any agreement or series of related agreements to which it is a party, which default or event of default could reasonably be expected to have a Material Adverse Effect;

(k) Become aware of, obtained knowledge of, or received notification of any material violation in connection with any actual or alleged material violation of any Legal Requirement imposed by the Environmental Protection Agency, the Occupational Safety Hazard Administration or any other Governmental Authority, which has or is likely to have a Material Adverse Effect;

(l) Become aware of, obtained knowledge of, or received notification of any significant change in the accuracy of any material representations and warranties of any Loan Document;

(m) Incurred any material loss or destruction of, or substantial damage to, any portion or component of the Collateral with fair market value in excess of $500,000 and no other matters occurred that materially affected the value, enforceability or collectibility of any of the Collateral with fair market value in excess of $500,000, unless a notice of such loss, destruction or damage has previously been provided to the Agent;

(n) Acquired any Additional Mortgaged Property, unless a notice of such acquisition has previously been provided to the Agent;

(o) [List exceptions, if any, to paragraphs (d) through (n) above.]

The foregoing certifications are made and delivered this day of , 20 .

Very truly yours,

NEENAH PAPER, INC.

By: _____
Name: _____
Title: _____

Annex A

Disclosure of Known Defaults and Events of Default

[If none, insert "NONE".]

Annex B

Financial Statements and Information

EXHIBIT E

FORM OF REQUEST FOR EXTENSION OF CREDIT

Neenah Paper, Inc.
3460 Preston Ridge Road, Suite 600
Alpharetta, GA 30005

[-], 20[—]

JPMorgan Chase Bank, N.A.
2200 Ross Avenue, 9th Floor TX 2921
Dallas, Texas 75201
Attention: Jeff A. Tompkins

Ladies and Gentlemen:

Reference is hereby made to that certain Second Amended and Restated Credit Agreement, dated as of October 11, 2012, (as amended, restated, supplemented or otherwise modified from time to time, the " Credit Agreement "), by and among Neenah Paper, Inc. (" Parent "), each subsidiary of Parent listed as a "Borrower" on the signature pages thereto (together with Parent, each a " Borrower " and collectively, the " Borrowers "), each subsidiary of Parent party thereto as a " Guarantor ", the lenders from time to time party thereto (each a " Lender " and collectively, the " Lenders "), and JPMorgan Chase Bank, N.A., as agent for the Lenders (in such capacity, together with any successors and assigns, the " Agent "). All capitalized terms used but not defined herein have the same meanings specified in the Credit Agreement. The Borrowers' Agent hereby gives you notice pursuant to [Section 4.1(a)] [Section 4.2(a)] of the Credit Agreement of the following request for a [Revolving] [Term] Loan (the " Proposed Loan ") under the Credit Agreement:

(i) The aggregate principal amount of the Proposed Loan is $.(1)

(ii) The Proposed Loan will be a [Alternate Base Rate Borrowing] [LIBOR Borrowing, with an initial Interest Period of [one] [two] [three] month[s]].

(iii) The borrowing date of the Proposed Loan is .(2)

(1) In the case of a LIBOR Borrowing, the Proposed Loan must be in a minimum amount of $3,000,000 and in integral multiples of $1,000,000.
(2) This date must be a Business Day.

(iv) The proceeds of the Proposed Loan should be made available to the undersigned by wire transferring such proceeds in accordance with the payment instructions attached hereto as Exhibit A.

The undersigned certifies that [(i) For Revolving Loans : the representations and warranties contained in Article 5 of the Credit Agreement and in each other Loan Document and certificate or other writing delivered to the Agents or any Lender pursuant thereto on or prior to the date hereof are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof (except for any representation and warranty made as of a specific date which was true and correct as of such specific date, and except for changes in representations and warranties otherwise permitted by the terms of the Credit Agreement), (ii) there shall have occurred no Material Adverse Effect after giving effect to the Proposed Loan] [(i) For Term Loans : the Specified Representations are true and correct in all material respects on and as of the date hereof], [(ii)][(iii)] no Default or Event of Default has occurred and is continuing or will result from the making of the Proposed Loan and [(iii)][(iv)] all applicable conditions set forth in Article 4 of the Credit Agreement have been satisfied as of the date hereof or shall have been waived in writing by the requisite Lender Parties.

Very truly yours,

NEENAH PAPER, INC.,
as Borrowers' Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

Payment Instructions

EXHIBIT F

FORM OF RATE SELECTION NOTICE

Reference is made to that certain Second Amended and Restated Credit Agreement, dated as of October 11, 2012, by and among the undersigned (" Borrowers' Agent "), the other Persons defined therein as Credit Parties, JPMorgan Chase Bank, N.A., as agent for the Lenders, and the other Persons signatory thereto from time to time as Lenders (including all annexes, exhibits and schedules thereto, and as amended, restated, supplemented or otherwise modified from time to time, the " Credit Agreement "). All capitalized terms used but not defined herein shall have the meaning specified in the Credit Agreement.

Borrowers' Agent hereby gives irrevocable notice, pursuant to Section 2.8(b)(i) of the Credit Agreement, of its request to:

(a) on [date] convert [ ] dollars of the aggregate outstanding principal amount of the [Term Loans] [Revolving Loans] constituting a [ ] Borrowing, bearing interest at the [ ] Rate, into a(n) [ ] Borrowing [and, in the case of a LIBOR Borrowing, having an Interest Period of [ ] month(s)];

[(b) on [date] continue [ ] dollars of the aggregate outstanding principal amount of the [Term Loans] [Revolving Loans] constituting a LIBOR Borrowing, bearing interest at the Adjusted LIBOR Rate, as a LIBOR Borrowing having an Interest Period of [ ] month(s)].

[Borrowers' Agent hereby certifies that no Event of Default or Default has occurred and is continuing on the date hereof.](1)

NEENAH PAPER, INC.,
as Borrowers' Agent

By: _____
Name: _____
Title: _____

(1) This bracketed sentence is to be used only if a LIBOR Borrowing is being continued as such or if an Alternate Base Rate Borrowing is being converted into a LIBOR Borrowing.

EXHIBIT G

FORM OF BORROWING BASE COMPLIANCE CERTIFICATE

EXHIBIT H

FORM OF RECEIVABLES REPORT

JPMORGAN CHASE BANK, N.A., AGENT
ASSET BASED OPERATIONS
2200 Ross Avenue, 9th Floor TX 2921
Dallas, Texas 75201
ATTN: Jeff A. Tompkins

RE: Second Amended and Restated Credit Agreement, dated as of October 11, 2012 (as amended, supplemented, waived or otherwise modified from time to time, the " **Credit Agreement** "), among Neenah Paper, Inc. (" **Parent** "), a Delaware corporation, each subsidiary of Parent party thereto as a "Borrower" (together with Parent, each a " **Borrower** " and collectively, the " **Borrowers** "), each subsidiary of Parent party thereto as a "Guarantor", certain financial institutions now or hereafter parties thereto (each a " **Lender** " and collectively, the " **Lenders** "), and JPMorgan Chase Bank, N.A., as agent for the Lenders (in such capacity, together with its successors in such capacity, the " **Agent** ").

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement for all purposes. Any capitalized terms used but not defined herein shall have the meanings specified in the Credit Agreement.

The Person executing this Receivables Report, which is being delivered pursuant to Section 6.3(f) of the Credit Agreement on behalf of the Credit Parties, hereby certifies that (a) he/she is a Responsible Officer of the Borrowers' Agent, and in that capacity such Person is authorized to execute this Receivables Report on behalf of the Credit Parties, and (b) the following information is accurate, complete and correct as of [ ].

Credit Parties' Receivables Information :

Total Receivables as of [ ]	$
Plus gross sales other than sales giving rise to bill and hold Receivables	$
Less gross collections on Receivables	$
Less credits to Receivables	$
Plus/Minus adjustments to Receivables	$
Less Receivables not constituting Eligible Receivables	$
Eligible Receivables as of [ ]	$

Information . Such figures are taken from the Credit Parties' Receivables records, kept in accordance with GAAP and used in the Credit Parties' business. In determining Ineligible Receivables for purposes hereof, the standards set forth in the Credit Agreement were utilized and correctly and consistently applied. This certificate and agreement is delivered to the Agent upon the understanding that the Agent and the Lenders will rely upon it in making or continuing Revolving Loans to the Borrowers under the Credit Agreement.

Representations and Warranties . The Person executing this Receivables Report on behalf of the Credit Parties hereby confirms that the agreements, warranties and representations contained in the Loan Documents apply to all such Receivables. The Credit Parties ratify and confirm the continuing general and first priority Lien against all Receivables of the Credit Parties and confirm any Security Documents in favor of the Loan Parties.

[ ]

By: _____
Name: _____
Title: _____

EXHIBIT I

FORM OF INVENTORY DESIGNATION REPORT

JPMORGAN CHASE BANK, N.A., AGENT
ASSET BASED OPERATIONS
2200 Ross Avenue, 9th Floor TX 2921
Dallas, Texas 75201
ATTN: Jeff A. Tompkins

RE: Second Amended and Restated Credit Agreement, dated as of October 11, 2012 (as amended, supplemented, waived or otherwise modified from time to time, the " **Credit Agreement** "), among Neenah Paper, Inc. (" **Parent** "), a Delaware corporation, each subsidiary of Parent party thereto as a "Borrower" (together with Parent, each a " **Borrower** " and collectively, the " **Borrowers** "), each subsidiary of Parent party thereto as a "Guarantor", certain financial institutions now or hereafter parties thereto (each a " **Lender** " and collectively, the " **Lenders** "), and JPMorgan Chase Bank, N.A., as agent for the Lenders (in such capacity, together with its successors in such capacity, the " **Agent** ").

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement for all purposes. Any capitalized terms used but not defined herein shall have the meanings specified in the Credit Agreement.

The Person executing this Inventory Designation Report, which is being delivered pursuant to Section 6.3(g) of the Credit Agreement on behalf of the Credit Parties, hereby certifies that (a) he/she is a Responsible Officer of the Borrowers' Agent, and in that capacity such Person is authorized to execute this Inventory Designation Report on behalf of the Credit Parties, and (b) the following information is accurate, complete and correct as of [ ].

11. Credit Parties' Inventory:

Credit Parties' total Inventory:	$
Inventory not constituting Eligible Inventory	$
Credit Parties' Eligible Inventory (A minus B)	$
Net Recovery Value Percentage of the Credit Parties' Eligible Inventory	$
.75 multiplied by C	$

.85 multiplied by D	$
Credit Parties' Inventory (Lesser of E or F)	$

Information . Such figures are taken from the Credit Parties' inventory records, kept in accordance with GAAP and used in the Credit Parties' business or, if so indicated, taken from a physical inventory. Unless otherwise indicated, such figures are at the lower of cost (determined on a [ ] basis) or market value, with appropriate allowances for Ineligible Inventory. Title to all Inventory listed hereon is owned by and recorded on the books and records of the applicable Credit Party in the ordinary course of business. In determining Ineligible Inventory for purposes hereof, the standards set forth in the Credit Agreement were utilized and correctly and consistently applied. This certificate and agreement is delivered to the Agent upon the understanding that the Agent and the Lenders will rely upon it in making or continuing Revolving Loans to the Borrowers under the Credit Agreement.

Representations and Warranties . The Person executing this Inventory Designation Report on behalf of the Credit Parties hereby confirms that the agreements, warranties and representations contained in the Loan Documents apply to all such inventories. The Credit Parties ratify and confirm the continuing general and first priority Lien against all inventories of the Credit Parties and confirm any Security Documents in favor of the Loan Parties.

Inventory Locations . Except as described in Annex I hereto, all Inventory of the Credit Parties is kept at the locations specified in the Perfection Certificate as updated in any Perfection Certificate update previously delivered to the Agent.

[ ]

By: _____
Name: _____
Title: _____

EXHIBIT J

FORM OF SOLVENCY CERTIFICATE

The undersigned [TITLE] of Neenah Paper, Inc., a Delaware corporation (" Neenah Paper "), hereby certifies that [he/she] is duly authorized to execute this Certificate on behalf of Neenah Paper and each of the Credit Parties under the Second Amended and Restated Credit Agreement (as each such term is defined below).

WITNESSETH

WHEREAS, Neenah Paper and its subsidiaries, Neenah Paper Michigan, Inc., NPCC Holding Company, LLC, Neenah Paper FR, LLC and Neenah Paper FVC, Inc., as co-borrower (each a " Borrower " and collectively with Neenah Paper, the " Borrowers "), each subsidiary of Neenah Paper listed as a "Guarantor" on the signature pages thereto (the " Guarantor "; and together with the Borrowers, the " Credit Parties "), have entered into that certain Second Amended and Restated Credit Agreement, dated as of the date hereof (the " Second Amended and Restated Credit Agreement "; capitalized terms used but not otherwise defined herein having the meanings specified in the Second Amended and Restated Credit Agreement), by and among the Credit Parties, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Agent, pursuant to which the Lenders have established a $105,000,00 revolving credit facility and a $30,000,000 term loan facility (collectively, the " Credit Facilities ") in favor of the Borrowers;

WHEREAS, to secure their respective obligations under and relating to the Credit Facilities the Credit Parties have executed and delivered to the Agent the other Loan Documents referenced in the Second Amended and Restated Credit Agreement (the grant of security interests, transfers, incurrence of obligations and other transactions relating to the execution, delivery and performance of the obligations under the Loan Documents, and any other transactions and transfers related thereto, being referred to herein collectively as the " Transactions ");

WHEREAS, the undersigned has carefully reviewed the Second Amended and Restated Credit Agreement and the various other Loan Documents, and also the contents of this Certificate, and in connection herewith has made such investigations and inquiries as he or she has deemed necessary and prudent therefor, including those described below, and further acknowledges that the Agent and the Lenders are relying on this Certificate in connection with the establishment of the Credit Facilities;

NOW, THEREFORE, ON THE BASIS OF THE FOREGOING, and the inquiries and considerations set forth below, the undersigned hereby certifies to the best of such person's knowledge and belief, and in his or her representative capacity that after giving effect to the funding of the initial Loans and the consummation of the Transactions:

1. I am, and at all pertinent times mentioned herein, have been the duly qualified and acting [TITLE] of Neenah Paper and have responsibility for the overall management of the

financial affairs of the Credit Parties and the preparation of the financial statements of the Credit Parties.

2. The financial information, projections and assumptions which underlie and form the basis for the representations made in this Certificate were reasonable under the circumstances in which they were made and were made in good faith and continue to be reasonable as of the date hereof.

3. The value of the assets of each Credit Party (including contribution rights from other Credit Parties), based on a fair valuation thereof, is not less than the amount that will be required to be paid on or in respect of the probable liability on the existing debts and other liabilities (including contingent liabilities) of such Credit Party, as they are expected to become absolute and mature.

4. The value of the assets of each of the Subsidiaries of the Credit Parties (including contribution rights from other Credit Parties), based on a fair valuation thereof, is not less than the amount that will be required to be paid on or in respect of the probable liability on the existing debts and other liabilities (including contingent liabilities) of each such Subsidiary, as they are expected to become absolute and mature.

5. The assets of each Credit Party do not constitute unreasonably small capital for such Credit Party to carry out its business as now conducted and as proposed to be conducted including the capital needs of such Credit Party, taking into account (i) the nature of the business conducted by such Credit Party, (ii) the particular capital requirements of the business conducted by such Credit Party, (iii) the anticipated nature of the business to be conducted by such Credit Party in the future, and (iv) the projected capital requirements and capital availability of such current and anticipated business.

6. The assets of each of the Subsidiaries of each Credit Party do not constitute unreasonably small capital for such Subsidiary to carry out its business as now conducted and as proposed to be conducted, including the capital needs of each such Subsidiary, taking into account (i) the nature of the business conducted by such Subsidiary, (ii) the particular capital requirements of the business conducted by such Subsidiary, (iii) the anticipated nature of the business to be conducted by such Subsidiary in the future, and (iv) the projected capital requirements and capital availability of such current and anticipated business.

7. No Credit Party, nor any of their Subsidiaries, intends to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be received by each such Credit Party and Subsidiary and the timing and amounts to be payable on or in respect of debt of each such Credit Party and Subsidiary, as applicable). The cash flow of each such Credit Party and Subsidiary, after taking into account all anticipated uses of the cash of each such Credit Party and Subsidiary, should at all times be sufficient to pay all such amounts on or in respect of debt of each such Credit Party and Subsidiary when such amounts are anticipated to be required to be paid.

8. The Credit Parties do not believe that final judgments against any of them or any of their Subsidiaries in actions for money damages presently pending, if any, will be rendered at

a time when, or in an amount such that, the applicable Credit Party or Subsidiary will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum reasonable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered). The cash flow of each such Credit Party and Subsidiary, as applicable, after taking into account all other anticipated uses of the cash of each such Credit Party and Subsidiary, as applicable (including the payments on or in respect of debt referred to in paragraph 7 herein), should at all times be sufficient to pay all such judgments promptly in accordance with their terms (taking into account the maximum reasonable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered).

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of , 200 , on behalf of Neenah Paper.

NEENAH PAPER, INC.

By: _____
Name: _____
Title: _____

[Signature Page to Solvency Certificate]

EXHIBIT K

FORM OF GUARANTY

GUARANTY

GUARANTY, dated as of [ ], made by [ ], a [ ] (the " **Guarantor** "), in favor of each of the Lender Parties, and JPMorgan Chase Bank, N.A., in its capacity as agent for the Lenders (as hereinafter defined) (in such capacity, together with its successors in such capacity, the " **Agent** "), pursuant to the Second Amended and Restated Credit Agreement referred to below.

W I T N E S S E T H:

WHEREAS, Neenah Paper, Inc., a Delaware corporation (the " **Parent** "), each subsidiary of the Parent listed as a "Borrower" on the signature pages thereto (together with the Parent, each a " **Borrower** " and collectively, the " **Borrowers** "), each subsidiary of the Parent listed as a "Guarantor" on the signature pages thereto, each of the financial institutions from time to time party thereto (each a " **Lender** " and collectively, the " **Lenders** ") and the Agents are parties to a Second Amended and Restated Credit Agreement, dated as of October 11, 2012 (such agreement, as amended, restated, supplemented or otherwise modified from time to time, including any replacement agreement therefor, being hereinafter referred to as the " **Second Amended and Restated Credit Agreement** ");

WHEREAS, the Parent directly or indirectly owns all of the issued and outstanding shares of Stock (as defined in the Second Amended and Restated Credit Agreement) of the Guarantor;

WHEREAS, pursuant to the Second Amended and Restated Credit Agreement, the Guarantor is required to execute and deliver to the Agents a guaranty guaranteeing all Obligations of the Credit Parties (as each such term is defined in the Credit Agreement) under the Second Amended and Restated Credit Agreement; and

WHEREAS, the Guarantor has determined that its execution, delivery and performance of this Guaranty directly benefits, and are within the corporate purposes and in the best interests of, the Guarantor;

NOW, THEREFORE, in consideration of the premises and the agreements herein and in order to induce the Lenders and the Agents to make and maintain the Loans, the Letters of Credit and the other financial accommodations pursuant to the Second Amended and Restated Credit Agreement, the Guarantor hereby agrees with the Agents and the Lender Parties as follows:

Definitions . Reference is hereby made to the Second Amended and Restated Credit Agreement for a statement of the terms thereof. All terms used in this Guaranty which are defined in the Second Amended and Restated Credit Agreement and not otherwise defined herein shall have the same meanings herein as set forth therein.

Guaranty . The Guarantor hereby (i) unconditionally and irrevocably guarantees, the punctual payment, when due, whether by scheduled maturity, required prepayment, acceleration, demand or otherwise, of all Obligations of each of the other Credit Parties (and any one or more of them) from time to time owing by each of them under any Loan Document or pursuant to any Bank Product, whether for principal, interest (including, without limitation, interest that accrues or that would accrue but for the filing of a bankruptcy case or other similar proceeding by a Credit Party or any of its Subsidiaries, whether or not such interest would be an allowable claim under any applicable bankruptcy or other similar proceeding (an " **Insolvency Proceeding** "), whether or not a claim for post-filing interest is allowed in such proceeding) and any other obligations, liabilities and Indebtedness of the Credit Parties under or pursuant to the Second Amended and Restated Credit Agreement or any Loan Document or Bank Product, including all fees, costs, expenses, commissions, indemnifications or otherwise (such obligations being the " **Guaranteed Obligations** "), and (ii) agrees to pay any and all reasonable out-of-pocket expenses (including reasonable counsel fees on a full indemnity basis and expenses) incurred by the Lender Parties in protecting or enforcing any rights under this Guaranty. Without limiting the generality of the foregoing, the Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Credit Parties to the Lender Parties under any Loan Document or pursuant to any Bank Product but for the fact that they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Credit Party.

Guaranty Absolute; Continuing Guaranty; Assignments.

The Guarantor hereby guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender Parties with respect thereto. The Guarantor agrees that this Guaranty constitutes a guaranty of payment when due and not of collection and waives any right to require that any resort be made by any Lender Party to any other Credit Party or any Collateral. The obligations of the Guarantor under this Guaranty are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against the Guarantor to enforce such obligations, irrespective of whether any action is brought against any Credit Party or whether any other Credit Party is joined in any such action or actions. The liability of the Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and the Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

any lack of validity or enforceability of the Guaranteed Obligations or any Loan Document or any agreement or instrument relating thereto in whole or in part;

any other guarantee given by any Person in favour of any Lender or Lenders or either or both of the Agents from time to time in connection with or relating to the Guaranteed Obligations;

any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the

Guaranteed Obligations resulting from the extension of additional credit to any Credit Party or otherwise;

any taking, exchange, release or non-perfection of any Collateral or any security interest therein, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

the existence of any claim, set-off, defense or other right that the Guarantor may have at any time against any Person, including, without limitation, any Lender Party;

any change, restructuring or termination of the corporate, limited liability company, unlimited liability company or partnership structure or existence of any Credit Party or control of any Credit Party;

any change in the name, objects, capital stock, constating documents or by-laws of any Credit Party; or the dissolution, winding-up, liquidation or other distribution of the assets of any Credit Party, whether voluntary or otherwise;

any Credit Party's becoming insolvent or bankrupt or subject to any proceeding under the provisions of the [Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the arrangement provisions of applicable corporate legislation,] (1) any legislation similar to the foregoing in any other jurisdiction, or any legislation enacted substantially in replacement of any of the foregoing, or either Agent's or any Lender's voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;

the failure or neglect of either Agent or any Lender to demand payment of Guaranteed Obligations by any Credit Party, any guarantor of Guaranteed Obligations or any other Person;

the valuation by either Agent or any Lender of any security held in respect of the Guaranteed Obligations, which shall not be considered as a purchase of such security or as payment on account of the Guaranteed Obligations;

any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by any Lender Party that might otherwise constitute a legal or equitable defense available to, or a discharge or partial discharge of, any Credit Party or any other guarantor or surety.

The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by either or both of the Agents or any Lender or Lenders in connection with any Credit Party or any Guaranteed Obligations. For greater certainty and without limiting the generality of the foregoing, without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of the Guarantor hereunder, and without notice to or the consent of the Guarantor, either or both of the Agents or any Lender or Lenders may from time to time:

(1)Appropriate changes based upon the local law of the applicable Guarantor's jurisdiction of creation should be inserted in place of the bracketed language.

make advances and extend credit to any Borrower (including new loans and credit facilities, whether in addition to or in replacement for other loans and credit facilities previously established for any Borrower), convert revolving lines of credit to non-revolving lines of credit or vice versa, increase or decrease the amount of credit available to any Borrower and receive payments in respect of the Guaranteed Obligations;

increase the interest rates, fees and charges applicable to all or any portion of the Guaranteed Obligations from time to time;

amend, renew, waive, release or terminate the Second Amended and Restated Credit Agreement or any of the other Loan Documents or any provisions thereof in whole or in part from time to time (including, without limitation, any provisions relating to interest rates, fees, margin requirements, conditions for the extension of credit and the determination of the amount of credit available, positive and negative covenants, payment provisions, the application of payments received by or on behalf of the Debtor, and events of default);

extend, renew, settle, compromise, waive, release or terminate the Guaranteed Obligations in whole or in part from time to time;

grant time, renewals, extensions, indulgences, releases and discharges to any Credit Party;

take, refrain from taking or release guarantees from other Persons in respect of Guaranteed Obligations;

accept compromises or arrangements from any Credit Party, any guarantor of Guaranteed Obligations or any other Person;

refrain from demanding payment from or exercising any rights or remedies in respect of any Credit Party or any guarantor of Guaranteed Obligations;

apply all monies received from any Credit Party, any guarantor of the Borrowers or any other Person or from the proceeds of any security to pay such part of the Guaranteed Obligations as the Agents and Lenders may see fit, or change any such application in whole or in part from time to time, notwithstanding any direction which may be given regarding application of such monies by any Credit Party, any guarantor of the Borrower or any other Person; and

otherwise deal with any Credit Party, any guarantor of Guaranteed Obligations or any other Person and any security held by the Agents or any Lender or Lenders in respect of Guaranteed Obligations, as the Agents or such Lender or Lenders may see fit in its or their absolute discretion.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if and to the extent that, for any reason any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by any Lender Party or any other Person whether as a result of the insolvency, bankruptcy or reorganization of any Credit Party or otherwise, all as though such payment had not been made.

Subject to Section 12 hereof, this Guaranty is a continuing guaranty and shall remain in full force and effect until the date on which all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash and the Commitments have been terminated.

Waivers. The Guarantor hereby waives (i) promptness, diligence, (ii) notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that any Lender Party pursue, resort to or exhaust any right or take any action against any Credit Party or any other Person or any Collateral, (iii) any right to compel or direct any Lender Party to seek payment or recovery of any amounts owed under this Guaranty from any one particular fund or source or to pursue, resort to or exhaust any right or take any action against any other Credit Party or any other Person or any Collateral, (iv) any requirement that any Lender Party protect, secure, perfect or insure any security interest or Lien or any property subject thereto or pursue, resort to or exhaust any right or take any action against any Credit Party or any other Person or any Collateral and (v) any other defense available to the Guarantor. The Guarantor agrees that the Lender Parties shall have no obligation to marshall any assets in favor of or for the benefit of the Guarantor or against, or in payment of, any or all of the Obligations. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated herein and in the Second Amended and Restated Credit Agreement and that the waivers set forth in Section 3 and Section 4 are knowingly made in contemplation of such benefits. The Guarantor hereby waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

Subrogation. The Guarantor will not exercise any rights that it may now or hereafter acquire against any other Credit Party or any other guarantor that arise from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of any Lender Party against any other Credit Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Credit Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until the date on which all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash and the Commitments have been terminated. If any amount shall be paid to the Guarantor in violation of the immediately preceding sentence at any time prior to the later of the date on which all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash and the Commitments have been terminated, such amount

shall be held in trust for the benefit of the Lender Parties and shall forthwith be paid to the Lender Parties, to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of this Guaranty and the Second Amended and Restated Credit Agreement, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (i) the Guarantor shall make payment to any Lender Party of all of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall be paid in full in cash and (iii) the Commitments have been terminated,

such Lender Party will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Guaranteed Obligations resulting from the payment by the Guarantor.

Representations, Warranties and Covenants . The Guarantor hereby represents and warrants to the Lender Parties as follows:

The Guarantor (i) has read and understands the terms and conditions of the Second Amended and Restated Credit Agreement and the other Loan Documents, and (ii) now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Credit Parties, and has no need of, or right to obtain from any Lender Party, any credit or other information concerning the affairs, financial condition or business of the Credit Parties that may come under the control of any Lender Party.

The Guarantor acknowledges and agrees that by its execution and delivery of this Guaranty (i) it shall be bound, as a Guarantor, by all the provisions of the Second Amended and Restated Credit Agreement and the other Loan Documents and shall comply with and be subject to all of the terms, conditions, covenants, agreements and obligations set forth therein and applicable to the Guarantors (including, without limitation, each of the covenants that are set forth in Section 1.4(b), Section 6 and Section 7 of the Second Amended and Restated Credit Agreement) and (ii) from and after the date hereof, each reference to a "Guarantor", the "Guarantors", a "Credit Party" or the "Credit Parties" in the Second Amended and Restated Credit Agreement and each other Loan Document shall include the Guarantor. The Guarantor further acknowledges and agrees that it has received a copy of the Second Amended and Restated Credit Agreement and each other Loan Document.

Right of Set-off . Upon the occurrence and during the continuance of any Event of Default, any Lender Party may, and is hereby authorized to, at any time and from time to time, without notice to the Guarantor (any such notice being expressly waived by the Guarantor) and to the fullest extent permitted by law, set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by such Lender Party to or for the credit or the account of the Guarantor against any and all obligations of the Guarantor now or hereafter existing under this Guaranty or any other Loan Document, irrespective of whether or not such Lender Party shall have made any demand under this Guaranty or any other Loan Document and although such obligations may be contingent or unmatured. Each Lender Party agrees to notify the Guarantor promptly after any such set-off and application made by such Lender Party, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender Parties under this Section 7 are in addition to other rights and remedies (including, without limitation, other rights of set-off) that the Lender Parties may have under this Guaranty or any other Loan Document, in law or otherwise.

Notices, Etc . Except as otherwise expressly permitted hereunder, all notices shall be in writing and either (i) delivered to the intended recipient, (ii) mailed by registered or certified mail, return receipt requested, or (iii) sent by facsimile or other form of electronic transmission (promptly confirmed by mail), in each case to the intended recipient at the "Address for Notices"

specified in the Second Amended and Restated Credit Agreement; or, as to any Lender who is a signatory thereto, at such other address as shall be designated by such Lender.

CONSENT TO JURISDICTION; SERVICE OF PROCESS AND VENUE . ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE [GUARANTOR'S JURISDICTION OF INCORPORATION], AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE GUARANTOR HEREBY IRREVOCABLY ACCEPTS IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE GUARANTOR HEREBY IRREVOCABLY APPOINTS CT CORPORATION SYSTEM, LOCATED AT 111 EIGHTH AVENUE, NEW YORK, NEW YORK 10011, AS ITS AGENT FOR SERVICE OF PROCESS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING AND FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS AND IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, CARE OF THE BORROWER'S AGENT AT ITS ADDRESS FOR NOTICES AS SET FORTH IN THE AMENDED AND RESTATED CREDIT AGREEMENT AND TO CT CORPORATION SYSTEM, SUCH SERVICE TO BECOME EFFECTIVE TEN (10) DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE LENDER PARTIES TO SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE GUARANTOR IN ANY OTHER JURISDICTION. THE GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE JURISDICTION OR LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE GUARANTOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE GUARANTOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS GUARANTY AND THE OTHER LOAN DOCUMENTS.

Taxes .

Any and all payments by the Guarantor hereunder or under any other Loan Document shall be made free and clear of and without deduction for any and all present or future taxes. If the Guarantor is required by any applicable Legal Requirement to make any deduction or withholding for or on account of any Tax from any payment to be made by it under this Guaranty, then the Guarantor shall (i) promptly notify the applicable Lender, the holder of Notes or other relevant Persons that are entitled to such payment of such requirement to so deduct or withhold such Tax, (ii) pay to the relevant Governmental Authorities the full amount required to be so deducted or withheld, (iii) promptly forward to such Lender, holder or other relevant Person an official receipt (or certified copies thereof), or other documentation reasonably

acceptable to such holder or other relevant Person, evidencing such payment to such * Governmental Authorities and (iv) if such Tax is an Indemnifiable Tax, pay to such Lender, holder or other relevant Person, in addition to whatever net amount of such payment is paid to such holder or other relevant Person, such additional amount as is necessary to ensure that the total amount actually received by such holder or other relevant Person (free and clear of Indemnifiable Tax imposed on or with respect to such additional amount) will equal the full amount of the payment such holder or other relevant Person would have received had no such deduction or withholding been required.

In addition, the Guarantor shall pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

Each Lender or holder of a Note shall, upon request by the Guarantor, take requested measures to mitigate the amount of Indemnifiable Tax required to be deducted or withheld from any payment made by the Guarantor hereunder, if such measures can, in the sole and absolute opinion of such Lender or holder, be taken without such Person suffering any economic, legal, regulatory or other disadvantage (provided, however, that no such Person shall be required to designate a funding office that is not located in the United States of America).

As soon as practicable after any payment of Indemnifiable Taxes by the Gurantor to a Governmental Authority, the Guarantor shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

The Guarantors shall jointly and severally indemnify each Recipient for any Indemnifiable Taxes that are paid or payable by such Recipient in connection with any Loan Document (including amounts paid or payable under this Section 10(e)) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnifiable Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 10(e) shall be paid within ten (10) days after the Recipient delivers to the Guarantor a certificate stating the amount of any Indemnified Taxes so paid or payable by such Recipient and describing the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Recipient shall deliver a copy of such certificate to the Agent.

Each Lender shall severally indemnify the Agent for any Taxes (but, in the case of any Indemnifiable Taxes, only to the extent that the Guarantor has not already indemnified the Agent for such Indemnifiable Taxes and without limiting the obligation of the Guarantor to do so) attributable to such Lender that are paid or payable by the Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 10(f) of the Second Amended and Restated Credit Agreement shall be paid within ten (10) days after the Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

Any Lender that is entitled to an exemption from or reduction of the deduction, withholding or payment of an Indemnifiable Tax or Other Tax, with respect to payments hereunder shall deliver to the Guarantor and the Agent, at the time or times reasonably requested by the Guarantor, such properly completed and executed documentation reasonably requested by the Guarantor of the Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Guarantor or the Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Guarantor or the Agent as will enable the Guarantor or the Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Upon the reasonable request of the Guarantor or the Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 10(g). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within ten (10) days after such expiration, obsolescence or inaccuracy) notify the Guarantor and the Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

Each Lender and each Note holder agrees that if, in its sole discretion exercised in good faith, it has received a refund of any Taxes previously paid by it and as to which it has been indemnified by or on behalf of the Guarantor or previously deducted by the Guarantor (including, without limitation, any Indemnifiable Taxes deducted from any additional amounts paid under clause (b) above), the relevant Lender or Note holder, as the case may be, shall reimburse the Guarantor to the extent of the amount of any refund (but only to the extent of any indemnity payments made under this Section 10 with respect to the Taxes giving rise to such refund); provided , however , that the Guarantor, upon the request of the Lender or Note holder, as the case may be, agree to repay to such Lender or Note holder, as the case may be, the amount paid over to the Guarantor (together with penalties, interest or other charges), in the event such Lender or Note holder is required to repay such amount to the relevant Governmental Authority. Notwithstanding anything to the contrary in this Section 10(h), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 10(h) if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 10(h) shall not be construed to require any indemnified party to make available its Tax returns (or any other information related to its Taxes which it deems confidential) to the indemnifying party or any other Person.

The obligations of the Guarantor under this Section 10 shall survive the termination of this Guaranty and the payment of the Guaranteed Obligations and all other amounts payable hereunder.

Miscellaneous .

The Guarantor will make each payment hereunder in lawful money of the United States of America and in immediately available funds to the Agent, for the benefit of the Lender Parties, at such address specified by the Agent from time to time by notice to the Guarantor.

No amendment or waiver of any provision of this Guaranty and no consent to any departure by the Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Guarantor and the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

No failure on the part of any Lender Party to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Lender Parties provided herein and in the other Loan Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Lender Parties under any Loan Document against any party thereto are not conditional or contingent on any attempt by the Lender Parties to exercise any of their rights under any other Loan Document against such party or against any other Person.

Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Guaranty shall (i) be binding on the Guarantor and its successors and assigns, and (ii) inure, together with all rights and remedies of the Lender Parties and the Agents hereunder, to the benefit of the Lender Parties, the Agents and their respective permitted successors, transferees and assigns. Without limiting the generality of clause (ii) of the immediately preceding sentence, to the extent permitted by Section 10.12 of the Second Amended and Restated Credit Agreement, any Lender may assign or otherwise transfer its rights and obligations under the Second Amended and Restated Credit Agreement or any other Loan Document (including, without limitation, all or a portion of its Commitment, its Loans, the Note or Notes held by it, and obligations owing to it with respect to Letters of Credit) to any other Person, and such other Person shall thereupon become vested with all of the benefits in respect thereof granted to the Lenders herein or otherwise. The Guarantor agrees that each participant shall be entitled to the benefits of this Section 11 with respect to its participation in any portion of the Loans as if it was a Lender. None of the rights or obligations of the Guarantor hereunder may be assigned or otherwise transferred without the prior written consent of the Agent.

This Guaranty and the other Loan Documents reflect the entire understanding of the parties with respect to the transactions contemplated hereby and thereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

THIS GUARANTY AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE [PROVINCE OF NOVA SCOTIA AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN].

In the event of a conflict between the provisions contained in this Agreement and the provisions contained in the Second Amended and Restated Credit Agreement, the provisions of the Second Amended and Restated Credit Agreement shall control and govern.

Termination or Release .

Notwithstanding the foregoing, a Guarantor shall automatically be released from its obligations hereunder upon the Guarantor ceasing to be a Subsidiary of the Parent in accordance with the terms of the Second Amended and Restated Credit Agreement.

In connection with any termination or release pursuant to paragraph (a) of this Section, the Agent shall, upon the Guarantor's written request and at the Guarantor's expense, without any representation, warranty or recourse whatsoever, execute and deliver to the Guarantor such documents as the Guarantor shall reasonably request to evidence such termination or release.

Judgment. The specification under the Loan Documents of Dollars and payment in New York City is of the essence. The Guarantor's obligations hereunder to make payments in Dollars (the " **Obligation Currency** ") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Lender Parties of the full amount of the Obligation Currency expressed to be payable to the Lender Parties under this Guaranty. If, for the purpose of obtaining or enforcing judgment in any court, it is necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the " **Judgment Currency** ") an amount due in the Obligation Currency, the rate(s) of exchange used shall be that at which the Lender Parties could, in accordance with normal banking procedures, purchase Dollars with the Judgment Currency on the Business Day preceding that on which final judgment is given. The obligation of the Guarantor in respect of any such sum due from it to the Lender Parties hereunder shall, notwithstanding any judgment in such Judgment Currency, be discharged only to the extent that, on the Business Day immediately following the date on which the Lender Parties receive any sum adjudged to be so due in the Judgment Currency, the Lender Parties may, in accordance with normal banking procedures, purchase Dollars with the Judgment Currency. If the Dollars so purchased are less than the sum originally due to the Lender Parties in Dollars, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender Parties against such loss, and if the Dollars so purchased exceed the sum originally due to the Lender Parties in Dollars, the Lender Parties agree to remit to the Guarantor such excess.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed by an officer thereunto duly authorized, as of the date first above written.

[ ]
By: _____
Name: _____
Title: _____

[Signature Page to Guaranty]

EXHIBIT L

FORM OF PERFECTION CERTIFICATE

October [ ], 2012

Reference is hereby made to that certain Second Amended and Restated Credit Agreement, dated as of October 11, 2012 (as amended, modified, restated and supplemented from time to time, the " Credit Agreement "), among Neenah Paper, Inc., as a borrower, the other borrowers party thereto, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Agent. Terms used herein but not defined herein shall have the meanings assigned thereto in the Credit Agreement.

As used herein, the following terms shall have the following meanings:

" Neenah Entities " shall include Neenah Paper, Inc. and each Subsidiary thereof.

CURRENT INFORMATION

Legal Names, Organizations, Jurisdictions of Organization and Organizational Identification Numbers . The full and exact legal name (as it appears in each respective certificate or articles of incorporation, limited liability membership agreement or similar organizational documents, in each case as amended to date), the type of organization, the jurisdiction of organization (or formation, as applicable), the organizational identification number (not tax i.d. number) of the Neenah Entities and Offshore Entities and those jurisdictions where the nature of each Borrower's business makes it necessary or desireable to be qualified to do business as a foreign corporation are as follows:

Name of Entity	Type of Organization (e.g. corporation, limited liability company, limited partnership)	Jurisdiction of Organization/ Formation	Organizational Identification Number	Jurisdictions of Foreign Qualification

Chief Executive Offices and Mailing Addresses . Set forth below are the chief executive office address and the preferred mailing address (if different than chief executive office or residence) of each Neenah Entity:

Name of Entity	Address of Chief Executive Office	Mailing Address (if different than CEO)

Changes in Names, Jurisdiction of Organization or Corporate Structure. Except as set forth below, no Neenah Entity has changed its name, jurisdiction of organization or its corporate structure in any way (e.g. by merger, consolidation, change in corporate form, change in jurisdiction of organization or otherwise) within the past five (5) years:

Entity	Date of Change	Description of Change

Prior Addresses. Except as set forth below, no Neenah Entity has changed its chief executive office within the past five (5) years:

Entity	Former chief executive office

Acquisitions of Equity Interests or Assets.

Except as set forth below, no Neenah Entity has acquired the equity interests of another entity within the past five (5) years or any material amount (fair market value of $1,000,000 or more) of assets of another entity outside of the ordinary course of business within the past five (5) years.

Acquiring Entity	Date of Acquisition	Description of Acquisition

INVESTMENT RELATED PROPERTY

Securities. Set forth below is a list of all equity interests owned or to be owned by the Neenah Entities together with the type of organization which issued such equity interests (e.g., corporation, limited liability company, partnership or trust):

Entity	Issuer	Type of Organization and Jurisdiction of Organization of Issuer	# of Shares Owned	Total Shares Outstanding	% of Interest Pledged	Certificate No. (if uncertificated, please indicate so)	Par Value

Securities Accounts. Set forth below is a list of all equity interests owned or to be owned by the Neenah Entities together with the type of organization which issued such equity interests (e.g., corporation, limited liability company, partnership or trust):

Deposit Accounts. Set forth below is a list of all bank accounts (checking, savings, money market or the like) and Special Cash Collateral Accounts in which any Neenah Entity customarily maintains or will maintain in excess of $10,000:

Entity	Type of Account	Name & Address of Financial Institutions

Instruments. Set forth below is a list of all instruments owed or to be owed to any Neenah Entity in the principal amount of greater than $10,000:

INTELLECTUAL PROPERTY

Set forth below is a list of all copyrights, patents and trademarks and other intellectual property owned or used, or hereafter to be adopted, held or used, by any Neenah Entity:

Copyrights.

Patents and other intellectual property.

Trademarks.

INVENTORY AND EQUIPMENT

Inventory and Equipment. Set forth below in this Section 1 and in Section 2 are all the locations where any Neenah Entity currently maintains (or will maintain) any material amount (aggregate fair market value of $250,000 or more) of inventory and equipment (whether or not in the possession of such entity):

Property	Entity	Address—City/State/Zip Code	County	Description of Assets and Value

Warehousemen and bailees. Except as set forth below, no persons (including warehousemen and bailees) other than a Neenah Entity have or will have possession of any material amount (fair market value of $250,000 or more) of assets of a Neenah Entity:

Entity	Address/City/State/Zip Code	County	Description of Assets and Value

REAL ESTATE RELATED UCC COLLATERAL

Fixtures. Set forth below are all the locations where any Neenah Entity owns or leases (or will own or lease) any real property:

Timber to be Cut. Set forth below are all locations where any Neenah Entity owns or has rights (or will own or have rights) in goods that are timber to be cut:

SPECIAL DEBTORS

Trade Names.

Current Names. Set forth below is each trade name or assumed name currently used or to be used by a Neenah Entity or by which a Neenah Entity is or will be known or is or will be transacting any business:

Entity	Trade Name

Past Names. Set forth below is each trade name or assumed name used by any Neenah Entity during the past five (5) years or by which such entity has been known or has transacted any business during the past five (5) years other than the names identified in Section I.A. and VI.1. of this Perfection Certificate:

[Signature Page Follows.]

In connection with the Credit Agreement, the Borrowers and each other Credit Party each hereby certify that the information set forth herein is true and correct in all material respects as of the date first set forth above.

NEENAH PAPER, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER MICHIGAN, INC.

By: _____
Name: _____
Title: _____

NPCC HOLDING COMPANY, LLC

By: Neenah Paper, Inc., as its sole member

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUE ON NEXT PAGE.]

NEENAH PAPER FVC, INC.

By: _____
Name: _____
Title: _____

NEENAH PAPER FR, LLC

By: _____
Name: _____
Title: _____

[Signature Page to Perfection Certificate]

Schedule 1
to
Perfection Certificate

INTELLECTUAL PROPERTY

Schedule 2
to
Perfection Certificate

REAL PROPERTY LOCATIONS

EXHIBIT M

FORM OF PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT (" Agreement "), dated [ ], 20 , is made by [Neenah Paper, Inc.], a Delaware corporation, located at 3460 Preston Ridge Road, Suite 600, Alpharetta, GA 30005 (" Assignor "), in favor of JPMorgan Chase Bank, N.A., a New York banking corporation, located at 2200 Ross Avenue, Ninth Floor Texas 2921, Dallas, Texas 75201, Attention: Jeff A. Tompkins, as agent for certain lenders (in such capacity, together with any permitted successors and assigns, " Assignee "). Capitalized terms used in this Agreement and not defined herein have the meanings set forth for such terms in the Security Agreement (as hereinafter defined).

WHEREAS, Assignor is the patentee or applicant for the utility patents, design patents and patent applications listed on the annexed Schedule 1, which patents are issued or applied for in the United States Patent and Trademark Office (the " Patents ");

WHEREAS, the Assignor has entered into a Security Agreement (Personal Property), dated as of November 30, 2004, among Assignor and the other grantors signatory thereto, and Assignee (as amended, restated, supplemented or otherwise modified from time to time, the " Security Agreement ");

WHEREAS, pursuant to the Security Agreement, as collateral security for all of the Obligations, Assignor has pledged and assigned to Assignee, and granted to Assignor, for the benefit of the Lender Parties (as such terms are defined in the Security Agreement) a continuing security interest in the Patents and the applications and registrations thereof, and all proceeds thereof (the " Collateral ");

NOW, THEREFORE, in consideration of the premises and agreements made herein and in the Security Agreement, as collateral security for all of the Obligations, Assignor hereby pledges and assigns to the Assignee, and grants to the Assignee, for the benefit of the Agents and the Lender Parties, a continuing security interest in the Collateral.

Assignor does hereby further acknowledge and affirm that the rights and remedies of the Assignee with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated by reference herein as if fully set forth herein.

Upon full satisfaction of the Obligations, complete performance of all of the obligations of the Credit Parties under the Loan Documents and final termination of each Lender's obligations — if any — to make any further advances under any Note or to provide any other financial accommodations to any Credit Party, all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and upon written request by Assignor such security interest shall be released by Assignee in due form and

at Assignor's cost; provided , however , that this Agreement shall be reinstated if at any time any payment of any of the obligations under the Loan Documents is rescinded or must otherwise be returned by the Assignee, the Lenders, or any of their respective affiliates or branches on the insolvency, bankruptcy or reorganization of any Credit Party or otherwise, all as though the payment had not been made.

(Signature Pages Follow)

IN WITNESS WHEREOF, Assignor has caused this Agreement to be executed and delivered by its officer thereunto duly authorized as of the date above first written.

[NEENAH PAPER, INC.],
as Assignor

By: _____
Name:
Title:

[Signature Page to Patent Security Agreement]

STATE OF

ss.:

COUNTY OF

On this day of , 20 , before me personally came , to me known to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that s/he is the of , a , and that s/he executed the foregoing instrument in the name of , and that s/he had authority to sign the same, and s/he acknowledged to me that he executed the same as the act and deed of said entity for the uses and purposes therein mentioned.

Notary Public

SCHEDULE 1 TO PATENT SECURITY AGREEMENT

[Patents and Patent Applications]

EXHIBIT N

FORM OF TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT (" Agreement "), dated , [ ] 20 , is made by [Neenah Paper, Inc.], a Delaware corporation, located at 3460 Preston Ridge Road, Suite 600, Alpharetta, GA 30005 (" Assignor "), in favor of JPMorgan Chase Bank, N.A., a New York banking corporation, located at 2200 Ross Avenue, Ninth Floor Texas 2921, Dallas, Texas 75201, Attention: Jeff A. Tompkins, as agent for certain lenders (in such capacity, together with any permitted successors and assigns, " Assignee "). Capitalized terms used in this Agreement and not defined herein have the meanings set forth for such terms in the Security Agreement (as hereinafter defined).

WHEREAS, Assignor is the applicant or registrant for the trademarks and service marks listed on the annexed Schedule 1 hereto, which trademarks and service marks are registered or applied for in the United States Patent and Trademark Office (the " Trademarks ");

WHEREAS, the Assignor has entered into a Security Agreement (Personal Property), dated as of November 30, 2004, among Assignor and the other grantors signatory thereto, and Assignee (as amended, restated, supplemented or otherwise modified from time to time, the " Security Agreement ");

WHEREAS, pursuant to the Security Agreement, as collateral security for all of the Obligations, Assignor has pledged and assigned to Assignee, and granted to Assignor, for the benefit of the Lender Parties (as such terms are defined in the Security Agreement) a continuing security interest in the Trademarks, together with, among other things, the goodwill of the business symbolized by and associated with the Trademarks and the applications and registrations thereof, and all proceeds thereof (the " Collateral ");

NOW, THEREFORE, in consideration of the premises and agreements made herein and in the Security Agreement, as collateral security for all of the Obligations, Assignor hereby pledges and assigns to the Assignee, and grants to the Assignee, for the benefit of the Agents and the Lender Parties, a continuing security interest in the Collateral.

Assignor does hereby further acknowledge and affirm that the rights and remedies of the Assignee with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated by reference herein as if fully set forth herein.

Upon full satisfaction of the Obligations, complete performance of all of the obligations of the Credit Parties under the Loan Documents and final termination of each Lender's obligations — if any — to make any further advances under any Note or to provide any other financial accommodations to any Credit Party, all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and upon

written request by Assignor such security interest shall be released by Assignee in due form and at Assignor's cost; provided , however , that this Agreement shall be reinstated if at any time any payment of any of the obligations under the Loan Documents is rescinded or must otherwise be returned by the Assignee, the Lenders, or any of their respective affiliates or branches on the insolvency, bankruptcy or reorganization of any Credit Party or otherwise, all as though the payment had not been made.

(Signature Pages Follow)

IN WITNESS WHEREOF, Assignor has caused this Agreement to be executed and delivered by its officer thereunto duly authorized as of the date above first written.

[NEENAH PAPER, INC.],
as Assignor

By: _____
Name:
Title:

[Signature Page to Trademark Security Agreement]

STATE OF

ss.:

COUNTY OF

On this day of , 20 , before me personally came , to me known to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that s/he is the of , a , and that s/he executed the foregoing instrument in the name of , and that s/he had authority to sign the same, and s/he acknowledged to me that he executed the same as the act and deed of said entity for the uses and purposes therein mentioned.

Notary Public

SCHEDULE 1 TO TRADEMARK SECURITY AGREEMENT

[Trademark Registrations and Trademark Applications]

N-5

EXHIBIT O

FORM OF COPYRIGHT SECURITY AGREEMENT

COPYRIGHT SECURITY AGREEMENT (" Agreement "), dated [ ], 20 , is made by [Neenah Paper, Inc.], a Delaware corporation, located at 3460 Preston Ridge Road, Suite 600, Alpharetta, GA 30005 (" Assignor "), in favor of JPMorgan Chase Bank, N.A., a New York banking corporation, located at 2200 Ross Avenue, Ninth Floor TX 2921, Dallas, Texas 75201, Attention: Jeff A. Tompkins, as agent for certain lenders (in such capacity, together with any permitted successors and assigns, " Assignee "). Capitalized terms used in this Agreement and not defined herein have the meanings set forth for such terms in the Security Agreement (as hereinafter defined).

WHEREAS, Assignor is the applicant or registrant for the copyrights listed on the annexed Schedule 1, which copyrights are registered in the United States Copyright Office (the " Copyrights ");

WHEREAS, the Assignor has entered into a Security Agreement (Personal Property), dated as of November 30, 2004, among Assignor and the other grantors signatory thereto, and Assignee (as amended, restated, supplemented or otherwise modified from time to time, the " Security Agreement ");

WHEREAS, pursuant to the Security Agreement (Personal Property), as collateral security for all of the Obligations, Assignor has pledged and assigned to Assignee, and granted to Assignor, for the benefit of the Lender Parties (as such terms are defined in the Security Agreement) a continuing security interest in the Copyrights and the applications and registrations thereof, and all proceeds thereof (the " Collateral ");

NOW, THEREFORE, in consideration of the premises and agreements made herein and in the Security Agreement, as collateral security for all of the Obligations, Assignor hereby pledges and assigns to the Assignee, and grants to the Assignee, for the benefit of the Agents and the Lender Parties, a continuing security interest in the Collateral.

Assignor does hereby further acknowledge and affirm that the rights and remedies of the Assignee with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated by reference herein as if fully set forth herein.

Upon full satisfaction of the Obligations, complete performance of all of the obligations of the Credit Parties under the Loan Documents and final termination of each Lender's obligations — if any — to make any further advances under any Note or to provide any other financial accommodations to any Credit Party, all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and upon written request by Assignor such security interest shall be released by Assignee in due form and

O-1

at Assignor's cost; provided , however , that this Agreement shall be reinstated if at any time any payment of any of the obligations under the Loan Documents is rescinded or must otherwise be returned by the Assignee, the Lenders, or any of their respective affiliates or branches on the insolvency, bankruptcy or reorganization of any Credit Party or otherwise, all as though the payment had not been made.

(Signature Pages Follow)

IN WITNESS WHEREOF, Assignor has caused this Agreement to be executed and delivered by its officer thereunto duly authorized as of the date above first written.

[NEENAH PAPER, INC.],
as Assignor

By: _____
Name:
Title:

[Signature Page to Copyright Security Agreement]

STATE OF

ss.:

COUNTY OF

On this day of , 20 , before me personally came , to me known to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that s/he is the of , a , and that s/he executed the foregoing instrument in the name of , and that s/he had authority to sign the same, and s/he acknowledged to me that he executed the same as the act and deed of said entity for the uses and purposes therein mentioned.

Notary Public

[Notary Page to Copyright Security Agreement]

SCHEDULE 1 TO COPYRIGHT SECURITY AGREEMENT

[Copyright Registrations and Copyright Applications]

EXHIBIT P

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the " Assignment and Acceptance ") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the " Assignor ") and [Insert name of Assignee] (the " Assignee "). All capitalized terms used but not defined herein shall have the meanings specified in the Second Amended and Restated Credit Agreement identified below (as amended, the " Second Amended and Restated Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Second Amended and Restated Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Second Amended and Restated Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Second Amended and Restated Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
[and is an Affiliate/Approved Fund of [identify Lender](1)]

3. Borrower(s): Neenah Paper, Inc. and certain subsidiaries of Neenah Paper, Inc. signatories to the Second Amended and Restated Credit Agreement as a "Borrower"

(1) Select as applicable.

4. Agent: JPMorgan Chase Bank, N.A., as agent for the Lenders under the Second Amended and Restated Credit Agreement

5. Credit Agreement: That certain Second Amended and Restated Credit Agreement, dated as of October 11, 2012, among the Borrowers, the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Agent

6. Assigned Interest:

Aggregate Amount of Revolving Commitment/Revolving Loans for all Lenders	Amount of Revolving Commitment/Revolving Loans Assigned	Percentage Assigned of Revolving Commitment/Revolving Loans(2)
$	$	

Aggregate Amount of Term Commitment/Term Loans for all Lenders	Amount of Term Commitment/Term Loans Assigned	Percentage Assigned of Term Commitment/Term Loans(3)
$	$	

Aggregate Amount of Total Commitment/Loans for all Lenders	Amount of Total Commitment/Loans Assigned	Percentage Assigned of Total Commitment/Loans(4)
$	$	

Effective Date: , 20 [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[Remainder of Page Intentionally Left Blank]

(2) Set forth, to at least 9 decimals, as a percentage of the Revolving Commitment/Revolving Loans of all Lenders thereunder.
(3) Set forth, to at least 9 decimals, as a percentage of the Term Commitment/Term Loans of all Lenders thereunder.
(4) Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title: _____

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title: _____

[Consented to and](5) Accepted:

JPMorgan Chase Bank, N.A., as Agent

By: _____
Title: _____

[Consented to:](6)

[NAME OF RELEVANT PARTY]

By: _____
Title: _____

(5) To be added only if the consent of the Administrative Agent is required by the terms of the Amended and Restated Credit Agreement.
(6) To be added only if the consent of the Borrowers' Agent and/or other parties is required by the terms of the Amended and Restated Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1. Assignor . The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Second Amended and Restated Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any other instrument or document furnished pursuant thereto or any collateral thereunder, (iii) the financial condition of any Credit Party or any Subsidiary or Affiliate thereof or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Credit Party or any Subsidiary or Affiliate thereof or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee . The Assignee (a) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms of the Second Amended and Restated Credit Agreement, together with such powers as are reasonably incidental thereto, (b) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Second Amended and Restated Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Second Amended and Restated Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Second Amended and Restated Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Second Amended and Restated Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.3 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent, the

Assignor or any other Lender, and (v) if it is a Non-U.S. Lender, attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Second Amended and Restated Credit Agreement, duly completed and executed by the Assignee; and (c) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, (ii) it will keep confidential all information with respect to the Credit Parties furnished to it by the Credit Parties, the Assignor, or the Agent (other than information generally available to the public or otherwise available to the Agent on a non-confidential basis or otherwise permitted pursuant to the terms of the Second Amended and Restated Credit Agreement), and (iii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments . From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions . This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. **THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO NATIONAL BANKS.**

EXHIBIT Q

FORM OF COMMITMENT INCREASE AGREEMENT

THIS COMMITMENT INCREASE AGREEMENT is made and entered into as of , 2012 (this " Agreement ") to be effective as of the Effective Date (as defined herein), by and among NEENAH PAPER, INC., a Delaware corporation (the " Parent "), each Subsidiary of the Parent listed as a "Borrower" on the signature pages hereto (together with the Parent, each a " Borrower " and collectively, the " Borrowers "), each Subsidiary of the Parent listed as a "Guarantor" on the signature pages hereto (each a " Guarantor " and collectively, the " Guarantors "), JPMORGAN CHASE BANK, N.A., as Agent, and (" Increasing Lender ").

RECITALS:

WHEREAS, the Borrowers, the Guarantors, JPMorgan Chase Bank, N.A., individually as a Lender and as the Agent, and the other financial institutions parties thereto as Lenders entered into that certain Second Amended and Restated Credit Agreement dated as of October 11, 2012 (as amended through the date hereof, the " Second Amended and Restated Credit Agreement "). Unless otherwise defined herein, terms defined in the Second Amended and Restated Credit Agreement and used herein shall have the meanings given to them in the Second Amended and Restated Credit Agreement.

WHEREAS, the Borrowers have requested that Increasing Lender agree to increase its Revolving Commitment pursuant to, and as contemplated by, Section 2.15 of the Second Amended and Restated Credit Agreement.

AGREEMENTS:

Increase in Commitment . Increasing Lender and the Borrowers agree that, subject to the satisfaction of each condition precedent set forth in Section 5 hereof, from and after the Effective Date inserted by the Agent as contemplated below, (a) Increasing Lender's Revolving Commitment shall be increased from $ to $, (b) Schedule 1.1A to the Second Amended and Restated Credit Agreement shall be deemed to be amended to reflect such Revolving Commitment, and (c) to the extent permitted under applicable law, Increasing Lender shall be entitled to the benefits of, and shall be deemed to have assumed, to the extent of its Commitment Percentage (as increased pursuant to such increase in its Revolving Commitment, all claims, suits, causes of action and any other right of a Lender against any Person, whether known or unknown, arising under or in connection with the Second Amended and Restated Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing.

Disbursement . Subject to the satisfaction of each condition precedent set forth in Section 5 hereof, on the Effective Date, Increasing Lender shall fund additional Revolving Loans in an amount equal to the difference between its Commitment Percentage (as increased pursuant to the increase in its Revolving Commitment pursuant hereto) of the principal amount outstanding of all outstanding Revolving Loans and the principal amount of all outstanding

Revolving Loans held by Increasing Lender prior to giving effect to such funding. Increasing Lender shall make such amount available to the Agent at its payment office set forth in Section 2.7 of the Second Amended and Restated Credit Agreement or at such other office as agreed to by the Agent, in immediately available funds, and the Agent shall disburse such amounts to each Lender in such amounts as are necessary to cause each Lender to hold its Commitment Percentage of all outstanding Revolving Loans after giving effect thereto. All such amounts funded by Increasing Lender shall be Alternate Base Rate Borrowings. The Borrowers shall be required to pay to the existing Lenders any amounts required by Section 2.9 of the Second Amended and Restated Credit Agreement as a result of the pre-payment made pursuant to this Section 2 of any existing LIBOR Borrowings prior to the last day of the Interest Period applicable thereto.

Promissory Note . On the Effective Date, to the extent requested by Increasing Lender, the Borrowers shall issue to Increasing Lender a promissory note to evidence the Loans made by Increasing Lender in accordance with Section 2.6 of the Second Amended and Restated Credit Agreement (the " Increasing Lender Note ").

Certain Agreements of Increasing Lender . Increasing Lender represents and warrants that (a) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Second Amended and Restated Credit Agreement, and (b) it has received a copy of the most recent financial statements delivered pursuant to Section 6.3 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement, on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender.

Conditions Precedent . The obligation of Increasing Lender to increase its Revolving Commitment pursuant hereto and to provide extensions of credit to the Borrowers thereunder is subject to the satisfaction of each of the following conditions precedent on or before the Effective Date:

To the extent requested by Increasing Lender, the Borrowers shall have executed and delivered to Increasing Lender an Increasing Lender Note;

The Borrowers shall have delivered to Increasing Lender and the Agent certified copies of the resolutions of the Board of Directors, sole member or other appropriate authority of each Borrower dated on or prior to the Effective Date and approving this Agreement, and all other documents, if any, to which each Borrower is required to enter pursuant to this Agreement and evidencing corporate authorization with respect to such documents;

The Borrowers shall have delivered to Increasing Lender and the Agent a certificate of the Secretary or an Assistant Secretary of each Borrower dated as of the Effective Date and certifying (i) the name, title and true signature of each officer of such Person authorized to execute this Agreement, (ii) the name, title and true signature of each officer of such Person authorized to provide the certifications required pursuant to this Agreement, and (iii) that attached thereto is a true and complete copy of the certificate of incorporation, formation or organization, as applicable, certified by the appropriate Governmental Authority of the

jurisdiction of incorporation, formation or organization of each Borrower and the bylaws or other applicable organizational documents of each Borrower, each as amended to date, recent good standing certificates and/or certificates of existence for each Borrower and certificates of foreign qualification for each Borrower in such jurisdictions as Increasing Lender or the Agent shall require;

The Borrowers shall have delivered to Increasing Lender and the Agent an opinion of , counsel to each Borrower dated as of the Effective Date addressed to Increasing Lender and the Agent and covering such matters as Increasing Lender or the Agent may reasonably request;

The Borrowers shall have delivered to Increasing Lender and the Agent a certificate of a Financial Officer of each of the Borrowers dated as of the Effective Date and certifying, before and after giving effect to the making of the Revolving Loans being requested hereunder, that (i) each Borrower is Solvent, (ii) no Default then or immediately thereafter would, exist, (iii) each of the conditions required by this Section 5 have been satisfied or waived in writing by Agent and Increasing Lender, and (iv) each representation and warranty of the Borrowers contained herein and in the Second Amended and Restated Credit Agreement is true and correct in all material respects, except for (i) those representations and warranties which relate to a specified date, which were true and correct in all material respects as of such date, and (ii) those changes in representations and warranties otherwise permitted by the terms of the Second Amended and Restated Credit Agreement;

The applicable Borrowers shall have paid or reimbursed (i) the Agent's counsels' fees and expenses incurred in connection with this Agreement through the Effective Date, to the extent invoiced, (ii) the Agent's other expenses incurred through the Effective Date in connection with this Agreement, and (iii) any fees or expenses then required to be paid to (A) JPMorgan Chase Bank, N.A. (or its Affiliates) pursuant to the Fee Letter, and (B) Increasing Lender pursuant to any fee letter between the Borrowers, the Agent and Increasing Lender;

All representations and warranties contained herein, in the Second Amended and Restated Credit Agreement and the other Loan Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Effective Date, except for (i) those representations and warranties which relate to a specified date, which were true and correct in all material respects as of such date, and (ii) those changes in representations and warranties otherwise permitted by the terms of the Second Amended and Restated Credit Agreement and the other Loan Documents; and

There shall not exist a Default or Event of Default.

Certain Representations and Warranties . In order to induce the Agent and Increasing Lender to enter into this Agreement, each Borrower hereby represents and warrants to the Agent and Increasing Lender that each statement set forth in this Section 6 is true and correct on the date hereof and will be true and correct on the Effective Date. Each such representation and warranty shall survive the execution and delivery of this Agreement and shall not be qualified or limited by any investigation undertaken by the Agent or Increasing Lender or any actual or

constructive knowledge the Agent or Increasing Lender may have or be charged with indicating that any such representation or warranty is inaccurate or incomplete in any respect.

Each Borrower is duly authorized and empowered to execute, deliver and perform this Agreement; and all corporate, partnership or other action on any Borrower's part requisite for the due execution, delivery and performance of this Agreement has been duly and effectively taken;

This Agreement constitutes the legal, valid and binding obligations of each Borrower and is enforceable in accordance with its terms (except that enforcement may be subject to any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditors' rights and subject to the availability of equitable remedies);

The execution, delivery and performance of this Agreement do not and will not violate or create a default under any provisions of the articles or certificate of incorporation, formation or organization, as applicable, bylaws, partnership agreement or other organizational documents of any Borrower, or any contract, agreement, instrument or requirements of any Governmental Authority to which any Borrower is subject which violation or default could have a Material Adverse Effect, or result in the creation or imposition of any Lien upon any Properties of any Borrower;

Each Borrower's execution, delivery and performance of this Agreement do not require notice to or filing or registration with, or the authorization, consent or approval of or other action by any other Person, including, but not limited to, any Governmental Authority, except those obtained or made; and

No Default or Event of Default has occurred which is continuing.

Notice. All notices, requests and other communications to any party hereunder shall be given in the manner set forth in Section 10.2 of the Second Amended and Restated Credit Agreement.

Benefit of Agreement. This Agreement and the other documents that may be required pursuant hereto shall be binding upon and inure to the benefit of and be enforceable by the respective permitted successors and assigns of the parties hereto, provided that no Borrower may assign or transfer any of its interest hereunder or thereunder without the prior written consent of the Agent and Increasing Lender.

Amendment and Waiver. Neither this Agreement nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of Section 10.11 of the Second Amended and Restated Credit Agreement.

Loan Document. This Agreement and the Increasing Lender Note (if delivered pursuant hereto) are Loan Documents for all purposes of the Second Amended and Restated Credit Agreement and the other Loan Documents.

Entire Agreement. The Increasing Lender Note, this Agreement, the Second Amended and Restated Credit Agreement and the other Loan Documents embody the entire agreement and understanding between the Agent and Increasing Lender and supersede all prior agreements and

understandings between such parties relating to the subject matter hereof and thereof and may not be contradicted by evidence of prior or contemporaneous agreements of the parties. There are no unwritten oral agreements between the parties.

Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

Further Assurances. The Borrowers and Increasing Lender agree to execute, acknowledge, deliver, file and record such further certificated, instruments and documents, and to do all other acts and things as may be requested by the Agent as necessary or advisable to carry out the intents and purposes of this Agreement.

Governing Law. This Agreement and the rights and obligations of the parties hereunder and under the Increasing Lender Note shall be construed in accordance with and be governed by the laws of the State of New York, but giving effect to federal laws of the United States of America applicable to national banks.

Consent of Guarantors. The Guarantors hereby consent to this Agreement.

Effective Date. This Agreement shall be effective upon the date (the "Effective Date") specified by the Agent below its signature below.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

NEENAH PAPER, INC.,
as a Borrower

By: _____
Name: _____
Title: _____

NEENAH PAPER MICHIGAN, INC.,
as a Borrower

By: _____
Name: _____
Title: _____

NPCC HOLDING COMPANY, LLC,
as a Borrower

By: Neenah Paper, Inc., as its sole member

By: _____
Name: _____
Title: _____

NEENAH PAPER FVC, INC.,
as a Borrower

By: _____
Name: _____
Title: _____

NEENAH PAPER FR, LLC,
as a Borrower

By: _____
Name: _____
Title: _____

[FUTURE BORROWERS]

By: _____
Name _____
Title: _____

[Signature Page to Commitment Increase Agreement]

[FUTURE GUARANTORS]

By: _____
Name: _____
Title: _____

[Signature Page to Commitment Increase Agreement]

[INCREASING LENDER]

By: _____
Name _____
Title: _____

JPMORGAN CHASE BANK, N.A.,
as the Agent

By: _____
Name: _____
Title: _____

[Signature Page to Commitment Increase Agreement]

EXHIBIT R

FORM OF NEW LENDER AGREEMENT

THIS NEW LENDER AGREEMENT is made and entered into as of , (this " Agreement ") to be effective as of the Effective Date (as defined herein), by NEENAH PAPER, INC., a Delaware corporation (the " Parent "), each Subsidiary of the Parent listed as a "Borrower" on the signature pages hereto (together with the Parent, each a " Borrower " and collectively, the " Borrowers "), each Subsidiary of the Parent listed as a "Guarantor" on the signature pages hereto (each a " Guarantor " and collectively, the " Guarantors "), JPMORGAN CHASE BANK, N.A., as Agent, and (" New Lender ").

RECITALS:

WHEREAS, the Borrowers, the Guarantors, JPMorgan Chase Bank, N.A., individually as a Lender and as the Agent, and the other financial institutions parties thereto as Lenders entered into that certain Second Amended and Restated Credit Agreement dated as of October 11, 2012 (as amended through the date hereof, the " Second Amended and Restated Credit Agreement "). Unless otherwise defined herein, terms defined in the Second Amended and Restated Credit Agreement and used herein shall have the meanings given to them in the Second Amended and Restated Credit Agreement.

WHEREAS, the Borrowers have requested that New Lender become a party to the Second Amended and Restated Credit Agreement as a Lender and provide a Revolving Commitment thereunder pursuant to, and as contemplated by, Section 2.15 of the Second Amended and Restated Credit Agreement.

AGREEMENTS:

1. **Joinder/Commitment** . New Lender and the Borrowers agree that, subject to the satisfaction of each condition precedent set forth in Section 5 hereof, from and after the Effective Date inserted by the Agent as contemplated below New Lender (a) shall be a party to the Second Amended and Restated Credit Agreement as a Lender and is subject to all rights and obligations of a Lender under the Second Amended and Restated Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent of its Commitment Percentage, (b) New Lender's Revolving Commitment is in the amount of $, (c) Schedule 1.1A to the Second Amended and Restated Credit Agreement shall be deemed to be amended to reflect such Revolving Commitment, and (d) to the extent permitted under applicable law, New Lender shall be entitled to the benefits of, and shall be deemed to have assumed, to the extent of its Commitment Percentage, all claims, suits, causes of action and any other right of a Lender against any Person, whether known or unknown, arising under or in connection with the Second Amended and Restated Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing.

2. **Disbursement** . Subject to the satisfaction of each condition precedent set forth in Section 5 hereof, on the Effective Date, New Lender shall fund its Commitment Percentage of the Revolving Loans outstanding as of such date by making such amount available to the Agent

at its payment office set forth in Section 2.7 of the Second Amended and Restated Credit Agreement or at such other office as agreed to by the Agent, in immediately available funds, and the Agent shall disburse such amounts to each Lender in such amounts as are necessary to cause each Lender to hold its Commitment Percentage of all outstanding Revolving Loans after giving effect thereto. All such amounts funded by New Lender shall be Alternate Base Rate Borrowings. The Borrowers shall be required to pay to the existing Lenders any amounts required by Section 2.9 of the Second Amended and Restated Credit Agreement as a result of the pre-payment made pursuant to this Section 2 of any existing LIBOR Borrowings prior to the last day of the Interest Period applicable thereto.

3. **Promissory Note** . On the Effective Date, to the extent requested by New Lender, the Borrowers shall issue to New Lender a promissory note to evidence the Revolving Loans made by New Lender in accordance with Section 2.6 of the Second Amended and Restated Credit Agreement (the " New Lender Note ").

4. **Certain Agreements of New Lender** . New Lender (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Second Amended and Restated Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Second Amended and Restated Credit Agreement that are required to be satisfied by it in order to become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Second Amended and Restated Credit Agreement as a Lender thereunder and, to the extent of its Commitment Percentage, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Second Amended and Restated Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.3 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement on the basis of which it has made such analysis and decision independently and without reliance on any Agent or any other Lender, and (v) if it is a Non-U.S. Lender, attached to the Agreement is any documentation required to be delivered by it pursuant to the terms of the Second Amended and Restated Credit Agreement, duly completed and executed by New Lender; and (b) agrees that (i) it will, independently and without reliance on any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

5. **Conditions Precedent** . The obligation of New Lender to become a party to the Second Amended and Restated Credit Agreement as a Lender thereunder, to issue its Revolving Commitment[s] pursuant thereto and hereto and to provide extensions of credit to Borrowers thereunder is subject to the satisfaction of each of the following conditions precedent on or before the Effective Date:

To the extent requested by New Lender, the Borrowers shall have executed and delivered to New Lender a New Lender Note;

The Borrowers shall have delivered to New Lender and the Agent certified copies of the resolutions of the Board of Directors, the sole member or other appropriate authority of each Borrower dated on or prior to the Effective Date and approving this Agreement, and all other documents, if any, to which each Borrower is required to enter pursuant to this Agreement and evidencing corporate authorization with respect to such documents;

The Borrowers shall have delivered to New Lender and the Agent a certificate of the Secretary or an Assistant Secretary of each Borrower dated as of the Effective Date and certifying (i) the name, title and true signature of each officer of such Person authorized to execute this Agreement, (ii) the name, title and true signature of each officer of such Person authorized to provide the certifications required pursuant to this Agreement, and (iii) that attached thereto is a true and complete copy of the certificate of incorporation, formation or organization, as applicable, certified by the appropriate Governmental Authority of the jurisdiction of incorporation, formation or organization of each Borrower and the bylaws or other applicable organizational documents of each Borrower, each as amended to date, recent good standing certificates and/or certificates of existence for each Borrower and certificates of foreign qualification for each Borrower in such jurisdictions as New Lender or the Agent shall require;

The Borrowers shall have delivered to New Lender and the Agent an opinion of , counsel to each Borrower dated as of the Effective Date addressed to New Lender and the Agent and covering such matters as New Lender or the Agent may reasonably request;

The Borrowers shall have delivered to New Lender and the Agent a certificate of a Financial Officer of each of the Borrowers dated as of the Effective Date and certifying, before and after giving effect to the making of the Revolving Loans being requested hereunder, that (i) each Borrower is Solvent, (ii) no Default then or immediately thereafter would, exist, (iii) each of the conditions required by this Section 5 have been satisfied or waived in writing by Agent and New Lender, and (iv) each representation and warranty of the Borrowers contained herein and in the Second Amended and Restated Credit Agreement is true and correct in all material respects except for (i) those representations and warranties which relate to a specified date, which were true and correct in all material respects as of such date, and (ii) those changes in representations and warranties otherwise permitted by the terms of the Second Amended and Restated Credit Agreement;

The applicable Borrowers shall have paid or reimbursed (i) the Agent's counsels' fees and expenses incurred in connection with this Agreement through the Effective Date, to the extent invoiced, (ii) the Agent's other expenses incurred through the Effective Date in connection with this Agreement, and (iii) any fees or expenses then required to be paid to (A) JPMorgan Chase Bank, N.A. (or its Affiliates) pursuant to the Fee Letter, and (B) New Lender pursuant to any fee letter between the Borrowers, the Agent and New Lender;

All representations and warranties contained herein, in the Second Amended and Restated Credit Agreement and the other Loan Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Effective Date, except for (i) those representations and warranties which relate to a specified date, which were true and correct in all material respects as of such date, and

(ii) those changes in representations and warranties otherwise permitted by the terms of the Second Amended and Restated Credit Agreement and the other Loan Documents; and

There shall not exist a Default or Event of Default.

Certain Representations and Warranties. In order to induce the Agent and New Lender to enter into this Agreement, each Borrower hereby represents and warrants to the Agent and New Lender that each statement set forth in this Section 6 is true and correct on the date hereof and will be true and correct on the Effective Date. Each such representation and warranty shall survive the execution and delivery of this Agreement and shall not be qualified or limited by any investigation undertaken by the Agent or New Lender or any actual or constructive knowledge the Agent or New Lender may have or be charged with indicating that any such representation or warranty is inaccurate or incomplete in any respect.

Each Borrower is duly authorized and empowered to execute, deliver and perform this Agreement; and all corporate, partnership or other action on any Borrower's part requisite for the due execution, delivery and performance of this Agreement has been duly and effectively taken;

This Agreement constitutes the legal, valid and binding obligations of each Borrower and is enforceable in accordance with its terms (except that enforcement may be subject to any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditors' rights and subject to the availability of equitable remedies);

The execution, delivery and performance of this Agreement do not and will not violate or create a default under any provisions of the articles or certificate of incorporation, formation or organization, as applicable, bylaws, partnership agreement or other organizational documents of any Borrower, or any contract, agreement, instrument or requirements of any Governmental Authority to which any Borrower is subject which violation or default could have a Material Adverse Effect, or result in the creation or imposition of any Lien upon any Properties of any Borrower;

Each Borrower's execution, delivery and performance of this Agreement do not require notice to or filing or registration with, or the authorization, consent or approval of or other action by any other Person, including, but not limited to, any Governmental Authority, except those obtained or made; and

No Default or Event of Default has occurred which is continuing.

Notice. All notices, requests and other communications to any party hereunder shall be given in the manner set forth in Section 10.2 of the Second Amended and Restated Credit Agreement. The initial notice address for New Lender shall be .

Benefit of Agreement. This Agreement and the other documents that may be required pursuant hereto shall be binding upon and inure to the benefit of and be enforceable by the respective permitted successors and assigns of the parties hereto, provided that no Borrower may assign or transfer any of its interest hereunder or thereunder without the prior written consent of the Agent and New Lender.

Amendment and Waiver. Neither this Agreement nor any terms hereof or thereof, may be amended, supplemented or modified except in accordance with the provisions of Section 10.11 of the Second Amended and Restated Credit Agreement.

Loan Document. This Agreement and the New Lender Note (if delivered pursuant hereto) are Loan Documents for all purposes of the Second Amended and Restated Credit Agreement and the other Loan Documents.

Entire Agreement. The New Lender Note, this Agreement, the Second Amended and Restated Credit Agreement and the other Loan Documents embody the entire agreement and understanding between the Agent and New Lender and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof and may not be contradicted by evidence of prior or contemporaneous agreements of the parties. There are no unwritten oral agreements between the parties.

Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

Further Assurances. Borrowers and New Lender agree to execute, acknowledge, deliver, file and record such further certificated, instruments and documents, and to do all other acts and things as may be requested by the Agent as necessary or advisable to carry out the intents and purposes of this Agreement.

Governing Law. This Agreement and the rights and obligations of the parties hereunder and under the New Lender Note shall be construed in accordance with and be governed by the laws of the State of New York, but giving effect to federal laws of the United States of America applicable to national banks.

Consent of Guarantors. The Guarantors hereby consent to this Agreement.

Effective Date. This Agreement shall be effective upon the date (the "Effective Date") specified by the Agent below its signature below.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

NEENAH PAPER, INC.,
as a Borrower

By: _____
Name: _____
Title: _____

NEENAH PAPER MICHIGAN, INC.,
as a Borrower

By: _____
Name: _____
Title: _____

NPCC HOLDING COMPANY, LLC,
as a Borrower

By: Neenah Paper, Inc., as its sole member

By: _____
Name: _____
Title: _____

NEENAH PAPER FVC, INC.,
as a Borrower

By: _____
Name: _____
Title: _____

NEENAH PAPER FR, LLC,
as a Borrower

By: _____
Name: _____
Title: _____

[FUTURE BORROWERS]

By: _____
Name _____
Title: _____

[Signature Page to New Lender Agreement]

[FUTURE GUARANTORS]

By: _____
Name: _____
Title: _____

[Signature Page to New Lender Agreement]

[NEW LENDER]

By: _____
Name _____
Title: _____

JPMORGAN CHASE BANK, N.A.,
as the Agent

By: _____
Name: _____
Title: _____

Effective Date:
, 20 .

[Signature Page to New Lender Agreement]

EXHIBIT S-1

FORM OF U.S. TAX CERTIFICATE FOR [NON-U.S. LENDERS] [PARTICIPANTS] THAT ARE NOT PARTNERSHIPS

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of October 11, 2012 (as amended, supplemented, restated or otherwise modified from time to time, the " **Credit Agreement** ") among Neenah Paper, Inc. (the " **Parent** ") and its Subsidiaries party thereto as borrowers (collectively, the " **Borrowers** "), the Subsidiaries of Parent party thereto as guarantors (if any) (together with the Borrowers, the " **Credit Parties** ") each Lender from time to time party thereto and JPMorgan Chase Bank, N.A., as Agent, Swingline Lender and Issuing Bank.

Pursuant to the provisions of Section 10.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the **[Loan(s) (as well as any Note(s) evidencing such Loan(s))] [participation]** in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has **furnished [the Agent and the Borrowers' Agent] [its participating Lender]** with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (i) if the information provided on this certificate changes, the undersigned shall promptly so inform **[the Borrowers' Agent and the Agent] [such Lender]** and (ii) the undersigned shall have at all times furnished **[the Borrowers' Agent and the Agent] [such Lender]** with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER OR PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: , 20

EXHIBIT S-2

FORM OF U.S. TAX CERTIFICATE FOR [NON-U.S. LENDERS] [PARTICIPANTS] THAT ARE NOT PARTNERSHIPS

Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of October 11, 2012 (as amended, supplemented, restated or otherwise modified from time to time, the " **Credit Agreement** ") among Neenah Paper, Inc. (" **Parent** ") and its Subsidiaries party thereto as borrowers (collectively, the " **Borrowers** "), the Subsidiaries of Parent party thereto as guarantors (if any) (together with the Borrowers, the " **Credit Parties** ") each Lender from time to time party thereto and JPMorgan Chase Bank, N.A., as Agent, Swingline Lender and Issuing Bank.

Pursuant to the provisions of Section 10.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the **[Loan(s) (as well as any Note(s) evidencing such Loan(s))] [participation]** in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such **[Loan(s) (as well as any Note(s) evidencing such Loan(s))] [participation]** , (iii) with respect to **[the extension of credit pursuant to this Credit Agreement] [participation]** , neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished **[the Agent and the Borrowers' Agent] [its participating Lender]** with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (i) if the information provided on this certificate changes, the undersigned shall promptly so inform **[the Borrowers' Agent and the Agent] [such Lender]** and (ii) the undersigned shall have at all times furnished **[the Borrowers' Agent and the Agent] [such Lender]** with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER OR PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: , 20

SCHEDULE 1.1A
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Commitments

Lender	Revolving Note Commitment Amount	Term Loan Commitment Amount	Total Commitment: Revolver & Term Loan	Swingline Note Commitment Amount
JPMorgan Chase Bank, N.A.	$ 37,321,428.30	$ 22,500,000.00	$ 59,821,428.30	$ 15,000,000
Bank of America, N.A.	$ 33,928,571.70	$ 7,500,000.00	$ 41,428,571.70	N/A
UBS AG, Stamford Branch	$ 16,964,285.85	N/A	$ 16,964,285.85	N/A
Goldman Sachs Lending Partners LLC	$ 6,785,714.15	N/A	$ 6,785,714.15	N/A
BMO Harris Bank, N.A.	$ 10,000,000.00	N/A	$ 10,000,000.00	N/A
Total Commitments:	$ 105,000,000	$ 30,000,000	$ 135,000,000	$ 15,000,000

SCHEDULE 1.1B
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Material Leasehold Properties

1. Industrial Lease Agreement between First Industrial Realty Trust, Inc. and Neenah Paper, Inc. — Suite B of the Building located at 655 Hembree Park Drive, Roswell, Georgia

2. Lease between Germania Property Investors XXXIV, L.P. and Neenah Paper, Inc. dated June 29, 2004, as amended by that First Amendment to Lease, dated October 10, 2006, that Second Amendment to Lease, dated April 10, 2007, that Third Amendment to Lease dated July 11, 2011, and that Fourth Amendment to Lease dated September 13, 2011, 6th Floor Office Space, 3460 Preston Ridge Road, Alpharetta, Georgia.

SCHEDULE 1.1C
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Equipment Component

" **Equipment Component** " shall mean $9,561,650; provided , that , the Equipment Component shall reduce (a) by the Quarterly Equipment Component Amortization Amount, commencing on December 31, 2012, and continuing on the last Business Day of each March, June, September and December thereafter, and (b) (i) upon the consummation of Dispositions of Eligible Equipment owned by the Borrowers on the Closing Date, or (ii) at such time as any Equipment which was previously Eligible Equipment ceases to be Eligible Equipment hereunder, by the applicable percentage of the Net Recovery Value Percentage of the Property so disposed of or the Equipment which has ceased to be Eligible Equipment hereunder, as applicable.

SCHEDULE 1.1D
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Quarterly Equipment Component Amortization Amount

" **Quarterly Equipment Component Amortization Amount** " shall mean $478,083, as such amount shall be adjusted by Agent (a) upon the consummation of Dispositions of Eligible Equipment owned by the Borrowers on the Closing Date and (b) at such time as any Equipment which was previously Eligible Equipment ceases to be Eligible Equipment hereunder, by the applicable percentage of the Net Recovery Value Percentage of the Property so disposed of or the Equipment which has ceased to be Eligible Equipment hereunder, as applicable.

SCHEDULE 1.1E
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Quarterly Real Estate Component Amortization Amount

" **Quarterly Real Estate Component Amortization Amount** " shall mean $348,750, as such amount shall be adjusted by Agent upon the consummation of Dispositions of Closing Date Mortgaged Properties consisting of Eligible Real Estate owned by the Borrowers on the Closing Date and at such time as any Real Property Asset which was previously Eligible Real Estate ceases to be Eligible Real Estate hereunder, in each case, by the applicable percentage of the Net Recovery Value Percentage of the Property so disposed of or the Real Property Asset which has ceased to be Eligible Real Estate hereunder, as applicable.

SCHEDULE 1.1F
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Real Estate Component

" **Real Estate Component** " shall mean $13,950,000; provided, that, the Real Estate Component shall reduce (a) by the Quarterly Real Estate Component Amortization Amount commencing on December 31, 2012, and continuing on the last Business Day of each March, June, September and December thereafter, and (b) (i) upon the consummation of Dispositions of Closing Date Mortgaged Properties consisting of Eligible Real Estate owned by the Borrowers on the Closing Date, or (ii) at such time as any Real Property Asset which was previously Eligible Real Estate ceases to be Eligible Real Estate hereunder, by the applicable percentage of the Net Recovery Value Percentage of the Property so disposed of or the Real Property Asset which has ceased to be Eligible Real Estate hereunder, as applicable.

SCHEDULE 1.4
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Responsible Officers of the Parent

John P. O'Donnell

Bonnie C. Lind

Steven S. Heinrichs

Larry N. Brownlee

SCHEDULE 2.10(a)
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Existing Letters of Credit

1. Standby letter of credit issued under the Original Credit Agreement — Sentry Insurance A Mutual Company - $250,000 USD

2. Standby letter of credit issued under the Original Credit Agreement — Employers Insurance Company of Wausau - $31,000 USD

SCHEDULE 4.3(r)-1
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Closing Date Mortgaged Properties

Amendments to Mortgages

Real Property Asset	Address
Munising Mill	501 E. Munising Avenue Munising, MI 49862-7490
Neenah Mill	133/135 North Commercial Street Neenah, WI 54956
Neenah Distribution Center	1300 Kimberly Drive Neenah, WI 54956
Whiting Mill	3243 Whiting Avenue Stevens Point, WI 54481
Appleton Mill	430 East South Island Street Appleton, WI 54912-2215

SCHEDULE 4.4
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Post-Closing Deliveries

(1) Endorsements to existing loan title insurance policies or, if required by the Agent, a new ALTA loan title insurance policy (or an endorsement in Proper Form to any existing ALTA loan title insurance policy issued by the Title Company in favor of the Agent) or unconditional commitment therefor (a " **Post-Closing Mortgage Policy** ") issued by the Title Company with respect to each Closing Date Mortgaged Property owned by any Credit Party, in an amount not less than the appraised fair market value of such Closing Date Mortgaged Property, insuring fee simple title to the Closing Date Mortgaged Property vested in such Credit Party and assuring the Agent that the Closing Date Mortgage creates a valid and enforceable first priority Lien on such Closing Date Mortgaged Property, subject only to any standard or other exceptions as may be reasonably acceptable to the Agent and which appear as exceptions on Schedule B to the applicable Post-Closing Mortgage Policy, which Post-Closing Mortgage Policy (i) shall include endorsements (to the extent available) for customary matters reasonably requested by the Agent, including, but not limited to, those endorsements listed on this Schedule 4.4 and (ii) shall provide for affirmative insurance and such reinsurance as may be reasonable and customary and as the Agent may reasonably request, all of the foregoing in form and substance reasonably satisfactory to the Agent; and (b) evidence satisfactory to the Agent that such Credit Party has (i) delivered to the Title Company all certificates and affidavits required by the Title Company in connection with the issuance of the Post-Closing Mortgage Policy and (ii) paid to the Title Company or to the appropriate Governmental Authorities all expenses and premiums of the Title Company in connection with the issuance of the Post-Closing Mortgage Policy and all recording and stamp taxes (including mortgage recording taxes, fees and other charges and intangible taxes) payable in connection with recording the Closing Date Mortgage in the appropriate real estate records;

(2) Copies of all recorded documents listed as exceptions to title or otherwise referred to in the Post-Closing Mortgage Policy and any other such documents as Agent shall reasonably request; and

(3) together with such other certificates affidavits, mortgages, mortgage amendments, surveys or surveyor or owners certificates, or such other documents as the Agent may reasonably require or such other documents necessary to permit the Title Company to issue endorsements or policies.

SCHEDULE 5.3
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Governmental Authorization

None

SCHEDULE 5.5
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Material Litigation

None

SCHEDULE 5.10
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Permits, Licenses, Etc.

None

SCHEDULE 5.16
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Indebtedness

1. Indebtedness under the Senior Note Documents in the initial principal amount of $225,000,000.

2. Standby Letters of Credit in effect as of the date of this agreement and in accordance with the terms of the Credit Facility:

    a. Sentry Insurance A Mutual Company - $250,000 USD
    b. Employers Insurance Company of Wausau - $31,000 USD.

3. Loan Agreement between Neenah Paper International Holding Company, LLC and Neenah Paper International Finance Company BV ($500,000,000 intercompany line of credit note, with $119,742,483.66 principal amount outstanding as of the October 11, 2012).

SCHEDULE 5.17
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Environmental Matters

5.17(c)(iii): Environmental Claims and Liabilities :

1. Environmental Claims :

Claims (United States) :

a. Request for Information from the U.S. Environmental Protection Agency, dated October 27, 1994 (re the Manistique River Harbor Area, related to Munising Mill).

b. Munising RCRA matter, U.S. Forest Service Landfill in Munising, MI. Active Site, Groundwater Monitoring, Cap Maintenance.

c. Clean Air Act Matter — MUNISING — Notice of Violation for Opacity Monitoring; Reporting and Record keeping issues.

d. Housatonic: The Massachusetts DEP (MassDEP) is aware of the presence of historic solid waste disposed of on property in Great Barrington, MA owned by Neenah Paper FR, LLC ("Neenah FR"). A release of oil and/or hazardous materials (OHM) has occurred at this location, which is a disposal site as defined by M.G.L. c. 21E, § 2 and the Massachusetts Contingency Plan, 310 CMR 40.0000. To evaluate the release, a Phase I Initial Site Investigation was performed pursuant to 310 CMR 40.0480. As a result of this investigation, the site has been classified as Tier II pursuant to 310 CMR 40.0500. On May 18, 2012, Neenah Paper filed a Tier II Classification Submittal with the MassDEP. Work is underway to complete a Phase II Comprehensive Site Assessment (CSA) to delineate the extent of OHM in soil in certain portions of the Site and to characterize risks to human health and the environment. It is expected the environmental matter will be closed with the MassDEP in Q1 2013. Neenah FR currently has an escrow liability claim and environmental liability insurance which it believes will cover costs associated with remediation.

2. Environmental Claims/Environmental Liabilities : those matters set forth in the following studies and assessments:

a. InteGreyted International Phase I Environmental Site Assessment and Environmental, Health and Safety Compliance Evaluation - Munising Mill, April 2004;

b. InteGreyted International Phase I Environmental Site Assessment and Environmental, Health and Safety Compliance Evaluation - Whiting Mill, April 2004;

c. InteGreyted International Phase I Environmental Site Assessment and Environmental, Health and Safety Compliance Evaluation - Neenah Mill, April 2004;

d. InteGreyted International Phase I Environmental Site Assessment and Environmental, Health and Safety Compliance Evaluation - Neenah Distribution and Finishing Center, April 2004;

e. Phase I Environmental Site Assessment — Vicksburg, Michigan, Delta Project No. HS06-018-1.0006, prepared for: Neenah Paper, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005, prepared by: Delta Environmental Consultants, Inc., 3701 Briarpark Drive, Suite 300, Houston, Texas 77042, February 12, 2007;

f. Phase I Environmental Site Assessment — Kalamazoo Valley Group Landfill, 2042 South 40 th Street, Galesburg, Michigan, Delta Project No. HS06-018-1.0008, prepared for: Neenah Paper, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005, prepared by: Delta Environmental Consultants, Inc., 3701 Briarpark Drive, Suite 300, Houston, Texas 77042, February 12, 2007; and

g. Phase I Environmental Site Assessment — Appleton Mill, 430 East South Island Street, Appleton, Wisconsin, Delta Project No. HS06-018-1.0002, prepared for: Neenah Paper, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005, prepared by: Delta Environmental Consultants, Inc., 3701 Briarpark Drive, Suite 300, Houston, Texas 77042, February 12, 2007.

5.17(c)(iv): Notices of Violation :

1. Vicksburg : Ongoing ground water monitoring at the Sludge Impoundment Area (SIA) in Vicksburg, MI owned by Neenah FR. Vicksburg property monitoring indicated exceedance of Generic GSI criterion for TDS in the May 29, 2009, samples. Previous reports have indicated occasional exceedance of barium concentrations. The MI Department of Environmental Quality is aware that the closure of the site and installation of a landfill cap has reduced impact on ground water and is expected to mitigate any potential deleterious impact on ground water with time. These exceedances are not considered significant in nature.

2.

5.17(d): Predecessors In Interest:

1. The matters otherwise described in this Schedule 5.17 relate to the period prior to the Credit Parties' ownership and operation, and are therefore matters relating to a predecessor in interest.

5.17(1): Pending/Anticipated Changes in Law:

1. Munising Mill Boiler, MACT Standards Phase-In - the U.S. Environmental Protection Agency recently promulgated national emission standards limiting hazardous air pollutant emissions from industrial boilers, Existing sources, such as the Munising Mill's boiler, have three years from promulgation to demonstrate compliance, The Munising Mill has yet to determine its boiler's compliance status with respect to these new regulations. Compliance may require installation of a scrubber. Costs for such a scrubber have been included in the company's environmental capital budget in the event such scrubber is required.

SCHEDULE 7.2

TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Liens

ENCUMBRANCES ON TITLE OF REAL PROPERTY

Closing Date Mortgaged Property

Munising Mill Property

Exceptions listed in Schedule B, Section 2 of First American Title Policy No.: NCS-121617-CHI1 , as endorsed.

Neenah Mill and Kimberly Drive Properties in Neenah, Wisconsin

Exceptions listed in Schedule B, Section 2 of First American Title Policy No.: NCS-112000-CHI2 , as endorsed.

Whiting Mill Property

Exceptions listed in Schedule B, Section 2 of First American Title Policy No.: NCS-112287-MAD , as endorsed.

Appleton Mill Property

Exceptions listed in Schedule B, Section 2 of First American Title Policy No.: NCS-411394-06-ATL .

UCC Financing Statements — Delaware Secretary of State

DEBTOR	SECURED PARTY AND ADDRESS	ORIGINAL UCC FILING INFORMATION	AMENDMENT FILING INFORMATION	EXPIRY DATE	COLLATERAL DESCRIPTION
Neenah Paper, Inc. Additional debtors: Neenah Paper Michigan, Inc.	**CIT Communications Finance Corporation** 1 CIT Drive Livingston, NJ 07039	DE SOS 53013290, filed 09/29/2005	—	09/29/2010	Equipment owned or thereafter acquired/leased pursuant to Lease No. X897032, including but not limited to Avaya Inc. S8710 Media Servers and Call Management System, and all attachments, etc. Equipment location, includes, but is not limited to 1376 Kimberly Drive, Neenah, WI 54956.
Neenah Paper, Inc.	**Astenjohnson, Inc.** 4399 Corporate Road P. O. Box 118001 Charleston, SC 29423-8001	DE SOS 61934694, filed 06/07/2006	—	06/07/2011	All of consignee's right, title and interest in and to all goods and inventory (including without limitation any/all paper machine clothing) consigned to consignee from time to time; and all proceeds of the foregoing, including without limitation chattel paper, accounts and insurance proceeds.
Neenah Paper, Inc.	**CIT Communications Finance Corporation** 1 CIT Drive Livingston, NJ 07039	DE SOS 81514106, filed 05/01/2008	—	05/01/2013	Equipment leased or thereafter acquired pursuant to Lease No. 0004032, including but not limited to, Avaya Inc. S8500 media server and DEFINITY sets, and all attachments, etc. Support and services provided to debtor, which is financed by secured party pursuant to Lease No. X897032, including but not limited to, all rights of debtor

					under a Service Agreement between Avaya Inc. and debtor. Equipment locations include 3460 Preston Ridge Road, Alpharetta, GA 30005; 1376 Kimberly Drive, Neenah, WI 54956; 3243 Whiting Road, Stevens Point, WI 54481; 501 E. Munising Ave., Munising, MI 49862

Neenah Paper Michigan, Inc. Additional debtors: Neenah Paper, Inc.;	**CIT Communications Finance Corporation** 1 CIT Drive Livingston, NJ 07039	DE SOS 53013290, filed 09/29/2005	—	09/29/2010	Equipment owned or thereafter acquired/leased pursuant to Lease No. X897032, including but not limited to Avaya Inc. S8710 Media Servers and Call Management System, and all attachments, etc. Equipment location, includes, but is not limited to 1376 Kimberly Drive, Neenah, WI 54956.

UCC Financing Statements — Fulton County, Georgia

DEBTOR	SECURED PARTY AND ADDRESS	ORIGINAL UCC FILING INFORMATION	AMENDMENT FILING INFORMATION	EXPIRY DATE	COLLATERAL DESCRIPTION
Neenah Paper, Inc.	**Toyota Motor Credit Corporation** P.O. Box 3457 Torrance, CA 90510-3457	Fulton County, GA 007-2008-5457, filed 03/14/08	—	03/14/2013	It is the intent of the parties that the transaction referenced herin [sic] constitutes a true lease. The party designated as the secured party in item 3 above is the owner of the property described herein. This filing is made as a precaution should the transaction be viewed as other than a true lease. TWO (2) TOYOTA FORKLIFT MODEL #7FGCSU20 SERIAL # 69937 & 69936
Neenah Paper, Inc.	**Toyota Motor Credit Corporation** P.O. Box 3457 Torrance, CA 90510-3457	Fulton County, GA 007-2008-5462, filed 03/14/08	—	03/14/2013	It is the intent of the parties that the transaction referenced herin [sic] constitutes a true lease. The party designated as the secured party in item 3 above is the owner of the property described herein. This filing is made as a precaution should the transaction be viewed as other than a true lease. ONE (1) TOYOTA FORKLIFT MODEL #7FGCU25 SERIAL # 96241

SCHEDULE 7.6
TO THE
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Permitted Affiliated Transactions

1. License and Technical Assistance Agreement between Neenah Paper, Inc. and Neenah Paper Michigan, Inc.

2. Loan Agreement between Neenah Paper, Inc. and Neenah Paper Michigan, Inc.

3. Consignment Manufacturing Agreement between Neenah Paper FR, LLC and Neenah Paper, Inc.

4. Loan Agreement between Neenah Paper International Holding Company, LLC and Neenah Paper International Finance Company BV

5. Loan Agreement between Neenah Paper International Finance Company BV and Neenah Paper International, LLC

6. Management and Services Agreement between Neenah Paper International, LLC, Neenah Paper, Inc., Neenah Paper FVC, Inc., Neenah Paper FR, LLC and Neenah Paper Michigan, Inc.

Exhibit 10.29

FIRST AMENDMENT TO THE
NEENAH PAPER EXECUTIVE SEVERANCE PLAN

This **FIRST AMENDMENT** to the **NEENAH PAPER EXECUTIVE SEVERANCE PLAN** (**as Amended and Restated Effective January 1, 2009)** (the "Plan") is made by Neenah Paper, Inc. (the "Company").

W I T N E S S E T H:

WHEREAS , the Company maintains the Plan, which is intended to qualify as an employee welfare benefit plan for severance benefits within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended; and

WHEREAS , the Company now wishes to amend the Plan to ensure compliance with Code Section 409A;

NOW, THEREFORE , the Company hereby amends the Plan, effective immediately, by adding the following to the end of Section 5.3:

"Notwithstanding any other provision in this Plan to the contrary, if a Participant is considered a 'specified employee' of the Company for purposes of Code Section 409A on the date of a Qualified Termination of Employment, any payment described in Section 5.1 that constitutes non-exempt 'deferred compensation' within the meaning of Code Section 409A that is otherwise due to the Participant as a result of such Participant's 'separation from service' within the meaning of Code Section 409A during the six-month period immediately following such 'separation from service' shall be accumulated and paid to the Participant on the first day of the seventh month following such 'separation from service' ('Delayed Payment Date') to the extent necessary for the Participant to avoid adverse tax consequences or additional taxes under Code Section 409A, provided that if the Participant dies prior to the payment of such amounts, such amounts shall be paid to the personal representative of his estate on the first to occur of the Delayed Payment Date or 10 days following the date of Participant's death.

Notwithstanding any other provision in this Plan to the contrary, if any payment described in Section 5.1 constitutes non-exempt 'deferred compensation' within the meaning of Code Section 409A, such payment, if due under the terms of the Plan, shall be paid on the sixtieth (60th) day following the Qualified Termination of Employment (which Qualified Termination of Employment, in the case of a Qualified Termination of Employment described in Section 2.20(B), shall occur at the date of the Change of Control)."

Except as specifically set forth above, the terms of the Plan shall remain in full force and effect as prior to this First Amendment.

IN WITNESS WHEREOF , the Company has caused this First Amendment to be executed by its duly authorized officer on the 17 day of December , 2008 .

NEENAH PAPER, INC.

By: /s/Richard Read

Name: Richard Read

Title: Vice President - Human Resources

Date: December 17, 2008

Exhibit 12

NEENAH PAPER, INC. AND SUBSIDIARIES
STATEMENT REGARDING THE COMPUTATION OF
RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions, except ratio of earnings to fixed charges)

	Year Ended December 31,				
	2012	2011	2010	2009	2008
Income (loss) from continuing operations before taxes	$ 57.0	$ 41.3	$ 34.8	$ (6.8)	$ (41.8)
Plus fixed charges	14.9	16.7	21.7	24.2	26.0
Numerator	$ 71.9	$ 58.0	$ 56.5	$ 17.4	$ (15.8)
Interest expense (including amortization of debt issuance costs)	$ 13.5	$ 15.6	$ 20.5	$ 23.4	$ 25.0
Interest portion of rent expense (a)	1.4	1.1	1.2	0.8	1.0
Fixed charges	$ 14.9	$ 16.7	$ 21.7	$ 24.2	$ 26.0
Ratio of earnings to fixed charges (b)	4.8x	3.5x	2.6x	—	—

(a) Represents one-third of rent expense which is deemed to be the financing portion of the lease agreements.
(b) Fixed charges exceeded earnings for the years ended December 31, 2009 and 2008 by $6.8 million and $41.9 million, respectively.

EXHIBIT 21

SUBSIDIARIES OF NEENAH PAPER, INC.

The following is a list of subsidiaries of Neenah Paper, Inc., along with each entity's place of incorporation or organization. Unless otherwise noted, the listed subsidiaries are wholly owned by Neenah Paper, Inc.

NPCC Holding Company, LLC, Delaware

Neenah Paper Company of Canada, Nova Scotia

Neenah Paper International Finance Company BV, Netherlands

Neenah Paper International Holding Company, LLC, Delaware

Neenah Paper Michigan, Inc., Delaware

Neenah and Menasha Water Power Company, Wisconsin (80%)

Neenah Paper International, LLC, Delaware

Neenah Gessner GmbH, Germany

Neenah Germany GmbH, Germany

Neenah Services GmbH&Co. KG

Neenah Lahnstein GmbH, Germany

Leiss — GmbH Co. KG, Germany

Neenah Lahnstein Grundstücksverwaltungsgesellschaft mbH & Co. KG, Germany

Neenah Gessner Unterstützungskasse GmbH, Germany

Neenah Gessner Grundstücksverwaltungsgesellschaft mbH & Co. KG, Germany

Neenah Paper FVC, LLC, Delaware

Neenah Paper FR, LLC, Delaware

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-120866, 333-120867, No. 333-139539 and No. 333-139543 on Form S-8 of our reports dated March 7, 2013, relating to the consolidated financial statements and financial statement schedule of Neenah Paper, Inc. and subsidiaries (which report on the consolidated financial statements expresses an unqualified opinion), and the effectiveness of Neenah Paper, Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Neenah Paper, Inc. for the year ended December 31, 2012.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 7, 2013

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Bonnie C. Lind and Steven S. Heinrichs, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Neenah Paper, Inc. for the fiscal year ended December 31, 2012, and any and all amendments thereto, and other documents in connection therewith and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and the New York Stock Exchange, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This 7th day of March 2013.

/s/ SEAN T. ERWIN
Sean T. Erwin
Chairman of the Board and Director

/s/ EDWARD GRZEDZINSKI
Edward Grzedzinski
Director

/s/ MARY ANN LEEPER
Mary Ann Leeper
Director

/s/ TIMOTHY S. LUCAS
Timothy S. Lucas
Director

/s/ JOHN F. MCGOVERN
John F. McGovern
Director

/s/ PHILIP C. MOORE
Philip C. Moore
Director

/s/ STEPHEN M. WOOD
Stephen M. Wood

Exhibit 31.1

CERTIFICATIONS

I, John P. O'Donnell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Neenah Paper, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2013

/s/ JOHN P. O'DONNELL
John P. O'Donnell
President and Chief Executive Officer
(Principal Executive Officer)
Date: March 7, 2013

Exhibit 31.2

CERTIFICATIONS

I, Bonnie C. Lind, certify that:

1. I have reviewed this Annual Report on Form 10-K of Neenah Paper, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2013

/s/ BONNIE C. LIND

Bonnie C. Lind
Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
Date: March 7, 2013

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Neenah Paper, Inc. (the "Company") on Form 10-K for the period ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. O'Donnell, President and Chief Executive Officer of the Company, and I, Bonnie C. Lind, Senior Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JOHN P. O'DONNELL
John P. O'Donnell
President and Chief Executive Officer
(Principal Executive Officer)
Date: March 7, 2013

/s/ BONNIE C. LIND
Bonnie C. Lind
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)
Date: March 7, 2013