

INTERNATIONAL PAPER CO /NEW/  
Form DEFA14A  
April 10, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

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

**Securities Exchange Act of 1934**

**(Amendment No.    )**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

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

**International Paper Company**

**(Name of Registrant as Specified In Its Charter)**

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

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- No fee required.
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Investor  
Investor  
Say  
Say  
on  
on  
Pay

Pay  
Discussion  
Discussion  
April 2015

Shareowners are asked annually to vote on a non-binding resolution to approve the compensation of our named executive officers ( Say-on-Pay proposal), as disclosed in our proxy statement.

To assist you in casting your 2015 Say-on-Pay vote, please review the following summary slides together with the more

detailed information, including the Compensation Discussion and Analysis ( CD&A ), the related compensation tables and narrative disclosure, in our proxy statement dated April 9, 2015.

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2015

Proxy

Statement

Annual

Say-on-Pay

Vote

2014 Strong Financial Results	
Shareowner-Focused Plan Design Changes	
Continued Emphasis on Pay for Performance	
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Delivered record cash from operations and free cash flow of \$2.1B  
N.A. Industrial Packaging achieved EBITDA of \$2.7B and 24%  
margins  
ROIC above cost of capital for fifth consecutive year  
Margin expansion across key businesses  
Increased dividend by 14% to \$1.60/share  
Share buyback program purchases of ~ \$1B in 2014



Courtland closure completed

Completed xpedx spin-off; \$400MM received

\$470MM operational EBITDA up 126% at Ilim JV; \$56MM dividend to IP

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2014 Strong Financial Results

5  
Shareowner-Focused Plan Design Changes  
(2012-2015)  
Program Element  
Design Change / Rationale  
Peer Group Composition

Added and replaced companies from Compensation Comparator Group and both Performance Share Plan (PSP) peer groups to more closely align with IP and our compensation approach (2012; 2014; 2015) Management Incentive Plan ( MIP ) and Performance Share Plan ( PSP )

Eliminated ROI Stretch Goal ( kicker ) from both MIP and PSP (2012)

employed, for both MIP and PSP to more closely align with investment community expectations (2013)

Performance achievement for relative TSR portion of PSP award now capped at 100% of target if TSR over

Retroactively eliminated opportunity for executive officers to elect to have additional shares withheld from PSP payouts to cover payment of federal taxes (2015)

Change in Control Agreements

2X for future agreements with SVPs to conform to compensation best practices (2012)

Froze participation in the SERP, Retirement Plan and Restoration Plan effective January 1, 2019 (2014)

Officer Stock Ownership Requirement

(2013)

Replaced Free Cash Flow with Cash Flow from Operations in MIP to eliminate concern that capital expenses might be delayed to achieve MIP payout to long-term detriment of business (2012)

PSP performance achievement is now measured over a single, three-year performance period, rather than using a segmented approach to enhance long-term nature and reduce complexity of program (2012)

Return on investment metric now defined

as  
Return  
on  
Invested  
Capital,  
rather  
than  
return  
on  
capital  
three-year performance period is negative (2015)  
Reduced severance multiple, additional years of pension credit, and benefit continuation period from 3X to  
Amended  
all  
agreements  
and  
plan  
documents  
to  
move  
from  
a  
single-trigger  
to  
a  
double-trigger  
approach  
for acceleration of vesting of equity awards (2013; 2014)  
SERP closed to new participants because of declining prevalence of SERP in market (2012)  
Replaced four-year grace period with a 50% stock retention requirement until ownership requirement is met  
Increased stock ownership requirements for all executive officers (2015)  
Unfunded Supplemental Retirement Plan for Senior  
Performance Metrics and Design of  
Managers ( SERP )

2014 Compensation  
Comparator Group  
3M Company  
Alcoa Inc.  
E.I. DuPont de Nemours  
Eaton Corp.  
Emerson Electric Company

FedEx Corp.  
Goodyear Tire & Rubber Company  
Hess Corp.  
Honeywell International Inc.  
Johnson Controls, Inc.  
Kimberly-Clark Corp.  
L-3 Communications Holdings  
Lockheed Martin Corp.  
Northrop Grumman Corp.  
Parker-Hannifin Corp.  
PPG Industries  
Schlumberger Limited  
United States Steel Corp.  
Whirlpool Corp.  
Xerox Corp.

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IP compares well:

CEO

pay

at

50

percentile

of

CCG

while

TSR

is

at

80

percentile

th

th

Continued Emphasis on Pay for Performance

Three-Year  
Performance Period  
Our CEO's  
Realizable Pay Rank  
Our Company's  
TSR Rank  
2011 -

2013  
50th  
80th  
2010 -  
2012  
85th  
80th  
2009 -2011  
60th  
100th  
2008 -2010  
30th  
40th  
2007  
2009  
40th  
40th  
7

This table demonstrates the close correlation between our CEO's pay and Company's performance over the past four three-year performance periods.  
Continued Emphasis on Pay for Performance



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This chart illustrates our commitment to pay at risk.  
For 2014, 88% of our former and current CEO's target  
compensation was  
based on performance  
and therefore at risk.

Continued Emphasis on Pay for Performance

Questions?

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