

INTERNATIONAL PAPER CO /NEW/  
Form DEFA14A  
April 11, 2014

**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**

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April 2014  
Investor Say on Pay Discussion

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 2014 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 10, 2014.

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2014 Proxy Statement   Annual   Say-on-Pay   Vote

2013 Strong Financial Results	
Shareowner-Focused Plan Design Changes	
Continued Emphasis on Pay for Performance	
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Delivered record operating earnings and cash from operations  
Strong free cash flow on increased EBITDA  
Industry-leading EBITDA margins across NA businesses  
Further strengthened a healthy Balance Sheet  
Increased dividend by 17% in 4Q and implemented \$1.5B share buyback program

Solid operational performance across key businesses

Exceeded Cost of Capital with ROIC of 9+%

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2013 Strong Financial Results



Program Element  
Design Change / Rationale  
Peer Group Composition

Added and removed companies from Compensation Comparator Group and both Performance Peer Groups to more closely align with IP and our compensation approach (2012; 2014)  
Performance Metrics and Design of

Management Incentive Plan ( MIP ) and  
Performance Share Plan ( PSP )

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 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)

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

Return on investment metric now defined as Return on Invested Capital,  
rather than return on  
capital employed, for both MIP and PSP to more closely align with investment community (2013)  
Change in Control Agreements

Reduced severance multiple, additional years of pension credit, and benefit continuation period  
from 3X to 2X for future agreements with SVPs to conform to compensation best practices (2012)

Amended  
acceleration of vesting of equity awards (2013)  
Unfunded Supplemental Retirement Plan for  
Senior Managers ( SERP )

SERP closed to new participants because of declining prevalence of SERP in market (2012)  
Officer Stock Ownership Requirement

Replaced four-year grace period with a 50% stock retention requirement until ownership  
requirement is met (2013)

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Shareowner-Focused Plan Design Changes  
(2012-2014)

all agreements to move from a single-trigger to a double-trigger approach for

2013 Compensation  
Comparator Group  
3M Company  
Alcoa Inc.  
Bunge Limited  
Caterpillar Inc.  
Dow Chemical Company

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.  
Lockheed Martin Corp.  
PPG Industries  
Schlumberger Limited  
United States Steel Corp.  
Whirlpool Corp.  
Xerox Corp.

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IP compares well:

CEO pay at 85

percentile of CCG while TSR is at 80

percentile

IP

50th

25th

75th

25th

50th

75th

Realizable Pay Rank

(percentile of peer group)

Pay for Performance Alignment

CEO

Realizable

Pay

vs.

TSR

Performance

(2010

-

2012)

Below median shareholder return

Above median realizable pay

Above median shareholder return

Below median realizable pay

Continued Emphasis on Pay for Performance

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Three-Year  
Performance Period  
Our CEO's  
Realizable Pay Rank  
Our Company's  
TSR Rank  
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 2013, 88% of our CEO's target compensation was  
based on performance  
and therefore at risk.

CEO

Other NEOs

2013 Total Target Compensation Mix

12%

71%

88% Pay at Risk

23%

59%

77% Pay at Risk

Actual Base Salary

STI Target

LTI Target

Continued Emphasis on Pay for Performance



Questions?

Please contact our Investor Relations Team

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