

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020

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



(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-1308307

(I.R.S. Employer Identification No.)

3460 Preston Ridge Road

Alpharetta , Georgia 30005

(Address of principal executive offices, including zip code)

(678) 566-6500

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	NP	New York Stock Exchange

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 for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of May 1, 2020, there were 16,791,451 shares of the Company's Common Stock outstanding.

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Part I—FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended March 31,	
	2020	2019
Net sales	\$ 233.6	\$ 239.7
Cost of products sold	179.6	196.0
Gross profit	54.0	43.7
Selling, general and administrative expenses	26.6	25.3
COVID-19 costs	1.1	—
Restructuring and other non-routine costs	1.4	—
Acquisition and due diligence costs	1.0	—
Other expense - net	0.3	1.0
Operating income	23.6	17.4
Interest expense - net	2.9	3.2
Income from continuing operations before income taxes	20.7	14.2
Provision for income taxes	4.3	2.4
Net income	\$ 16.4	\$ 11.8
Earnings Per Common Share		
Basic	\$ 0.97	\$ 0.70
Diluted	\$ 0.97	\$ 0.69
Weighted Average Common Shares Outstanding (in thousands)		
Basic	16,817	16,862
Diluted	16,850	16,921
Cash Dividends Declared Per Share of Common Stock	\$ 0.47	\$ 0.45

See Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended March 31,	
	2020	2019
Net income	\$ 16.4	\$ 11.8
Reclassification of amounts recognized in the condensed consolidated statements of operations:		
Amortization of adjustments to pension and other postretirement benefit liabilities (Note 5)	1.6	1.7
Unrealized foreign currency translation loss	(4.0)	(3.2)
Loss from other comprehensive income items	(2.4)	(1.5)
Provision for income taxes	0.2	0.2
Other comprehensive loss	(2.6)	(1.7)
Comprehensive income	\$ 13.8	\$ 10.1

See Notes to Condensed Consolidated Financial Statements

NEENAH, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

ASSETS	March 31, 2020	December 31, 2019
Current Assets		
Cash and cash equivalents	\$ 77.5	\$ 9.0
Accounts receivable (less allowances of \$2.0 million and \$1.5 million)	118.6	102.6
Inventories	131.4	122.8
Prepaid and other current assets	16.5	18.3
Total Current Assets	344.0	252.7
Property, Plant and Equipment		
Property, plant and equipment, at cost	849.9	850.6
Less accumulated depreciation	475.4	470.0
Property, Plant and Equipment—net	374.5	380.6
Lease Right-of-Use Assets (Note 1)	21.8	13.9
Deferred Income Taxes	11.6	13.4
Goodwill	82.2	83.1
Intangible Assets—net	65.3	66.7
Other Noncurrent Assets	16.9	17.4
TOTAL ASSETS	\$ 916.3	\$ 827.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year	\$ 3.3	\$ 2.6
Lease liabilities payable within one year (Note 1)	2.7	1.9
Accounts payable	57.8	48.9
Accrued expenses	48.0	47.0
Total Current Liabilities	111.8	100.4
Long-term Debt	268.6	198.2
Noncurrent Lease Liabilities (Note 1)	20.2	13.0
Noncurrent Employee Benefits	89.8	93.1
Deferred Income Taxes	12.0	12.9
Other Noncurrent Obligations	4.1	3.9
TOTAL LIABILITIES	506.5	421.5
Contingencies and Legal Matters (Note 8)		
TOTAL STOCKHOLDERS' EQUITY	409.8	406.3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 916.3	\$ 827.8

See Notes to Condensed Consolidated Financial Statements

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

	2020 Activity							
	Common Stock			Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount						
Balance, December 31, 2019	18,678	\$ 0.2	\$ (82.8)	\$ 334.1	\$ 268.1	\$ (113.3)	\$ 406.3	
Net income	—	—	—	—	16.4	—	16.4	
Other comprehensive loss, including income taxes	—	—	—	—	—	(2.6)	(2.6)	
Dividends declared	—	—	—	—	(8.0)	—	(8.0)	
Shares purchased (Note 7)	—	—	(3.6)	—	—	—	(3.6)	
Stock options exercised	3	—	—	—	—	—	—	
Restricted stock vesting (Note 7)	8	—	(0.2)	—	—	—	(0.2)	
Stock-based compensation	—	—	—	1.5	—	—	1.5	
Balance, March 31, 2020	18,689	\$ 0.2	\$ (86.6)	\$ 335.6	\$ 276.5	\$ (115.9)	\$ 409.8	

	2019 Activity							
	Common Stock			Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount						
Balance, December 31, 2018	18,597	\$ 0.2	\$ (76.6)	\$ 328.5	\$ 243.2	\$ (105.1)	\$ 390.2	
Net income	—	—	—	—	11.8	—	11.8	
Other comprehensive income, net of income taxes	—	—	—	—	—	(1.7)	(1.7)	
Dividends declared	—	—	—	—	(7.6)	—	(7.6)	
Shares purchased (Note 7)	—	—	(0.3)	—	—	—	(0.3)	
Stock options exercised	9	—	—	—	—	—	—	
Restricted stock vesting (Note 7)	3	—	(0.1)	—	—	—	(0.1)	
Stock-based compensation	—	—	—	1.9	—	—	1.9	
Balance, March 31, 2019	18,609	\$ 0.2	\$ (77.0)	\$ 330.4	\$ 247.4	\$ (106.8)	\$ 394.2	

See Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended March 31,	
	2020	2019
OPERATING ACTIVITIES		
Net income	\$ 16.4	\$ 11.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8.6	8.8
Stock-based compensation	1.5	1.9
Deferred income tax provision	1.1	0.5
Provision for uncollectible accounts receivable	1.0	—
Non-cash effects of changes in liabilities for uncertain income tax positions	—	(0.4)
Increase in working capital	(13.7)	(20.9)
Pension and other postretirement benefits	(0.4)	1.5
Other	(0.3)	(0.2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14.2	3.0
INVESTING ACTIVITIES		
Capital expenditures	(4.8)	(4.3)
Purchase of marketable securities	—	(0.2)
Other	(0.1)	(0.2)
NET CASH USED IN INVESTING ACTIVITIES	(4.9)	(4.7)
FINANCING ACTIVITIES		
Long-term borrowings (Note 4)	88.7	62.9
Repayments of long-term debt (Note 4)	(17.0)	(55.5)
Debt issuance costs	(0.5)	(0.2)
Cash dividends paid	(8.0)	(7.6)
Shares purchased (Note 7)	(3.8)	(0.3)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	59.4	(0.7)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(0.2)	0.1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	68.5	(2.3)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9.0	9.9
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 77.5	\$ 7.6
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during period for interest, net of interest costs capitalized	\$ 0.2	\$ 0.6
Cash paid during period for income taxes	\$ 2.0	\$ 4.3
Non-cash investing activities:		
Liability for equipment acquired	\$ 2.4	\$ 2.6

See Notes to Condensed Consolidated Financial Statements

NEENAH, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in millions, except as noted)

Note 1. Background and Basis of Presentation

Background

Neenah, 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 and packaging business. See Note 9, "Business Segment Information."

Basis of Consolidation and Presentation

These statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and, in accordance with those rules and regulations, do not include all information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management believes that the disclosures made are adequate for a fair presentation of the Company's results of operations, financial position and cash flows. In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the results of operations, financial position and cash flows for the interim periods presented herein. The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make extensive use of estimates and assumptions that affect the reported amounts and disclosures. Actual results may vary from these estimates.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's most recent Annual Report on Form 10-K. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year.

The condensed consolidated financial statements of Neenah and its subsidiaries included herein are unaudited. The condensed consolidated financial statements include the financial statements of the Company and its wholly owned and majority owned subsidiaries. Intercompany balances and transactions have been eliminated.

Impacts of COVID-19

The Company assessed the impacts of the novel coronavirus pandemic ("COVID-19") on its various accounting estimates and significant judgments, including those that require consideration of forecasted financial information in the context of the unknown future impacts of COVID-19, using information that is reasonably available at this time. The accounting estimates and other matters assessed included, but were not limited to, goodwill, indefinite-lived intangibles and other long-lived assets, allowance for uncollectible accounts receivable, valuation allowances for tax assets and revenue recognition. Based on the Company's current assessment of these estimates, there was not a material impact to the condensed consolidated financial statements as of and for the quarter ended March 31, 2020. As additional information becomes available, the Company's future assessment of these estimates, including updated expectations at the time regarding the duration, scope and severity of the pandemic, could materially and adversely impact its consolidated financial statements in future reporting periods. The Company recorded an accrual for a one-time special payment to its mill operators of \$1.1 million related to COVID-19 during the three months ended March 31, 2020.

Earnings per Share ("EPS")

The following table presents the computation of basic and diluted EPS (dollars in millions except per share amounts, shares in thousands):

Earnings Per Basic Common Share

	Three Months Ended March 31,	
	2020	2019
Income from continuing operations	\$ 16.4	\$ 11.8
Amounts attributable to participating securities	(0.1)	—
Net income available to common stockholders	<u>\$ 16.3</u>	<u>\$ 11.8</u>
Weighted-average basic shares outstanding	<u>16,817</u>	<u>16,862</u>
Basic earnings per share	<u>\$ 0.97</u>	<u>\$ 0.70</u>

Earnings Per Diluted Common Share

	Three Months Ended March 31,	
	2020	2019
Income from continuing operations	\$ 16.4	\$ 11.8
Amounts attributable to participating securities	(0.1)	—
Net income available to common stockholders	<u>\$ 16.3</u>	<u>\$ 11.8</u>
Weighted-average basic shares outstanding	16,817	16,862
Add: Assumed incremental shares under stock compensation plans (a)	33	59
Weighted-average diluted shares	<u>16,850</u>	<u>16,921</u>
Diluted earnings per share	<u>\$ 0.97</u>	<u>\$ 0.69</u>

(a) For the three months ended March 31, 2020 and 2019, there were 267,152 and 231,332 potentially dilutive options, respectively, 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.

Fair Value of Financial Instruments

The Company measures the fair value of financial instruments in accordance with Accounting Standards Codification ("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 following table presents the carrying value and the fair value of the Company's debt:

	March 31, 2020		December 31, 2019	
	Carrying Value	Fair Value (a)	Carrying Value	Fair Value (a)
2021 Senior Notes (5.25% fixed rate)	\$ 175.0	\$ 174.3	\$ 175.0	\$ 174.3
Global Revolving Credit Facilities (variable rates)	93.0	93.0	21.6	21.6
German loan agreement (2.45% fixed rate)	3.4	3.5	3.5	3.6
German loan agreement (1.45% fixed rate)	3.6	3.7	3.7	3.7
Total debt	<u>\$ 275.0</u>	<u>\$ 274.5</u>	<u>\$ 203.8</u>	<u>\$ 203.2</u>

- (a) The fair value for all debt instruments was estimated from Level 2 measurements using rates currently available to the Company for debt of the same remaining maturities.

As of March 31, 2020, the Company had \$3.7 million in marketable securities in the U.S. classified as "Other Noncurrent Assets" on the Condensed Consolidated Balance Sheet. The cost of such marketable securities was \$4.4 million. Fair value for the Company's marketable securities was estimated from Level 1 inputs. The Company's U.S. marketable securities are designated for the payment of benefits under its supplemental employee retirement plan ("SERP"). As of March 31, 2020, Neenah Germany had investments of \$2.0 million that were restricted to the payment of certain post-retirement employee benefits of which \$0.6 million and \$1.4 million are classified as "Prepaid and other current assets" and "Other Noncurrent Assets", respectively, on the Condensed Consolidated Balance Sheet. The cost of these investments approximate market.

Revenue from Contracts with Customers

The Company recognizes sales revenue at a point in time following the transfer of control of the product to the customer, which typically occurs upon shipment or delivery depending on the terms of the underlying contracts. 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 accounts for shipping and handling activities related to contracts with customers as costs to fulfill our promise to transfer the associated products. Accordingly, the Company records customer payments of shipping and handling costs as a component of net sales and classifies such costs as a component of cost of sales. The Company excludes tax amounts assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers from our measurement of transaction prices. Accordingly, such tax amounts are not included as a component of net sales or cost of sales.

The Company considers each transaction/shipment as a separate performance obligation. Neenah recognizes revenue when the title transfers to the customer. As such, the remaining performance obligations at period end are not considered significant.

Sales terms in the technical products business vary depending on the type of product sold and customer category. In general, sales are collected in 45 to 55 days. Extended credit terms of up to 120 days are offered to customers located in certain international markets. Fine paper and packaging sales terms range between 20 and 30 days with discounts of 0 to 2% for customer payments, with discounts of 1% and 20-day terms used most often. Extended credit terms are offered to customers located in certain international markets.

Refer to Note 9, "Business Segment Information" for disaggregation of segment revenue from contracts with customers for the three months ended March 31, 2020 and 2019.

Allowance for Uncollectible Accounts Receivable

In January 2020, the Company adopted Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which amends the FASB's guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP an impairment model (known as the "current expected credit loss model" or "CECL") that is based on expected losses rather than incurred losses. The adoption of this standard did not have a material impact on the Company's financial position, results of operations and cash flows. We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Receivables are considered impaired and written-off when it is probable that contractual payments due will not be collected in accordance with the terms of the agreement. The allowance for uncollectible accounts receivable was \$2.0 million and \$1.5 million as of March 31, 2020 and December 31, 2019. The Company recorded a \$1.0 million provision for uncollectible accounts receivable from the impacts of the COVID-19 pandemic for the three months ended March 31, 2020.

Leases

The Company has operating leases for corporate offices, warehouses and certain equipment, with remaining lease terms of up to 11 years, some of which include options to extend the leases for up to five years. The Company determines if an arrangement is a lease at inception. Operating leases with terms greater than 12 months are included in "Lease Right-of-Use Assets", "Lease liabilities payable within one year" and "Noncurrent Lease Liabilities" on the Condensed Consolidated Balance Sheets. As of March 31, 2020, the Company did not have any material finance leases.

In March 2020, the Company entered into operating leases for two warehouse buildings, and recognized an ROU asset and a corresponding lease liability of \$6.6 million with a term of 10 years, and an ROU asset and corresponding lease liability of \$1.8 million with a term of 5 years. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of future payments.

Note 2. Accounting Standards Changes

As discussed in Note 1, in January 2020, the Company adopted ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848)-Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU addresses accounting implications of the replacement of LIBOR (London Inter-Bank Offered Rate) with SOFR (Secured Overnight Financing Rate) or other alternatives by the end of 2021. The FASB allows immediate relief from application of contract modification accounting triggered by reference rate reform that otherwise would be costly to implement and result in burdensome financial reporting. The Company intends to elect the expedients and exceptions offered in the ASU.

As of March 31, 2020, no other amendments to the ASC have been issued that will have or are reasonably likely to have a material effect on the Company's financial position, results of operations or cash flows.

Note 3. Supplemental Balance Sheet Data

The following table presents inventories by major class:

	March 31, 2020	December 31, 2019
Raw materials	\$ 33.4	\$ 32.8
Work in progress	24.8	26.4
Finished goods	76.4	67.3
Supplies and other	5.2	5.2
	139.8	131.7
Adjust FIFO inventories to LIFO cost	(8.4)	(8.9)
Total	\$ 131.4	\$ 122.8

The FIFO values of inventories valued on the LIFO method were \$110.6 million and \$102.2 million as of March 31, 2020 and December 31, 2019, respectively. For the three months ended March 31, 2020, income from continuing operations before income taxes was reduced by less than \$0.1 million due to a decrease in certain LIFO inventory quantities.

The following table presents changes in accumulated other comprehensive income (loss) ("AOCI") for the three months ended March 31, 2020:

	Net Unrealized Foreign Currency Translation Loss	Net Loss from Pension and Other Postretirement Liabilities	Accumulated Other Comprehensive Loss
AOCI — December 31, 2019	\$ (19.0)	\$ (94.3)	\$ (113.3)
Other comprehensive income (loss) before reclassifications	(4.0)	—	(4.0)
Amounts reclassified from AOCI	—	1.6	1.6
Income (loss) from other comprehensive income items	(4.0)	1.6	(2.4)
Provision (benefit) for income taxes	(0.3)	0.5	0.2
Other comprehensive income (loss)	(3.7)	1.1	(2.6)
AOCI — March 31, 2020	\$ (22.7)	\$ (93.2)	\$ (115.9)

For the three months ended March 31, 2020 and 2019, the Company reclassified \$1.6 million and \$1.7 million, respectively, of costs from AOCI to "Other expense - net" on the Condensed Consolidated Statements of Operations. For the three months ended March 31, 2020 and 2019, the Company recognized an income tax benefit of \$0.5 million and \$0.4 million, respectively, related to such reclassifications classified as "Provision for income taxes" on the Condensed Consolidated Statements of Operations.

Note 4. Debt

Long-term debt consisted of the following:

	March 31, 2020	December 31, 2019
2021 Senior Notes (5.25% fixed rate) due May 2021	\$ 175.0	\$ 175.0
Global Revolving Credit Facilities (variable rates) due December 2023	93.0	21.6
German loan agreement (2.45% fixed rate) due in quarterly installments ending September 2022	3.4	3.5
German loan agreement (1.45% fixed rate) due in quarterly installments ending March 2023	3.6	3.7
Deferred financing costs	(3.1)	(3.0)
Total debt	271.9	200.8
Less: Debt payable within one year	3.3	2.6
Long-term debt	\$ 268.6	\$ 198.2

2021 Senior Notes

In May 2013, the Company completed an underwritten offering of eight-year senior unsecured notes (the "2021 Senior Notes") at a face amount of \$175 million. The 2021 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. As of March 31, 2020, the Company was in compliance with all terms of the indenture for the 2021 Senior Notes. The Company continues to actively monitor the debt markets for refinancing opportunities and believes that it will be able to refinance these notes later this year on more favorable terms than are currently available in the market.

Amended and Restated Secured Revolving Credit Facility

In December 2018, the Company amended and restated its existing credit facility by entering into the Fourth Amended and Restated Credit Agreement (the "Fourth Amended Credit Agreement"), that will mature on December 10, 2023.

On March 12, 2020, the Company amended the Fourth Amended and Restated Credit Agreement, to among other things: (a) modify the Domestic Borrowing Base (as defined in the Credit Agreement) to permit the Domestic Borrowers to include a portion of certain capital assets acquired from time to time by any Domestic Borrower in permitted acquisitions, whether directly or indirectly through the acquisition of new subsidiaries (the "Acquired Assets"), pending the completion of the field exams and appraisals required under the Credit Agreement, for up to 60 days after the applicable acquisition, after which the Acquired Assets would be included in the Domestic Borrowing Base to the same extent and on the same basis as other inventory, receivables and applicable capital assets of the Domestic Borrowers; and (b) temporary adjustment to lower certain thresholds included in the agreement that impact, among other things, redemptions of existing Senior Notes, cash dividends, and other covenant restrictions, until the sooner of 90 days following the completion of a pending acquisition or the refinancing of the Company's 5.25% Senior Notes due 2021, limit the payment of cash dividends on the Company's common stock and the applicability of certain other covenants.

The Fourth Amended Credit Agreement contains covenants with which the Company and its subsidiaries must comply during the term of the agreement, which the Company believes are ordinary and standard for agreements of this nature. As of March 31, 2020, the Company was in compliance with all terms of the Fourth Amended Credit Agreement.

Availability under the Global Revolving Credit Facilities varies over time depending on the value of the Company's inventory, receivables and various capital assets. As of March 31, 2020, the Company had \$93.0 million of borrowings and \$0.5 million in letters of credit outstanding under the Global Revolving Credit Facilities and \$117.2 million of available credit (based on exchange rates at March 31, 2020). As of March 31, 2020, the weighted-average interest rate on outstanding Global Revolving Credit Facility borrowings was 2.4 percent per annum. As of December 31, 2019, the weighted-average interest rate under the Global Revolving Credit Facilities was 1.3 percent per annum.

Under the terms of the 2021 Senior Notes and the Fourth Amended Credit Agreement, the Company has limitations on its ability to repurchase shares of and pay dividends on its Common Stock. These limitations are triggered depending on the Company's credit availability under the Fourth Amended Credit Agreement and leverage levels under the Senior Notes. As of

March 31, 2020, none of these covenants were restrictive to the Company's ability to repurchase shares of and pay dividends on its Common Stock.

For additional information about the Company's debt agreements, see Note 7, "Debt" of the Notes to Consolidated Financial Statements in the 2019 Form 10-K.

Borrowings and Repayments of Long-Term Debt

The Condensed Consolidated Statements of Cash Flows present borrowings and repayments under the Global Revolving Credit Facilities using a gross approach. This approach presents not only discrete borrowings for transactions such as a business acquisition, but also reflects all borrowings and repayments that occur as part of daily management of cash receipts and disbursements. For the three months ended March 31, 2020, the Company made net long-term debt borrowings of \$71.7 million of which \$6.7 million related to daily cash management activities, and \$65.0 million related to increased cash on hand through borrowings near quarter-end as a precautionary measure to protect against any potential disruption in the banking system that would adversely impact the Company's ability to access cash as a result of COVID-19 and to enhance the Company's liquidity. For the three months ended March 31, 2019, the Company made scheduled debt repayments of \$0.3 million and net long-term debt borrowings of \$7.7 million related to daily cash management activities.

Note 5. 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. The Company has defined benefit plans for substantially all its employees in Germany and the United Kingdom. In addition, the Company maintains a SERP, which is a non-qualified defined benefit plan, and a supplemental retirement contribution plan (the "SRCP"), which is a non-qualified, unfunded defined contribution plan. The Company provides benefits under the non-qualified SERP and SRCP plans to the extent necessary to fulfill the intent of its retirement plans without regard to the limitations set by the Internal Revenue Code on qualified retirement benefit plans.

The following table presents the components of net periodic benefit cost for the Company's defined benefit plans and postretirement plans other than pensions:

Components of Net Periodic Benefit Cost for Defined Benefit Plans

	Pension Benefits		Postretirement Benefits Other than Pensions	
	Three Months Ended March 31,			
	2020	2019	2020	2019
Service cost	\$ 1.2	\$ 1.3	\$ 0.3	\$ 0.3
Interest cost	3.5	4.1	0.2	0.4
Expected return on plan assets (a)	(5.2)	(5.0)	—	—
Recognized net actuarial loss	1.3	1.5	0.2	0.2
Amortization of prior service benefit	0.1	0.1	—	—
Net periodic benefit cost	\$ 0.9	\$ 2.0	\$ 0.7	\$ 0.9

(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. The Dutch pension plan is funded through an insurance contract, and the expected return on plan assets is calculated based on the discount rate of the insured obligations.

The Company records the service cost component of net periodic benefit cost as part of cost of sales and selling, general and administrative ("SG&A") expenses; and the non-service cost components of net periodic benefit cost (i.e., interest cost, expected return on plan assets, net actuarial gains or losses, and amortization of prior service cost or credits) as part of "Other expense - net" on the Condensed Consolidated Statements of Operations.

For the three months ended March 31, 2020, the Company made \$1.8 million of aggregate contributions to qualified and nonqualified defined benefit pension trusts and payments to pension benefits for unfunded pension and other postretirement benefit plans. The Company expects to make \$7.4 million of such payments in calendar 2020. The Company made similar

payments of \$2.0 million and \$13.1 million for the three months ended March 31, 2019 and for the year ended December 31, 2019, respectively.

Multi-Employer Plan

Historically, we have contributed to the PACE Industry Union-Management Pension Fund (the "PIUMPF"), a multiemployer pension plan. The amount of our annual contributions to the PIUMPF was negotiated with the plan and the bargaining unit representing our employees covered by the plan. The PIUMPF was certified to be in "critical status" for the plan year beginning January 1, 2010, and continued to be in critical status for the plan year beginning January 1, 2018.

Effective July 1, 2018, the Company and representatives of the United Steelworkers Union (the "USW") of the Lowville mill initiated actions to withdraw from the PIUMPF. As a result, the Company recorded an estimated withdrawal liability of \$1.0 million, which assumed payment of \$0.1 million per year over 20 years, discounted at a credit adjusted risk-free rate of 5.7%. In October 2019, the Company received a billing from PIUMPF for the withdrawal liability, which confirmed the \$1.0 million liability. In addition to the withdrawal liability, PIUMPF also demanded immediate payment of \$1.3 million for the Company's pro-rata share of the fund's accumulated funding deficiency. The Company is challenging this demand and believes it to be unenforceable. As such, the Company has not recorded a liability for this amount as of March 31, 2020.

Note 6. Stock Compensation Plan

Stock Options and Stock Appreciation Rights ("Options")

There were no Options awarded during the three months ended March 31, 2020.

The following table presents information regarding Options that vested during the three months ended March 31, 2020:

Options vested		66,953
Aggregate grant date fair value of Options vested (in millions)	\$	1.0

The following table presents information regarding outstanding Options:

	March 31, 2020		December 31, 2019	
Options outstanding		406,719		416,548
Aggregate intrinsic value (in millions)	\$	0.6	\$	3.9
Per share weighted average exercise price	\$	70.59	\$	70.08
Exercisable Options		377,517		318,029
Aggregate intrinsic value (in millions)	\$	0.6	\$	3.9
Unvested Options		29,202		98,519
Per share weighted average grant date fair value	\$	14.74	\$	14.41

Performance Share Units ("PSUs") and Restricted Share Units ("RSUs")

For the three months ended March 31, 2020, the Company granted target awards of 27,773 PSUs. The measurement period for the PSUs is January 1, 2020 through December 31, 2022. The PSUs vest on December 31, 2022. Common Stock of an amount between zero and 200 percent of the PSUs target will be awarded based on the Company's return on invested capital, consolidated revenue growth, free cash flow as a percentage of net sales, and total return to shareholders relative to the companies in the Russell 2000® Value small cap index. The Company's return on invested capital, consolidated revenue growth, and free cash flow as a percentage of net sales are adjusted for certain items as further described in the Performance Share Award Agreement. The market price on the date of grant for the PSUs was \$71.88 per share.

For the three months ended March 31, 2020, the Company awarded 58,587 RSUs to certain employees. The weighted average grant date fair value of such awards was \$68.54 per share and the one third of the shares will vest on each of the first three anniversaries of the grant date, with certain exceptions for retiring employees. During the vesting period, the holders of the RSUs are entitled to dividends, but the RSUs do not have voting rights. Generally, the RSUs and PSUs are forfeited in the event the holder is no longer working for the Company on the vesting date. However, under specific circumstances, vesting may be accelerated or reflect pro-rata vesting.

Note 7. Stockholders' Equity**Common Stock**

As of March 31, 2020 and December 31, 2019, the Company had 16,791,000 shares and 16,843,000 shares of Common Stock outstanding, respectively.

In November 2019, the Company's Board of Directors authorized a program for the purchase of up to \$25 million of outstanding Common Stock effective January 1, 2020 (the "2020 Stock Purchase Plan"). The program does not require the Company to purchase any specific number of shares and may be suspended or discontinued at any time. Purchases under the 2020 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. Among the measures taken to manage the Company's cash flow and preserve its liquidity, purchases under the 2020 Stock Purchase Plan were curtailed in March 2020 and remain suspended. The Company also had \$25 million repurchase programs in place during the preceding two years that expired in December 2019 (the "2019 Stock Purchase Plan") and December 2018 (the "2018 Stock Purchase Plan"), respectively.

The following table shows shares purchased and value (\$ in millions) under the respective stock purchase plans:

	Three Months Ended March 31,			
	2020		2019	
	Shares	Amount	Shares	Amount
2020 Stock Purchase Plan	59,577	\$ 3.6	—	\$ —
2019 Stock Purchase Plan	—	—	4,285	0.3

For the three months ended March 31, 2020, the Company acquired 3,476 shares of Common Stock, at a cost of \$0.2 million for shares surrendered by employees to pay taxes due on vested restricted stock awards.

Note 8. 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 cash flows of the Company.

Income Taxes

The Company periodically undergoes examination by the IRS, as well as various state and foreign jurisdictions. These tax authorities routinely challenge certain deductions and credits reported by the Company on its income tax returns. No significant tax audit findings are being contested at this time with either the IRS or any state or foreign tax authority.

Employees and Labor Relations

The Company's U.S. union employees are represented by the USW. 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 und Energie (the "IG BCE"). In the Netherlands, most of our employees are eligible to be represented by the CNV and the FNV. As of March 31, 2020, the Company had 205 U.S. employees covered under collective bargaining agreements that have or will expire in the next 12 months.

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The following table shows the expiration dates of the Company's various bargaining agreements and the number of employees covered under each of these agreements:

Contract Expiration Date	Location	Union	Number of Employees
April 2020	Eerbeek, Netherlands	CNV, FNV	(a) (b)
August 2020	Neenah Germany	IG BCE	(a)
January 2021	Whiting, WI	USW	205
June 2021	Neenah, WI	USW	228
July 2021	Munising, MI	USW	182
November 2021	Lowville, NY	USW	96
May 2022	Appleton, WI	USW	84

(a) Under German and Dutch laws, 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, and the CNV and FNV cannot be determined.

(b) The Company is currently in negotiations with the CNV and the FNV. Until a new contract is signed, the terms of the previous contract still apply.

The Company's United Kingdom salaried and hourly employees are eligible to participate in Unite the Union ("UNITE") on an individual basis, but not under a collective bargaining agreement.

Note 9. Business Segment Information

The Company's reportable operating segments consist of Technical Products and Fine Paper and Packaging.

The Technical Products segment is an aggregation of the Company's performance materials and filtration businesses which are similar in terms of economic characteristics, nature of products, processes, customer class and product distribution methods. The segment is an international producer of fiber-formed, coated and/or saturated specialized media that deliver high performance benefits to customers. Included in this segment are tape and abrasives backings products, digital image transfer, durable label and other specialty substrate products ("Performance Materials"), and filtration media for transportation, water and other end use applications ("Filtration"). During the three months ended March 31, 2020, the Company aggregated the backings and specialties revenues into Performance Materials and recast the prior year period disclosure based on the economic similarity of the products per ASC Topic 280, *Segment Reporting*, and changes in the internal management of these products. The following table presents sales by product category for the technical products business:

	Three Months Ended March 31,	
	2020	2019
Performance Materials	58%	58%
Filtration	42%	42%
Total	100%	100%

The Fine Paper and Packaging segment is a leading supplier of premium printing and other high-end specialty papers ("Graphic Imaging"), and premium packaging ("Packaging"), primarily in North America. The following table presents sales by product category for the fine paper and packaging business:

	Three Months Ended March 31,	
	2020	2019
Graphic Imaging	76%	79%
Packaging	24%	21%
Total	100%	100%

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Each segment employs different technologies and marketing strategies. 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 following tables summarize the net sales and operating income for each of the Company's business segments:

	Three Months Ended March 31,	
	2020	2019
Net sales		
Technical Products	\$ 142.2	\$ 140.0
Fine Paper and Packaging	91.4	99.7
Consolidated	<u>\$ 233.6</u>	<u>\$ 239.7</u>

	Three Months Ended March 31,	
	2020 (a)	2019
Operating income (loss)		
Technical Products	\$ 16.2	\$ 11.3
Fine Paper and Packaging	14.8	11.9
Unallocated corporate costs	(7.4)	(5.8)
Consolidated	<u>\$ 23.6</u>	<u>\$ 17.4</u>

(a) Operating income for the three months ended March 31, 2020 included (1) \$1.1 million of costs (\$0.6 million within Technical Products and \$0.5 million within Fine Paper and Packaging) related to a one-time special payment to its mill operators related to the COVID-19 pandemic; (2) \$1.4 million of restructuring and other non-routine costs (\$0.2 million within Technical Products, \$0.9 million within Fine Paper and Packaging, and \$0.3 million within Unallocated corporate costs); and (3) \$1.0 million of due diligence and transaction costs of a terminated acquisition attempt within Unallocated corporate costs.

The following tables represent a disaggregation of revenue from contracts with customers by location of the selling entities for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,	
	2020	2019
United States	70%	71%
Germany	23%	22%
Rest of Europe	7%	7%
Total	<u>100%</u>	<u>100%</u>

Note 10. Subsequent Event

On May 6, 2020, Bonnie C. Lind notified Neenah of her plans to retire on October 1, 2020. In addition, Ms. Lind will relinquish her role as Senior Vice President, Chief Financial Officer and Treasurer ("CFO") as of May 13, 2020. Ms. Lind will remain with the Company through October 1 to ensure a smooth transition.

On May 7, 2020, the Company announced the appointment of Paul DeSantis as CFO, effective as of May 13, 2020. Mr. DeSantis, most recently served as Chief Financial Officer of OMNOVA Solutions, Inc., a global producer of emulsion polymers, specialty chemicals, and decorative and functional surfaces. Mr. DeSantis previously served as Chief Financial

Officer, Treasurer & Assistant Corporate Secretary of Bob Evans Farms, Inc. and as Chief Financial Officer of the A. Schulman Company.

In connection with his appointment, Mr. DeSantis will participate in the Company's long-term equity compensation plan on an ongoing basis pursuant to the terms of the Company's 2018 Omnibus Stock and Incentive Compensation Plan, all as determined by the Company's Compensation Committee.

Item 2. 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 financial position as of March 31, 2020 and our results of operations for the three months ended March 31, 2020 and 2019. You should read this discussion in conjunction with our consolidated financial statements and the notes to those consolidated financial statements included in our most recent 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.

Executive Summary

For the three months ended March 31, 2020, consolidated net sales of \$233.6 million decreased \$6.1 million (3%) from the prior year period. The decline in revenues resulted from lower volumes in the Fine Paper and Packaging segment, including impacts from the change from a major distributor, lower net selling prices in both segments and unfavorable currency translation effects. These items were only partly offset by increased volumes in Technical Products. On a constant currency basis, net sales declined 2 percent compared with the prior year.

Consolidated operating income of \$23.6 million for the three months ended March 31, 2020 increased \$6.2 million from the prior year period. The increase was mainly due to lower input costs in both segments, and higher sales volumes and improved manufacturing costs and efficiencies in Technical Products. These items were only partly offset by lower net selling prices in both segments, higher SG&A expense due to an increased reserve for uncollectible accounts and legal costs, and lower volume in Fine Paper and Packaging. Excluding \$3.5 million of adjustments for 2020, adjusted operating income in 2020 increased \$9.7 million (56%), to \$27.1 million from \$17.4 million. Adjusting items in 2020 included an accrual for a one-time special payment to our mill operators related to COVID-19, costs for the intended Vectorply acquisition, and restructuring and other non-routine costs. There were no adjusting items for the same period in 2019. See the reconciliation table on F-19 for further detail of adjusting items.

Cash provided by operating activities of \$14.2 million for the three months ended March 31, 2020 was \$11.2 million higher than cash generated of \$3.0 million in the prior year period. The increase resulted primarily from lower working capital requirements and higher earnings. Cash used for investing activities of \$4.9 million was consistent with the prior year period.

Impact of COVID-19 on Our Business

As are virtually all other companies, we are dealing with the outbreak and pandemic of COVID-19. The COVID-19 pandemic and measures to prevent its spread, including imposition of quarantines and prolonged closures of manufacturing facilities and retail stores, may impact our business in a number of ways. These impacts are expected to include an adverse effect from significantly reduced global economic activity and resulting demand for our products and our customers' products and, therefore, the products we manufacture. They could also adversely affect our ability to operate our business, including potential disruptions to our supply chain and workforce. The COVID-19 impact on capital markets could also impact the timing of our plans to refinance our long-term debt and the cost of borrowing.

The impact of the COVID-19 pandemic on our business operations and results of operations began to be noticeable to a limited degree in March, with decreased customer demand and interruptions of collections of some accounts receivable. We expect the ongoing COVID-19 pandemic to have a material adverse impact on our business operations and our financial results, including our net sales, earnings and cash flows in the upcoming quarters. While it is currently too early to estimate, we expect the ultimate significance of the impact of these disruptions, including the extent of their adverse impact on our financial results, will be determined by the length of time that such disruptions continue, which will, in turn, depend on the duration of the COVID-19 pandemic and the impact of governmental regulations or guidelines in response to the pandemic. We have been designated as an "essential business" by the U.S. federal and state governments, and thus far have had no manufacturing operations disruptions at any U.S. or European facility due to governmental orders or labor availability. At this time, we do not foresee any mandated closures of any of our global manufacturing facilities.

Both of the Company's business segments have continued to operate during the pandemic as vital suppliers of goods and services and the Company has taken certain proactive and precautionary steps to ensure the safety of its employees, including frequent cleaning and disinfection of workspaces, property and equipment, instituting social distancing measures and mandating remote working environments for certain employees.

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We have been taking, and will continue to take actions to ensure our employees' safety, manage our cash flow and preserve our liquidity. Such measures could include reducing discretionary spending, minimizing capital expenditures and contributions to pension plans, postponing acquisition and other investment initiatives, suspending purchases under our 2020 Stock Purchase Plan, consolidating our manufacturing footprint and reducing payroll costs through a wage increase deferral, hiring freeze, furloughs or other measures.

As of March 31, 2020, there was no indication that the carrying values of our goodwill, indefinite-lived intangibles or long-lived assets were impaired as a result of impacts from COVID-19.

Refer to Part II, Item 1A, "Risk Factors," for the risk factor related to COVID-19.

Results of Operations and Related Information

In this section, we discuss and analyze our net sales, earnings before interest and taxes (which we refer to as "operating income") and other information relevant to an understanding of our results of operations for the three months ended March 31, 2020 and 2019.

Analysis of Net Sales — Three Months Ended March 31, 2020 and 2019

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

	Three Months Ended March 31,			
	2020		2019	
Net sales				
Technical Products	\$ 142.2	61%	\$ 140.0	58%
Fine Paper and Packaging	91.4	39%	99.7	42%
Consolidated	\$ 233.6	100%	\$ 239.7	100%

Commentary:

The following table presents our net sales by segment for the three months ended March 31, 2020 and 2019:

	Change in Net Sales Compared to Prior Period					
	Three Months Ended March 31,		Total Change	Change Due To		
	2020	2019		Volume	Net Price (a)	Currency
Technical Products	\$ 142.2	\$ 140.0	\$ 2.2	\$ 10.1	\$ (5.8)	\$ (2.1)
Fine Paper and Packaging	91.4	99.7	(8.3)	(5.8)	(2.5)	—
Consolidated	\$ 233.6	\$ 239.7	\$ (6.1)	\$ 4.3	\$ (8.3)	\$ (2.1)

(a) Includes changes in selling price and product mix.

Consolidated net sales of \$233.6 million for the three months ended March 31, 2020 decreased \$6.1 million (3%) from the prior year period. The decline in revenues resulted from lower volumes in the Fine Paper and Packaging segment, including impacts from the change from a major distributor, lower net selling prices in both segments and unfavorable currency translation effects. These items were only partly offset by increased volumes in Technical Products. On a constant currency basis, net sales declined 2 percent compared with the prior year.

- Net sales in our technical products business increased \$2.2 million (2%) from the prior year period. The revenue increase resulted primarily from higher volumes in the performance materials and filtration businesses, partly offset by lower selling prices, a lower-priced mix and unfavorable foreign currency effects.
- Net sales in our fine paper and packaging business decreased \$8.3 million (8%) from the prior year period. The decline was primarily due to lower commercial print volume, reflecting unusually weak market conditions and the impact of a change in the relationship with a major distributor, along with lower selling prices and a less favorable sales mix. These items were only partly offset by sales growth in both premium packaging and the consumer channel.

Analysis of Operating Income — Three and Nine Months Ended March 31, 2020 and 2019

The following table sets forth line items from our Condensed 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:

	Three Months Ended March 31,	
	2020	2019
Net sales	100.0%	100.0%
Cost of products sold	76.9	81.8
Gross profit	23.1	18.2
Selling, general and administrative expenses	11.4	10.6
COVID-19 costs	0.5	—
Restructuring and other non-routine costs	0.6	—
Acquisition and due diligence costs	0.4	—
Other expense - net	0.1	0.3
Operating income	10.1	7.3
Interest expense - net	1.2	1.4
Income from continuing operations before income taxes	8.9	5.9
Provision for income taxes	1.9	1.0
Income from continuing operations	7.0%	4.9%

Commentary:

The following table presents our operating income by segment for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,		Change in Operating Income Compared to Prior Period					
	2020	2019	Total Change	Change Due To				
				Volume	Net Price (a)	Input Costs (b)	Currency	Other (c)
Technical Products	\$ 16.2	\$ 11.3	\$ 4.9	\$ 3.1	\$ (5.4)	\$ 7.4	\$ (0.3)	\$ 0.1
Fine Paper and Packaging	14.8	11.9	2.9	(1.5)	(1.2)	6.1	—	(0.5)
Unallocated corporate costs	(7.4)	(5.8)	(1.6)	—	—	—	—	(1.6)
Consolidated	\$ 23.6	\$ 17.4	\$ 6.2	\$ 1.6	\$ (6.6)	\$ 13.5	\$ (0.3)	\$ (2.0)

(a) Includes changes in selling price and product mix.

(b) Includes price changes for raw materials and energy.

(c) Includes other manufacturing costs, over (under) absorption of fixed costs, distribution and SG&A expenses. In addition, in 2020 it included \$1.1 million of unfavorable adjustments related to COVID-19 (as described below), \$1.4 million of restructuring and other non-routine costs and \$1.0 million of acquisition and due diligence costs. See the breakdown by segment and the reconciliation table on F-19 for further detail.

Consolidated operating income increased \$6.2 million from the prior year period to \$23.6 million for the three months ended March 31, 2020. The increase was mainly due to lower input costs in both segments, and higher sales volumes and improved manufacturing costs and efficiencies in Technical Products. These items were only partly offset by lower net selling prices in both segments, higher SG&A expense due to an increased reserve for uncollectible accounts and legal costs, and lower volume in Fine Paper and Packaging. Excluding \$3.5 million of adjustments for 2020, adjusted operating income in 2020 increased \$9.7 million (56%), to \$27.1 million from \$17.4 million. Adjusting items in 2020 included an accrual for a one-time special payment to our mill operators related to COVID-19, costs for the intended Vectorply acquisition, and restructuring and other non-routine costs. There were no adjusting items for the same period in 2019. See the reconciliation table on F-19 for further detail.

- Operating income for our technical products business increased \$4.9 million from the prior year period. Excluding unfavorable adjusting items of \$0.8 million in 2020 related to COVID-19 and restructuring costs, adjusted operating income increased \$5.7 million (50%) from \$11.3 million to \$17.0 million. Operating income increased as a result of

lower input costs, higher sales volumes and improved manufacturing costs, which more than offset lower net selling prices and \$1.3 million of higher SG&A expense due to increased provisions for uncollectible accounts and legal costs.

- Operating income for our fine paper and packaging business increased \$2.9 million from the prior year period. Excluding \$1.4 million of non-routine costs in 2020 related to COVID-19, restructuring and indirect tax costs, adjusted operating income of \$16.2 million in 2020 increased \$4.3 million (36%) from \$11.9 million in the prior year as a result of lower input costs and other cost improvements, partly offset by lower sales volumes and lower net selling prices.
- Unallocated corporate expenses for the three months ended March 31, 2020 of \$7.4 million increased \$1.6 million from the prior year. Excluding 2020 adjustments of \$1.3 million primarily related to acquisition and due diligence costs, adjusted unallocated corporate expenses increased \$0.3 million.

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The following table sets forth our operating income by segment, adjusted for the effects of certain costs, for the periods indicated:

	Three Months Ended March 31,	
	2020	2019
Technical Products		
GAAP Operating Income	\$ 16.2	\$ 11.3
COVID-19 costs	0.6	—
Restructuring and other non-routine costs	0.2	—
Adjusted Operating Income	17.0	11.3
Fine Paper and Packaging		
GAAP Operating Income	14.8	11.9
COVID-19 costs	0.5	—
Restructuring and other non-routine costs	0.5	—
2016-19 indirect tax costs	0.4	—
Adjusted Operating Income	16.2	11.9
Unallocated Corporate Costs		
GAAP Operating Loss	(7.4)	(5.8)
Restructuring and other non-routine costs	0.3	—
Acquisition and due diligence costs	1.0	—
Adjusted Operating Loss	(6.1)	(5.8)
Consolidated		
GAAP Operating Income	23.6	17.4
COVID-19 costs	1.1	—
Restructuring and other non-routine costs	1.0	—
Acquisition and due diligence costs	1.0	—
2016-19 indirect tax costs	0.4	—
Adjusted Operating Income	\$ 27.1	\$ 17.4

In accordance with generally accepted accounting principles in the United States ("GAAP"), consolidated operating income includes the pre-tax effects of COVID-19 costs, restructuring and other prior year costs, and acquisition and due diligence costs. We believe that by adjusting reported operating income to exclude the effects of such items, the resulting adjusted operating income is on a basis that reflects the results of our ongoing operations. In assessing COVID-19 impacts, we excluded only costs which were unusual, incremental and directly attributable to mitigating the effects COVID-19 on our 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.

Additional Statement of Operations Commentary:

- SG&A expense of \$26.6 million for the three months ended March 31, 2020 was \$1.3 million higher than SG&A expense of \$25.3 million in the prior year period. Costs in 2020 included a higher provision for uncollectible accounts receivable and legal expenses. For the three months ended March 31, 2020, SG&A expense as a percent of sales increased to 11.4% from 10.6% in the prior year period.
- For the three months ended March 31, 2020, net interest expense of \$2.9 million decreased compared with \$3.2 million in the prior year period, due to lower average debt levels in 2020.

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- Historically, our effective tax rate has differed from the U.S. statutory tax rate primarily due to the proportion of pre-tax income in jurisdictions with marginal tax rates that differ from the U.S. statutory tax rate, research and development and other tax credits and excess tax benefits from stock compensation. For the three months ended March 31, 2020 and 2019, we recorded an income tax expense of \$4.3 million and \$2.4 million, respectively. The effective income tax rate was 21% for the three months ended March 31, 2020 and 17% for the three months ended March 31, 2019. The effective income tax rate for the three months ended March 31, 2019 reflected a favorable adjustment to the reserve for uncertain tax positions following completion of a German tax audit.
- On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was signed into law in the U.S. The CARES Act includes various income and payroll tax provisions that we are in the process of analyzing to determine the financial impact on our financial statements. The most significant impact is expected to result from the ability to delay payment of certain 2020 payroll taxes until 2021 and 2022. Similar COVID-19 relief legislation has also been enacted in Germany, the Netherlands and the U.K. aimed at providing subsidies for employee retention and deferral of tax payments.

Liquidity and Capital Resources

	Three Months Ended March 31,	
	2020	2019
Net cash flow provided by (used in):		
Operating activities	\$ 14.2	\$ 3.0
Investing activities:		
Capital expenditures	(4.8)	(4.3)
Other investing activities	(0.1)	(0.4)
Total	(4.9)	(4.7)
Financing activities:		
Net borrowings of long-term debt	71.7	7.4
Cash dividends paid	(8.0)	(7.6)
Shares purchased	(3.8)	(0.3)
Other financing activities	(0.5)	(0.2)
Total	59.4	(0.7)
Effect of exchange rate changes on cash and cash equivalents	(0.2)	0.1
Net increase (decrease) in cash and cash equivalents	\$ 68.5	\$ (2.3)

Operating Cash Flow Commentary

- Cash provided by operating activities of \$14.2 million for the three months ended March 31, 2020 was \$11.2 million higher than cash provided by operating activities of \$3.0 million in the prior year period. The increase resulted primarily from lower working capital requirements and higher earnings.

Investing Commentary:

- For the three months ended March 31, 2020 and 2019, cash used by investing activities was \$4.9 million and \$4.7 million, respectively. Increased capital spending in 2020 of \$0.5 million was due to timing of certain projects. For the full year 2020, we expect aggregate annual capital expenditures to be approximately half of our normal range of 2% to 4% of net sales.

Financing Commentary:

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

- For the three months ended March 31, 2020, cash and cash equivalents increased \$68.5 million to \$77.5 million at March 31, 2020 from \$9.0 million at December 31, 2019. Total debt increased \$71.1 million to \$271.9 million at March 31, 2020 from \$200.8 million at December 31, 2019. We increased cash on hand through \$65.0 million of borrowings against our Global Revolving Credit Facilities near quarter-end as a precautionary measure to protect against any potential disruption in the banking system that would adversely impact our short-term ability to access cash as a result of COVID-19 effects and to enhance our liquidity.
- As of March 31, 2020, our cash balance of \$77.5 million consisted of \$71.2 million in the U.S. and \$6.3 million held at entities outside of the U.S. As of March 31, 2020, there were no restrictions regarding the repatriation of our non-U.S. cash.
- For the three months ended March 31, 2020 and 2019, cash provided by (used in) financing activities was \$59.4 million and \$(0.7) million, respectively. Cash related to financing activities consists primarily of net borrowings/repayments of long-term debt, dividends paid and share repurchases. During the three months ended March 31, 2020, we made net borrowings of \$71.7 million on our debt compared to \$7.4 million in the prior year period, as noted above.
- Availability under our revolving credit facility varies over time depending on the value of our inventory, receivables and various capital assets. As of March 31, 2020, we had \$93.0 million outstanding under our Global Revolving Credit Facilities and \$117.2 million of available credit (based on exchange rates at March 31, 2020).

- Our \$175.0 million Senior Notes are due on May 15, 2021 and will become a current liability soon. We continue to actively monitor the debt markets for refinancing opportunities and believe that we will be able to refinance these notes later this year on more favorable terms than are currently available in the market. As of March 31, 2020, we were in compliance with all terms of the indenture for the 2021 Senior Notes.
- We have required debt principal payments through March 31, 2021 of \$3.3 million for principal payments on the two German loan agreements.

Transactions With Shareholders

- In November 2019, our Board of Directors approved a 4% increase in the quarterly dividend on our Common Stock, to \$0.47 per share, effective with the March 2020 dividend payment. For the three months ended March 31, 2020 and 2019, we paid cash dividends of \$8.0 million (0.47 per common share) and \$7.6 million (0.45 per common share), respectively.
- Among the measures taken to manage our cash flow and preserve our liquidity, purchases under the 2020 Stock Purchase Plan were curtailed in March 2020 and remain suspended. The 2020 Stock Purchase Plan does not require us to purchase any specific number of shares and may be suspended or discontinued at any time. For the three months ended March 31, 2020 and 2019, we repurchased 59,577 shares of Common Stock at a cost of \$3.6 million and 4,285 shares of Common Stock at a cost of \$0.3 million, respectively. For further details on our Stock Purchase Plans refer to Note 7, "Stockholders' Equity" of Notes to Condensed Consolidated Financial Statements.

Other Items:

- As of March 31, 2020, we had \$42.3 million of state net operating losses ("NOLs"). Our state NOLs may be used to offset \$2.6 million in state income taxes. If not used, substantially all of the state NOLs will expire in various amounts between 2021 and 2039. In addition, as of March 31, 2020, we had \$21.0 million of U.S. federal and \$7.6 million of U.S. state research and development tax credits ("R&D Credits") which, if not used, will expire between 2032 and 2040 for the U.S. federal R&D Credits and between 2020 and 2035 for the state R&D Credits.

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 2020 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 the impact and duration of COVID-19. We can give no assurance we will be able to successfully implement these items.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with GAAP requires 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 period. We believe that the estimates, assumptions and judgments described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Use of Estimates" of our most recent Annual Report on Form 10-K have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. 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 timing of recognizing sales revenue, the recoverability of deferred income tax assets, pension benefits and future cash flows associated with impairment testing of long-lived assets. Actual results could differ from these estimates and changes in these estimates are recorded when known. We believe that the consistent application of these policies enables us to provide readers of our financial statements with useful and reliable information about our operating results and financial condition. There have been no significant changes in these policies, or the estimates used in the application of the policies, since December 31, 2019.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q 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 quarterly report that are not historical facts may be forward-looking statements within the meaning of the PSLRA and we caution investors that any forward-looking statements we make are not guarantees or indicative of future performance. These forward-looking statements rely on a number of assumptions concerning future events and are subject to risks, uncertainties and other factors, many of which are outside of our control, that could cause actual results to materially differ from such statements. Such risks, uncertainties and other factors include, but are not necessarily limited to, those set forth under the captions "Cautionary Note Regarding Forward-Looking Statements" and/or "Risk Factors" of our latest Form 10-K filed with the SEC as periodically updated by subsequently filed Form 10-Qs (these securities filings can be located on our website at www.neenah.com). Unless specifically required by law, we assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances. 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.

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 and political conditions;
- the potential impact of COVID-19 on our projected customer demand, mill operations and supply chain, as well as our consolidated financial position, consolidated results of operations and consolidated cash flows in 2020;
- the impact of competition, both domestic and international, changes in industry production capacity, including the construction of new mills or new machines, the closing of mills and incremental changes due to capital expenditures or productivity increases;
- the loss of current customers or the inability to obtain new customers;
- increases in commodity prices (particularly for pulp, energy and latex);
- our ability to control costs, including transportation, and implement measures designed to enhance operating efficiencies;
- the availability of raw materials and energy;
- the enactment of adverse federal, state or foreign tax or other legislation or changes in government policy or regulation;
- the impact of increased trade protectionism and tariffs on our business, results of operations and financial condition;
- unanticipated expenditures related to the cost of compliance with environmental and other governmental regulations;

- fluctuations in (i) exchange rates (in particular, changes in the U.S. dollar/Euro currency exchange rates) and (ii) interest rates;
- increases in the funding requirements for our pension and postretirement liabilities;
- our ability to identify attractive acquisition targets and to successfully integrate acquired businesses into our existing operations;
- 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;
- loss of key personnel;
- strikes, labor stoppages and changes in our collective bargaining agreements and relations with our employees and unions;
- capital and credit market volatility and fluctuations in global equity and fixed-income markets;
- 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; and
- other risks that are detailed from time to time in reports we file with the SEC.

Any subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth or referred to above, as well as the risk factors contained in our most recent Annual Report on Form 10-K. Except as required by law, we disclaim any obligation to update such statements or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the disclosure on this matter made in our Annual Report on Form 10-K for the year ended December 31, 2019.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management in a timely manner.

As of March 31, 2020, an evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of March 31, 2020.

Internal Control over Financial Reporting

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated whether any change in our internal control over financial reporting occurred during the three months ended March 31, 2020. Based on that evaluation, we have concluded that there has been no change in our internal control over financial reporting during the three months ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Note 8, "Contingencies and Legal Matters" of Notes to Condensed Consolidated Financial Statements of Item 1 — Financial Statements.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed below and in Part I, "Item 1A, "Risk Factors" of our most recent Annual Report on Form 10-K, which could materially affect our business, financial condition or future results. The risks described below and in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

The following supplements the risk factors disclosed in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Our financial condition and results of operations have been and are expected to continue to be adversely affected by the recent coronavirus pandemic.

A novel strain of coronavirus, COVID-19, was first identified in Wuhan, China in December 2019, and subsequently declared a pandemic by the World Health Organization. The COVID-19 pandemic and measures taken to contain or mitigate the pandemic have caused, and are continuing to cause, business slowdown or shutdown in affected areas and significant disruption in the financial markets both globally and in the U.S., which has led to a decline in discretionary spending by consumers, which in turn has started to adversely impact our business, sales, financial condition and results of operations in March 2020. We cannot predict the degree to, or the time period over, which our sales and operations will be affected by this pandemic and preventive measures.

COVID-19 and measures to prevent its spread, including imposition of quarantines and prolonged closures of manufacturing facilities and retail stores, may impact our business in a number of ways. These impacts are expected to include an adverse effect from significantly reduced global economic activity and resulting demand for our products and our customers' products and, therefore, the products we manufacture. They could also adversely affect our ability to operate our business, including potential disruptions to our supply chain and workforce. The COVID-19 impact on capital markets could impact our ability to successfully refinance our long-term debt and increase our cost of borrowing. Our \$175.0 million Senior Notes mature on May 15, 2021 and the adverse impacts of COVID-19 could prevent us from being able to refinance the 2021 Senior Notes in a timely manner or could result in unfavorable borrowing arrangements due to major volatility in the credit markets.

The impact of the COVID-19 pandemic on our business operations and results of operations began to be noticeable to a limited degree in March, with decreased customer demand and interruptions of collections of some accounts receivable. We expect the ongoing COVID-19 pandemic to have a material adverse impact on our business operations and our financial results, including our net sales, earnings and cash flows in the upcoming quarters. While it is currently too early to estimate, we expect the ultimate significance of the impact of these disruptions, including the extent of their adverse impact on our financial results, will be determined by the length of time that such disruptions continue, which will, in turn, depend on the duration of the COVID-19 pandemic and the impact of governmental regulations or guidelines in response to the pandemic. Although all of our global manufacturing facilities are currently operational and have been designated by governmental authorities as an "essential business", in the future they may be required to curtail or cease production in response to the spread of COVID-19, either in response to changing governmental orders or labor availability. In addition, our customers, distribution partners, service providers or suppliers may experience operational challenges, financial distress, file for bankruptcy protection, go out of business or suffer disruptions in their business due to COVID-19 which would have a material negative impact on our business.

The spread of COVID-19 and the requirements to take action to help limit the spread of the illness, will impact our ability to carry out our business as usual and may materially adversely impact global economic conditions, our business, results of operations, cash flows and financial condition. Even in those regions where we are beginning to experience business recovery, should those regions fail to fully contain COVID-19 or suffer a COVID-19 relapse, those markets may not recover as quickly or at all, which could have a material adverse effect on our business and results of operations.

To the extent the COVID-19 pandemic adversely affects our business, results of operations and financial condition, it may also have the effect of heightening many of the other risks described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2019.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities:

The following table contains information about our purchases of our equity securities for the three months ended March 31, 2020:

Month	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs (a)
January	343	\$—	—	\$25,000,000
February	49,560	\$61.06	46,667	\$22,150,513
March	13,130	\$58.18	12,890	\$21,400,573

- (a) As of March 31, 2020, the Company has purchased 59,577 shares of Common Stock at an aggregate cost of \$3.6 million under the 2019 Stock Purchase Plan. For further discussion on the share repurchase plans refer to Note 7, "Stockholders' Equity" of Notes to Condensed Consolidated Financial Statements.

Item 6. Exhibits**Exhibit
Number****Exhibit**

10.1	<u>Second Amendment, dated March 12, 2020, to the Fourth Amended and Restated Credit Agreement dated December 10, 2018 by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed herewith)</u>
10.2*	<u>Form of Performance Share Unit Award Agreement (filed herewith)</u>
10.3*	<u>Form of Restricted Stock Unit Award Agreement (filed herewith)</u>
10.4*	<u>Form of Restricted Stock Unit Award Agreement (retirement) (filed herewith)</u>
31.1	<u>Certification of the CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2	<u>Certification of the CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1	<u>Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2	<u>Certification of CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document (filed herewith).
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith).
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document (filed herewith).
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document (filed herewith).
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith).

* Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements 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, INC.

By: /s/ John P. O'Donnell

John P. O'Donnell

President, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Bonnie C. Lind

Bonnie C. Lind

Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

/s/ Larry N. Brownlee

Larry N. Brownlee

Vice President, Controller (Principal Accounting Officer)

May 11, 2020

SECOND AMENDMENT TO
FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

This Second Amendment to Fourth Amended and Restated Credit Agreement (this “**Second Amendment**”) is made and entered into as of March 12, 2020 (the “**Second Amendment Effective Date**”), by and among Neenah, Inc., a Delaware corporation formerly known as Neenah Paper, Inc. (the “**Company**”), certain Domestic Subsidiaries of the Company, as borrowers (together with the Company, collectively, the “**Domestic Borrowers**”), Neenah Services GmbH & Co. KG and certain of its Subsidiaries, as borrowers (collectively, the “**German Borrowers**”), the other guarantors party hereto (such guarantors, together with the Domestic Borrowers and the German Borrowers, collectively, the “**Loan Parties**”), the Lenders party hereto and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent (the “**Agent**”).

RECITALS:

WHEREAS, the Loan Parties are parties to that certain Fourth Amended and Restated Credit Agreement, dated as of December 10, 2018 (as amended, restated, supplemented or modified prior to the date hereof, the “**Credit Agreement**”), by and among the Loan Parties, the Lenders party thereto, and the Agent. Capitalized terms used but not defined herein have the meaning set forth in the Credit Agreement.

WHEREAS, the Loan Parties have requested that the Credit Agreement be amended as hereinafter provided.

WHEREAS, subject to and upon the terms and conditions contained herein, the Lenders party hereto have agreed to the Loan Parties’ requests as set forth herein.

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. **Amendments to the Credit Agreement.** In reliance upon the representations, warranties, covenants and conditions contained in this Second Amendment, and subject to the terms, and satisfaction of the conditions precedent set forth in **Section 2** hereof, the Credit Agreement is hereby amended as of the Second Amendment Effective Date in the manner provided in this **Section 1**.

1.2 **Restated Definitions.** The following definitions contained in Section 1.01 of the Credit Agreement are hereby amended and restated in their respective entireties to read in full as follows:

“**Activation Threshold**” means:

(a) from the Second Amendment Effective Date until the earlier of (i) the issuance of Additional Senior Notes in an aggregate amount of at least \$200,000,000 and (ii) ninety (90) days after the consummation of the Specified Acquisition, (A) with respect to triggering a Cash Dominion Period or Reporting Trigger Period, as applicable, the greater of (x) 5.0% of the Aggregate Commitment and (y) \$10,000,000, and (B) with respect to terminating a Cash

Dominion Period or Reporting Trigger Period, as applicable, the greater of (x) 17.5% of the Aggregate Commitment and (y) \$35,000,000; or

(b) at any other time, (i) with respect to triggering a Cash Dominion Period or Reporting Trigger Period, as applicable, the greater of (A) 12.5% of the Aggregate Commitment and (B) \$25,000,000, and (ii) with respect to terminating a Cash Dominion Period or Reporting Trigger Period, as applicable, the greater of (A) 17.5% of the Aggregate Commitment and (B) \$35,000,000.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Disposition**” means the sale, transfer, lease or other disposition (including pursuant to a merger resulting in the subject Property no longer being owned by a Loan Party, and whether effected pursuant to a Division or otherwise) of any Property.

“**Domestic Borrowing Base**” means, at any time and subject to the last sentence of this definition, the sum of:

(a) 90% of the Eligible Receivables of the Domestic Borrowers at such time owing by Investment Grade Account Debtors; plus

(b) 85% of the Eligible Receivables of the Domestic Borrowers at such time owing by Non-Investment Grade Account Debtors; plus

(c) 85% of the Foreign Receivables of the Domestic Borrowers at such time; provided that the maximum amount of the Domestic Borrowers’ Foreign Receivables (after giving effect to the advance rate) which may be included as part of this component of the Domestic Borrowing Base is \$12,500,000; plus

(d) on and after the applicable Acquired Asset Component Implementation Date, 70% of the Eligible Acquired Receivables acquired (or to be acquired substantially contemporaneously with the funding of any applicable Acquisition with the proceeds of a Designated Acquisition Borrowing) by a Domestic Borrower and/or the Eligible Acquired Receivables of any Domestic Subsidiary acquired (or substantially contemporaneously acquired, as the case may be) at such time that has or will become a Domestic Borrower pursuant to Section 5.10, in each case, in connection with an Acquisition permitted pursuant to Section 6.04 with respect to which a field examination has not been completed pursuant to Section 5.04(b); provided that the amount of Eligible Acquired Receivables with respect to

such Acquisition will automatically be reduced to \$0 upon the earlier of (x) the date by which both (A) the Administrative Agent shall have received from the Domestic Borrower Representative a Borrowing Base Certificate calculating the Domestic Borrowing Base based on the completion of a field examination of such Eligible Acquired Receivables in connection with the applicable Acquisition to the satisfaction of the Administrative Agent, which field examination will be at the Domestic Borrowers' expense and in addition to the field exam rights and obligations pursuant to Section 5.04(b) and (B) in the case of an Acquisition of a Domestic Subsidiary that owns such Eligible Acquired Receivables, such Domestic Subsidiary becomes a Domestic Borrower pursuant to Section 5.10(a) or (y) the 60th day after such permitted Acquisition (as such date may be extended by the Administrative Agent in its reasonable credit judgment), and thereafter such Eligible Acquired Receivables shall be included, without duplication, in clause (a), (b) or (c) of the Domestic Borrowing Base, as applicable, solely to the extent such Eligible Acquired Receivable constitutes Eligible Receivables and a satisfactory field examination of such Eligible Acquired Receivables has been completed at such time; and provided further that promptly after the occurrence of the earlier date in the foregoing sub-clauses (x) and (y), the Domestic Borrowers shall deliver a Borrowing Base Certificate to the Administrative Agent calculating the Domestic Borrowing Base at such time; plus

(e) the lesser of (i) 75% of the Eligible Inventory of the Domestic Borrowers at such time, valued at the lower of cost or market value, determined on a first-in-first-out basis and (ii) the product of 85% multiplied by the applicable Net Recovery Value Percentage multiplied by the Eligible Inventory of the Domestic Borrowers at such time, valued at the lower of cost or market value, determined on a first-in-first-out basis; plus

(f) on and after the applicable Acquired Asset Component Implementation Date, 55% of the Eligible Acquired Inventory acquired (or to be acquired substantially contemporaneously with the funding of any applicable Acquisition with the proceeds of a Designated Acquisition Borrowing) by a Domestic Borrower and/or the Eligible Acquired Inventory of any Domestic Subsidiary acquired (or substantially contemporaneously acquired, as the case may be) at such time that has or will become a Domestic Borrower pursuant to Section 5.10, in each case, in connection with an Acquisition permitted pursuant to Section 6.04, valued at the lower of cost or market value, determined on first-in-first-out basis, and with respect to which an appraisal has not been completed pursuant to Section 5.04(b); provided that the amount of Eligible Acquired Inventory with respect to such Acquisition will automatically be reduced to \$0 upon the earlier of (x) the date by which both (A) the Administrative Agent shall have received from the Domestic Borrower Representative a Borrowing Base Certificate calculating the Domestic Borrowing Base based on the completion of an appraisal of such Eligible Acquired Inventory in connection with the applicable Acquisition to the satisfaction of the Administrative Agent, which appraisal will be at the Domestic Borrowers' expense and in addition to the appraisal rights and obligations pursuant to Section 5.04(b) and (B) in the case of an Acquisition of a Domestic Subsidiary that owns such Eligible Acquired Inventory, such Domestic Subsidiary becomes a Domestic Borrower pursuant to Section 5.10(a) or (y) the 60th day after such permitted Acquisition (as such date may be extended by the Administrative Agent in its reasonable credit judgment), and thereafter such Eligible Acquired Inventory shall be included in clause (e) of the Domestic Borrowing Base solely to the extent such Eligible Acquired Inventory constitutes Eligible Inventory and a satisfactory appraisal of such Eligible Acquired Inventory has been completed at such time;

and provided further that promptly after the occurrence of the earlier date in the foregoing sub-clauses (x) and (y), the Domestic Borrowers shall deliver a Borrowing Base Certificate to the Administrative Agent calculating the Domestic Borrowing Base at such time; plus

(g) the Domestic Equipment Component of the Domestic Borrowers at such time; plus

(h) on and after the applicable Acquired Asset Component Implementation Date, the Acquired Domestic Equipment Component; provided that the amount of Eligible Acquired Equipment with respect to such Acquisition that is included in the Acquired Domestic Equipment Component will automatically be reduced to \$0 upon the earlier of (x) the date by which both (A) the Administrative Agent shall have received from the Domestic Borrower Representative a Borrowing Base Certificate calculating the Domestic Borrowing Base based on the completion of an appraisal of such Eligible Acquired Equipment in connection with the applicable Acquisition to the satisfaction of the Administrative Agent, which appraisal will be at the Domestic Borrowers' expense and in addition to the appraisal rights and obligations pursuant to Section 5.04(b) and (B) in the case of an Acquisition of a Domestic Subsidiary that owns such Eligible Acquired Equipment, such Domestic Subsidiary becomes a Domestic Borrower pursuant to Section 5.10(a) or (y) the 60th day after such permitted Acquisition (as such date may be extended by the Administrative Agent in its reasonable credit judgment), and thereafter such Eligible Acquired Equipment shall be included in clause (g) of the Domestic Borrowing Base solely to the extent such Eligible Acquired Equipment constitutes Specified Domestic Equipment that is to be included in the Domestic Equipment Component pursuant to Section 2.28 and a satisfactory appraisal of such Eligible Acquired Equipment has been completed at such time; and provided further that promptly after the occurrence of the earlier date in the foregoing sub-clauses (x) and (y), the Domestic Borrowers shall deliver a Borrowing Base Certificate to the Administrative Agent calculating the Domestic Borrowing Base at such time; plus

(i) the Domestic Real Estate Component of the Domestic Borrowers at such time; plus

(j) the Pledged Cash (if any) held in the Special Cash Collateral Account at such time; minus

(k) the Allocated Domestic Borrowing Base Amount in effect at such time; minus

(l) Reserves applicable to the Domestic Borrowing Base as determined by the Administrative Agent in its reasonable credit judgment.

Notwithstanding the foregoing, the aggregate maximum amount of Eligible Acquired Receivables, Eligible Acquired Inventory and Eligible Acquired Equipment that may be included in the Domestic Borrowing Base pursuant to clauses (d), (f) and (h) after giving effect to each respective advance rate set forth therein shall not exceed ten percent (10%) of the Domestic Borrowing Base. Notwithstanding anything to the contrary contained in this Agreement, Eligible Acquired Receivables, Eligible Acquired Inventory and Eligible Acquired Equipment (subject to the limitation in the immediately preceding sentence) may be included in the Domestic Borrowing Base, as set forth in an Acquired Asset Borrowing Base Certificate delivered pursuant to Section 5.03(i), regardless of whether or not the Company shall have acquired such assets, for purposes of calculating Aggregate Availability

and Specified Excess Availability under this Agreement in connection with determining whether a Cash Dominion Period, an FCCR Test Period or a Reporting Trigger Period are in effect, and whether the Payment Condition would be satisfied; provided, that such Eligible Acquired Receivables, Eligible Acquired Inventory and Eligible Acquired Equipment may only be included in the Domestic Borrowing Base for the limited purposes set forth in this sentence for the five (5) Business Day period prior to the consummation of the applicable Acquisition (or such longer period acceptable to the Administrative Agent in its reasonable credit judgment, with such period not to exceed eight (8) Business Days) unless such Acquisition is otherwise consummated during such period.

“Domestic Equipment Component” means:

(a) with respect to the Eligible Equipment of the Domestic Borrowers owned as of the Effective Date, \$21,752,350.00, as such amount shall reduce after the Effective Date (i) by the applicable Quarterly Domestic Equipment Component Amortization Amount, commencing on the last Business Day of the fiscal quarter ending June 30, 2019, and continuing on the last Business Day of each March, June, September and December thereafter (other than on March 31, 2020 solely to the extent that both (x) the Specified Acquisition is consummated on or before April 15, 2020 and (y) Additional Senior Notes in an aggregate amount of at least \$200,000,000 have not been issued contemporaneously with or prior to the consummation of the Specified Acquisition), and (ii)(A) upon the consummation of Dispositions of such Eligible Equipment, or (B) at such time as any such 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; and

(b) with respect to all Specified Domestic Equipment eligible to be included in the Domestic Equipment Component pursuant to Section 2.28, each Specified Domestic Equipment Component Amount relating to the applicable Specified Domestic Equipment as of the relevant Specified Domestic Equipment Component Notice Date, as such amount shall reduce (i) by the applicable Quarterly Domestic Equipment Component Amortization Amount relating to such Specified Domestic Equipment, commencing on the last Business Day of the first full fiscal quarter ending after such Specified Domestic Equipment Component Notice Date, and continuing on the last Business Day of each March, June, September and December thereafter, and (ii)(A) upon the consummation of Dispositions of such Specified Domestic Equipment, or (B) at such time as any such Specified Domestic 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 Specified Domestic Equipment which has ceased to be Eligible Equipment hereunder, as applicable.

“Domestic Real Estate Component” means \$19,537,500.00 as of the Effective Date for the Existing Mortgaged Property of the Domestic Borrowers, as such amount shall (a) increase by \$5,355,000.00 with respect to the Specified Mortgaged Properties on the date on which the documents and other deliverables required for all of the Specified Mortgaged Properties pursuant to Section 5.21 have been delivered to the Administrative Agent so that the Domestic Real Estate Component as of such date shall be \$24,892,500.00 after giving effect to such increase so long as such date occurs on or prior to June 30, 2019, and subject to any reduction pursuant to clause (b) below and (b) reduce (i) by the Quarterly Domestic

Real Estate Component Amortization Amount commencing on the last Business Day of the fiscal quarter ending June 30, 2019, and continuing on the last Business Day of each March, June, September and December thereafter (other than on March 31, 2020 solely to the extent that both (x) the Specified Acquisition is consummated on or before April 15, 2020 and (y) Additional Senior Notes in an aggregate amount of at least \$200,000,000 have not been issued contemporaneously with or prior to the consummation of the Specified Acquisition), and (ii) to the extent included in the Domestic Real Estate Component, (x) upon the consummation of Dispositions of Initial Mortgaged Properties consisting of Eligible Real Estate owned by the Domestic Borrowers on the Effective Date, or (y) 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.

“**FCCR Threshold**” means:

(a) from the Second Amendment Effective Date until the earlier of (i) the issuance of Additional Senior Notes in an aggregate amount of at least \$200,000,000 and (ii) ninety (90) days after the consummation of the Specified Acquisition, (A) with respect to triggering a FCCR Test Period, the greater of (x) 5.0% of the Aggregate Commitment and (y) \$10,000,000, and (B) with respect to terminating a FCCR Test Period, the greater of (x) 17.5% of the Aggregate Commitment and (y) \$35,000,000; or

(b) at any other time, (i) with respect to triggering a FCCR Test Period, the greater of (A) 10% of the Aggregate Commitment and (B) \$20,000,000, and (ii) with respect to terminating a FCCR Test Period, the greater of (A) 17.5% of the Aggregate Commitment and (B) \$35,000,000.

“**FinCo Note**” means that certain promissory note, dated as of October 3, 2006, by FinCo and payable to the order of NP International HoldCo, which evidences the Inter-Company Loans described in clause (b) of the definition of Inter-Company Loans, as such promissory note has been amended and as it may be amended, restated or replaced from time to time as permitted under the terms of this Agreement.

“**Inter-Company Loans**” means collectively, (a) the inter-company loans made from time to time by the Company 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 from time to time; provided that such inter-company loans are permitted under Section 6.07; (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, to the extent permitted under this Agreement; (c) the inter-company loans made from time to time by FinCo (or any permitted assignee thereof) to NP International, evidenced by the NP International Note, 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, to the extent permitted under this Agreement; (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, 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, and the activities of NP International and any of its subsidiaries, to the extent permitted under this Agreement; (e) inter-company loans made from time to time by NP International to the Company, not to exceed \$22,000,000 at any one time outstanding, to finance all or a part of the purchase price for anticipated Acquisitions by the Company (either directly, or indirectly through any Subsidiary that is a Loan Party), to the extent permitted under this Agreement, or for other corporate purposes not prohibited under this Agreement; *provided* that, in the case of inter-company loans made pursuant to this clause (e), (i) such inter-company loans shall be unsecured Subordinated Indebtedness of the Company and (ii) repayment of such inter-company loans shall be made only to the extent permitted by Section 6.11(f); (f) an unsecured subordinated intercompany loan made by NP International to the Company on the effective date of the Existing Credit Agreement not to exceed \$50,000,000 at any time outstanding to finance the growth of the Domestic Loan Parties' filtration business to the extent permitted under this Agreement; (g) any unsecured subordinated inter-company loans made from time to time by a Domestic Loan Party, directly or indirectly, to any German Borrower, in order to enable the German Borrower Excess Utilization of such German Borrower to be eliminated; (h) inter-company loans made from time to time by a German Borrower to another German Borrower, in order to enable the German Borrower Excess Utilization of the latter German Borrower to be eliminated; (i) inter-company loans under any German cash pooling system operated between some or all of the German Borrowers in the manner as in effect on the date hereof; (j) inter-company loans based on book entries into virtual offset-accounts operated between the German Loan Parties and reflecting transactions between such German Loan Parties, or virtual offset accounts between a German Loan Party and Neenah Gessner Unterstutzungskasse GmbH or Leiss-GmbH & Co. KG reflecting transactions not otherwise prohibited hereunder; and (k) unsecured loans or equity investments (or any combination thereof) by Neenah Northeast, LLC (f/k/a FiberMark North America, LLC f/k/a FiberMark North America, Inc., as successor by merger to ASP FiberMark Acquisition Co.) to Neenah International UK Limited, a company formed under the laws of England and Wales (f/k/a ASP FiberMark UK Limited), not to exceed \$10,000,000 at any one time outstanding, and any refinancing thereof in an amount not exceeding \$10,000,000 at any time outstanding.

“Loan Documents” means, collectively, this Agreement, the First Amendment, the Second Amendment, each Borrowing Subsidiary Agreement, each Joinder Agreement, any promissory notes issued pursuant to this Agreement, any Letter of Credit applications and any agreements between the applicable Borrower Representative and an Issuing Bank regarding such Issuing Bank's Issuing Bank Sublimit or the respective rights and obligations between the Borrowers and such Issuing Bank in connection with the issuance by such Issuing Bank of Letters of Credit, the Collateral Documents, the Loan Guaranty and all other agreements, instruments, documents and certificates executed and delivered by a Loan Party to, or in favor of, the Administrative Agent or any Lender pursuant to the transactions contemplated hereby (excluding Swap Agreements and agreements evidencing Banking Services Obligations). Any reference in this Agreement or any other Loan Document to a Loan Document shall include

all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Payment Condition Threshold” means:

(a) solely with respect to (i) the redemption of the Senior Notes and the related satisfaction and discharge of the Senior Note Indenture with a portion of the proceeds from the sale of Additional Senior Notes, and (ii) the payment of Cash Dividends, in each case pursuant to Section 6.11(b), from the Second Amendment Effective Date until the earlier of (A) the issuance of Additional Senior Notes in an aggregate amount of at least \$200,000,000 and (B) ninety (90) days after the consummation of the Specified Acquisition, the greater of (x) \$10,000,000 and (y) 5.0% of the Aggregate Commitment; or

(b) for any other purpose or at any other time, the greater of (i) \$25,000,000 and (ii) 12.5% of the Aggregate Commitment.

“Quarterly Domestic Equipment Component Amortization Amount” means (a) \$776,870.00 with respect to the Eligible Equipment of the Domestic Borrowers owned as of the Effective Date and (b) the applicable Specified Amortization Amount with respect to all Specified Domestic Equipment (if any) eligible to be included in the Domestic Equipment Component pursuant to Section 2.28, in each case, as such amount shall be adjusted by the Administrative Agent (i) upon the consummation of Dispositions of such Eligible Equipment and (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.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.3 **New Definitions.** Section 1.01 of the Credit Agreement is amended to add thereto in alphabetical order the following definitions which shall read in full as follows:

“Acquired Asset Borrowing Base Certificate” has the meaning given to such term in Section 5.03(i).

“Acquired Asset Component Implementation Date” means five (5) Business Days (or such shorter period as the Administrative Agent may from time to time approve in its sole

discretion) after the Administrative Agent's receipt of the Acquired Asset Borrowing Base Certificate delivered pursuant to Section 5.03(i), which Acquired Asset Borrowing Base Certificate includes any Eligible Acquired Receivables, any Eligible Acquired Inventory and/or the Acquired Domestic Equipment Component in the calculation of the Domestic Borrowing Base in connection with such Acquisition with respect to which a field examination or appraisal, as applicable, has not been completed pursuant to Section 5.04(b). Notwithstanding the foregoing, the Acquired Asset Component Implementation Date will not occur on a date prior to the consummation date of any applicable Acquisition, but may be implemented substantially contemporaneously with the consummation of any Acquisition and funding thereof with the proceeds of a Designated Acquisition Borrowing.

“Acquired Domestic Equipment Component” means, as of any date of determination, 50% of the net book value of the Eligible Acquired Equipment acquired (or to be acquired substantially contemporaneously with the funding of any applicable Acquisition with the proceeds of a Designated Acquisition Borrowing) by a Domestic Borrower (and/or the Eligible Acquired Equipment of any Domestic Subsidiary acquired (or substantially contemporaneously acquired, as the case may be) at such time that has or will become a Domestic Borrower pursuant to Section 5.10), in each case, in connection with an Acquisition permitted pursuant to Section 6.04 with respect to which an appraisal has not been completed pursuant to Section 5.04(b) as of the applicable Acquired Asset Component Implementation Date, as such amount shall reduce (a) upon the consummation of Dispositions of such Eligible Acquired Equipment, or (b) at such time as such Equipment ceases to be Eligible Acquired Equipment hereunder, by 50% of the net book value of the Property so disposed of or the Equipment which has ceased to be Eligible Acquired Equipment hereunder, as applicable.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“BHC Act Affiliate” means, as to any Person, an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such Person.

“Covered Entity” means any of the following: (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning given to such term in Section 9.22.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Designated Acquisition Borrowing” means any Loan drawn by a Domestic Borrower to fund, in whole or in part and substantially contemporaneously with the consummation thereof, any Acquisition permitted under this Agreement, in reliance on the most recent Acquired Asset Borrowing Base Certificate delivered pursuant to Section 5.03(i).

“Dividing Person” has the meaning given to such term in the definition of “Division”.

“**Division**” means the division of the assets, liabilities and/or obligations of a Person (the “**Dividing Person**”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“**Division Successor**” means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

“**Eligible Acquired Equipment**” means any Equipment that is (a) acquired (or to be acquired substantially contemporaneously with the funding of any applicable Acquisition with the proceeds of a Designated Acquisition Borrowing) by a Domestic Borrower (and/or the Equipment of any Domestic Subsidiary that is acquired (or substantially contemporaneously acquired, as the case may be) and has or will become a Domestic Borrower pursuant to [Section 5.10](#)) in connection with an Acquisition permitted under this Agreement, but excluding any such Equipment that is not in good working order and condition (ordinary wear and tear excepted) or is not used or held for use by the applicable Domestic Borrowers or such Domestic Subsidiary in the ordinary course of business of the Domestic Borrowers or such Domestic Subsidiary and (b) acceptable to the Administrative Agent in its reasonable credit judgment.

“**Eligible Acquired Inventory**” means any Inventory that is (a) acquired (or to be acquired substantially contemporaneously with the funding of any applicable Acquisition with the proceeds of a Designated Acquisition Borrowing) by a Domestic Borrower (and/or the Inventory of any Domestic Subsidiary that is acquired (or substantially contemporaneously acquired, as the case may be) and has or will become a Domestic Borrower pursuant to [Section 5.10](#)) in connection with an Acquisition permitted under this Agreement, but excluding any such Inventory that is returned, shopworn, defective, damaged, obsolete, or broken, or any such Inventory that is currently not usable or saleable in the normal course of business of the applicable Domestic Borrowers or such Domestic Subsidiary and (b) acceptable to the Administrative Agent in its reasonable credit judgment.

“**Eligible Acquired Receivables**” means any Receivables that are (a) acquired (or to be acquired substantially contemporaneously with the funding of any applicable Acquisition with the proceeds of a Designated Acquisition Borrowing) by a Domestic Borrower (and/or the Receivables of any Domestic Subsidiary that is acquired (or substantially contemporaneously acquired, as the case may be) and has or will become a Domestic Borrower pursuant to [Section 5.10](#)) in connection with an Acquisition permitted under this Agreement, but excluding (i) unpaid sales, excise or similar taxes owed by any of the applicable Domestic Borrowers or such Domestic Subsidiary; and (ii) returns, discounts, claims, credits and allowances of any nature asserted or taken by Account Debtors of any of the applicable Domestic Borrowers or such Domestic Subsidiary and (b) acceptable to the Administrative Agent in its reasonable credit judgment.

“**Hong Kong Collateral Agent**” has the meaning assigned to such term in the applicable Hong Kong Collateral Documents.

“**Hong Kong Collateral Documents**” means, collectively, any pledge agreement, security agreement, or other collateral agreement that is entered into by any German Loan Party (or any share pledge with respect to the shares of any German Loan Party) which is governed by the laws of Hong Kong in favor of the Administrative Agent (in its capacity as Hong Kong Collateral Agent), in each case, in form and substance reasonably satisfactory to the Administrative Agent and entered into pursuant to the terms of this Agreement or any other Loan Document (including [Section 5.10](#)), as any of them may from time to time be amended, modified, restated or supplemented.

“**Hong Kong Insolvency**” means (a) any Hong Kong Relevant Entity is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; (b) the value of the assets of any Hong Kong Relevant Entity is less than its liabilities (taking into account contingent and prospective liabilities) or (c) a moratorium is declared in respect of any indebtedness of any Hong Kong Relevant Entity.

“**Hong Kong Insolvency Event**” means an event which amounts to a Hong Kong Insolvency, including any corporate action, legal proceedings or other procedure or step is taken in relation to: (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision or reorganization (by way of voluntary agreement, scheme of arrangement or otherwise) of any Hong Kong Relevant Entity; (b) a composition or arrangement with any creditor of any Hong Kong Relevant Entity, or any assignment for the benefit of creditors generally of any Hong Kong Relevant Entity or class of such creditors; (c) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of any Hong Kong Relevant Entity or any of its assets; or (d) enforcement of any Lien over any assets of any Hong Kong Relevant Entity, or any analogous procedure or step is taken in any jurisdiction.

“**Hong Kong Relevant Entity**” means any German Loan Party or any Loan Party capable of becoming subject of insolvency proceedings under Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).

“**Neenah HK**” means Neenah Hong Kong, Limited, a company organized under the laws of Hong Kong, and after the consummation of the Specified Intercompany Restructuring Transactions, a Wholly-Owned Subsidiary of the Company.

“**NP International Note**” means that certain promissory note, dated as of October 7, 2006, by NP International initially payable to the order of FinCo, which evidences the Inter-Company Loans described in clause (c) of the definition of Inter-Company Loans, as such promissory note has been amended, and as it may be amended, restated or replaced from time to time as permitted under the terms of this Agreement.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“**QFC Credit Support**” has the meaning given to such term in [Section 9.22](#).

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Second Amendment**” means that certain Second Amendment to Fourth Amended and Restated Credit Agreement dated as of the Second Amendment Effective Date, by and among the Borrowers, the other Loan Parties, the Administrative Agent and the Lenders party thereto.

“**Second Amendment Effective Date**” means March 12, 2020.

“**Specified Acquisition**” means the Acquisition by the Specified Acquisition Subsidiary of the Equity Interests in Vectorply, pursuant to the terms and conditions of the Specified Acquisition Documents.

“**Specified Acquisition Agreement**” means that certain Stock Purchase Agreement dated as of March 3, 2020, by and among the Specified Acquisition Subsidiary, as buyer, MSouth Equity Partners, L.P., Northstar Mezzanine Partners V, L.P. and the other Persons signatory thereto as sellers, and MSouth Equity Partners, L.P., as sellers’ representative thereunder and Vectorply, with respect to the Acquisition by the Company of the Equity Interests in Vectorply.

“**Specified Acquisition Documents**” means (a) the Specified Acquisition Agreement and (b) all conveyances, assignments, bills of sale, and other material agreements and instruments executed and delivered in connection with the Specified Acquisition, in each case, as the same may be amended, supplemented or otherwise modified from time to time to the extent permitted under [Section 6.21](#).

“**Specified Acquisition Subsidiary**” means Neenah Composites, LLC, a Delaware limited liability company and a Wholly-Owned Subsidiary of the Company.

“**Specified Amortization Amount**” has the meaning given to such term in [Section 2.28](#).

“**Specified Domestic Equipment**” has the meaning given to such term in [Section 2.28](#).

“**Specified Domestic Equipment Component Amount**” has the meaning given to such term in [Section 2.28](#).

“**Specified Domestic Equipment Component Notice Date**” has the meaning given to such term in [Section 2.28](#).

“**Specified Intercompany Restructuring Transactions**” means, collectively, the consummation of (a) a dividend made by Neenah Global Holdings B.V. to the Company of one hundred percent (100%) of the Equity Interests of Neenah HK, (b) the assignment by FinCo to NP International HoldCo of the Inter-Company Loan owed to FinCo by NP International, and evidenced by the NP International Note, and the extinguishment of the applicable Inter-Company Loan owed by FinCo to NP International HoldCo and evidenced by the FinCo Note, as the consideration for the assignment of the former Inter-Company Loan,

(c) the distribution of such assigned Inter-Company Loan (evidenced by the NP International Note) by NP International HoldCo to the Company, and (d) the contribution of such assigned Inter-Company Loan (evidenced by the NP International Note) by the Company to Neenah HK, as any or all of the foregoing transaction steps may be modified to conform to applicable German law (to the extent such modifications are approved by the Administrative Agent in the exercise of its reasonable credit judgment), in each case, together with the transactions related thereto.

“**Supported OFC**” has the meaning given to such term in Section 9.22.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**U.S. Special Resolution Regimes**” has the meaning given to such term in Section 9.22.

“**Vectorply**” means Vectorply Corporation, a Georgia corporation.

1.3 **Amendments to Definitions.**

a. The definition of “**Collateral Documents**” contained in Section 1.01 of the Credit Agreement is hereby amended by inserting a reference to the phrase “the Hong Kong Collateral Documents,” immediately before the reference to the phrase “the Dutch Collateral Documents” therein.

b. Clause (c) of the definition of “**Eligible Receivables**” contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(c) the Receivables do not otherwise constitute Ineligible Receivables (provided, however, that, after giving effect to the advance rates set forth in the applicable German Borrowing Base, up to \$10,000,000 of Ineligible Receivables of the German Borrowers shall be treated as not being Ineligible Receivables if and to the extent such Receivables are otherwise eligible but for the fact that such Receivables are owed by Account Debtors that are not located in an Eligible German Borrower Jurisdiction).

c. Clause (a) of the definition of “**Excluded Subsidiary**” contained in Section 1.01 of the Credit Agreement is hereby amended by replacing the reference to “Neenah Hong Kong Ltd.” therein with a reference to the phrase “Neenah HK prior to the earlier to occur of (i) consummation of the Specified Intercompany Restructuring Transactions, and (ii) Neenah HK becoming a German Guarantor pursuant to Section 6.04(7)”.

d. Clause (v) of the definition of “**Fixed Charge Coverage Ratio**” contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(v) the Quarterly Domestic Equipment Component Amortization Amount per three calendar month period in respect of scheduled reductions, if any, of the Domestic Equipment

Component as set forth in clause (a)(i) and clause (b)(i) of the definition of Domestic Equipment Component, **plus**

e. The definition of “**German Collateral Agent**” contained in Section 1.01 of the Credit Agreement is hereby amended by inserting a reference to the phrase “, the Hong Kong Collateral Documents” immediately after the reference to the phrase “the applicable German Collateral Documents” therein.

f. The last paragraph in the definition of “**Ineligible Inventory**” contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, except for any Eligible Acquired Inventory included in clause (f) of the definition of “Domestic Borrowing Base” solely to the extent permitted pursuant to the terms and conditions set forth therein, no Inventory purchased or otherwise acquired through any Acquisition or other Investment permitted hereunder after the Effective Date shall be included within the applicable Borrowing Base for purposes hereof unless and until the Administrative Agent shall have conducted a field examination (which shall be conducted within a reasonable time (in the Administrative Agent’s judgment) after the applicable Borrower Representative’s request at the applicable Borrowers’ cost and expense) of the applicable books, records and operations for the assets or Subsidiary so acquired in order to reasonably satisfy the Administrative Agent that the Inventory so acquired generally satisfies the above-described standards of eligibility.

g. The second to last sentence in the definition of “**Ineligible Receivables**” contained in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, except for any Eligible Acquired Receivables included in clause (d) of the definition of “Domestic Borrowing Base” solely to the extent permitted pursuant to the terms and conditions set forth therein, no Receivables purchased or otherwise acquired through any Acquisition or other Investment permitted hereunder after the Effective Date shall be deemed to constitute Eligible Receivables for purposes hereof unless and until the Administrative Agent shall have conducted a field examination (which shall be conducted within a reasonable time (in the Administrative Agent’s judgment) after the applicable Borrower Representative’s request at the applicable Borrower’s cost and expense) of the applicable books, records and operations for the assets or Subsidiary so acquired in order to satisfy the Administrative Agent that the Receivables so acquired generally satisfy the above-described standards of eligibility.

h. The definition of “**Net Recovery Value Percentage**” contained in Section 1.01 of the Credit Agreement is hereby amended by inserting a reference to “or Section 2.28” immediately after the reference to “Section 5.04” therein.

1.4 **Amendment to Section 1.03(b) of the Credit Agreement.** Paragraph (b) of Section 1.03 of the Credit Agreement is hereby amended by replacing each reference to “division” therein with a reference to “Division”.

1.5 **Amendment to Article I of the Credit Agreement.** Article I of the Credit Agreement is hereby amended by adding a new Section 1.10 immediately following Section 1.09 of the Credit Agreement, which new Section 1.10 shall read in full as follows:

Section 1.10 Divisions. For all purposes under the Loan Documents, in connection with any Division under Delaware law (or any comparable event under a different jurisdiction’s

laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.6 **Amendment to Article II of the Credit Agreement.** Article II of the Credit Agreement is hereby amended by adding a new Section 2.28 immediately following Section 2.27 of the Credit Agreement, which new Section 2.28 shall read in full as follows:

Section 2.28 **Specified Domestic Equipment.** With respect to any Eligible Acquired Equipment acquired (or to be acquired substantially contemporaneously with the funding of any applicable Acquisition with the proceeds of a Designated Acquisition Borrowing) by a Domestic Borrower (and/or the Eligible Acquired Equipment of any Domestic Subsidiary acquired (or substantially contemporaneously acquired, as the case may be) at such time) in connection with an Acquisition permitted pursuant to Section 6.04, contemporaneously with the delivery of the applicable Acquired Asset Borrowing Base Certificate, the Domestic Borrower Representative shall deliver an irrevocable written notice to the Administrative Agent to the extent the Domestic Borrower Representative elects to include such Eligible Acquired Equipment in the Domestic Equipment Component of the Domestic Borrowing Base (such Eligible Acquired Equipment, the “**Specified Domestic Equipment**”). Within sixty (60) days after the consummation of the applicable Acquisition (as such date may be extended by the Administrative Agent in its reasonable credit judgment), the Administrative Agent will, at the Domestic Borrowers’ expense and in addition to the appraisal rights and obligations pursuant to Section 5.04(b), order and obtain an appraisal of such Specified Domestic Equipment by an appraisal firm satisfactory to the Administrative Agent. Promptly after the date by which (i) an appraisal of such Specified Domestic Equipment is completed to the satisfaction of the Administrative Agent and (ii) in the case of an Acquisition of a Domestic Subsidiary that owns such Specified Domestic Equipment, such Domestic Subsidiary becomes a Domestic Borrower pursuant to Section 5.10(a) have both been satisfied, the Administrative Agent will evaluate such appraisal and shall, in its sole discretion and acting in good faith, propose an initial value (a “**Specified Domestic Equipment Component Amount**”) and an amortization value (a “**Specified Amortization Amount**”) with respect to such Specified Domestic Equipment that constitutes Eligible Equipment. The Administrative Agent shall notify the Domestic Borrower Representative and the Lenders of the Specified Domestic Equipment Component Amount and the Specified Amortization Amount (such date, a “**Specified Domestic Equipment Component Notice Date**”), and such Specified Domestic Equipment may be included in the calculation of the Domestic Equipment Component in each Borrowing Base Certificate delivered thereafter (subject to the eligibility criteria and other terms and conditions set forth in this Agreement).

1.7 **Amendment to Section 3.12 of the Credit Agreement.** Clause (e) of Section 3.12 of the Credit Agreement is hereby amended by inserting a reference to the phrase “, Hong Kong Insolvency Event” immediately after the reference to the phrase “German Insolvency Event” therein.

1.8 **Amendment to Section 3.21 of the Credit Agreement.** Section 3.21 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 3.21 **Status of Receivables and Other Collateral.** Each Loan Party is and shall be the sole owner, free and clear of all Liens except in favor of the Administrative Agent or otherwise permitted under Section 6.02 hereunder, of and fully authorized to sell, transfer,

pledge and/or grant a security interest in all of the Collateral (other than Excluded Assets) owned by such Loan Party. Each Receivable reported by the Loan Parties as an Eligible Receivable meets the requirements of the definition of Eligible Receivable, each Receivable reported by the Loan Parties as an Eligible Acquired Receivable meets the requirements of the definition of Eligible Acquired Receivable, each item of Inventory reported by the Loan Parties as Eligible Inventory meets the requirements of the definition of Eligible Inventory, each item of Inventory reported by the Loan Parties as Eligible Acquired Inventory meets the requirements of the definition of Eligible Acquired Inventory, each item of Eligible Equipment reported by the Loan Parties as Eligible Equipment meets the requirements of the definition of Eligible Equipment, each item of Eligible Acquired Equipment reported by the Loan Parties as Eligible Acquired Equipment meets the requirements of the definition of Eligible Acquired Equipment and each Real Property Asset reported by the Loan Parties as Eligible Real Estate meets the requirements of the definition of Eligible Real Estate.

1.9 **Amendment to Section 3.27 of the Credit Agreement.** Section 3.27 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 3.27 **Affected Financial Institutions.** No Loan Party is an Affected Financial Institution.

1.10 **Amendment to Section 5.03 of the Credit Agreement.** Clause (i) of Section 5.03 of the Credit Agreement is hereby amended by amending and restating the “provided, further” clause at the end of such clause to read in full as follows:

provided, further, that (x) during a Reporting Trigger Period or upon the occurrence and during the continuation of a Default or Event of Default, the Administrative Agent may, in its discretion, require such Borrowing Base Certificate on a basis more frequently than weekly, (y) in connection with any permitted Acquisition under this Agreement, the Domestic Borrower Representative shall deliver a pro forma Borrowing Base Certificate acceptable to the Administrative Agent during the period beginning fifteen (15) Business Days prior to the consummation date of such Acquisition and ending five (5) Business Days after the consummation date of such Acquisition solely to the extent any Eligible Acquired Receivables, Eligible Acquired Inventory and/or Eligible Acquired Equipment are to be included in the Domestic Borrowing Base as of the Acquired Asset Component Implementation Date (the “**Acquired Asset Borrowing Base Certificate**”) and (z) the Domestic Borrower Representative shall deliver a pro forma Borrowing Base Certificate acceptable to the Administrative Agent promptly after any Eligible Acquired Receivables, Eligible Acquired Inventory and/or Eligible Acquired Equipment are no longer permitted to be included in the calculation of the Domestic Borrowing Base pursuant to the terms and conditions set forth in clauses (d), (f) and (h) of the definition of the Domestic Borrowing Base;

1.11 **Amendment to Section 5.05 of the Credit Agreement.** Section 5.05(b) of the Credit Agreement is hereby amended by adding the following sentence at the end thereof to read in full as follows:

Notwithstanding anything to the contrary in the foregoing, (A) the Loan Parties shall only be required to comply with **Section 5.05(b)(ii)** above with respect to any Real Property Asset acquired in connection with the Specified Acquisition solely upon the Administrative Agent’s written request (it being understood that the 120 day time period set forth above in **Section 5.05(b)(ii)** shall begin with respect to such Real Property Asset to occur on the later to occur of (x) the date of delivery of the

Administrative Agent's written request and (y) the Subsidiary owner of such Real Property Asset becoming a Loan Party pursuant to the terms of this Agreement) and (B) in no event will the Loan Parties create or suffer to exist any Lien upon such Real Property Asset (other than Liens permitted under Section 6.02(a), Section 6.02(b), Section 6.02(d), Section 6.02(e), Section 6.02(f), Section 6.02(j), Section 6.02(n), Section 6.02(o) and Section 6.02(p)).

1.12 **Amendment to Section 6.01 of the Credit Agreement.** Clause (f) of Section 6.01 of the Credit Agreement is hereby amended by inserting a reference to the phrase "other than in connection with the Specified Intercompany Restructuring Transactions," immediately before the reference to the phrase "no such Indebtedness" therein.

1.13 **Amendment to Section 6.04 of the Credit Agreement.** Section 6.04 of the Credit Agreement is hereby amended by:

- a. deleting the word "or" appearing at the end of clause (e) therein;
- b. inserting the word "or" at the end of clause (f) therein;
- c. inserting a new clause (g) immediately after clause (f) therein to read in full as follows:

(g) consummate a Division as the Dividing Person, without the prior written consent of Administrative Agent.

Without limiting the foregoing, if any Loan Party that is a limited liability company consummates a Division (with or without the prior consent of Administrative Agent as required above), each Division Successor shall be required to comply with the obligations set forth in Section 5.10 and the other further assurances obligations set forth in the Loan Documents and become a Loan Party under this Agreement and the other Loan Documents;

d. amending the introductory language of clause (2) of the proviso thereof to read "any of the Loan Parties or their Subsidiaries" rather than "any of the Loan Parties' Subsidiaries";

e. replacing the period at the end of clause (4) of the proviso thereof with a semi-colon;

f. deleting the word "and" appearing at the end of clause (5) of the proviso thereof;

g. amending and restating the introductory clause and beginning of the first proviso set forth in clause (6) of the proviso thereof immediately before the reference to "(i) such transaction" set forth therein to read in full as follows:

(6) the Loan Parties may consummate the Specified Acquisition in accordance with the Specified Acquisition Documents or the Loan Parties may purchase or otherwise acquire all or a substantial portion of the assets of one or more Persons, or any Equity Interests in any Person; provided, that, in each case,

h. amending clause (i) of the initial proviso in clause (6) to replace the reference in the parentheses to "Limited Conditionality Acquisition" with "Limited Conditionality Transaction";

i. replacing the period at the end of clause (6) of the proviso thereof with a reference to "; and"; and

j. inserting a new clause (7) at the end of the proviso thereof to read in full as follows:

(7) any of the Loan Parties or their Subsidiaries may consummate the Specified Intercompany Restructuring Transactions; provided that within ninety (90) days after the

Specified Intercompany Restructuring Transactions have been completed (as such date may be extended by the Administrative Agent in its reasonable credit judgment), each applicable Loan Party will execute and deliver, or cause to be executed and delivered, to the Administrative Agent, (i) a Guaranty and/or Joinder Agreement, as applicable, in order for Neenah HK to become a German Guarantor, and (ii) such documents, agreements and instruments (each to be in form and substance reasonably acceptable to the Administrative Agent), and will take or cause to be taken such further actions (including the filing and recording of financing statements and other documents and such other actions or deliveries of the type required by Section 4.01 and/or the equivalents of any of the foregoing in Hong Kong, as applicable), which may be required by any Requirement of Law or which the Administrative Agent may reasonably request to cause (x) the Equity Interests of Neenah HK and (y) subject to Section 5.10, any other assets of Neenah HK solely to the extent requested by the Administrative Agent, in each case, to be subject to a first priority, perfected Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, pursuant to the other terms and conditions of the Loan Documents, but subject to the limitations contained in the definition of “Excluded Assets” (including any amendment of the organizational documents reasonably requested by the Administrative Agent);

1.14 **Amendment to Section 6.13 of the Credit Agreement.** Section 6.13 of the Credit Agreement is hereby amended by inserting a reference to the phrase “or in connection with the Specified Intercompany Restructuring Transactions” immediately after the reference to the phrase “Except as set forth on Schedule 6.13” therein.

1.15 **Amendment to Section 6.18 of the Credit Agreement.** Section 6.18 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 6.18 **Deposit Accounts.** Subject to the last two sentences of this Section 6.18, (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 (or within the applicable time period set forth in Section 5.10, become) Controlled Accounts; (b) allow any of the Company’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 Loan Party, unless such foreign exchange accounts are covered by a Tri-Party Agreement containing arrangements satisfactory to the Administrative 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 and not subject to a Tri-Party Agreement to exceed \$600,000 (other than deposit accounts of any Loan Party held with a Lender which deposit accounts solely receive funds from deposit accounts that are subject to Tri-Party Agreements). Notwithstanding anything to the contrary contained in the foregoing provisions of this Section 6.18, (A) any Loan Party that is a Foreign Subsidiary not formed under the laws of Germany and whose primary purpose (i) is to own the Equity Interests of one or more other Foreign Subsidiaries, or (ii) is otherwise not to engage directly in manufacturing activities, shall be permitted to establish and maintain up to two deposit accounts that are not subject to a Tri-Party Agreement, provided that, the balance on hand at any time in such deposit account does not exceed the sum of (1) €200,000 (or the then equivalent amount in U.S. Dollars or in the local currency of the jurisdiction where such account is located), plus (2) amounts received by such Loan Party from time to time as capital contributions or proceeds of any intercompany Indebtedness permitted under Section 6.01(f)

that are held for not more than five (5) Business Days (or such longer period as the Administrative Agent may approve in writing from time to time) pending application to the costs of making any Acquisition permitted under the provisions of Section 6.04, plus (3) amounts received by such Loan Party from time to time either (I) as dividends or distributions from any of such Loan Party's direct or indirect Subsidiaries permitted under Section 6.11, or (II) as payments of principal, interest or other amounts due from the Company or any of its Subsidiaries in respect of intercompany Indebtedness permitted under the provisions of Section 6.01(f) and held by such Loan Party, and that, in the case of clauses (I) and (II), are held in such deposit account for not more than five (5) Business Days (or such longer period as the Administrative Agent may approve in writing from time to time) pending application of such amounts to the payment of either (x) principal, interest or other amounts due in respect of intercompany Indebtedness permitted under the provisions of Section 6.01(f), (y) Taxes or (z) dividends or distributions permitted to be paid by such Loan Party to another Loan Party which is the direct parent of such Loan Party; *provided* that, in the event the amount held in any deposit account referred to in the immediately preceding sentence exceeds the permissible amount, the Loan Party that owns such deposit account shall promptly notify the Administrative Agent thereof and shall cause such account to become subject to a Tri-Party Agreement within thirty (30) days of the occurrence thereof (or within such longer period as the Administrative Agent may approve in writing from time to time); and (B) any Foreign Subsidiary not formed under the laws of Germany that becomes a German Loan Party after the Effective Date shall be permitted to maintain deposit accounts that are not subject to a Tri-Party Agreement for a period of sixty (60) days commencing on the date such Foreign Subsidiary becomes a German Loan Party (or such longer period as the Administrative Agent may approve in writing from time to time); *provided* that, upon the expiration of such sixty (60) day period (or such longer period as the Administrative Agent may approve in writing from time to time), all deposit accounts maintained and/or thereafter established by such Loan Party must be Controlled Accounts or accounts of the type described in clause (A) of this sentence, or in clause (c) of this Section 6.18.

1.16 **Amendment to Article VI of the Credit Agreement**. Article VI of the Credit Agreement shall be amended by adding a new Section 6.21 immediately following Section 6.20 of the Credit Agreement, which new Section 6.21 shall read in full as follows:

Section 6.21 **Specified Acquisition Documents**. Without the prior written consent of the Administrative Agent, modify any of the Specified Acquisition Documents in a manner that is materially adverse to the Lenders.

1.17 **Amendment to Section 7.02(g) of the Credit Agreement**. Clause (g) of Section 7.02 of the Credit Agreement is hereby amended by inserting a reference to the phrase “, a Hong Kong Insolvency Event” immediately after the reference to the phrase “German Insolvency Event” therein.

1.18 **Amendments to Section 8.09 of the Credit Agreement**. Section 8.09 of the Credit Agreement shall be amended by:

- a. amending the introductory paragraph of clause (d) of Section 8.09 of the Credit Agreement by inserting a reference to the phrase “, the Hong Kong Collateral Documents” immediately after both references to the phrase “the German Collateral Documents” therein; and
 - b. amending sub-clause (ii) of clause (d) of Section 8.09 of the Credit Agreement by inserting a reference to the phrase “, any Hong Kong Collateral Document” immediately after the reference to the phrase “any German Collateral Document” therein.
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1.19 **Amendment to Article VIII of the Credit Agreement.** Article VIII of the Credit Agreement shall be amended by adding a new Section 8.14 immediately following Section 8.13 of the Credit Agreement, which new Section 8.14 shall read in full as follows:

Section 8.14 **Appointment of Hong Kong Collateral Agent as Security Trustee.** For purposes of any Liens or Collateral created under the Hong Kong Collateral Documents and any additional security document governed by the laws of Hong Kong, the following additional provisions shall apply:

(a) The Secured Parties hereby irrevocably appoint the Hong Kong Collateral Agent to hold the security interests constituted by the Hong Kong Collateral Documents as its trustee under and in connection with each Hong Kong Collateral Document on the terms and conditions set out in each such Hong Kong Collateral Document and the Hong Kong Collateral Agent accepts that appointment.

(b) The Hong Kong Collateral Agent, its subsidiaries and associated companies may each retain for its own account and benefit any fee, remuneration and profits paid to it in connection with (i) its activities under the Loan Documents; and (ii) its engagement in any kind of banking or other business with any Loan Party.

(c) Nothing in this Agreement constitutes the Hong Kong Collateral Agent as a trustee or fiduciary of, nor shall the Hong Kong Collateral Agent have any duty or responsibility to, any Loan Party.

(d) The Hong Kong Collateral Agent shall not have any duties or obligations, implied or otherwise, to any other Person except for those which are expressly specified in the Loan Documents or mandatorily required by applicable law.

(e) The Hong Kong Collateral Agent may (whether for the purpose of complying with any law or regulation of any overseas jurisdiction, or for any other reason) appoint (and subsequently remove) any Person to act jointly with the Hong Kong Collateral Agent either as a separate trustee or as a co-trustee on such terms and subject to such conditions as the Hong Kong Collateral Agent thinks fit and with such of the duties, rights, powers and discretions vested in the Hong Kong Collateral Agent by the Hong Kong Collateral Documents as may be conferred by the instrument of appointment of that Person.

(f) Each Secured Party confirms its approval of the Hong Kong Collateral Documents and authorizes and instructs the Hong Kong Collateral Agent: (i) to execute and deliver the Hong Kong Collateral Documents; (ii) to exercise the rights, remedies, powers and discretions given to the Hong Kong Collateral Agent (in its capacity as security trustee) under or in connection with each Hong Kong Collateral Document together with any other incidental rights, powers and discretions; and (iii) to give any authorizations and confirmations to be given by the Hong Kong Collateral Agent (in its capacity as security trustee) on behalf of the Secured Parties under the Hong Kong Collateral Documents.

(g) The Hong Kong Collateral Agent may accept without inquiry the title (if any) which any Person may have to the Collateral under the Hong Kong Collateral Documents.

(h) Each Secured Party confirms that it does not wish to be registered as a joint proprietor of any security interest constituted by a Hong Kong Collateral Document and

accordingly authorizes the Hong Kong Collateral Agent to hold such security interest in its sole name as trustee for the Secured Parties.

(i) On a disposal of any of the Collateral under the Hong Kong Collateral Documents which is permitted under the Loan Documents, the Hong Kong Collateral Agent shall (at the cost of the Loan Parties) execute any release of the Hong Kong Collateral Documents or other claim over that Collateral and issue any certificates of non-crystallization of floating charges (if applicable) that may be required or take any other action that the Hong Kong Collateral Agent considers desirable.

(j) The Hong Kong Collateral Agent shall not be liable for:

- (i) any defect in or failure of the title (if any) which any Person may have to any assets over which security is intended to be created by a Hong Kong Collateral Document;
- (ii) any loss resulting from the investment or deposit at any bank of moneys which it invests or deposits in a manner permitted by a Hong Kong Collateral Document;
- (iii) the exercise of, or the failure to exercise, any right, power or discretion given to it by or in connection with any Loan Document or any other agreement, arrangement or document entered into, or executed in anticipation of, under or in connection with, any Loan Document; or
- (iv) any shortfall which arises on enforcing a Hong Kong Collateral Document.

(k) The Hong Kong Collateral Agent shall not be obligated to:

- (i) obtain any authorization or permit in respect of the Collateral or the Hong Kong Collateral Documents;
- (ii) hold in its own possession a Hong Kong Collateral Document, title deed or other document relating to the Collateral or Hong Kong Collateral Documents;
- (iii) perfect, protect, register, make any filing or give any notice in respect of a Hong Kong Collateral Document (or the order of ranking of a Hong Kong Collateral Document); or
- (iv) require any further assurances in relation to Hong Kong Collateral Documents.

(l) In respect of any Hong Kong Collateral Document, the Hong Kong Collateral Agent shall not be obligated to: (i) insure, or require any other Person to insure, the Collateral ; or (ii) make any enquiry or conduct any investigation into the legality, validity, effectiveness, adequacy or enforceability of any insurance existing over such Collateral.

(m) In respect of any Hong Kong Collateral Document, the Hong Kong Collateral Agent shall not have any obligation or duty to any Person for any loss suffered as a result of: (i) the lack or inadequacy of any insurance; or (ii) the failure of the Hong Kong Collateral

Agent to notify the insurers of any material fact relating to the risk assumed by them, or of any other information of any kind.

(n) Any reference in this Agreement to Liens stated to be in favor of the Administrative Agent shall be construed so as to include, where applicable, a reference to Liens granted in favor of the Hong Kong Collateral Agent in such capacity.

1.20 **Amendment to Section 9.02 of the Credit Agreement.** Clause (vii) of Section 9.02(c) of the Credit Agreement is hereby amended by inserting a reference to “, Acquired Domestic Equipment Component” immediately after the reference to “Domestic Equipment Component” therein.

1.21 **Amendment to Section 9.03 of the Credit Agreement.** Clause (i) of Section 9.03(a) of the Credit Agreement is hereby amended by inserting a reference to “and Section 2.28” immediately after the reference to “Section 5.04” therein.

1.22 **Amendment to Section 9.20 of the Credit Agreement.** Section 9.20 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 9.20. **Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

1.23 **Amendment to Article IX of the Credit Agreement.** Article IX of the Credit Agreement is hereby amended by adding a new Section 9.22 immediately following Section 9.21 of the Credit Agreement, which new Section 9.22 shall read in full as follows:

Section 9.22 **Acknowledgement Regarding Any Supported QFCs.** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Agreement or any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**”, and each such QFC, a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation

under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

1.24 **Amendment to Section 13.01 of the Credit Agreement.** Section 13.01 of the Credit Agreement is hereby amended by inserting a reference to the phrase “or a Hong Kong Insolvency Event” immediately after the reference to the phrase “a Dutch Insolvency Event” therein.

SECTION 2. **Conditions Precedent to Second Amendment.** This Second Amendment will be effective as of the Second Amendment Effective Date, on the condition that the following conditions precedent will have been satisfied:

2.1 **Counterparts.** The Agent shall have received counterparts of this Second Amendment duly executed by each of the Loan Parties, the Agent, and the Required Lenders (or, in the case of any party as to which an executed counterpart shall not have been received, telegraphic, telex, or other written confirmation from such party of execution of a counterpart hereof by such party).

2.2 **Closing Certificate.** The Agent shall have received a certificate of an Authorized Officer of the Company certifying that (i) attached to such certificate is a true, accurate and complete copy of the Specified Acquisition Agreement, (ii) the representations and warranties of the Loan Parties in this Second Amendment and the other Loan Documents are true and correct in all material respects on and as of that Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date, and (iii) no Default or Event of Default then exists.

2.3 **Agent’s Fees and Expenses.** The Domestic Borrowers shall have (a) paid all fees due and payable to the Agent in connection with this Second Amendment on or prior to the Second Amendment Effective Date and (b) paid or reimbursed the Agent for, to the extent invoiced, its out-of-pocket expenses

in connection with this Second Amendment and any other out-of-pocket expenses of the Agent required to be paid or reimbursed pursuant to the Credit Agreement, including the reasonable fees, charges and disbursements of counsel for the Agent.

2.4 **Other Documents.** The Agent shall have been provided with such documents, instruments and agreements, and the Loan Parties shall have taken such actions, in each case as the Agent may reasonably require in connection with this Second Amendment and the transactions contemplated hereby.

SECTION 3. **Representations and Warranties.** The Loan Parties hereby represent and warrant to the Lenders the following (provided that such representations and warranties of the German Loan Parties shall be limited to the facts and circumstances of the German Loan Parties and their Subsidiaries):

3.1 the representations and warranties contained in the Credit Agreement, as amended hereby, and the other Loan Documents 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 to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date, and except for any change of facts expressly permitted under the provisions of the Credit Agreement and the other Loan Documents;

3.2 no Default or Event of Default has occurred and is continuing under the Credit Agreement; and

3.3 this Second Amendment has been duly executed and delivered by the Loan Parties, and the Credit Agreement, as amended hereby, constitutes a legal, valid and binding obligation of the Loan Parties, enforceable against the Loan Parties in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 4. **No Waiver.** Nothing contained in this Second Amendment shall be construed as a waiver by the Lenders of any covenant or provision of the Credit Agreement, the other Loan Documents, or of any other contract or instrument between the Loan Parties and any of the Lenders, and the failure of the Lenders at any time or times hereafter to require strict performance by the Loan Parties of any provision thereof shall not waive, affect or diminish any right of the Lenders to thereafter demand strict compliance therewith. The Agent and the Lenders hereby reserve all rights granted under the Credit Agreement, the other Loan Documents, this Second Amendment and any other contract or instrument between the Loan Parties and the Lenders.

SECTION 5. **Survival of Representations and Warranties.** All representations and warranties made in this Second Amendment, including any Loan Document furnished in connection with this Second Amendment, shall survive the execution and delivery of this Second Amendment and the other Loan Documents, and no investigation by the Agent or any closing shall affect the representations and warranties or the right of the Agent to rely upon them.

SECTION 6. **Expenses.** As provided in Section 9.03 of the Credit Agreement and subject to the limitations expressly set forth therein, the Loan Parties hereby agree to pay on demand all legal and other fees, costs and expenses incurred by the Agent in connection with the negotiation, preparation, and execution of this Second Amendment and all related documents.

SECTION 7. **Severability.** Any provision of this Second Amendment that 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 affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 8. **APPLICABLE LAW.** THIS SECOND AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9. **Successors and Assigns.** This Second Amendment is binding upon and shall inure to the benefit of the Credit Parties and the Loan Parties and their respective successors and assigns, except the Loan Parties may not assign or transfer any of their rights or obligations hereunder without the prior written consent of the Agent, other than as expressly permitted under the terms of the Credit Agreement.

SECTION 10. **Counterparts.** This Second Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original but all of which when taken together shall constitute but one and the same instrument. Delivery of an executed signature page of this Second Amendment by facsimile transmission or PDF electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 11. **Effect of Consent.** No consent or waiver, express or implied, by the Agent to or for any breach of or deviation from any covenant, condition or duty by the Loan Parties shall be deemed a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

SECTION 12. **Headings.** The headings of this Second Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 13. **Reaffirmation of Loan Documents.** This Second Amendment shall be deemed to be an amendment to the Credit Agreement, and the Credit Agreement, as amended hereby, and the other Loan Documents are hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement herein and in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as amended hereby.

SECTION 14. **Loan Document.** This Second Amendment constitutes a “Loan Document” under and as defined in the Credit Agreement.

SECTION 15. **Entire Agreement.** THE CREDIT AGREEMENT, THIS SECOND AMENDMENT, THE OTHER LOAN DOCUMENTS, AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS SECOND AMENDMENT REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES.

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IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date set forth above.

LOAN PARTIES:

DOMESTIC BORROWERS:

**NEENAH, INC.
NEENAH PAPER MICHIGAN, INC.
NEENAH FILTRATION, LLC
NEENAH TECHNICAL MATERIALS, INC.
NEENAH PAPER FVC, LLC
NEENAH PAPER FR, LLC
NEENAH FMK HOLDINGS, LLC
ASP FIBERMARK, LLC
NEENAH NORTHEAST, LLC
Neenah Filtration Appleton, LLC**

By: /s/Bonnie C. Lind
Name: Bonnie C. Lind
Title: Senior Vice President, Chief Financial Officer and
Treasurer

NPCC HOLDING COMPANY, LLC

By: Neenah, Inc., as its sole member

By: /s/Bonnie C. Lind
Name: Bonnie C. Lind
Title: Senior Vice President, Chief Financial Officer and
Treasurer

Neenah Paper International Finance Company B.V.

By: /s/ Bonnie C. Lind

Name: Bonnie C. Lind

Title: Senior Vice President, Chief Financial Officer and
Treasurer

By: /s/ E.T. Veerman

Name: TMF Netherlands B.V.

Title: Managing Director B

By: /s/ Ortola Martinez

Name: TMF Netherlands B.V.

Title: Managing Director B

Signature Page to
Second Amendment to Fourth Amended and Restated Credit Agreement
Neenah, Inc.

GERMAN GUARANTORS:

Neenah Germany GmbH

By: /s/ Armin Schwinn
Name: Armin Schwinn
Title: Managing Director

NEENAH PAPER INTERNATIONAL HOLDING COMPANY, LLC

By: Neenah, Inc., as its sole member

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Senior Vice President, Chief Financial Officer and
Treasurer

Neenah Paper International, LLC

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Senior Vice President, Chief Financial Officer and
Treasurer

Neenah Global Holdings B.V.

By: /s/ Bonnie C. Lind
Name: Bonnie C. Lind
Title: Senior Vice President, Chief Financial Officer and
Treasurer

GERMAN BORROWERS:

Neenah Services GmbH & Co. KG

represented by its general partner
Neenah Germany GmbH

By: /s/ Armin Schwinn

Name: Armin Schwinn

Title: Managing Director of Neenah Germany GmbH (general
partner)

Neenah Gessner GmbH

By: /s/ Armin Schwinn

Name: Armin Schwinn

Title: Managing Director

Neenah gESSNER Grundstücksverwaltungs-gesellschaft mbH & Co. KG

represented by its general partner
Neenah Germany GmbH

By: /s/ Armin Schwinn

Name: Armin Schwinn

Title: Managing Director of Neenah Germany GmbH (general
partner)

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Second Amendment to Fourth Amended and Restated Credit Agreement
Neenah, Inc.

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, Hong Kong Collateral Agent, Issuing Bank, Swingline Lender
and a Domestic Tranche Lender

By: /s/ Andrew Rossman
Name: Andrew Rossman
Title: Authorized Signatory

J.P. MORGAN EUROPE LIMITED,
as German Collateral Agent

By: /s/ Kennedy A. Capin
Name: Kennedy A. Capin
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A. (LONDON BRANCH),
as a German Tranche Lender

By: /s/ Kennedy A. Capin
Name: Kennedy A. Capin
Title: Authorized Officer

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Second Amendment to Fourth Amended and Restated Credit Agreement
Neenah, Inc.

BANK OF AMERICA, N.A.,
as Syndication Agent and a Domestic Tranche Lender

By: /s/ Michelle L. Terwilleger
Name: Michelle L. Terwilleger
Title: VP

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Neenah, Inc.

BANK OF AMERICA, N.A.,
as a German Tranche Lender

By: /s/ Michelle L. Terwilleger
Name: Michelle L. Terwilleger
Title: VP

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Neenah, Inc.

COMMERZBANK AG, NEW YORK BRANCH,
as a Domestic Tranche Lender

By: /s/ Michael Ravelo
Name: Michael Ravelo
Title: Managing Director

By: /s/ Veli-Matti Ahonen
Name: Veli-Matti Ahonen
Title: Vice President

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Second Amendment to Fourth Amended and Restated Credit Agreement
Neenah, Inc.

BMO HARRIS BANK, N.A.,
as a Domestic Tranche Lender

By: /s/ Sarah E. Fyffe
Name: Sarah E. Fyffe
Title: Vice President

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Second Amendment to Fourth Amended and Restated Credit Agreement
Neenah, Inc.

BMO HARRIS BANK, N.A.,
as a German Tranche Lender

By: /s/ Sarah E. Fyffe
Name: Sarah E. Fyffe
Title: Vice President

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Neenah, Inc.

GOLDMAN SACHS BANK USA,
as a Domestic Tranche Lender

By: /s/ Jamie Minieri
Name: Jamie Minieri
Title: Vice President

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Neenah, Inc.

GOLDMAN SACHS BANK USA,
as a German Tranche Lender

By: /s/ Jamie Minieri
Name: Jamie Minieri
Title: Vice President

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Neenah, Inc.

Neenah, Inc. 20__ Performance Share Unit Award Agreement

THIS AGREEMENT (the “**Agreement**”), effective _____, 20__ sets forth the terms and conditions of the grant of Performance Share Units (“**Performance Shares**”) by Neenah, Inc. (the “**Company**”) to the Participant pursuant to the provisions of the Neenah, Inc. 2018 Omnibus Stock and Incentive Compensation Plan (the “**Plan**”). The Participant’s number of target Performance Shares for 20__ (the “**Target Performance Shares**”) has been provided to the Participant in the Participant’s Morgan Stanley StockPlan Connect account.

Agreement

The Company and the Participant agree as follows:

1. **Performance Period:** The Performance Period commences on January 1, 20__ and ends on December 31, 20__.
2. **Performance Measures:**
 - (a) “**Return on Invested Capital**” (“**ROIC**”) is defined as after-tax Adjusted EBIT from continuing operations divided by Average Net Invested Capital. “**Adjusted EBIT**” is earnings before interest and taxes, excluding the effects of gains/losses on sale of assets, goodwill impairment, facility/asset closure, integration or restructuring costs, and other material non-recurring items. Tax rates are based on the statutory effective tax rates of each business entity adjusted for permanent differences impacting these rates. “**Average Net Invested Capital**” is the straight average for the twelve months of total assets less cash and short-term non-interest bearing liabilities, all expressed in constant currency.
 - (b) “**Corporate Same-Store Revenue Growth**” is defined as the percentage change in the Company’s annual net sales, excluding translation impacts from changes in foreign exchange rates, as compared with the immediately preceding calendar year. Revenues will be adjusted in the current year to ensure comparative monthly periods for acquisitions and divestitures are similar (same store concept).
 - (c) “**Free Cash Flow as a Percentage of Net Sales**” is expressed as a percentage and shall be calculated as a fraction, the numerator of which shall be cash flow from operations, less capital expenditures, for the applicable calendar year and the denominator of which shall be Net Sales during the same period.

For the Three-Year Performance Period, the payout for each of the above three performance measures will be calculated based on the straight average of each of the three individual calendar years in the Performance Period.

- (d) **Relative Total Shareholder Return** (“**Relative TSR**”) is defined as the Company’s Total Shareholder Return (“**TSR**”) relative to the TSR of the companies in the Russell 2000 Value Index.
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- (e) **“TSR”** is expressed as a percentage and calculated as follows:

$$\frac{(\text{December 20}__\text{ average closing stock price} + \text{dividends paid and reinvested during the Performance Period} - \text{December 20}__\text{ average closing stock price})}{\text{December 20}__\text{ average closing stock price}}$$

The TSR for companies (including Neenah) in the Russell 2000 Value Index will be ranked from highest to lowest and Relative TSR and payout will be measured based on the Company’s TSR ranking within each quartile of the companies in the Russell 2000 Value Index over the Performance Period.

3. **Percentage Weighting for Performance Metrics:** The following percentage weighting for each performance metric will apply for purposes of determining the number of Performance Shares earned:

<u>Performance Metric</u>	<u>Weighting</u>
ROIC	__%
Corporate Same-Store Revenue Growth	__%
Free Cash Flow as a Percentage of Net Sales	__%
Relative TSR	__%

4. **Percentage Attained based on each Performance Metric:** The payout percentage attained based on each performance metric is as follows:

	Performance Metric Weighting	Threshold	Target	Maximum
Payout Percentage Attained		__%	__%	__%
ROIC	__%	__%	__%	__%
Corporate Same-Store Revenue Growth	__%	__%	__%	__%
Free Cash Flow as a Percentage of Net Sales	__%	__%	__%	__%
Relative TSR	__%	25 th percentile Russell 2000 Value Index	50 th percentile Russell 2000 Value Index	75 th percentile Russell 2000 Value Index

Straight line extrapolation of the payout percentage attained will be calculated for results between Threshold and Target, and between Target and Maximum. Below Threshold, the payout percentage attained is __%. For Maximum or above, the payout percentage attained is __%. Notwithstanding the foregoing, the Compensation Committee retains discretion to increase or decrease a reward under this Agreement based on its assessment of the Company’s performance with respect to strategic initiatives and/or other circumstances.

5. **Number of Performance Shares Earned:** The number of Performance Shares earned is determined as follows:
- Step 1: multiply the percentage weighting for each performance metric by the payout percentage attained based on such performance metric to arrive at the percentage of Target Performance Shares earned based on such performance metric;
 - Step 2: add the sum of the percentages of Target Performance Shares earned from Step 1 based on each performance metric;
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- (c) Step 3: multiply the sum of the percentages of Target Performance Shares earned based on each performance metric from Step 2 by the total number of Target Performance Shares and
- (d) Increase or reduce the award calculated in Step 3 in cases where the Compensation Committee determines in its discretion.

As an example, assume the percentage attained based on each performance metric is as shown below:

	<u>Percentage Weighting</u>		<u>Payout Percentage Attained</u>	<u>Percentage Target Shares Earned</u>
ROIC	__%	x	__%	= __%
Corporate Same-Store Revenue Growth	__%	x	__%	= __%
Free Cash Flow as a Percentage of Net Sales	__%	x	__%	= __%
Relative TSR	__%	x	__%	= __%

__% + __% + __% + __% = __%.

6. **Dividend Equivalents:** The Performance Shares earned accrue dividend equivalents during the Performance Period. The dividend equivalents shall be paid to the Participant in cash or shares of Stock, as determined by the authorized officers as designated by the Committee. The dividend equivalents will be equal to the dividend per Share (if any) declared by the Company during the Performance Period, multiplied by the number of Performance Shares held by the Participant. If dividend equivalents are paid in shares of Stock, the number of shares of Stock will be equal to the dividend equivalents for each given date during the Performance Period, divided by the Fair Market Value per share of Stock as of the date the dividend is payable as declared by the Company. The dividend equivalents will be paid on the same date as the Award is paid pursuant to Section 7. After the Performance Shares have been settled or forfeited, no further dividend equivalents shall accrue.

 7. **Vesting and Payment of the Performance Shares:** One hundred percent (100%) of the earned Performance Shares will vest on the earliest of the dates specified below and will be paid when specified below (with the vesting date listed first in each Subsection, followed by payment date):
 - (a) December 31, 20__, provided the Participant has continued in the employment of the Company, its Affiliates, or its Subsidiaries through such date, in which case the Performance Shares will be paid by _____, 20__;
 - (b) On the date the Participant incurs a Separation from Service that occurs on or after July 1, 20__ and before December 31, 20__ due to death, Retirement or Disability (but in the case of Disability determined without regard to the length of any elimination period under the long term disability benefits plan), in which case the number of Performance Shares earned during the Performance Period will be prorated based upon the ratio that the number of calendar months served during the Performance Period (full credit given for partial months) bears to 36 months (provided such ratio shall not exceed 100%) and will be paid by _____, 20__. However, if the Participant is a Specified Employee within the meaning of Code Section 409A, the Performance Shares will be paid six (6) months following such Separation from Service to the extent required to comply with Code Section 409A;
 - (c) On the date of a Change in Control with respect to which Neenah, Inc. is not the surviving entity, provided the Participant has continued in the employment of the Company, its Affiliates, or its Subsidiaries through such occurrence. The Performance Shares will be paid within thirty (30) days following the Change in Control; or
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- (d) On the date the Participant incurs a Separation from Service if a Change in Control occurs with respect to which Neenah, Inc. is the surviving entity, and within two years after the date of the Change in Control and before December 31, 20__, the Participant incurs a Separation from Service as a result of the Participant's employment being terminated by the Company, its Affiliates, and/or Subsidiaries other than for Cause, or by the Participant for Good Reason. The Performance Shares will be paid within thirty (30) days following Separation from Service; provided, however, that in the case of a Participant who is a Specified Employee, the Performance Shares will be paid six (6) months following Separation from Service to the extent required to comply with Code Section 409A, but not later than _____, 20__ to the extent permissible under Code Section 409A.
8. **Settlement of Award:** The Company shall issue to the Participant one share of Stock (as defined in the Plan) for each Performance Share earned by the Participant that becomes vested in accordance with the provisions of Section 7. Notwithstanding the forgoing or any other provision hereof, the Committee reserves the sole and unfettered discretion to reduce the number of shares of Stock that would otherwise be issuable pursuant to this Agreement. Any fractional share of Stock payable to the Participant in accordance with this Section shall be rounded up to the nearest whole share of Stock. Notwithstanding the foregoing, pursuant to Section 4.4 or Article 18 of the Plan, the Company may adjust the number or kind of shares or substitute cash.
9. **Termination of Employment for Other Reasons:** In the event that the Participant's employment with the Company terminates before December 31, 20__, then except as set forth in Section 7, this Award and all Performance Shares hereunder shall be forfeited and no payment shall be made to the Participant.
10. **Nontransferability:** Performance Shares awarded pursuant to this Agreement may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated ("**Transfer**"), other than by will or by the laws of descent and distribution. If any Transfer, whether voluntary or involuntary, of Performance Shares is made, or if any attachment, execution, garnishment, or lien shall be issued against or placed upon the Performance Shares, the Participant's right to such Performance Shares shall be immediately forfeited to the Company, and this Agreement shall lapse.
11. **Requirements of Law:** The granting of Performance Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
12. **Inability to Obtain Authorization:** The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance of any shares of Stock hereunder, shall relieve the Company of any liability with respect to the failure to issue such shares of Stock as to which such requisite authority shall not have been obtained.
13. **Tax Withholding:** The Company will have the power and the right to deduct or withhold, or require the Participant or the Participant's beneficiary to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement.
14. **Stock Withholding:** With respect to withholding required upon any taxable event arising as a result of Performance Shares granted hereunder, the Company, unless notified otherwise by the Participant
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in writing within thirty (30) days prior to the taxable event, will have the right to satisfy the tax withholding requirement by withholding shares of Stock having a Fair Market Value equal to the total statutory tax required to be withheld on the transaction. The Participant agrees to pay to the Company, its Affiliates, and/or its Subsidiaries any amount of tax that the Company, its Affiliates, and/or its Subsidiaries may be required to withhold as a result of the Participant's participation in the Plan that are not satisfied by the means previously described.

15. **Administration:** This Agreement and the Participant's rights hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which will be binding upon the Participant.
 16. **Continuation of Employment:** This Agreement will not confer upon the Participant any right to continuation of employment by the Company, its Affiliates, and/or its Subsidiaries, nor will this Agreement interfere in any way with the Company's, its Affiliates', and/or its Subsidiaries' right to terminate the Participant's employment at any time.
 17. **Amendment to the Plan:** The Plan is discretionary in nature and the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may adversely affect the Participant's rights under this Agreement, without the Participant's written approval.
 18. **Amendment to This Agreement:** The Committee may terminate, amend, or modify this Agreement. No such termination, amendment, or modification of the Agreement may adversely affect the Participant's rights under this Agreement, without the Participant's written approval.
 19. **Successor:** All obligations of the Company under the Plan and this Agreement, with respect to the Performance Shares, will be binding on any legal successor to or assigns of the Company.
 20. **Severability:** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions will nevertheless be binding and enforceable.
 21. **Applicable Laws and Consent to Jurisdiction:** The validity, construction, interpretation, and enforceability of this Agreement will be determined and governed by the laws of the state of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction and agree that such litigation will be conducted in the federal or state courts of the state of Georgia.
 22. **Definition of Change in Control:** "Change in Control" means the occurrence of 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).
 - (a) 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
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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 December 1, 2004 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 Subsection (d) below.

(b) A “**change in the effective control of the Company**” occurs on the date that:

- (i) 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: (A) any acquisition by any one person, or more than one person acting as a Group, who on December 1, 2004 is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (B) any acquisition directly from the Company, including without limitation, a public offering of securities, (C) 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 (D) any transaction described in Subsection (d) below; or
- (ii) 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 Paragraph (ii) 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**” 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:

- (i) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;
 - (ii) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;
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- (iii) 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;
 - (iv) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in Paragraph (iii) hereof); or
 - (v) a Successor Entity pursuant to a transaction described in Subsection (d) below.
- (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 in Control:
- (i) “**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;
 - (ii) “**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
 - (iii) Notwithstanding any other provision hereof, stock ownership shall be determined under Code Section 409A, and no Change in 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.
23. “**Retirement**” means voluntary resignation of employment by a Participant, who is also an employee of the Company or an Affiliate (as defined in the Plan), after (i) attaining age sixty-five (65), or (ii) attaining age fifty-five (55) with at least five (5) years of service with the Company or an Affiliate.
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24. **Compensation Recovery Policy:** The Board has adopted an incentive compensation recovery policy (the “**Clawback Policy**”) for the Company’s current and former “officers,” as such term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934 (such officers are hereinafter referred to individually as an “**Executive**” and collectively as “**Executives**”). The Clawback Policy governs the circumstances where the Board may seek to recover “Incentive Compensation” (as defined below) awarded to Executives. Under the Clawback Policy, the Board may require reimbursement of any Incentive Compensation (including without limitation, any bonus under the Company’s Management Incentive Plan) paid to an individual Executive, a group of Executives or all Executives if: (i) the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement, (ii) the Board determines that the Executive engaged in conduct that caused or partially caused the need for the restatement or that the restatement is of such a nature as to warrant seeking recovery of Incentive Compensation from all or some larger group of Executives and (iii) a lower payment of Incentive Compensation would have been made to the Executive (or group of Executives) based upon the restated financial results. In each such instance, the Board may seek to recover the relevant overpayment amount of the Incentive Compensation for the period at issue. In applying the Clawback Policy, the Board will have sole discretion in determining whether an Executive’s conduct has or has not met any particular standard of conduct under law or Company policy and whether the Incentive Compensation recovery should apply to an individual Executive or a larger group of Executives and the extent of the amount of recovery.

Further, under the Clawback Policy, the Board may require reimbursement of any certain Incentive Compensation as provided below paid to an Executive if the Board concludes that such Executive has engaged in Improper Conduct. For purposes of the Clawback Policy, “**Improper Conduct**” means any of the following: (i) the commission of an act of fraud or dishonesty in the course of the Executive’s employment; (ii) wrongful conduct by the Executive that causes material reputational, financial or other harm to the Company; (iii) the material breach by the Executive of a written policy of the Company, including, without limitation, the Company’s Code of Business Conduct & Ethics and the Company’s policies prohibiting derogatory comments based on protected class and unwelcome sexual advances or comments; or (iv) the violation by the Executive of a restrictive covenant concerning non-competition, employee or customer non-solicitation or confidentiality.

If the Board concludes that an Executive has engaged in Improper Conduct, the Board, in its sole discretion, may, (a) within three years following payment or vesting of any Incentive Compensation awarded to such Executive, require reimbursement of all or a portion of such Incentive Compensation, and (b) determine that any unpaid or unvested Incentive Compensation awarded to such Executive has not been earned and must be forfeited. In such case, the Board may require recovery of any Incentive Compensation awarded to an Executive even if the Executive’s Improper Conduct did not result in an award or payment being greater than the award or payment that would have been awarded absent the Improper Conduct. In determining whether to require recovery of Incentive Compensation, the Board may take into account any considerations it deems appropriate, including the seriousness of the Improper Conduct, whether the Executive was unjustly enriched, whether seeking recovery may violate applicable law or prejudice the Company’s interests in any way, including in a proceeding or investigation, and the cost and likely outcome of any potential litigation in connection with the Company’s attempts to recover Incentive Compensation. The Board shall have sole discretion in determining whether an Executive’s conduct constituted Improper Conduct.

Any right of recovery under the Clawback Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement or similar agreement and any

other legal or equitable remedies available to the Company. Further, the terms of this Clawback Policy are in addition to, and not in lieu of, any recoupment required or permitted by Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any other law or regulation that the Board determines, in its discretion, is applicable. (Section 304 of the Sarbanes-Oxley Act of 2002 requires the Chief Executive Officer and Chief Financial Officer of a company to disgorge certain bonuses and other incentive compensation if (I) the issuer must prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws and (II) the noncompliance results from misconduct. Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the executive officers to disgorge certain erroneously awarded incentive compensation if the issuer must prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws regardless of whether misconduct occurred.)

The Plan Governs; Capitalized Terms: The Plan provides a complete description of the terms and conditions governing the Performance Shares. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms will completely supersede and replace the conflicting terms of this Agreement. All capitalized terms will have the meanings ascribed to them in the Plan, unless specifically defined otherwise herein.

Neenah, Inc.

20__ Restricted Stock Unit Award Agreement

THIS AGREEMENT (the “**Agreement**”), effective _____, 20__ sets forth the terms and conditions of the grant of Restricted Stock Units by Neenah, Inc. (the “**Company**”), to the Participant, pursuant to the provisions of the Neenah, Inc. 2018 Omnibus Stock and Incentive Compensation Plan (the “**Plan**”).

1. General Grant Information. The Participant has been selected to receive an Award of Restricted Stock Units, with specific grant information recorded by Morgan Stanley Smith Barney or other duly authorized administrator (“**MSSB**”). The grant information includes date of grant and number of Restricted Stock Units.

2. Grant of Restricted Stock Units. The Award of Restricted Stock Units is pursuant to the terms and conditions contained herein. This form of agreement applies only to Restricted Stock Units that have been identified with the code set forth in the lower left corner of this page.

3. Vesting Period. The Restricted Stock Units shall become vested to the extent provided, and all restrictions will lapse to the extent of vesting, upon the earliest to occur of the following events:

- (a) one-third (1/3) on December 31, 20__, one-third (1/3) on December 31, 20__, and one-third (1/3) on December 31, 20__, provided the Participant has continued in the employment of the Company, its Affiliates, and/or its Subsidiaries through the applicable date (the time period from the date of grant to December 31, 20__ is referred to herein as the “**Vesting Period**”);
- (b) 100% upon the Participant’s termination of employment due to death or Disability, provided the Participant has continued in the employment of the Company, its Affiliates, and/or its Subsidiaries through such event;
- (c) 100% upon the Participant’s termination of employment due to Retirement, provided the effective date of such Retirement occurs on or after July 1, 20__ and the Participant has continued in the employment of the Company, its Affiliates, and/or its Subsidiaries through such date; provided, further, that such shares of Stock shall continue to vest as follows: one-third (1/3) on December 31, 20__, one-third (1/3) on December 31, 20__, and one-third (1/3) on December 31, 20__; or
- (d) 100% upon the date of the termination of Participant’s employment with the Company if within two years after a Change in Control, Participant’s employment is terminated by the Company, its Affiliates, and/or Subsidiaries other than for Cause, or is terminated by the Participant for Good Reason. For the purposes of this Agreement, the terms “**Cause**” and “**Good Reason**” shall have the same meaning as provided in the Executive Severance Plan.

4. Termination of Service for Other Reasons. Unless otherwise stated herein, in the event the Participant’s service with the Company terminates for any reason before one hundred percent (100%) vesting pursuant to Paragraph 3, all of the unvested Restricted Stock Units the Participant holds at the time the Participant’s service terminates shall be forfeited to the Company.

5. Deferral of Restricted Stock Units. Prior to the beginning of the calendar year in which the Restricted Stock Units are granted (or, with respect to the first year in which the Participant becomes eligible to participate in the Neenah Participants’ Deferred Compensation Plan, within 30 days after becoming eligible and prior to the date

of grant), the Participant may make an irrevocable election to defer all or a portion of the Restricted Stock Units under the Neenah Deferred Compensation Plan. 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. If the Participant makes a timely election to defer the Restricted Stock Units under the Neenah Deferred Compensation Plan, payment of the Restricted Stock Units and the dividend equivalents applicable to such Restricted Stock Units will be governed by the terms of the Neenah Deferred Compensation Plan.

6. Payment of Restricted Stock Units. Unless the Participant has timely made an election to defer the Restricted Stock Units under the Neenah Deferred Compensation Plan, (a) the Participant shall be entitled to receive shares of Stock for Restricted Stock Units the restrictions of which have lapsed pursuant to Paragraph 3 herein, (b) the Participant will receive a number of shares of Stock equal to the number of vested Restricted Stock Units, and (c) the shares of Stock will be issued in Stock certificates or in book-entry form in the Participant's name as soon as administratively practicable, but not later than the earlier of thirty (30) days after the restrictions lapse or the last day of the calendar year in which the restrictions lapse; provided, however, if the Participant is a "specified employee" (within the meaning of Code Section 409A) and the Participant is entitled to the issuance of Stock as a result of the Participant's "separation from service" (within the meaning of Code Section 409A), the issuance shall be made six months after separation from service to the extent required to comply with Code Section 409A, but not later than the date the issuance of Stock otherwise would have occurred had the Participant remained employed, to the extent permissible under Code Section 409A.

7. Dividends. The Participant shall be entitled to receive dividend equivalents on (i) vested and (ii) unvested and nonforfeited Restricted Stock Units, which represent the right to receive cash payments (or payment in the form of shares of Stock if the dividend is paid in shares of Stock) measured by the aggregate dividends payable to a shareholder of record while the Participant holds the Restricted Stock Units on a number of shares of Stock that correspond to the number of Restricted Stock Units. The dividend equivalents shall be paid on approximately the same dates that the corresponding dividends are paid to the Company's shareholders of record, except as provided in Paragraph 5.

8. Right as Stockholder. The Participant shall not have voting or any other rights as a shareholder of the Company with respect to Restricted Stock Units. The Participant will obtain full voting and other rights as a shareholder of the Company upon the settlement of Restricted Stock Units in shares of Stock.

9. Nontransferability. During the Vesting Period, Restricted Stock Units awarded pursuant to this Agreement may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated ("**Transfer**") other than by will or by the laws of descent and distribution, except as provided in the Plan. If any Transfer, whether voluntary or involuntary, of Restricted Stock Units is made, or if any attachment, execution, garnishment, or lien shall be issued against or placed upon the Restricted Stock Units, the Participant's right to such Restricted Stock Units shall be immediately forfeited to the Company, and this Agreement shall lapse.

10. Requirements of Law. The granting of Restricted Stock Units under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

11. Administration. This Agreement and the Participant's rights hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant.

12. Continuation of Employment. This Agreement shall not confer upon the Participant any right to continuation of service with the Company, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's service at any time.

13. Amendment to the Plan. The Plan is discretionary in nature and the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Agreement, without the Participant's written approval.

14. Amendment to this Agreement. Any amendment and/or termination of this Agreement will not accelerate a payment date if such amendment or termination would subject such amounts to taxation under Code Section 409A.

15. Successor. All obligations of the Company under the Plan and this Agreement, with respect to the Restricted Stock Units, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

16. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation, and enforceability of this Agreement shall be determined and governed by the laws of the state of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction and agree that such litigation shall be conducted in the federal or state courts of the state of Georgia.

18. Code Section 409A. This Agreement is intended to comply with Code Section 409A and all of the provisions of this Agreement shall be construed consistent with that intent. References herein to the Participant's cessation of service, termination of service and similar terms shall be construed to refer to a "separation from service" within the meaning of Code Section 409A.

19. Definition of Retirement: "**Retirement**" means voluntary resignation of employment by a Participant, who is also an employee of the Company or an Affiliate (as defined in the Plan), after (i) attaining age sixty-five (65), or (ii) attaining age fifty-five (55) with at least five (5) years of service.

20. Definition of Change in Control:

"**Change in Control**" means the occurrence of 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).

- (a) 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 December 1, 2004 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
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maintained by the Company or any of its Affiliates, or (v) any transaction described in Clause (d) below.

(b) 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: (A) any acquisition by any one person, or more than one person acting as a Group, who on December 1, 2004 is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (B) any acquisition directly from the Company, including without limitation, a public offering of securities, (C) 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 (D) any transaction described in Clause (d) below; 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 Subclause (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**” 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 Subclause (3) hereof); or
- (5) a Successor Entity pursuant to a transaction described in Clause (d) below.

(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 in 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 in 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.

21. Compensation Recovery Policy: The Board has adopted an incentive compensation recovery policy (the "**Clawback Policy**") for the Company's current and former "officers," as such term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934 (such officers are hereinafter referred to individually as an "**Executive**" and collectively as "**Executives**"). The Clawback Policy governs the circumstances where the Board may seek to recover "Incentive Compensation" (as defined below) awarded to Executives. Under the Clawback Policy, the Board may require reimbursement of any Incentive Compensation (including without limitation, any bonus under the Company's Management Incentive Plan) paid to an individual Executive, a group of Executives or all Executives if: (i) the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement, (ii) the Board determines that the Executive engaged in conduct that caused or partially caused the need for the restatement or that the restatement is of such a nature as to warrant seeking recovery of Incentive Compensation from all or some larger group of Executives and (iii) a lower payment of Incentive Compensation would have been made to the Executive (or group of Executives) based upon the restated financial results. In each such instance, the Board may seek to recover the relevant overpayment amount of the Incentive Compensation for the period at issue. In applying the Clawback Policy, the Board will have sole discretion in determining whether an Executive's conduct has or has not met any particular standard of conduct under law or Company policy and whether the Incentive

Compensation recovery should apply to an individual Executive or a larger group of Executives and the extent of the amount of recovery.

Further, under the Clawback Policy, the Board may require reimbursement of any certain Incentive Compensation as provided below paid to an Executive if the Board concludes that such Executive has engaged in Improper Conduct. For purposes of the Clawback Policy, “**Improper Conduct**” means any of the following: (i) the commission of an act of fraud or dishonesty in the course of the Executive’s employment; (ii) wrongful conduct by the Executive that causes material reputational, financial or other harm to the Company; (iii) the material breach by the Executive of a written policy of the Company, including, without limitation, the Company’s Code of Business Conduct & Ethics and the Company’s policies prohibiting derogatory comments based on protected class and unwelcome sexual advances or comments; or (iv) the violation by the Executive of a restrictive covenant concerning non-competition, employee or customer non-solicitation or confidentiality.

If the Board concludes that an Executive has engaged in Improper Conduct, the Board, in its sole discretion, may, (a) within three years following payment or vesting of any Incentive Compensation awarded to such Executive, require reimbursement of all or a portion of such Incentive Compensation, and (b) determine that any unpaid or unvested Incentive Compensation awarded to such Executive has not been earned and must be forfeited. In such case, the Board may require recovery of any Incentive Compensation awarded to an Executive even if the Executive’s Improper Conduct did not result in an award or payment being greater than the award or payment that would have been awarded absent the Improper Conduct. In determining whether to require recovery of Incentive Compensation, the Board may take into account any considerations it deems appropriate, including the seriousness of the Improper Conduct, whether the Executive was unjustly enriched, whether seeking recovery may violate applicable law or prejudice the Company’s interests in any way, including in a proceeding or investigation, and the cost and likely outcome of any potential litigation in connection with the Company’s attempts to recover Incentive Compensation. The Board shall have sole discretion in determining whether an Executive’s conduct constituted Improper Conduct.

Any right of recovery under the Clawback Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement or similar agreement and any other legal or equitable remedies available to the Company. Further, the terms of this Clawback Policy are in addition to, and not in lieu of, any recoupment required or permitted by Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any other law or regulation that the Board determines, in its discretion, is applicable. (Section 304 of the Sarbanes-Oxley Act of 2002 requires the Chief Executive Officer and Chief Financial Officer of a company to disgorge certain bonuses and other incentive compensation if (I) the issuer must prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws and (II) the noncompliance results from misconduct. Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the executive officers to disgorge certain erroneously awarded incentive compensation if the issuer must prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws regardless of whether misconduct occurred.)

22. The Plan Governs; Capitalized Terms: The Plan provides a complete description of the terms and conditions governing the Restricted Stock Units. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan’s terms will completely supersede and replace the conflicting terms of this Agreement. All capitalized terms will have the meanings ascribed to them in the Plan, unless specifically defined otherwise herein.

Neenah, Inc.

20__ Restricted Stock Unit Award Agreement (retirement)

THIS AGREEMENT (the “**Agreement**”), effective _____, 20__, sets forth the terms and conditions of the grant of Restricted Stock Units by Neenah, Inc. (the “**Company**”), to the Participant, pursuant to the provisions of the Neenah, Inc. 2018 Omnibus Stock and Incentive Compensation Plan (the “**Plan**”).

1. General Grant Information. The Participant has been selected to receive an Award of Restricted Stock Units, with specific grant information recorded by Morgan Stanley Smith Barney or other duly authorized administrator (“**MSSB**”). The grant information includes date of grant and number of Restricted Stock Units.

2. Grant of Restricted Stock Units. The Award of Restricted Stock Units is pursuant to the terms and conditions contained herein. This form of agreement applies only to Restricted Stock Units that have been identified with the code set forth in the lower left corner of this page.

3. Vesting Period. The Restricted Stock Units shall become vested to the extent provided, and all restrictions will lapse to the extent of vesting, upon the earliest to occur of the following events:

- (a) December 31, 20__, provided the Participant has continued in the employment of the Company, its Affiliates, and/or its Subsidiaries through such date (the time period from the date of grant to December 31, 20__ is referred to herein as the “**Vesting Period**”);
- (b) upon the Participant’s termination of employment due to death or Disability, provided the Participant has continued in the employment of the Company, its Affiliates, and/or its Subsidiaries through such event;
- (c) upon the Participant’s Retirement, provided, however, the number of Restricted Stock Units that vest shall be equal to the total number of Restricted Stock Units subject to this Agreement multiplied by the ratio that the number of calendar months served during the 20__ calendar year bears to 12 months; further provided, however, for any partial months served during the Vesting Period, Participant shall only receive credit for such partial month served if Participant is employed by the Company or its Affiliates for fifteen or more calendar days during such calendar month; or
- (c) on the date of the termination of Participant’s employment with the Company if within two years after a Change in Control, Participant’s employment is terminated by the Company, its Affiliates, and/or Subsidiaries other than for Cause, or is terminated by the Participant for Good Reason. For the purposes of this Agreement, the terms “**Cause**” and “**Good Reason**” shall have the same meaning as provided in the Executive Severance Plan.

4. Termination of Service for Other Reasons. Unless otherwise stated herein, in the event the Participant’s service with the Company terminates for any reason before one hundred percent (100%) vesting pursuant to Paragraph 3, all of the unvested Restricted Stock Units the Participant holds at the time the Participant’s service terminates shall be forfeited to the Company.

5. Deferral of Restricted Stock Units. Prior to the beginning of the calendar year in which the Restricted Stock Units are granted (or, with respect to the first year in which the Participant becomes eligible to participate in the Neenah Participants’ Deferred Compensation Plan, within 30 days after becoming eligible and prior to the date of grant), the Participant may make an irrevocable election to defer all or a portion of the Restricted Stock Units

under the Neenah Deferred Compensation Plan. 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. If the Participant makes a timely election to defer the Restricted Stock Units under the Neenah Deferred Compensation Plan, payment of the Restricted Stock Units and the dividend equivalents applicable to such Restricted Stock Units will be governed by the terms of the Neenah Deferred Compensation Plan.

6. Payment of Restricted Stock Units. Unless the Participant has timely made an election to defer the Restricted Stock Units under the Neenah Deferred Compensation Plan, (a) the Participant shall be entitled to receive shares of Stock for Restricted Stock Units the restrictions of which have lapsed pursuant to Paragraph 3 herein, (b) the Participant will receive a number of shares of Stock equal to the number of vested Restricted Stock Units, and (c) the shares of Stock will be issued in Stock certificates or in book-entry form in the Participant's name as soon as administratively practicable, but not later than the earlier of thirty (30) days after the restrictions lapse or the last day of the calendar year in which the restrictions lapse; provided, however, if the Participant is a "specified employee" (within the meaning of Code Section 409A) and the Participant is entitled to the issuance of Stock as a result of the Participant's "separation from service" (within the meaning of Code Section 409A), the issuance shall be made six months after separation from service to the extent required to comply with Code Section 409A, but not later than the date the issuance of Stock otherwise would have occurred had the Participant remained employed, to the extent permissible under Code Section 409A.

7. Dividends. The Participant shall be entitled to receive dividend equivalents on (i) vested and (ii) unvested and nonforfeited Restricted Stock Units, which represent the right to receive cash payments (or payment in the form of shares of Stock if the dividend is paid in shares of Stock) measured by the aggregate dividends payable to a shareholder of record while the Participant holds the Restricted Stock Units on a number of shares of Stock that correspond to the number of Restricted Stock Units. The dividend equivalents shall be paid on approximately the same dates that the corresponding dividends are paid to the Company's shareholders of record, except as provided in Paragraph 5.

8. Right as Stockholder. The Participant shall not have voting or any other rights as a shareholder of the Company with respect to Restricted Stock Units. The Participant will obtain full voting and other rights as a shareholder of the Company upon the settlement of Restricted Stock Units in shares of Stock.

9. Nontransferability. During the Vesting Period, Restricted Stock Units awarded pursuant to this Agreement may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated ("**Transfer**") other than by will or by the laws of descent and distribution, except as provided in the Plan. If any Transfer, whether voluntary or involuntary, of Restricted Stock Units is made, or if any attachment, execution, garnishment, or lien shall be issued against or placed upon the Restricted Stock Units, the Participant's right to such Restricted Stock Units shall be immediately forfeited to the Company, and this Agreement shall lapse.

10. Requirements of Law. The granting of Restricted Stock Units under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

11. Administration. This Agreement and the Participant's rights hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant.

12. Continuation of Employment. This Agreement shall not confer upon the Participant any right to continuation of service with the Company, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's service at any time.

13. Amendment to the Plan. The Plan is discretionary in nature and the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Agreement, without the Participant's written approval.

14. Amendment to this Agreement. Any amendment and/or termination of this Agreement will not accelerate a payment date if such amendment or termination would subject such amounts to taxation under Code Section 409A.

15. Successor. All obligations of the Company under the Plan and this Agreement, with respect to the Restricted Stock Units, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

16. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation, and enforceability of this Agreement shall be determined and governed by the laws of the state of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction and agree that such litigation shall be conducted in the federal or state courts of the state of Georgia.

18. Code Section 409A. This Agreement is intended to comply with Code Section 409A and all of the provisions of this Agreement shall be construed consistent with that intent. References herein to the Participant's cessation of service, termination of service and similar terms shall be construed to refer to a "separation from service" within the meaning of Code Section 409A.

19. Definition of Retirement: "Retirement" means voluntary resignation of employment by a Participant, who is also an employee of the Company or an Affiliate (as defined in the Plan), after (i) attaining age sixty-five (65), or (ii) attaining age fifty-five (55) with at least five (5) years of service.

20. Definition of Change in Control:

"Change in Control" means the occurrence of 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).

- (a) 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 December 1, 2004 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
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maintained by the Company or any of its Affiliates, or (v) any transaction described in Clause (d) below.

(b) 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: (A) any acquisition by any one person, or more than one person acting as a Group, who on December 1, 2004 is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (B) any acquisition directly from the Company, including without limitation, a public offering of securities, (C) 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 (D) any transaction described in Clause (d) below; 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 Subclause (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**” 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 Subclause (3) hereof); or
- (5) a Successor Entity pursuant to a transaction described in Clause (d) below.

(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 in 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 in 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.

21. Compensation Recovery Policy:

The Board has adopted an incentive compensation recovery policy (the "**Clawback Policy**") for the Company's current and former "officers," as such term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934 (such officers are hereinafter referred to individually as an "**Executive**" and collectively as "**Executives**"). The Clawback Policy governs the circumstances where the Board may seek to recover "Incentive Compensation" (as defined below) awarded to Executives. Under the Clawback Policy, the Board may require reimbursement of any Incentive Compensation (including without limitation, any bonus under the Company's Management Incentive Plan) paid to an individual Executive, a group of Executives or all Executives if: (i) the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement, (ii) the Board determines that the Executive engaged in conduct that caused or partially caused the need for the restatement or that the restatement is of such a nature as to warrant seeking recovery of Incentive Compensation from all or some larger group of Executives and (iii) a lower payment of Incentive Compensation would have been made to the Executive (or group of Executives) based upon the restated financial results. In each such instance, the Board may seek to recover the relevant overpayment amount of the Incentive Compensation for the

period at issue. In applying the Clawback Policy, the Board will have sole discretion in determining whether an Executive's conduct has or has not met any particular standard of conduct under law or Company policy and whether the Incentive Compensation recovery should apply to an individual Executive or a larger group of Executives and the extent of the amount of recovery.

Further, under the Clawback Policy, the Board may require reimbursement of any certain Incentive Compensation as provided below paid to an Executive if the Board concludes that such Executive has engaged in Improper Conduct. For purposes of the Clawback Policy, "**Improper Conduct**" means any of the following: (i) the commission of an act of fraud or dishonesty in the course of the Executive's employment; (ii) wrongful conduct by the Executive that causes material reputational, financial or other harm to the Company; (iii) the material breach by the Executive of a written policy of the Company, including, without limitation, the Company's Code of Business Conduct & Ethics and the Company's policies prohibiting derogatory comments based on protected class and unwelcome sexual advances or comments; or (iv) the violation by the Executive of a restrictive covenant concerning non-competition, employee or customer non-solicitation or confidentiality.

If the Board concludes that an Executive has engaged in Improper Conduct, the Board, in its sole discretion, may, (a) within three years following payment or vesting of any Incentive Compensation awarded to such Executive, require reimbursement of all or a portion of such Incentive Compensation, and (b) determine that any unpaid or unvested Incentive Compensation awarded to such Executive has not been earned and must be forfeited. In such case, the Board may require recovery of any Incentive Compensation awarded to an Executive even if the Executive's Improper Conduct did not result in an award or payment being greater than the award or payment that would have been awarded absent the Improper Conduct. In determining whether to require recovery of Incentive Compensation, the Board may take into account any considerations it deems appropriate, including the seriousness of the Improper Conduct, whether the Executive was unjustly enriched, whether seeking recovery may violate applicable law or prejudice the Company's interests in any way, including in a proceeding or investigation, and the cost and likely outcome of any potential litigation in connection with the Company's attempts to recover Incentive Compensation. The Board shall have sole discretion in determining whether an Executive's conduct constituted Improper Conduct.

Any right of recovery under the Clawback Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement or similar agreement and any other legal or equitable remedies available to the Company. Further, the terms of this Clawback Policy are in addition to, and not in lieu of, any recoupment required or permitted by Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any other law or regulation that the Board determines, in its discretion, is applicable. (Section 304 of the Sarbanes-Oxley Act of 2002 requires the Chief Executive Officer and Chief Financial Officer of a company to disgorge certain bonuses and other incentive compensation if (I) the issuer must prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws and (II) the noncompliance results from misconduct. Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the executive officers to disgorge certain erroneously awarded incentive compensation if the issuer must prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws regardless of whether misconduct occurred.)

22. The Plan Governs; Capitalized Terms: The Plan provides a complete description of the terms and conditions governing the Restricted Stock Units. If there is any inconsistency between the

terms of this Agreement and the terms of the Plan, the Plan's terms will completely supersede and replace the conflicting terms of this Agreement. All capitalized terms will have the meanings ascribed to them in the Plan, unless specifically defined otherwise herein.

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, John P. O'Donnell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Neenah, 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: May 11, 2020

/s/ John P. O'Donnell

John P. O'Donnell

President, Chief Executive Officer, and Director (Principal Executive Officer)

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Bonnie C. Lind, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Neenah, 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: May 11, 2020

/s/ Bonnie C. Lind

Bonnie C. Lind

Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)

**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 Quarterly Report of Neenah, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020, 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, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) 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, Chief Executive Officer and Director

(Principal Executive Officer)

Date: May 11, 2020

**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 Quarterly Report of Neenah, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), 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 my knowledge:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bonnie C. Lind

Bonnie C. Lind

Senior Vice President, Chief Financial Officer and Treasurer

(Principal Financial Officer)

Date: May 11, 2020