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May 6, 2008

To our Valued Customers:

Last week I communicated the status of Neenah Paper's FSC certification, indicating that our audit had been fully vetted and we believed that our certification was imminent.

As of April 29th, Neenah Paper, Inc. has been fully recertified.

It is clear, as of this letter, that this process was wrought with communication improvement opportunities during the seven months it took to fully recertify our processes. In the spirit of continuous improvement, not only for ourselves, but for the industry, we agreed to share our learning from this process with you. We also committed to bridge a communication from FSC directly to your company to share their perspective of our issue.

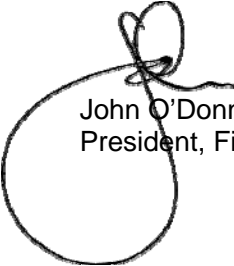
At the heart of the learning for NPI is the simple fact that we could have communicated better with our FSC consultant and directly with the Forest Stewardship Council regarding our recertification status and the implications of an expiration period. In fact, it wasn't until we bridged communications with our consultant and the FSC organization, that we realized just how much we had under appreciated the implications of our certificate expiration during our audit process. As a result, we will now bear a significant financial penalty and negative market exposure.

Our largest area of concern, however, was the impact felt by our customers as a result of a process that should have been transparent to you, but was not. Our delayed response has now touched your business and we are committed to remediate this issue to your satisfaction, and as quickly and painlessly as possible. Your organization will hear directly from our sales and service organizations this week regarding a plan to address any specific impact our pre-certification activity may have had on your business.

My goal with this note to you is to 1) communicate our recertification, 2) share our learning in hopes that it may benefit you in the future, and 3) ensure that your organization received a copy of the clarification from the Forest Stewardship Council. I will leave further distribution within your organization to your discretion.

As regrettable as it has been to have to communicate such unwelcome news, I hope that you have found through this unfortunate learning that you are a valued customer of a company with high integrity and social responsibility, clear accountability for their actions, and one committed to be a lasting and primary supplier and partner well into the future.

Thanks for your continued support of Neenah Paper.


John O'Donnell
President, Fine Paper



Memo, 02 May 2008

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*FSC status of products supplied by Neenah
Paper Inc.*

Intro

NEENAH PAPER, Inc., is a manufacturer of premium uncoated writing, text and cover papers. Neenah Paper obtained a first FSC Chain of Custody certificate (code: SW-COC-000885) in March 2003, issued by the FSC-accredited SmartWood program of the Rainforest Alliance. The first certificate of Neenah Paper expired on March 1, 2008. On March 3, 2008, Neenah Paper was correctly notified by their certifier about the expiration of this FSC certificate.

FSC became aware of the existence of mislabelled product from their accredited certification body, SmartWood who was notified of it by a certificate holder on or about 18 April 2008. After investigation we have learned that although Neenah was not certified, they continued to sell and promote products in the market as FSC Certified, after their certificate had lapsed.

In the time between the expiration date of the old certificate and the issue date of the new certificate, Neenah Paper continued to sell and promote inventory products with FSC claims. This was a violation of FSC standards and caused discussion and confusion in the marketplace, requiring intervention and clarification by FSC International.

Neenah has now successfully completed their recertification process on April 29, 2008, and as of this writing is currently an active FSC certificate holder again.

FSC clarification

FSC conducted an investigation in collaboration with FSC United States and the FSC-accredited certification body SmartWood to verify the certification status of products supplied by Neenah Paper after the expiration of their FSC Chain of Custody certificate.

FSC follows a strict position with regard to the sale of inventory product after the termination of an FSC certificate: suppliers shall immediately cease to make any use of any FSC trademarks, or to sell any products that the supplier has previously labelled or marked using the FSC trademarks, or to make any claims that imply that they comply with the requirements for certification.

This position is based on the assumption that the termination of an FSC certificate is caused either by the respective Chain of Custody management system showing failures, sufficient in number, extent or ramifications, to demonstrate that organizational control has broken down; or, in the absence of such non-compliance, by the former certificate holder having no longer interest in demonstrating commitment to continue with their FSC program.

Both such indications are not valid in the instance of the expired FSC certificate of Neenah Paper. Based on the premise that the integrity of Neenah's FSC inventory demonstrably has been maintained at all times, FSC is taking the following position with regard to the status of the products concerned:

1. Any product that had been manufactured from FSC certified inputs/ according to FSC regulations before the expiration date is considered FSC certified and can be sold by Neenah with FSC claims and FSC label on-product, subject to an extraordinary audit by their FSC-accredited certification body to verify inventory amounts and dispensation of that inventory.

2. This extraordinary audit is to verify that any product sold with FSC claims, after the expiration and before the re-issue of Neenah's FSC certificate, was manufactured according to FSC regulations prior to expiration.
3. Any product identified to be manufactured during the period of lapsed certification, can not be considered FSC certified and any affected parties who may have received that product will be notified directly by SmartWood or Neenah as to the options regarding management of that inventory.
4. Neenah Paper shall provide their customers with a copy of this memo. The memo will also be made available to any interested parties and copies will be provided to FSC US, SmartWood and all accredited Certification Bodies so they may provide it in response to any inquiry.
5. Internal measures shall be taken at Neenah to ensure that all appropriate parties in the organization are made aware of the necessity to follow FSC procedures and that adequate communication and training is completed to ensure that all staff is able to properly comply with FSC requirements for gaining and retaining certification. This is directly addressed in their audit report, a private document between the accredited certifier, SmartWood and the company, Neenah.

It is important to remind all participants in the FSC network, and in particular all certificate holders, of the need for clear and accurate internal communication between **all departments** of a company to ensure that opportunities to incorrectly reflect the status of participation in FSC programs are minimized. Additionally it is vital that sales and marketing staff are kept up to date and aware of the status of certification and of any issues potentially impacting it to prevent opportunities for misrepresentation in the marketplace.

Additionally we remind and encourage FSC certificate holders, and all others in the global network that if they identify a situation where they believe an inappropriate claim of certification or certified status of a product is being made they should report that to either their certification body, or to FSC Global Development directly, for investigation and resolution. FSC Global Development Trademark Services Department may be reached at trademark@fsc.org.

Contact

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