

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 27, 2013 (February 21, 2013)

**Tredegar Corporation**

(Exact Name of Registrant as Specified in its Charter)

**Virginia**

(State or Other Jurisdiction of Incorporation)

**1-10258**

(Commission File Number)

**54-1497771**

(IRS Employer Identification No.)

**1100 Boulders Parkway  
Richmond, Virginia**

(Address of Principal Executive Offices)

**23225**

(Zip Code)

Registrant's telephone number, including area code: **(804) 330-1000**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02**      ***Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.***

At its February 21, 2013 meeting, the Executive Compensation Committee (the “Compensation Committee”) of the Board of Directors of Tredegar Corporation (the “Corporation”) approved several items relating to compensatory arrangements with its named executive officers. The details of these approvals are outlined below.

**2013 Short-Term Incentive Plan**

The Compensation Committee approved an annual cash incentive plan applicable to the Corporation’s executive officers and certain other key employees (the “2013 Incentive Plan”).

The 2013 Incentive Plan is intended to reward each participant based on the attainment of specific 2013 financial performance targets tied to 2013 working capital as a percent of sales (“WC%S”), which is weighted at 30%, and 2013 earnings before interest and taxes (“EBIT”), which is weighted at 70%. The WC%S or EBIT financial performance metrics must be achieved at least at the threshold level before any incentives can be earned. The Compensation Committee reviewed the annual financial targets for the 2013 Incentive Plan as part of its review and approval of the 2013 Incentive Plan.

The following short-term incentive opportunities are available under the 2013 Incentive Plan for the named executive officers:

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>2013 Short-Term Incentive Opportunities</u></b> <b>(as a percentage of annual base salary)</b>		
		<b><u>Threshold</u></b>	<b><u>Target</u></b>	<b><u>Maximum</u></b>
Nancy M. Taylor	President and CEO	22.5%	90%	180%
Duncan A. Crowdis	VP and Pres., Aluminum Extrusions	11.25%	45%	90%
A. Brent King	VP, General Counsel and Secy.	12.50%	50%	100%
Kevin A. O’Leary	VP, CFO and Treasurer	13.75%	55%	110%

## 2013 Long-Term Incentive Awards

The Compensation Committee approved the grants of performance stock units, restricted stock awards and nonstatutory stock options in the amounts set forth below under the Amended and Restated 2004 Equity Incentive Plan (the "Equity Plan") to each of the named executive officers.

<u>Name</u>	<u>Title</u>	<u>2013 Performance Stock Units</u>	<u>2013 Restricted Stock</u>	<u>2013 Stock Options</u>
Nancy M. Taylor	President and CEO	26,600	22,000	50,700
A. Brent King	VP, General Counsel and Secy.	6,800	5,600	12,900
Kevin A. O'Leary	VP, CFO and Treasurer	8,100	6,700	15,400
Duncan A. Crowdis <sup>(1)</sup>	VP and Pres., Bonnell Aluminum	-0-	-0-	-0-

<sup>(1)</sup> As the Corporation has previously announced, Mr. Crowdis intends to retire on June 1, 2013. As a result, the Compensation Committee did not make any long-term incentive grants or awards to Mr. Crowdis.

The Compensation Committee established financial performance targets for the performance stock unit awards tied to the Corporation's 2015 consolidated economic profit added ("EPA"). The performance stock units may be earned by the named executive officers based on achievement of specific EPA performance targets. For a definition of EPA, see "Compensation Discussion and Analysis - Elements of 2011 Compensation - Annual Incentives" in the Corporation's definitive proxy statement on Schedule 14A, filed April 2, 2012. The performance stock unit awards were made pursuant to the terms of the Equity Plan and are subject to the terms of the Notice of Stock Unit Award and Stock Unit Award Terms and Conditions, substantially in the form filed as Exhibit 10.1 hereto.

The restricted stock award becomes vested and nonforfeitable on the third anniversary of the date of grant (*i.e.*, February 21, 2016). Upon the issuance of the shares on the date of grant, the named executive officer will be entitled to vote the shares and will be entitled to receive, free of all restrictions, ordinary cash dividends. The restricted stock awards were made pursuant to the terms of the Equity Plan and are subject to the terms of the Notice of Stock Award and Stock Award Terms and Conditions, substantially in the form filed as Exhibit 10.2 hereto.

The stock options have an option price equal to the closing price of shares of the Corporation's common stock as reported on the New York Stock Exchange composite tape on the date of grant (*i.e.*, February 21, 2013) and have a term of ten years. The options vest in four equal annual installments on each of the first four anniversaries of the date of grant. The grants of options were made pursuant to the terms of the Equity Plan and are subject to the terms of the Notice of Nonstatutory Stock Option Grant and Nonstatutory Stock Option Terms and Conditions, substantially in the form filed as Exhibit 10.3 hereto.

## **2013 Executive Officer Base Salaries**

The Compensation Committee approved the following base salary increases for the named executive officers:

<b><u>Name</u></b>	<b><u>Merit Increase Percentage</u></b>	<b><u>Base Salary Following Increase</u></b>
Nancy M. Taylor	2.0%	\$733,278
Duncan A. Crowdis	2.0%	\$308,183
A. Brent King	3.5%	\$324,139
Kevin A. O'Leary	5.0%	\$350,320

## **2012 Short-Term Incentive Plan**

In 2012, the Compensation Committee approved an annual cash incentive plan applicable to the Corporation's executive officers and certain other key employees (the "2012 Incentive Plan"). Incentives were to be paid out under the 2012 Incentive Plan only if financial performance targets were met and individual objectives were achieved.

For 2012, consolidated EBIT of the Corporation was between threshold and target levels under the 2012 Incentive Plan, and the Corporation's WC%S was at the target level, which led to payouts to the named executives, other than Mr. Crowdis, in amounts between the executive's threshold and target annual incentive opportunities. The payouts to Ms. Taylor and Messrs. O'Leary and King (the corporate named executive officers) were based on straight line interpolation between their threshold and target annual incentive opportunities. Mr. King received an additional allocation from the annual incentive pool in the amount of \$20,000 in recognition of his performance in 2012, including with respect to the Corporation's acquisition of AACOA, Inc. and divestiture of Falling Springs, LLC (such additional \$20,000 is included in the table below). The additional bonus amount paid to Mr. King was allocated from the annual incentive pool, as additional awards were made available to certain participants under the terms of the 2012 Incentive Plan when individual performance multipliers for participants in the 2012 Incentive Plan were less than 100%. The amounts paid to Messrs. O'Leary and King were determined based on the incentive formula for financial performance and the Chief Executive Officer's assessment of their performance relative to their individual goals and objectives. The amount paid to Ms. Taylor was determined based on the incentive formula for financial performance and the Compensation Committee's assessment of Ms. Taylor's performance relative to her individual goals and objectives.

For 2012, Bonnell Aluminum's EBIT, which exceeded the Division's business plan goals established for 2012, was between target and maximum levels under the 2012 Incentive Plan and its WC%S was at the maximum level, which led to a payout to Mr. Crowdis in an amount based on a straight line interpolation between his target and maximum annual incentive opportunity. The amount paid to Mr. Crowdis was determined based on the incentive formula for financial performance and the Chief Executive Officer's assessment of Mr. Crowdis' performance relative to his individual goals and objectives.

The Compensation Committee approved the following incentive payments under the 2012 Incentive Plan for the following named executive officers:

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Percent of Salary</u></b>	<b><u>Dollar Value</u></b>
Nancy M. Taylor	President and CEO	63%	\$450,000.00
Duncan A. Crowdis	VP and Pres., Aluminum Extrusions	75%	\$225,103.31
A. Brent King	VP, General Counsel and Secy.	44%	\$138,794.68
Kevin A. O'Leary	VP, CFO and Treasurer	42%	\$139,211.12

### **2012 Performance Stock Units**

The Compensation Committee previously awarded performance stock units to the named executive officers that were tied to the Corporation's EPA performance in 2014, as described in the Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 5, 2012. On February 21, 2013, the Compensation Committee revised the threshold and target goals for 2014 to take into account the Corporation's acquisition of AACOA, Inc. (on October 1, 2012) and the Corporation's sale of Falling Springs, LLC (on November 20, 2012). As a result the Compensation Committee decreased the threshold EPA goal in 2014 by 1.8% and the target EPA goal in 2014 by 2.2%.

#### **Item 9.01      *Financial Statements and Exhibits.***

(d) Exhibits.

10.1 Form of Notice of Stock Unit Award and Stock Unit Award Terms and Conditions.

10.2 Form of Notice of Stock Award and Stock Award Terms and Conditions.

10.3 Form of Notice of Nonstatutory Stock Option Grant and Nonstatutory Stock Option Terms and Conditions.

**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 hereunto duly authorized.

**TREDEGAR CORPORATION**

Date: February 27, 2013

By: /s/ A. Brent King  
A. Brent King  
Vice President, General Counsel  
and Secretary

**EXHIBIT INDEX**

**Exhibit No.**

**Description**

[10.1](#)

Form of Notice of Stock Unit Award and Stock Unit Award Terms and Conditions.

[10.2](#)

Form of Notice of Stock Award and Stock Award Terms and Conditions.

[10.3](#)

Form of Notice of Nonstatutory Stock Option Grant and Nonstatutory Stock Option Terms and Conditions.

**TREDEGAR CORPORATION**

**NOTICE OF STOCK UNIT AWARD**

You have been granted the following Stock Unit Award by the Executive Compensation Committee of the Board of Directors of Tredegar Corporation ("Tredegar"):

- Name of Participant: [Name]
- Date of Grant: [ \_\_\_\_\_ ], 2013]
- Number of Stock Units: [Number]
- Vesting: The requirements for earning and vesting in the award are set forth in the attached Stock Unit Award Terms and Conditions.
- Expiration Date: None.
- Transferability: None; other than by will or the laws of descent and distribution as set forth in the attached Stock Unit Award Terms and Conditions.

In addition to the foregoing terms, your Stock Unit Award is subject to all of the terms and conditions contained in the attached Stock Unit Award Terms and Conditions which are incorporated in this Notice of Stock Unit Award by this reference. If any provision of this Notice of Stock Unit Award is inconsistent with the aforementioned Stock Unit Award Terms and Conditions, the Stock Unit Award Terms and Conditions will control.

Please acknowledge your acceptance of this Stock Unit Award and the attached Stock Unit Award Terms and Conditions by signing and returning one copy of this Notice of Stock Award to Pat Thomas, Tredegar Corporation, 1100 Boulders Parkway, Richmond, Virginia, 23225.

TREDEGAR CORPORATION

By: \_\_\_\_\_

Participant

Date: \_\_\_\_\_

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## TREDEGAR CORPORATION

### STOCK UNIT AWARD TERMS AND CONDITIONS

THESE STOCK UNIT AWARD TERMS AND CONDITIONS (“Terms and Conditions”) effective as of the \_\_\_\_ of \_\_\_\_\_, 2013, govern the Stock Unit Award made by Tredegar Corporation, a Virginia corporation (the “Company”), to the participant (the “Participant”) named in the Notice of Stock Unit Award to which these Terms and Conditions are attached (the “Grant Notice”), and are made in accordance with and subject to the provisions of the Company’s Amended and Restated 2004 Equity Incentive Plan (the “Plan”). A copy of the Plan has been made available to Participant. All terms used in these Terms and Conditions that are defined in the Plan have the same meaning given them in the Plan.

1. Grant of Stock Unit Award. In accordance with the Plan, and effective as of the Date of Grant specified in the Grant Notice (the “Date of Grant”), the Company granted to the Participant, subject to the terms and conditions of the Plan and these Terms and Conditions, the number of Stock Units specified in the Grant Notice (the “Stock Units”). The Participant will earn the Stock Units to the extent that the requirements of Section 2 are satisfied. The Participant’s interest in the Stock Units that are earned in accordance with Section 2 will Vest, *i.e.*, will become nonforfeitable, to the extent that the requirements of Section 3 are satisfied. The Company will issue shares of Common Stock in accordance with Section 4 in settlement of the Stock Units, if any, that the Participant earns in accordance with Section 2 and that Vest in accordance with Section 3.

2. Earning Stock Units. This Section 2 determines the number of Stock Units that the Participant earns under these Terms and Conditions.

(a) Threshold Performance. The Participant will earn one-half of the Stock Units if the EPA for calendar year 2015 exceeds the EPA for calendar year 2012 by at least [\$\_\_\_\_\_] but less than \$\$\_\_\_\_\_].

(b) Target Performance. The Participant will earn all of the Stock Units if the EPA for calendar year 2015 exceeds the EPA for calendar year 2012 by at least [\$\_\_\_\_\_].

(c) Change in Control. The Participant will earn all of the Stock Units if there is a Change in Control before January 1, 2016.

For the purposes of these Terms and Conditions, the EPA for each calendar year shall be determined by the Committee in accordance with the definition and procedures previously adopted by the Committee for purposes of the Company’s incentive awards.

3. Vesting in Stock Units. The Participant’s interest in the Stock Units that are earned in accordance with Section 2 shall Vest as provided in this Section 3. For the avoidance of doubt, only Stock Units that are earned in accordance with Section 2 may Vest under this Section 3.

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(a) Continued Employment. The Participant's interest in all of the Stock Units that are earned in accordance with Section 2 shall Vest if the Participant's employment with the Company and its Affiliates is continuous from the Date of Grant until the date shares of Common Stock are issued in settlement of the Stock Units.

(b) Change in Control. The Participant's interest in all of the Stock Units that are earned in accordance with Section 2 shall Vest on the Control Change Date if the Participant's employment with the Company and its Affiliates is continuous from the Date of Grant until the Control Change Date.

(c) Death. If the Participant dies after 2015, the Participant's interest in all of the Stock Units that are earned in accordance with Section 2 shall Vest on the date of the Participant's death if the Participant's employment with the Company and its Affiliates is continuous from the Date of Grant until the Participant's death.

4. Settlement of Stock Units. The Stock Units will be settled in accordance with this Section 4.

(a) Committee Certification. As soon as practicable after 2015 (but no later than March 15, 2016), the Committee will determine the number of Stock Units that are earned under the provisions of Section 2 and that Vest under the provisions of Section 3. The Committee's determination shall be set forth in writing, as part of the minutes of a meeting of the Committee, by unanimous consent or otherwise. Notwithstanding the preceding sentences the Committee's written determination shall not be required in the case of Stock Units that are earned and that Vest pursuant to the provisions of Section 2(c) and Section 3(b), respectively.

(b) Issuance of Common Stock. As soon as practicable after the Committee's certification under subparagraph (a) (but no later than March 15, 2016), the Committee shall issue shares of Common Stock under the Plan in settlement of the Vested Stock Units earned by the Participant. The number of shares of Common Stock issued shall equal the number of Stock Units earned by the Participant under the provisions of Section 2 and that Vest under the provisions of Section 3. Notwithstanding the preceding sentences, shares of Common Stock shall be issued no later than the Control Change Date if the Stock Units are earned pursuant to the provisions of Section 2(c).

(c) Registration, etc. Shares of Common Stock issued in settlement of the Stock Units shall be registered in the name of the Participant on the stock transfer books of the Company and may be evidenced by one or more certificates.

(d) Vesting in Common Stock; Holding Requirement. The Participant's interest in the shares of Common Stock issued in settlement of the Stock Units shall be immediately vested. If the Participant is subject to the Company's Amended and Restated Executive Stock Ownership Policy (the "Policy") and is not in compliance with the ownership requirements in the Policy, fifty percent of the Net Shares must be retained by the Participant, *i.e.*, those shares cannot be transferred, until the earlier of (i) the date that the Participant is in compliance with the ownership requirements of the Policy, (ii) the date that the Participant is not subject to the Policy, (iii) a Control Change Date, (iv) the date of the Participant's death or (v) the date of the Participant's Normal Retirement. For the purpose of this Agreement, "Net Shares" means the number of shares of Common Stock received in settlement of the Stock Units minus the number of shares, if any, surrendered by the Participant or retained by the Company to satisfy tax withholding obligations in accordance with Section 9.

5. Forfeiture. Stock Units that are not earned in accordance with Section 2 shall be forfeited. Stock Units that are earned in accordance with Section 2 but that do not Vest in accordance with Section 3 shall be forfeited.

6. Nontransferability. The Stock Units are nontransferable. The Participant, by will or by the laws of descent and distribution, may transfer the right to receive any Common Stock to be issued under Section 4(b) in the event of the Participant's death after the date the Stock Units Vest and before the shares are issued. Except as provided in Section 4(d) and subject to the requirements of the securities laws, shares of Common Stock issued in settlement of the Stock Units shall be transferable when issued.

7. Shareholder Rights. The Participant shall not have any rights as a shareholder of the Company with respect to the Stock Units. Upon the issuance of shares of Common Stock in settlement of the Stock Units, the Participant shall have all of the rights of a shareholder of the Company with respect to those shares, including the right to vote the shares and to receive, free of all restrictions, all dividends on the shares.

8. Recoupment Policy. Participant acknowledges and agrees that the grant of this Stock Unit Award and the Participant's rights in the Stock Units are subject to the terms and provisions of the Company's Executive Incentive-Based Compensation Recoupment Policy as in effect on the Date of Grant (the "Policy"). Participant also agrees that, notwithstanding any other provision of this Agreement, the Company is entitled to recover from the Participant all or part of any benefits or compensation received in connection with this Stock Unit Award and the Stock Units (net of any income or employment taxes paid by the Participant on account of the settlement of the Stock Units or the sale of Common Stock received in settlement of the Stock Units, after giving effect to any tax benefit available to the Participant on account of the recoupment), that are subject to recoupment under the Policy. Participant acknowledges that a copy of the Policy has been made available to the Participant.

9. Definitions. The following definitions shall apply to these Terms and Conditions:

(a) Control Change Date means the date on which a Change in Control (as defined below) occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

(b) Change in Control means the occurrence of any of the following events:

(1) any Person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) (other than a Person who is not an Acquiring Person), at any time becomes the Beneficial Owner of 50% 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 "Voting Securities"), other than (i) through an acquisition of Voting Securities directly from the Company, (ii) as a result of the Company's repurchase of Voting Securities if, thereafter, such Beneficial Owner purchases no additional Voting Securities, or (iii) pursuant to a Business Combination (as defined below) that does not constitute a Change in Control pursuant to subparagraph 9(b)(3) below;

(2) Continuing Directors cease to constitute a majority of the members of the Board other than pursuant to a Business Combination that does not constitute a Change in Control pursuant to subparagraph 9(b)(3) below;

(3) consummation of a reorganization, merger, share exchange or consolidation (a "Business Combination"), in each case, unless immediately following such Business Combination, (i) all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such Business Combination Beneficially Own more than 80% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Common Stock and Voting Securities, as the case may be, (ii) no Person (other than a Person who is not an Acquiring Person) Beneficially Owns 50% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business combination or the combined voting power of the then outstanding voting securities of such corporation and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination are Continuing Directors; or

(4) the shareholders of the Company approve a complete liquidation or dissolution of the Company or the consummation of a sale or other disposition of all or substantially all of the assets of the Company, in each case, unless immediately following such liquidation, dissolution, sale or other disposition, (i) more than 80% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of such Common Stock and Voting Securities, as the case may be, (ii) less than 20% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by any Person (other than any Person who is not an Acquiring Person), and (iii) at least a majority of the members of the board of directors of such corporation are Continuing Directors immediately following such sale or disposition.

For purposes of the definition of Change of Control, the terms Acquiring Person, Beneficial Owner, Company, Continuing Director, and Person shall have the same definitions given them in the Amended and Restate Rights Agreement between Tredegar Corporation and National City Bank, dated as of June 30, 2009, as amended.

(c) Normal Retirement means the voluntary separation by the Participant from the employment of the Company or an Affiliate on or after the date the Participant has reached age sixty-five.

10. Withholding. The Participant shall pay the Company any amount of taxes as may be necessary in the opinion of the Company to satisfy tax withholding required under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions. In lieu thereof, the Company shall have the right to retain, from the shares of Common Stock to be issued under Section 4, the number of shares of Common Stock with Fair Market Value equal to the minimum amount required to be withheld. In any event, the Company shall have the right to deduct from all amounts paid to a Participant in cash (whether under the Plan or otherwise) any taxes required to be withheld.

11. No Right to Continued Employment. The award of the Stock Units does not give Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate his or her employment at any time.

12. Change in Capital Structure. The number of Stock Units and the performance criteria in Section 2 shall be adjusted as the Committee determines is equitably required in the event the Company effects one or more stock dividends, stock split-ups subdivisions or consolidations of shares, other similar changes in capitalization or such other events as are described in the Plan or if the Company effects a significant sale or disposition of assets or operations on or before December 31, 2013, or if the Company completes a significant acquisition of assets or operations on or before December 31, 2013. In consideration of receiving this Stock Unit Award, Participant also agrees that the terms and conditions of other outstanding Plan awards may be adjusted as the Committee determines is equitably required or appropriate in the event the Company, on or before December 31, 2013 effects or completes a change in capitalization or a transaction described in the preceding sentence.

13. Governing Law. These Terms and Conditions and the Grant Notice shall be governed by the laws of the Commonwealth of Virginia.

14. Conflicts. In the event of any conflict between the provisions of the Plan as in effect on the Date of Grant and the provisions of these Terms and Conditions or the Grant Notice, the provisions of the Plan shall govern. All references herein to the Plan shall mean the plan as in effect on the Date of Grant.

15. Participant Bound by Plan. Participant hereby acknowledges that a copy of the Plan has been made available to him or her and agrees to be bound by all the terms and provisions of the Plan.

16. Binding Effect. Subject to the limitations stated above and in the Plan, these Terms and Conditions and the Grant Notice shall be binding upon Participant and his or her successors in interest and the successors of the Company.

**TREDEGAR CORPORATION**

**NOTICE OF STOCK AWARD**

You have been granted the following Stock Award by the Executive Compensation Committee of the Board of Directors of Tredegar Corporation ("Tredegar"):

Name of Participant: [Name]  
Date of Grant: [\_\_\_\_\_, 2013]  
Number of Shares: [Number]  
Vesting: 100% as of [\_\_\_\_\_, 2016]  
Expiration Date: None.  
Transferability: As provided in the attached Stock Award Terms and Conditions.

In addition to the foregoing terms, your Stock Award is subject to all of the terms and conditions contained in the attached Stock Award Terms and Conditions which are incorporated in this Notice of Stock Award by this reference. If any provision of this Notice of Stock Award is inconsistent with the aforementioned Stock Award Terms and Conditions, the Stock Award Terms and Conditions will control.

Please acknowledge your acceptance of this Stock Award and the attached Stock Award Terms and Conditions by signing and returning one copy of this Notice of Stock Award to Pat Thomas, Tredegar Corporation, 1100 Boulders Parkway, Richmond, Virginia, 23225.

TREDEGAR CORPORATION

By: \_\_\_\_\_

Participant

Date: \_\_\_\_\_

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**TREDEGAR CORPORATION**

**STOCK AWARD TERMS AND CONDITIONS**

THESE STOCK AWARD TERMS AND CONDITIONS (“Terms and Conditions”) effective as of the \_\_\_\_ day of \_\_\_\_\_, 2013, govern the Stock Award made by Tredegar Corporation, a Virginia corporation (the “Company”), to the participant (the “Participant”) named in the Notice of Stock Award to which these Terms and Conditions are attached (the “Grant Notice”), and are made in accordance with and subject to the provisions of the Company’s Amended and Restated 2004 Equity Incentive Plan (the “Plan”). A copy of the Plan has been made available to Participant. All terms used in these Terms and Conditions that are defined in the Plan have the same meaning given them in the Plan.

1. Grant of Stock Award. In accordance with the Plan, and effective as of the Date of Grant specified in the Grant Notice (the “Date of Grant”), the Company granted to Participant, subject to the terms and conditions of the Plan and these Terms and Conditions, the number of shares of Common Stock specified in the Grant Notice (the “Shares”). Subject to Section 2, the Shares shall be issued by the Company and registered in the name of the Participant on the stock transfer books of the Company.

2. Terms and Conditions. The Shares are subject to the following additional terms and conditions:

(a) Rights as a Shareholder. Upon the issuance of the Shares, the Participant shall be entitled to vote the Shares, and shall be entitled to receive, free of all restrictions, ordinary cash dividends. Stock received as a dividend on, or in connection with a stock split of, the Shares shall be subject to the same restrictions as the Shares. The Participant’s right to receive any extraordinary dividends or other distributions with respect to the Shares prior to their becoming vested and nonforfeitable (“Vested”) shall be at the sole discretion of the Committee, but in the event of any such extraordinary event, the Committee shall take action appropriate to preserve the value of, and prevent the unintended enhancement of, the Shares.

As soon as practicable after the Vested Shares become transferable in accordance with paragraph (e), the Participant’s rights in the Shares shall not be restricted.

(b) Vesting. Subject to the provisions of Sections 3, 4, 5 and 6, the Shares shall become Vested on the third anniversary of the Date of Grant.

(c) Nontransferability. Shares that are not Vested are nontransferable. Vested shares may be transferred on and after the date prescribed in paragraph (e).

(d) Grant of Stock Power. The Participant hereby appoints Patricia A. Thomas, or her successor, as the true and lawful attorney of the Participant, to endorse and execute for and in the name and stead of the Participant any certificates evidencing the Shares if any of the Shares are forfeited.

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(e) Holding Requirement; Transfer Restriction. The “Net Vested Shares” may not be transferred until the earlier of (i) the sixth anniversary of the Date of Grant, (ii) a Control Change Date, (iii) the date of Participant’s death or (iv) the date of Participant’s Normal Retirement. For purposes of this Agreement, “Net Vested Shares” means the number of Shares that have become Vested minus the number of Shares, if any, surrendered by Participant or retained by the Company to satisfy tax withholding obligations in accordance with Section 8.

3. Lapse of Restrictions in the Event of Death. The restrictions on the Shares shall lapse, *i.e.*, the Shares shall be Vested and transferable, upon Participant’s death if Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the Participant’s death.

4. Vesting Upon Permanent and Total Disability. The Shares shall be vested upon Participant’s termination of employment on account of permanent and total disability (within the meaning of Section 22(e)(3) of the Code) if Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the date of termination on account of permanent and total disability (as previously defined).

5. Effect of Other Terminations of Employment. Subject to the provisions of Sections 3 and 4, Shares that have not become Vested on or before the date the Participant ceases to be employed by the Company or an Affiliate shall be forfeited.

6. Change of Control. The restrictions on the Shares shall lapse, *i.e.*, the Shares shall be vested and transferable as of the Control Change Date if Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the Control Change Date.

7. Recoupment Policy. Participant acknowledges and agrees that the grant of this Stock Award and the Participant’s rights in the Shares are subject to the terms and conditions of the Company’s Executive Incentive-Based Compensation Recoupment Policy as in effect on the Date of Grant (the “Policy”). Participant also agrees that, notwithstanding any other provision of this Agreement, the Company is entitled to recover from the Participant all or part of any benefits or compensation received in connection with this Stock Award and the Shares (net of any income or employment taxes paid by the Participant on account of the vesting of the Stock Award or sale of the Shares, after giving effect to any tax benefit available to the Participant on account of the recoupment), that are subject to recoupment under the Policy. Participant acknowledges that a copy of the Policy has been made available to the Participant.

8. Definitions. The following definitions shall apply to these Terms and Conditions:

(a) Control Change Date means the date on which a Change in Control (as defined below) occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

(b) Change in Control means the occurrence of any of the following events:

(1) any Person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) (other than a Person who is not an Acquiring Person), at any time becomes the Beneficial Owner of 50% 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 “Voting Securities”), other than (i) through an acquisition of Voting Securities directly from the Company, (ii) as a result of the Company’s repurchase of Voting Securities if, thereafter, such Beneficial Owner purchases no additional Voting Securities, or (iii) pursuant to a Business Combination (as defined below) that does not constitute a Change in Control pursuant to subparagraph 8(b)(3) below;

- (2) Continuing Directors cease to constitute a majority of the members of the Board other than pursuant to a Business Combination that does not constitute a Change in Control pursuant to subparagraph 8(b)(3) below;
- (3) Consummation of a reorganization, merger, share exchange or consolidation (a "Business Combination"), in each case, unless immediately following such Business Combination, (i) all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such Business Combination Beneficially Own more than 80% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Common Stock and Voting Securities, as the case may be, (ii) no Person (other than a Person who is not an Acquiring Person) Beneficially Owns 50% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business combination or the combined voting power of the then outstanding voting securities of such corporation and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination are Continuing Directors; or
- (4) the shareholders of the Company approve a complete liquidation or dissolution of the Company or the consummation of a sale or other disposition of all or substantially all of the assets of the Company, in each case, unless immediately following such liquidation, dissolution, sale or other disposition, (i) more than 80% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of such Common Stock and Voting Securities, as the case may be, (ii) less than 20% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by any Person (other than any Person who is not an Acquiring Person), and (iii) at least a majority of the members of the board of directors of such corporation are Continuing Directors immediately following such sale or disposition.

For purposes of the definition of Change of Control, the terms Acquiring Person, Beneficial Owner, Company, Continuing Director, and Person shall have the same definitions given them in the Amended and Restated Rights Agreement between Tredegar Corporation and National City Bank, dated as of June 30, 2009, as amended.

(c) Normal Retirement means the voluntary separation by Participant from the employment of the Company or an Affiliate on or after the date Participant has reached age sixty-five.

9. Withholding. The Participant shall pay the Company any amount of taxes as may be necessary in the opinion of the Company to satisfy tax withholding required under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions. In lieu thereof, the Company shall have the right to retain the number of shares of Common Stock whose Fair Market Value equals the minimum amount required to be withheld. In any event, the Company shall have the right to deduct from all amounts paid to a Participant in cash (whether under the Plan or otherwise) any taxes required to be withheld. The Participant shall promptly notify the Company of any election made pursuant of Section 83(b) of the Code.

10. No Right to Continued Employment. The award of the Shares does not give Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate his or her employment at any time.

11. Change in Capital Structure. The Shares shall be adjusted as the Committee determines is equitably required in the event the Company effects one or more stock dividends, stock split-ups subdivisions or consolidations of shares, other similar changes in capitalization or such other events as are described in the Plan.

12. Governing Law. These Terms and Conditions and the Grant Notice shall be governed by the laws of the Commonwealth of Virginia.

13. Conflicts. In the event of any conflict between the provisions of the Plan as in effect on the Date of Grant and the provisions of these Terms and Conditions or the Grant Notice, the provisions of the Plan shall govern. All references herein to the Plan shall mean the plan as in effect on the Date of Grant.

14. Participant Bound by Plan. Participant hereby acknowledges that a copy of the Plan has been made available to him or her and agrees to be bound by all the terms and provisions of the Plan.

15. Binding Effect. Subject to the limitations stated above and in the Plan, these Terms and Conditions and the Grant Notice shall be binding upon Participant and his or her successors in interest and the successors of the Company.

## TREDEGAR CORPORATION

## NOTICE OF NONSTATUTORY STOCK OPTION GRANT

You have been granted the following stock option by the Executive Compensation Committee of the Board of Directors of Tredegar Corporation ("Tredegar"):

Name of Participant: [Name]

Date of Grant: [\_\_\_\_\_, 2013]

Number of Shares: [Number] Shares of Common Stock

Option Price: \$[\_\_\_\_\_] per share

Type of Grant: Nonstatutory Stock Option

Vesting Schedule: 25% of the number of shares granted on each of the first four anniversaries of grant, subject to continued employment by Tredegar or one of its subsidiaries. The attached Nonstatutory Stock Option Terms and Conditions provide for accelerated vesting in certain circumstances.

Expiration Date: \_\_\_\_\_, 2023, unless terminated earlier in accordance with the attached Nonstatutory Stock Option Terms and Conditions. Please note that the event that most commonly triggers an early termination of your option is the termination of employment with Tredegar. There are, however, other triggering events, so be sure to review the attached Nonstatutory Stock Option Terms and Conditions carefully.

Transferability: This Option is transferable by will or by the laws of descent and distribution. This Option is also transferable in accordance with the provisions of Section 6.05 of the Plan, but any such transferee may not subsequently transfer this Option except by will or by the laws of descent and distribution.

In addition to the foregoing terms, your stock option grant is subject to all of the terms and conditions contained in the attached Nonstatutory Stock Option Terms and Conditions which are incorporated in this Notice of Nonstatutory Stock Option Grant by this reference.

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Please acknowledge your acceptance of this stock option grant and the attached Nonstatutory Stock Option Terms and Conditions by signing and returning one copy of this Notice of Nonstatutory Stock Option Grant to Pat Thomas, Tredegar Corporation, 1100 Boulders Parkway, Richmond, Virginia, 23225.

TREDEGAR CORPORATION

By: \_\_\_\_\_

\_\_\_\_\_  
Participant

Date: \_\_\_\_\_

## TREDEGAR CORPORATION

### NONSTATUTORY STOCK OPTION TERMS AND CONDITIONS

THESE NONSTATUTORY STOCK OPTION TERMS AND CONDITIONS (“Terms and Conditions”) effective as of the \_\_\_\_ day of \_\_\_\_\_, 2013, govern the nonstatutory stock option grant made by Tredegar Corporation, a Virginia corporation (the “Company”), to the participant (the “Participant”) named in the Notice of Stock Option Grant to which these Terms and Conditions are attached (the “Grant Notice”), and are made in accordance with and subject to the provisions of the Company’s Amended and Restated 2004 Equity Incentive Plan (the “Plan”). A copy of the Plan has been made available to Participant. All terms used in these Terms and Conditions that are defined in the Plan have the same meaning given them in the Plan.

1. Grant of Option. In accordance with the Plan, and effective as of the Date of Grant specified in the Grant Notice (the “Date of Grant”), the Company granted to Participant, subject to the terms and conditions of the Plan and these Terms and Conditions, the right and option to purchase from the Company all or part of the number of shares of Common Stock specified in the Grant Notice (the “Option”) at the option price specified in the Grant Notice (the “Option Price”). This Option is not an “incentive stock option” under Section 422 of the Code. This Option may be exercised in accordance with these Terms and Conditions. “Exercising” this Option means purchasing all or part of the shares of Common Stock specified in the Grant Notice at the Option Price.

2. Terms and Conditions. This Option is subject to the following additional terms and conditions:

(a) Expiration Date. The Expiration Date of this Option shall be as specified in the Grant Notice.

(b) Exercise of Option. This Option shall be exercisable or vested as specified in the Grant Notice if Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the vesting dates specified in the Grant Notice. This Option, if not sooner exercisable or vested, shall be exercisable or vested for all of the shares of Common Stock that remain subject to this Option if Participant remains in the continuous employ of the Company or an Affiliated until (i) the date of Participant’s death, (ii) the date that Participant’s employment with the Company and its Affiliates ends on account of Disability, (iii) the Participant’s Normal Retirement or (iv) a Control Change Date. Once this Option has become exercisable or vested it shall continue to be exercisable, in whole or in part, until the earlier of the Expiration Date or the termination of Participant’s rights hereunder pursuant to paragraph 4, 5, 6, 7, 8 or 9. A partial exercise of this Option shall not affect Participant’s right to exercise this Option with respect to the remaining shares, subject to the conditions of the Plan and these Terms and Conditions.

(c) Method of Exercising and Payment for Shares. This Option must be exercised by written notice delivered to the attention of the Company’s Secretary at the Company’s principal office in Richmond, Virginia. The exercise date shall be (i) in the case of notice by mail or nationally recognized courier, the date of postmark or (ii) in the case of notice by any other means, the date of receipt by the Company’s Secretary. The notice must be accompanied by payment of the Option Price in full, in cash or cash equivalent acceptable to the Committee, or by the surrender of shares of Common Stock with an aggregate Fair Market Value (determined as of the day preceding the exercise date), that together with any cash or cash equivalent paid to exercise the Option, is not less than the Option Price for the number of shares of Common Stock for which the Option is exercised.

3. Termination Before Vesting. This Option, to the extent that it has not vested in accordance with paragraph 2(b) on or before Participant's employment with the Company and its Affiliates ends, shall automatically expire and be of no force or effect on the date Participant's employment with the Company and its Affiliates ends.

4. Termination Generally. If Participant's employment with the Company and its Affiliates ends on or after this Option has become vested in accordance with paragraph 2(b), Participant may exercise this Option for all or part of the vested shares that remain subject to this Option until the earlier of (i) the Expiration Date or (ii) the date that is three months after the date of termination of Participant's employment with the Company and its Affiliates. If the preceding sentence applies to Participant and Participant dies before the termination of Participant's rights under the preceding sentence, Participant's Beneficiary may exercise this Option for all or part of the vested shares that remain subject to this Option until the earlier of (i) the Expiration Date or (ii) the date that is three months after the date of termination of Participant's employment with the Company and its Affiliates. This paragraph shall not apply if Participant's employment ends on account of Participant's Normal Retirement, Early Retirement, death or Disability as provided in paragraphs 5, 6, 7 and 8, respectively.

5. Normal Retirement. If Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until Participant's Normal Retirement, Participant may exercise this Option for all or part of the vested shares that remain subject to this Option until the earlier of (i) the Expiration Date or (ii) the second anniversary of the date of Participant's Normal Retirement. If the preceding sentence applies to Participant and Participant dies before the termination of Participant's rights under the preceding sentence, Participant's Beneficiary may exercise this Option for all or part of the vested shares that remain subject to this Option until the earlier of (i) the Expiration Date, (ii) the second anniversary of the date of Participant's Normal Retirement and (iii) the ninetieth day after Participant's death.

6. Early Retirement. If Participant (i) remains in the continuous employ of the Company or an Affiliate from the Date of Grant until Participant's Early Retirement and (ii) such Early Retirement becomes effective on or after the first anniversary of the Date of Grant, Participant may exercise this Option for all or part of the vested shares that remain subject to this Option in accordance with paragraph 2 above until the earlier of (i) the Expiration Date or (ii) the second anniversary of the date of Participant's Early Retirement. If the preceding sentence applies to Participant and Participant dies before the termination of Participant's rights under the preceding sentence, Participant's Beneficiary may exercise this Option for all or part of the vested shares that remain subject to this Option until the earlier of (i) the Expiration Date, (ii) the second anniversary of the date of Participant's Early Retirement and (iii) the ninetieth day after Participant's death.



7. Termination On Account of Death. If Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until Participant's death, Participant's Beneficiary may exercise this Option for all or part of the vested shares that remain subject to this Option until the earlier of (i) the Expiration Date or (ii) the first anniversary of the date of Participant's death.

8. Termination on Account of Disability. If Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the date Participant's employment with the Company and its Affiliates ends on account of Disability, Participant may exercise this Option for all or part of the vested shares that remain subject to this Option until the earlier of (i) the Expiration Date or (ii) the first anniversary of the date of Participant's termination of employment on account of Disability. If the preceding sentence applies to Participant and Participant dies before the termination of Participant's rights under the preceding sentence, Participant's Beneficiary may exercise this Option until the earlier of (i) the Expiration Date or (ii) the first anniversary of the date of Participant's termination of employment on account of Disability. For purposes of this Agreement, a termination of employment shall be on account of Disability if Participant's employment with the Company and its Affiliates ends because Participant is permanently and totally disabled within the meaning of Section 22(e)(3) of the Code.

9. Cancellation or Substitution. Notwithstanding any other provision of this Agreement, upon a Change in Control the Company, in its discretion, may (i) cancel this Option in exchange for a cash payment equal to the excess of the Fair Market Value on the Control Change Date over the Option Price multiplied by the number of shares of Common Stock for which this Option remains unexercised on the Control Change Date or (ii) provide that this Option shall be assumed by, or replaced with a substitute option granted by, the Company's successor in the manner described in Section 424 of the Code.

10. Participant's Misconduct. Notwithstanding any other provision in these Terms and Conditions to the contrary, this Option may not be exercised after Participant's termination of employment with the Company and its Affiliates if during such employment or thereafter, Participant has engaged in actions or conduct that are harmful or in any way contrary to the best interests of the Company or an Affiliate.

11. Recoupment Policy. Participant acknowledges and agrees that the grant of this Option and the Participant's rights under this Option are subject to the terms and provisions of the Company's Executive Incentive-Based Compensation Recoupment Policy as in effect on the Date of Grant (the "Policy"). Participant also agrees that, notwithstanding any other provision of this Agreement, the Company is entitled to recover from the Participant all or part of any benefits or compensation received in connection with this Option (net of any income or employment taxes paid by the Participant on account of the exercise of the Option or the sale of Common Stock acquired under the Option, after giving effect to any tax benefit available to the Participant on account of the recoupment), that are subject to recoupment under the Policy. Participant acknowledges that a copy of the Policy has been made available to the Participant.

12. Definitions. The following definitions shall apply to these Terms and Conditions:

(a) Beneficiary means Participant's estate or the person or persons or entity or entities to whom Participant's rights under this Option pass by will or the laws of descent and distribution.

(b) Control Change Date means the date on which a Change in Control (as defined below) occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

(c) Change in Control means the occurrence of any of the following events:

- (1) any Person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) (other than a Person who is not an Acquiring Person), at any time becomes the Beneficial Owner of 50% 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 "Voting Securities"), other than (i) through an acquisition of Voting Securities directly from the Company, (ii) as a result of the Company's repurchase of Voting Securities if, thereafter, such Beneficial Owner purchases no additional Voting Securities, or (iii) pursuant to a Business Combination (as defined below) that does not constitute a Change in Control pursuant to subparagraph 12(b)(3) below;
- (2) Continuing Directors cease to constitute a majority of the members of the Board other than pursuant to a Business Combination that does not constitute a Change in Control pursuant to subparagraph 12(b)(3) below;
- (3) the shareholders of the Company approve a reorganization, merger, share exchange or consolidation (a "Business Combination"), in each case, unless immediately following such Business Combination, (i) all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such Business Combination Beneficially Own more than 80% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Common Stock and Voting Securities, as the case may be, (ii) no Person (other than a Person who is not an Acquiring Person) Beneficially Owns 50% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business combination or the combined voting power of the then outstanding voting securities of such corporation and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination are Continuing Directors; or

- (4) the shareholders of the Company approve a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company, in each case, unless immediately following such liquidation, dissolution, sale or other disposition, (i) more than 80% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of such Common Stock and Voting Securities, as the case may be, (ii) less than 20% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by any Person (other than any Person who is not an Acquiring Person), and (iii) at least a majority of the members of the board of directors of such corporation are Continuing Directors immediately following such sale or disposition.

For purposes of the definition of Change of Control, the terms Acquiring Person, Beneficial Owner, Company, Continuing Director, and Person shall have the same definitions given them in the Amended and Restated Rights Agreement between Tredegar Corporation and National City Bank, dated as of June 30, 2009, as amended.

(d) Early Retirement means the voluntary separation by Participant from the employment with the Company or an Affiliate on or after the date Participant has attained age fifty-five and has ten years of service with the Company or an Affiliate but before the date Participant has reached age sixty-five.

(e) Normal Retirement means the voluntary separation by Participant from the employment with the Company or an Affiliate on or after the date Participant has reached age sixty-five.

13. Fractional Shares. Fractional shares shall not be issuable hereunder, and when any provision hereof may entitle Participant to a fractional share such fraction shall be disregarded.

14. No Right to Continued Employment. This Option does not give Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate his or her employment at any time.

15. Change in Capital Structure. The terms of this Option shall be adjusted as the Committee determines is equitably required in the event the Company effects one or more stock dividends, stock split-ups subdivisions or consolidations of shares, other similar changes in capitalization or such other events as are described in the Plan.

16. Governing Law. These Terms and Conditions and the Grant Notice shall be governed by the laws of the Commonwealth of Virginia.

17. Conflicts. In the event of any conflict between the provisions of the Plan as in effect on the Date of Grant and the provisions of these Terms and Conditions or the Grant Notice, the provisions of the Plan shall govern. All references herein to the Plan shall mean the plan as in effect on the Date of Grant.

18. Participant Bound by Plan. Participant hereby acknowledges that a copy of the Plan has been made available to him or her and agrees to be bound by all the terms and provisions of the Plan.

19. Binding Effect. Subject to the limitations stated above and in the Plan, these Terms and Conditions and the Grant Notice shall be binding upon Participant and his or her successors in interest and the successors of the Company.

20. Effectiveness. These Terms and Conditions and the Grant Notice shall be of no force or effect and no option shall be granted unless Participant is an employee of the Company or an Affiliate on the Date of Grant.