

GRAPHIC PACKAGING INTERNATIONAL, LLC.

STANDARD TERMS AND CONDITIONS OF SALE FOR CARTONS AND FOODSERVICE FROM THE UNITED STATES

1. **Shipment.** Shipment will be made EX-Works loaded, for non-export transactions within the United States. For export sales, see Section 16.
2. **Title.** Title to and risk of loss or damage of the material covered by this order shall pass to Buyer at the delivery point specified.
3. **Taxes.** Prices do not include sales, excise, use or other taxes now in effect or hereafter levied by reason of this transaction. All taxes are for the account of Buyer.
4. **Pricing.** Unless otherwise provided, all prices are subject to change upon 30 days written notice from Seller.
5. **Payment.** Unless otherwise agreed to in writing by the Parties, Seller's terms are Net 30 from the date of the invoice. However, if Buyer's financial responsibility or condition reasonably appears to call for such action, Seller may require payment in advance or security so that invoices will be paid when due. If Buyer becomes insolvent, commits an act of bankruptcy, fails to make payment when due, or fails to comply with Seller's aforesaid requirements, Seller reserves the right to withhold further deliveries or to terminate this Agreement and any unpaid amount shall thereupon become due immediately. Interest will be charged on any overdue amounts at 18% (eighteen percent) per annum or, if less, the highest rate permitted by law. If Seller should find it necessary to retain a collection agency and/or an attorney to collect amounts overdue, the collection costs, including attorney's fees, shall be payable by Buyer.
6. **Warranty and Warranty Disclaimer.** Seller warrants that all materials sold pursuant hereto will conform to the description on the face of the quote attached hereto, subject to standard commercial tolerances, that such materials will be free from defects in materials and workmanship, and that it will convey good title hereto. The aforesaid warranties apply only to Buyer and are non-assignable. Except as expressly set forth above, there is no warranty representation or condition of any kind, express or implied, including no warranty of merchantability or of fitness for particular purpose relating to such materials and none shall be implied by law. As to the warranty expressly made above, any claim by Buyer on account of breach of warranty shall be deemed waived conclusively unless written notice thereof is given within ten days of Buyer's receipt of material and before use or alteration thereof. This warranty shall not apply to any material, which shall have been damaged in any way after shipment from Seller's plant or if the material is more than three months old. Seller shall have the right either to replace or repair any defective materials, to refund the purchase price or credit Buyer therewith, or with Buyer's concurrence, to grant a reasonable allowance on account of such defects, and Seller's liability and Buyer's exclusive remedy for defective materials shall be limited to replacement, repair, refund, credit or allowance as Seller may elect. Seller shall not be liable for any other loss or damages, direct, consequential, special or otherwise, occasioned by defects or deficiencies in the materials. Seller shall be given reasonable opportunity to investigate all claims and no materials shall be returned to Seller until receipt by Buyer of shipping instructions from Seller.
7. **Manufacture.** All notices relating to this Agreement or orders placed pursuant hereto must be in writing and any change in specifications or other provisions must be consented to in writing by both Buyer and Seller. Buyer agrees to hold Seller harmless from any and all claims arising from words or other matter imprinted upon the material relating to the attached quote or orders placed pursuant thereto at Buyer's direction, notwithstanding that Seller may have been consulted thereon. In the event that any word or words, trademark or trade name, or graphic information or design is imprinted on the merchandise sold hereunder, Seller accepts no responsibility or liability for compliance thereof with the Fair Packaging and Labeling Act of 1966, as amended, or the regulations issued pursuant thereto.

8. **Preparatory Work.** All prices are based on all preparatory materials (proofs, films, plates, cylinders and inserts) being furnished by the Buyer. In the event that Seller is called upon to either furnish the preparatory materials or to revise preparatory materials furnished by the Buyer, any charges incurred by Seller will be billed to the Buyer.
9. **Quantity Tolerances.** Tolerances of ten (10) percent plus or minus will apply to the quantity of materials specified in any order made pursuant to the attached quote.
10. **Delays.** Seller shall not be liable for any failure in performance arising from strikes or other labor difficulties, labor shortage, fire, flood, war, breakdowns or failure of plant machinery or equipment, delays in or lack of transportation, Governmental priorities or allocations, delays of suppliers, or any other cause beyond the reasonable control of Seller. In the event of delay or failure of performance not excused in accordance with the preceding sentence, Seller's liability shall not exceed, and Buyer's exclusive remedy shall be limited to, the excess costs, if any, reasonably incurred by Buyer in procuring the undelivered portion of the material ordered from other sources. In no event shall Seller be liable for any consequential, special or contingent damages. No material will be held after the time designated for shipment, except by mutual consent, and except that Seller may delay shipments pending settlement of any overdue indebtedness under any order from Buyer to Seller. Delivery dates are approximate; delivery within a reasonable time of the dates specified herein shall be deemed full performance of the Seller's obligations under this contract.
11. **Inventory.** The Buyer is obligated to take delivery of all inventory within 90 days of production. If goods remain in inventory at the end of the 90-day period, cartons will be invoiced to Buyer. If the final shipment date for goods is not agreed upon by the Buyer and the Seller within 90 days of production, such goods will be warehoused at the Buyer's expense at a charge of 1.5% of invoiced value per month for up to 90 additional days. Prior to Seller agreeing to warehouse product beyond such 90-day period, Buyer is obligated to advise shipping date in writing. All promotional inventory is to be shipped prior to the out of market date. The Buyer will be notified of any promotional cartons remaining in inventory after expiration of the promotion and the Buyer is obligated to pay for such inventory. In the event Buyer terminates an existing supply agreement for any reason other than cause, Seller will only be entitled to receive its costs for unclaimed cartons produced pursuant to the existing supply agreement and held in Seller's inventory at the time of such termination.
12. **Assignability.** The rights of either party hereunder are not assignable and goods sold hereunder are not to be shipped or delivered to any destination other than that herein specified, without consent of Seller; provided, however, that either party may assign its rights and responsibilities hereunder to the buyer of all or substantially all of its assets or stock.
13. **Buyer Warranty and Indemnification.** Buyer warrants that any design or other matter lithographed or printed at the Buyer's request on any merchandise furnished hereunder will not infringe any trademark, copyright or other property right of another. Buyer shall indemnify, defend, protect and hold harmless Seller, its employees, agents, servants, successors and assigns from all costs, expenses (including reasonable attorneys' fees), damages or claims arising out of infringement or claim of infringement of any patent rights, trademark, tradename or copyright based on the sale, purchase or use of any design or other matter lithographed or printed at Buyer's request on any merchandise furnished hereunder.
14. **Limitation of Liability.** Seller shall not be liable to the other for any consequential, incidental, special, indirect, or punitive damages under this Agreement. For cup products and any other products with lids manufactured by Seller, Seller disclaims any responsibility for any injury or damage to any person(s) or property resulting from the use of Seller lids on any product of another manufacturer or the use of a lid of another manufacturer with Seller's product.

15. Miscellaneous.

- (a) These standard terms and conditions shall supersede all other representations and statements, verbal or written, relating to goods specified herein unless the sale of such goods is subject to a written contract, signed by the Seller and the Buyer, in which case any terms therein which differ from or conflict with the standard terms and conditions set forth herein shall control. Brokers and salesmen have no authority to waive charges or add to any of the terms or conditions. These standard terms and conditions may be modified only by an agreement in writing signed by the authorized representatives of both parties.
- (b) The waiver of any term, condition, or provision, hereof shall not be construed to be a waiver of any other term, condition, or provision hereof, nor shall such waiver be deemed a waiver of a subsequent breach of the same term condition or provision.
- (c) The sale of goods subject to these standard terms and conditions shall be governed by the laws of the State of Georgia.
- (d) This Order may not be cancelled or modified, in whole or in part by the Buyer after acceptance by Seller, except upon Seller's written consent.
- (e) Stock products are subject to withdrawal from sale without notice.

16. Provisions Applicable to Sales for Export Only.

- (a) For sales between the U.S. and Canada, all shipments shall be shipped DDU Buyer's location (Incoterms 2000) unless otherwise agreed by the parties. Title and risk of loss shall pass at the DDP point.
- (b) For sales from the U.S. to Mexico, shipments shall be shipped DAF designated border point (Incoterms 2000), unless otherwise agreed by the parties. Title and risk of loss shall pass at the DAF point.
- (c) For sales from the U.S. or Canada to any other countries, shipments shall be shipped FCA named point of departure (Incoterms 2000), unless otherwise agreed by the parties.
- (d) The selling price in an export order where Seller is required to pay customs, tax and/or duties is based on Seller paying present rate duty, tax and/or customs on present valuation at port of shipment. Any change in rate or advance or decline in value necessitating a change in the amount of U.S. duty, tax, and/or customs is for the account of the Buyer.
- (e) The price set forth in the attached pricing or quote is payable in U.S. Dollars unless otherwise specified therein.
- (f) Neither the Convention relating to a uniform law on the International Sale of Goods 1964 nor the United Nations Convention on Contracts for the International Sale of Goods 1980 will apply to this Agreement.
- (g) Unless the provisions of this section require the contrary, all applicable provisions of these Terms and Conditions of Sale shall apply to export sales.