

GRAPHIC PACKAGING INTERNATIONAL, LLC
STANDARD TERMS AND CONDITIONS OF SALE FOR CARTONS and FOODSERVICE ITEMS
FROM THE UNITED STATES

1. **Definitions.** In these terms and conditions, Graphic Packaging International, LLC is the "Seller" and the counterparty hereto is the "Buyer." "Cartons" refers to paperboard cartons produced by Seller for a variety of uses. "Foodservice Items" refers to plastic and paper cups/containers, paper sleeves, and plastic lids for foodservice applications produced by Seller. "Goods" refers to both Cartons and Foodservice Items, as applicable.
2. **Offer/Acceptance.** Submission of an order shall be considered an offer to purchase goods upon these terms and conditions ("Terms"). It shall be binding only upon acceptance by Seller; however, Buyer may revise quantities or cancel an order prior to order confirmation by Seller. All notices relating to this Agreement or orders placed pursuant hereto must be in writing and any change in specifications or other modification must be consented to in writing by both Buyer and Seller. Seller may refuse to accept any order in its sole discretion. Seller shall be deemed to have accepted an order for Goods only by shipment of those Goods and Buyer may not revise or cancel an order following acceptance. Acceptance of an order by Seller is expressly limited to the terms set forth in these Terms. Brokers and salesmen have no authority to waive charges or modify any of the Terms. No terms different from or in addition to these Terms shall be binding unless accepted in writing by Seller, whether or not such terms materially alter those set forth here.
3. **Shipment.** Shipment will be made Ex-Works loaded, for non-export transactions within the United States (Incoterms 2020). For export sales, see Section 26. Seller reserves the right to select the carrier and to ship ordered Goods via the most economical routing.
4. **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. In some instances, Seller may choose, at its sole option, to prepay freight without any such prepayment affecting the passage to the Buyer of either the title to the Goods or the risk of loss or damage associated with the Goods.
5. **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.
6. **Pricing.** Unless otherwise provided, all prices are subject to change upon 30 days written notice from Seller.
7. **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 attorney to collect amounts overdue, the collection costs, including attorney's fees, shall be payable by Buyer.
8. **Provision applicable to Cartons: Warranty and Warranty Disclaimer.** Seller warrants that all Cartons sold pursuant hereto will conform to the description on the face of any quote attached hereto, subject to standard commercial tolerances, that such Cartons will be free from defects in materials and workmanship, and that it will convey good title thereto. 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 Cartons 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 Cartons and before use or alteration thereof. This warranty shall not apply to any Cartons which shall have been damaged in any way after shipment from Seller's plant or if the Cartons are more than three months old. Seller shall have the right either to replace or repair any defective Cartons, 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 Cartons 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 Cartons. 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.

9. **Provision applicable to Foodservice Items: Warranty and Warranty Disclaimer.** Seller warrants that all Foodservice Items sold pursuant hereto will conform to the description on the face of the order confirmation associated herewith, subject to standard commercial tolerances, that such Foodservice Items will be free from defects in materials and workmanship, and that it will convey good title thereto. Buyer acknowledges that single use foodservice items have performance limitations and that it has reviewed the Product Usage Guidelines available at:

<https://www.graphicpkg.com/documents/2021/04/product-use-guidelines.pdf>

Seller warrants the Foodservice Items are fit for use as single use cups and containers when used in accordance with the Product Usage Guidelines. 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 Foodservice Items 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 before alteration of the Foodservice Items. This warranty shall not apply to any Foodservice Items which shall have been damaged in any way after shipment. Seller shall have the right either to replace or repair any defective Foodservice Items, 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 Foodservice Items shall be limited to replacement, repair, refund, credit or allowance as Seller may elect. Seller shall not be liable to Buyer for any other loss or damages, direct, consequential, special or otherwise, occasioned by defects or deficiencies in the Foodservice Items.

10. **Return of Nonconforming Goods.** If Seller determines that Goods which do not conform to the warranty provided herein should be returned, then such return shall be accomplished in accordance with Seller's instructions for such returns, including attainment of a Return Goods Authorization ("R.G.A.") by Buyer. Seller will contact Buyer to schedule the carrier for return shipment. Goods not authorized for return will be refused back to the carrier. Buyer is responsible for any charges incurred as a result of the non-authorized return.

11. **Provision applicable to Returns of Non-Customized, Floorstock Foodservice Items:** If Seller in its sole discretion agrees to authorize return of conforming non-customized, floorstock Foodservice Items ("Stock Items"), the following criteria must be met: (a) the returned Stock Items must be fit for resale and accompanied by the original, undamaged, unopened packaging and contents; (b) the product date code must be within one (1) year of return request date; and (c) the Buyer must have purchased the Foodservice Items within the last ninety (90) days. For such authorized returns, Buyer will be credited at the purchase price, less return freight, surcharges, inspection and re-stocking fee of \$10.00 per case/bundle, per item. To effectuate a return, Buyer must attain a Returns Goods Authorization ("RGA") from Seller.

12. **Labeling.** Buyer agrees to hold Seller harmless from any and all claims arising from words or other matter imprinted upon the Goods placed pursuant to these terms 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 Goods sold hereunder at Buyer's direction, 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.

13. **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.

14. **Transfer of Existing Graphics to Seller.** Seller will utilize graphic files and signed proofs from Buyer to transition business to Seller if such graphic files and proofs meet Seller's pre-press specifications. If the graphic files are transferable, there will be no additional costs associated with the transition of business. Seller reserves the right to bill separately for graphic file revisions (such as: design, alterations, color retouching, UPC, FDA label & nutritional updates), conversions, modifications or proofs if the provided material falls outside of Seller's requirements.

15. **Third Party Print Management Systems.** If requested by Buyer, Seller will maintain a subscription to a third party print quality management system (TPM). The associated costs for such services (including shipping, team labor, software/hardware, subscriptions) will be invoiced to Buyer at the price provided by the TPM and will not be included in product pricing. The contemplated transactions between Seller and a TPM will be subject to terms and conditions to be agreed upon between Seller

and such TPM.

16. Provision applicable to Cartons: Quantity Tolerances. The following tolerances will apply to the quantity of materials specified in any order made pursuant to the attached quote:

WEB Quantity Tolerances

| Production Order Quantity* | Allowable Over/Under Run |
|--------------------------------------|--------------------------|
| <= 20,000 Linear Feet | +/- 30% |
| > 20,000 and <= 100,000 Linear Feet | +/- 20% |
| > 100,000 and <= 250,000 Linear Feet | +/- 10% |
| > 250,000 and <= 500,000 Linear Feet | +/- 5% |
| > 500,000 Linear Feet | +/- 3% |

* 1 roll minimum, equates to ~20,000 Linear feet

Sheet Fed Quantity Tolerances

| Production Order Quantity | Allowable Over/Under Run |
|---------------------------------------|--------------------------|
| <= 10,000 Sheet | +/- 30% |
| > 10,000 Sheets and <= 25,000 Sheets | +/- 20% |
| > 25,000 Sheets and <= 50,000 Sheets | +/- 15% |
| > 50,000 Sheets and <= 100,000 Sheets | +/- 10% |
| > 100,000 Sheets | +/- 5% |

17. Provision Applicable to Foodservice Items: Quantity. For each item on a purchase order, Buyer will order in layer or larger quantities, as determined by Seller. Tolerances of ten (10) percent plus or minus will apply to the quantity of make to ship Foodservice Items specified in any order made pursuant to these terms. For non-customized, floorstock Foodservice Items, a minus ten (10) percent tolerance will apply to the quantity specified in any order.

18. Delays. Seller shall not be liable for any failure in performance arising from acts of God, strikes or other labor difficulties, labor shortage, fire, flood, war, pandemic, epidemic, 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.

19. Delivery. Delivery dates are approximate; delivery within a reasonable time of the dates specified in an order shall be deemed full performance of the Seller's obligations under this contract. When Buyer has not requested a specific delivery date, the order will be processed for timely delivery in the manner determined by Seller. When Buyer has not indicated an order for cancellation of any unshipped order (or part thereof), balances will be shipped when available. Seller shall have the option to ship Goods in installments. No Goods 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.

20. Provision applicable to Cartons: Inventory. Buyer is obligated to take delivery of all inventory within 90 days of production. If Cartons remain in inventory at the end of the 90-day period, they will be invoiced to Buyer. If the final shipment date for Cartons is not agreed upon by the Buyer and the Seller within 90 days of production, such Cartons will be warehoused at the Buyer's expense at a charge of 10% 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.

21. Provision applicable to Foodservice Items: Non-Stock Item Inventory. Buyer is obligated to take delivery of all inventory within 90 days of production. If Foodservice Items remain in inventory at the end of the 90-day period, they will be invoiced to Buyer. If the final shipment date for Foodservice Items is not agreed upon by the Buyer and the Seller within 90 days of production, Buyer will be responsible for reasonable storage charges of up to 10% of invoiced value for storage of such Foodservice Items per month for up to 90 additional days. Prior to Seller agreeing to warehouse Foodservice Items 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. Buyer will be notified of any promotional Foodservice Items remaining in inventory after expiration of the promotion and the Buyer is obligated to pay for such inventory.

22. 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.

23. Buyer Warranty and Indemnification. Buyer warrants that any design or other matter lithographed or printed at the Buyer's request on any Goods 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 Goods furnished hereunder.

24. Limitation of Liability. To the extent permitted by law, in no event shall Seller be liable to Buyer whether in contract, tort (including negligence) or otherwise, for any loss of profit, loss of business, loss of revenue, loss of contracts or for any consequential, indirect, incidental, punitive, special loss or damages. For cups/containers with lids, Seller disclaims any responsibility for any injury or damage to any person(s) or property resulting from the use of Seller lids on any goods of another manufacturer or the use of a lid of another manufacturer with Seller's cups/containers.

25. Miscellaneous.

(a) 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.

(b) The sale of Goods subject to these Terms shall be governed by the laws of the State of Georgia, USA.

(c) Stock Items are subject to withdrawal from sale without notice.

26. Provisions Applicable to Sales for Export Only.

(a) For sales of Goods between the U.S. and either Canada or Mexico, all shipments shall be shipped EXW named location within the United States (Incoterms 2020) unless otherwise agreed by the parties.

(b) For sales from the U.S. to any other countries, shipments shall be shipped EXW Seller's location (Incoterms 2020), unless otherwise agreed by the parties.

(c) 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.

(d) The price set forth in any accompanying pricing or quote is payable in U.S. Dollars unless otherwise specified therein.

(e) 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.

(f) Unless the provisions of this section require the contrary, all applicable provisions of these Terms shall apply to export sales.