
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

COMMISSION FILE NUMBER: 001-33988

Graphic Packaging Holding Company

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

1500 Riveredge Parkway, Suite 100, Atlanta, Georgia

(Address of principal executive offices)

26-0405422

(I.R.S. employer identification no.)

30328

(Zip Code)

(770) 240-7200

Registrant's telephone number, including area code:

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

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value per share	New York Stock Exchange
Series A Junior Participating Preferred Stock Purchase Rights Associated with the Common Stock	New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

The aggregate market value of voting and non-voting common equity held by non-affiliates at June 30, 2015 was approximately \$4.5 billion.

As of February 10, 2016 there were approximately 323,007,535 shares of the registrant's Common Stock, \$0.01 par value per share outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive Proxy Statement for the 2016 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS OF FORM 10-K

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS		4
PART I		
ITEM 1.	BUSINESS	5
ITEM 1A.	RISK FACTORS	11
ITEM 1B.	UNRESOLVED STAFF COMMENTS	13
ITEM 2.	PROPERTIES	14
ITEM 3.	LEGAL PROCEEDINGS	16
ITEM 4.	MINE SAFETY DISCLOSURES	16
	EXECUTIVE OFFICERS OF THE REGISTRANT	16
PART II		
ITEM 5.	MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	18
ITEM 6.	SELECTED FINANCIAL DATA	20
ITEM 7.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	21
ITEM 7A.	QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK	37
ITEM 8.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	39
ITEM 9.	CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	100
ITEM 9A.	CONTROLS AND PROCEDURES	100
ITEM 9B.	OTHER INFORMATION	101
PART III		
ITEM 10.	DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	101
ITEM 11.	EXECUTIVE COMPENSATION	101
ITEM 12.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	101
ITEM 13.	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	101
ITEM 14.	PRINCIPAL ACCOUNTANT FEES AND SERVICES	101
PART IV		
ITEM 15.	EXHIBITS AND FINANCIAL STATEMENT SCHEDULES	101
SIGNATURES		105

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements regarding the expectations of Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”), including, but not limited to, the availability of net operating losses to offset U. S. federal income taxes, capital investment, costs to comply with certain environmental regulations, available cash and liquidity, depreciation and amortization, interest expense, pension expense and pension plan contributions and postretirement health care benefit payments, in this report constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and product substitution, the Company’s ability to implement its business strategies, including strategic acquisitions, productivity initiatives and cost reduction plans, the Company’s debt level, currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including those that could impact the Company’s ability to utilize its net operating losses to offset taxable income and those that impact the Company’s ability to protect and use its intellectual property. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as may be required by law. Additional information regarding these and other risks is contained in Part I, Item 1A., Risk Factors.

PART I

ITEM 1. BUSINESS

Overview

Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”) is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage and other consumer product companies. The Company operates on a global basis, is one of the largest producers of folding cartons in the United States (“U.S.”), and holds leading market positions in coated unbleached kraft paperboard and coated-recycled paperboard.

The Company’s customers include many of the world’s most widely recognized companies and brands with prominent market positions in beverage, food and other consumer products. The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting plants, its proprietary carton and packaging designs, and its commitment to quality and service.

Acquisitions and Dispositions

On October 1, 2015, the Company acquired the converting assets of Staunton, VA-based Carded Graphics, LLC. (“Carded”), an award-winning folding carton producer with a strong regional presence in the food, craft beer and other consumer product markets.

On February 4, 2015, the Company completed the acquisition of certain assets of Cascades Norampac Division (“Cascades”) in Canada. Cascades primarily services the food and beverage markets and operates three folding carton converting facilities located in Cobourg, Ontario, Mississauga, Ontario and Winnipeg, Manitoba along with a thermo mechanical pulp (“TMP”) mill located in Jonquiere, Quebec and a coated recycled board mill located in East Angus, Quebec. The Jonquiere mill was closed in the third quarter of 2015.

On January 2, 2015, the Company acquired Rose City Printing and Packaging Inc. (“Rose City”) through the purchase of all of the issued and outstanding stock of its parent company, Rose City Holding Company. Rose City services food and beverage markets and operates two folding carton converting facilities located in Gresham, OR and Vancouver, WA. The Carded, Cascades, and Rose City transactions are all referred to collectively as the “North American Acquisitions.”

On June 30, 2014, the Company completed the sale of its multi-wall bag business. Products included multi-wall bags, such as pasted valve, pinched bottom, sewn open mouth and woven polypropylene, and coated paper. Key end-markets included food and agriculture, building and industrial materials, chemicals, minerals, and pet foods.

On May 23, 2014, the Company acquired the business of Benson Box Holdings Limited (“Benson”), a leading food, beverage, and retail packaging company in the United Kingdom. Benson operates four folding carton facilities that converted approximately 80,000 tons of paperboard annually into folding cartons for the food, beverage and healthcare industries.

On February 3, 2014, the Company completed the sale of its labels business.

On September 30, 2013, the Company completed the sale of certain assets related to the flexible plastics business and the sale of its uncoated-recycled board (“URB”) mill.

Capital Allocation Plan and Equity Offerings

Capital Allocation Plan

On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow management to purchase up to \$250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately

[Table of Contents](#)

negotiated transactions and Rule 10b5-1 plans. During 2015, the Company repurchased 4.6 million shares, or approximately \$63 million, of its common stock under this program at an average price of \$13.60.

On February 4, 2015, May 20, 2015, July 30, 2015 and November 19, 2015, the Company's board of directors declared a regular quarterly dividend of \$0.05 per common share. During 2015, the Company declared and paid cash dividends of approximately \$66 million and \$49 million, respectively.

Equity Offerings

During the first and second quarters of 2014, certain shareholders of the Company sold approximately 30 million and 43.7 million shares of common stock in two secondary public offerings at \$9.85 and \$10.45 per share, respectively. The shares were sold by certain affiliates of TPG Capital, L.P. (the "TPG Entities"), certain Coors family trusts and the Adolph Coors Foundation (the "Coors Family Stockholders"), Clayton, Dubilier & Rice Fund V Limited Partnership (the "CD&R Fund") and Old Town, S.A. ("Old Town"), and together with the TPG Entities, the Coors Family Stockholders, the Adolph Coors Foundation, and the CD&R Fund, the "Selling Stockholders"). Following the completion of the offering in the second quarter, these Selling Stockholders no longer held shares of the Company's common stock.

Products

The Company reports its results in three segments:

Paperboard Mills includes the seven North American paperboard mills which produce primarily coated unbleached kraft ("CUK") and coated recycled board ("CRB"). The majority of the paperboard is consumed internally to produce paperboard packaging for the Americas and Europe Paperboard Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard to external customers.

Americas Paperboard Packaging includes paperboard packaging folding cartons sold primarily to Consumer Packaged Goods ("CPG") companies serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging folding cartons sold primarily to CPG companies serving the food, beverage and consumer product markets in Europe.

The Company also operates in three geographic areas: Americas, Europe and Asia Pacific.

For reportable segment and geographic area information for each of the last three fiscal years, see Note 16 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Paperboard Packaging

The Company's paperboard packaging products deliver brand, marketing and performance benefits at a competitive cost. The Company supplies paperboard cartons and carriers designed to protect and contain products while providing:

- convenience through ease of carrying, storage, delivery, dispensing of product and food preparation for consumers;
- a smooth surface printed with high-resolution, multi-color graphic images that help improve brand awareness and visibility of products on store shelves; and
- durability, stiffness and wet and dry tear strength; leak, abrasion and heat resistance; barrier protection from moisture, oxygen, oils and greases, as well as enhanced microwave heating performance.

The Company provides a wide range of paperboard packaging solutions for the following end-use markets:

- beverage, including beer, soft drinks, energy drinks, teas, water and juices;
- food, including cereal, desserts, frozen, refrigerated and microwavable foods and pet foods;

[Table of Contents](#)

- prepared foods, including snacks, quick-serve foods for restaurants and food service products; and
- household products, including dishwasher and laundry detergent, health care and beauty aids, and tissues and papers.

The Company's packaging applications meet the needs of its customers for:

Strength Packaging. The Company's products provide sturdiness to meet a variety of packaging needs, including tear and wet strength, puncture resistance, durability and compression strength (providing stacking strength to meet store display packaging requirements).

Promotional Packaging. The Company offers a broad range of promotional packaging options that help differentiate its customers' products in the marketplace. These promotional enhancements improve brand awareness and visibility on store shelves.

Convenience Packaging. These packaging solutions improve package usage and food preparation:

- beverage multiple-packaging — multi-packs for beer, soft drinks, energy drinks, teas, water and juices;
- active microwave technologies — substrates that improve the preparation of foods in the microwave; and
- easy opening and closing features — dispensing features, pour spouts and sealable liners.

Barrier Packaging. The Company provides packages that protect against moisture, grease, oil, oxygen, sunlight, insects and other potential product-damaging factors.

Paperboard Mills and Converting Plants

The Company produces paperboard at its mills; prints, cuts, folds, and glues ("converts") the paperboard into folding cartons at its converting plants; and designs and manufactures specialized, proprietary packaging machines that package bottles and cans and, to a lesser extent, non-beverage consumer products. The Company also installs its packaging machines at customer plants and provides support, service and advanced performance monitoring of the machines.

The Company offers a variety of laminated, coated and printed packaging structures that are produced from its CUK and CRB, as well as other grades of paperboard that are purchased from third-party suppliers.

Below is the production at each of the Company's paperboard mills during 2015:

Location	Product	# of Machines	2015 Net Tons Produced
West Monroe, LA	CUK	2	798,988
Macon, GA	CUK	2	643,018
Kalamazoo, MI	CRB	2	477,987
Battle Creek, MI	CRB	2	184,944
Middletown, OH	CRB	1	158,716
Santa Clara, CA	CRB	1	137,729
West Monroe, LA	Corrugated Medium	1	120,851
West Monroe, LA ⁽¹⁾	Kraft Paper	1	38,452
East Angus, Québec ⁽²⁾	CRB	1	72,218
Jonquiere, Québec ^{(2) (3)}	TMP	1	68,878

⁽¹⁾ Machine permanently shutdown in October 2015.

⁽²⁾ Acquired in February 2015 as part of the Cascades acquisition.

⁽³⁾ Facility was closed in the third quarter of 2015.

The Company consumes most of its coated board output in its carton converting operations, which is an integral part of the customer value proposition. In 2015, approximately 83% of mill production of CUK and CRB was consumed internally.

CUK Production. The Company is the largest of four worldwide producers of CUK. CUK is manufactured from pine-based wood fiber and is a specialized high-quality grade of coated paperboard with excellent wet and dry tear strength characteristics and printability for high resolution graphics that make it particularly well-suited for a variety of packaging applications. Both wood and recycled fibers are pulped, formed on paper machines, and clay-coated to provide an excellent printing surface for superior quality graphics and appearance characteristics.

CRB Production. The Company is the largest North American producer of CRB. CRB is manufactured entirely from recycled fibers, primarily old corrugated containers ("OCC"), doubled-lined kraft cuttings from corrugated box plants ("DLK"), old newspapers ("ONP"), and box cuttings. The recycled fibers are re-pulped, formed on paper machines, and clay-coated to provide an excellent printing surface for superior quality graphics and appearance characteristics.

Containerboard/Kraft Paper. The Company manufactures corrugated medium and kraft paper for internal use and sale in the open market. Corrugated medium is combined with linerboard to make corrugated containers. Kraft paper is used primarily to make grocery bags and sacks. In October 2015, the Company shutdown the kraft paper machine at West Monroe, LA and sold the book of business.

The Company converts CUK and CRB, as well as other grades of paperboard, into cartons at converting plants the Company operates in various locations globally, including a converting plant associated with its joint venture in Japan, contract converters and at licensees outside the U.S. The converting plants print, cut, fold and glue paperboard into cartons designed to meet customer specifications.

Joint Venture

The Company is a party to a joint venture called Rengo Riverwood Packaging, Ltd. (in Japan) in which it holds a 50% ownership interest. The joint venture agreement covers CUK supply, use of proprietary carton designs and marketing and distribution of packaging systems.

Marketing and Distribution

The Company markets its products principally to multinational beverage, food, and other well-recognized consumer product companies. The beverage companies include Anheuser-Busch, Inc., MillerCoors LLC, PepsiCo, Inc. and The Coca-Cola Company, among others. Consumer product customers include Kraft Heinz Company, General Mills, Inc., Nestlé USA, Inc., Kellogg Company, HAVI Global Solutions, LLC and Kimberly-Clark Corporation, among others. The Company also sells paperboard in the open market to independent and integrated paperboard converters.

Distribution of the Company's principal products is primarily accomplished through sales offices in the U.S., Australia, Brazil, China, France, Germany, Italy, Japan, Mexico, Spain, the Netherlands and the United Kingdom, and, to a lesser degree, through broker arrangements with third parties.

During 2015, the Company did not have any one customer that represented 10% or more of its net sales.

Competition

Although a relatively small number of large competitors hold a significant portion of the paperboard packaging market, the Company's business is subject to strong competition. The Company and WestRock Company are the two major CUK producers in the U.S. Internationally, The Klabin Company in Brazil and Stora Enzo in Sweden produce similar grades of paperboard.

In beverage packaging, cartons made from CUK compete with substitutes such as plastics and corrugated packaging for packaging glass or plastic bottles, cans and other primary containers. Although plastics and corrugated packaging may be priced lower than CUK, the Company believes that cartons made from CUK offer advantages over these materials in areas such as distribution, brand awareness, carton designs, package performance, package line speed, environmental friendliness and design flexibility.

In non-beverage consumer packaging, the Company's paperboard competes with WestRock CUK, as well as CRB and solid bleach sulfate ("SBS") from numerous competitors, and internationally, folding boxboard and white-lined chip. There are a large number of producers in the paperboard markets. Suppliers of paperboard compete primarily on the basis of price, strength and printability of their paperboard, quality and service.

Raw Materials

The paperboard packaging produced by the Company comes from pine trees and recycled fibers. Pine pulpwood, paper and recycled fibers (including DLK and OCC) and energy used in the manufacture of paperboard, as well as poly sheeting, plastic resins and various chemicals used in the coating of paperboard, represent the largest components of the Company's variable costs of paperboard production.

For the West Monroe, LA and Macon, GA mills, the Company relies on private landowners and the open market for all of its pine pulpwood and recycled fiber requirements, supplemented by CUK clippings that are obtained from its converting operations. The Company believes that adequate supplies from both private landowners and open market fiber sellers currently are available in close proximity to meet its fiber needs at these mills.

The paperboard grades produced at the Kalamazoo, MI, Battle Creek, MI, Middletown, OH, Santa Clara, CA, and East Angus, Quebec mills are made from 100% recycled fiber. The Company procures its recycled fiber from external suppliers and internal converting operations. The market price of each of the various recycled fiber grades fluctuates with supply and demand. The Company's internal recycled fiber procurement function enables the Company to obtain low prices for its recycled fiber given the Company's highly fragmented supplier base. The Company believes there are adequate supplies of recycled fiber to serve its mills.

In North America, the Company also converts a variety of other paperboard grades such as SBS, in addition to paperboard that is supplied to its converting operations from its own mills. The Company purchases such paperboard requirements, including additional CRB, from outside vendors. The majority of external paperboard purchases are acquired through long-term arrangements with other major industry suppliers. The Company's European converting plants consume CUK supplied from the Company's mills and also converts other paperboard grades such as white-lined chip and folding box board purchased from external suppliers.

Energy

Energy, including natural gas, fuel oil and electricity, represents a significant portion of the Company's manufacturing costs. The Company has entered into contracts designed to manage risks associated with future variability in cash flows and price risk related to future energy cost increases for a portion of its natural gas requirements at its U.S. mills. The Company's hedging program for natural gas is discussed in Note 9 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Backlog

Orders from the Company's principal customers are manufactured and shipped with minimal lead time. The Company did not have a material amount relating to backlog orders at December 31, 2015 or 2014.

Seasonality

The Company's net sales, income from operations and cash flows from operations are subject to moderate seasonality, with demand usually increasing in the late spring through early fall due to increases in demand for beverage and food products.

Research and Development

The Company's research and development team works directly with its sales, marketing and consumer insights personnel to understand long-term consumer and retailer trends and create relevant new packaging. These innovative solutions provide customers with differentiated packaging to meet customer needs. The Company's development efforts include, but are not limited to, extending the shelf life of customers' products; reducing production and waste costs; enhancing the heat-managing characteristics of food packaging; improving the sturdiness and compression strength of packaging to meet store display needs; and refining packaging appearance through new printing techniques and materials.

Sustainability represents one of the strongest trends in the packaging industry and the Company focuses on developing more sustainable and eco-friendly manufacturing processes and products. The Company's strategy is to combine sustainability with innovation to create new packaging solutions for its customers.

For more information on research and development expenses see Note 1 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Patents and Trademarks

As of December 31, 2015, the Company had a large patent portfolio, presently owning, controlling or holding rights to more than 1,900 U.S. and foreign patents, with more than 700 U.S. and foreign patent applications currently pending. The Company's patent portfolio consists primarily of patents relating to packaging machinery, manufacturing methods, structural carton designs, active microwave packaging technology and barrier protection packaging. These patents and processes are significant to the Company's operations and are supported by trademarks such as Fridge Vendor[®], IntegraPak[™], MicroFlex-Q[®], MicroRite[®], Quilt Wave[®], Qwik Crisp[®], Tite-Pak[®], and Z-Flute[®]. The Company takes significant steps to protect its intellectual property and proprietary rights.

Culture and Employees

The Company's corporate vision — Inspired packaging. A world of difference. — and values of integrity, respect, accountability, relationships and teamwork guide employee behavior, expectations and relations. The Company's ongoing efforts to build a high-performance culture and improve the manner in which work is done across the Company includes a significant focus on continuous improvement utilizing processes like Lean Sigma and Six Sigma.

As of December 31, 2015, the Company had approximately 12,000 employees worldwide, of which approximately 51% were represented by labor unions and covered by collective bargaining agreements or covered by works councils in Europe. As of December 31, 2015, 881 of the Company's employees were working under expired contracts, which are currently being negotiated, and 962 were covered under collective bargaining agreements that expire within one year. The Company considers its employee relations to be satisfactory.

Environmental Matters

The Company is subject to federal, state and local environmental regulations and employs a team of professionals in order to maintain compliance at each of its facilities. For additional information on such regulation and compliance, see "Environmental Matters" in "Item 7., Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Available Information

The Company's website is located at <http://www.graphicpkg.com>. The Company makes available, free of charge through its website, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after such materials are electronically filed or furnished to the Securities and Exchange Commission (the "SEC"). The Company also makes certain investor presentations and access to analyst conference calls available through its website. The information contained or incorporated into the Company's website is not a part of this Annual Report on Form 10-K.

The SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers like the Company that file electronically with the SEC at <http://www.SEC.gov>.

**Item 1A. *RISK*
 *FACTORS***

The following risks could affect (and in some cases have affected) the Company's actual results and could cause such results to differ materially from estimates or expectations reflected in certain forward-looking statements:

The Company's financial results could be adversely impacted if there are significant increases in prices for raw materials, energy, transportation and other necessary supplies, and the Company is unable to raise prices, or improve productivity to reduce costs.

Limitations on the availability of, and increases in, the costs of raw materials, including petroleum-based materials, energy, wood, transportation and other necessary goods and services, could have an adverse effect on the Company's financial results. Because negotiated sales contracts and the market largely determine the pricing for its products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

The Company uses productivity improvements to reduce costs and offset inflation. These include global continuous improvement initiatives that use statistical process control to help design and manage many types of activities, including production and maintenance. The Company's ability to realize anticipated savings from these improvements is subject to significant operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement cost savings plans, it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results.

Changes in consumer buying habits and preferences for products could have an effect on our sales volumes.

Changing consumer dietary habits and preferences have slowed sales growth for many of the food and beverage products the Company packages. If these trends continue, the Company's financial results could be adversely affected.

Competition and product substitution could have an adverse effect on the Company's financial results.

The Company competes with other paperboard manufacturers and carton converters, both domestically and internationally. The Company's products compete with those made from other manufacturers' CUK board, as well as SBS and CRB, and other board substrates. Substitute products include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing such contracts on favorable terms or at all. The Company works to maintain market share through efficiency, product innovations and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

The Company's future growth and financial results could be adversely impacted if the Company is unable to identify strategic acquisitions and to successfully integrate the acquired businesses.

The Company has made several acquisitions in recent years. The Company's ability to continue to make strategic acquisitions and to integrate the acquired businesses successfully, including obtaining anticipated cost savings or synergies and expected operating results within a reasonable period of time, is an important factor in the Company's future growth. If the Company is unable to realize the expected revenue and cash flow growth and other benefits from its acquisitions, the Company may be required to spend additional time or money on integration efforts that would otherwise have been spent on the development and expansion of its business.

The Company may not be able to develop and introduce new products and adequately protect its intellectual property and proprietary rights, which could harm its future success and competitive position.

The Company works to increase market share and profitability through product innovation and the introduction of new products. The inability to develop new or better products that satisfy customer and consumer preferences in a timely manner may impact the Company's competitive position.

The Company's future success and competitive position also depends, in part, upon its ability to obtain and maintain protection for certain proprietary carton and packaging machine technologies used in its value-added products, particularly those incorporating the Fridge Vendor, IntegraPak, MicroFlex-Q, MicroRite, Quilt Wave, Qwik Crisp, Tite-Pak, and Z-Flute technologies. Failure to protect the Company's existing intellectual property rights may result in the loss of valuable technologies or may require it to license other companies' intellectual property rights. It is possible that any of the patents owned by the Company may be invalidated, rendered unenforceable, circumvented, challenged or licensed to others or any of its pending or future patent applications may not be issued within the scope of the claims sought by the Company, if at all. Further, others may develop technologies that are similar or superior to the Company's technologies, duplicate its technologies or design around its patents, and steps taken by the Company to protect its technologies may not prevent misappropriation of such technologies.

The Company could experience material disruptions at our facilities.

Although the Company takes appropriate measures to minimize the risk and effect of material disruptions to the business conducted at our facilities, natural disasters such as hurricanes, tornadoes, floods and fires, as well as other unexpected disruptions such as the unavailability of critical raw materials, power outages and equipment failures can reduce production and increase manufacturing costs. These types of disruptions could materially adversely affect our earnings, depending upon the duration of the disruption and our ability to shift business to other facilities or find other sources of materials or energy. Any losses due to these events may not be covered by our existing insurance policies or may be subject to certain deductibles.

The Company is subject to the risks of doing business in foreign countries.

The Company has converting plants in eight foreign countries and sells its products worldwide. For 2015, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 23% of the Company's net sales. The Company's revenues from foreign sales fluctuate with changes in foreign currency exchange rates. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results. At December 31, 2015, approximately 19% of its total assets were denominated in currencies other than the U.S. dollar.

The Company is also subject to the following significant risks associated with operating in foreign countries:

- Compliance with and enforcement of environmental, health and safety and labor laws and other regulations of the foreign countries in which the Company operates;
- Export compliance;
- Imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and
- Imposition of new or increases in investment and other requirements by foreign governments.

The Company's information technology systems could suffer interruptions, failures or breaches and our business operations could be disrupted adversely affecting results of operations and the Company's reputation.

The Company's information technology systems, some of which are dependent on services provided by third parties, serve an important role in the operation of the business. These systems could be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, computer viruses or cyber-based attacks. The Company has contingency plans in place to prevent or mitigate the impact of these events, however, if they are not effective on a timely basis, business interruptions could occur which may adversely impact results of operations.

Increased cyber-security threats also pose a potential risk to the security of the Company's information technology systems, as well as the confidentiality, integrity and availability of data stored on those systems. Any breach could result in disclosure or misuse of confidential or proprietary information, including sensitive customer, vendor, employee or financial information. Such event could cause damage to the Company's reputation and result in significant recovery or remediation costs, which may adversely impact results of operations.

The Company is subject to environmental, health and safety laws and regulations, and costs to comply with such laws and regulations, or any liability or obligation imposed under new laws or regulations, could negatively impact its financial condition and results of operations.

The Company is subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, the investigation and remediation of contamination resulting from releases of hazardous substances, and the health and safety of employees. The Company cannot currently assess the impact that future emission standards, climate control initiatives and enforcement practices will have on the Company's operations and capital expenditure requirements. Environmental liabilities and obligations may result in significant costs, which could negatively impact the Company's financial position, results of operations or cash flows. See Note 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

The Company's indebtedness may adversely affect its financial condition and its ability to react to changes in its business.

As of December 31, 2015, the Company had an aggregate principal amount of \$1,889.2 million of outstanding debt. Because of the Company's debt level, a portion of its cash flows from operations will be dedicated to payments on indebtedness and the Company's ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be restricted in the future.

Additionally, the Company's Second Amended and Restated Credit Agreement dated October 1, 2014 (as amended, the "Credit Agreement") and the indentures governing its 4.75% Senior Notes due 2021 and the 4.875% Senior Notes due 2022 (the "Indentures") prohibit or restrict, among other things, the disposal of assets, the incurrence of additional indebtedness (including guarantees), payment of dividends, share repurchases, loans or advances and certain other types of transactions. These restrictions could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The debt obligations and restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs.

Approximately 34% of the Company's debt is subject to variable rates of interest and exposes the Company to increased debt service obligations in the event of increased interest rates.

The Company's pension plans are currently underfunded, and the Company may be required to make cash payments to the plans, reducing the cash available for its business.

The Company's cash flows may be adversely impacted by the Company's pension funding obligations. The Company's pension funding obligations are dependent upon multiple factors resulting from actual plan experience and assumptions of future experience. The Company has unfunded obligations of \$191.7 million under its domestic and foreign defined benefit pension plans. The funded status of these plans is dependent upon various factors, including returns on invested assets, the level of certain market interest rates and the discount rate used to determine the pension obligations. Unfavorable returns on the plan assets or unfavorable changes in applicable laws or regulations could materially change the timing and amount of required plan funding, which would reduce the cash available to the Company for other purposes.

**ITEM 1B. *UNRESOLVED STAFF
COMMENTS***

None.

ITEM 2. PROPERTIES**Headquarters**

The Company leases its principal executive offices in Atlanta, GA.

Operating Facilities

A listing of the principal properties owned or leased and operated by the Company is set forth below. The Company's buildings are adequate and suitable for the business of the Company and have sufficient capacity to meet current requirements. The Company also leases certain smaller facilities, warehouses and office space throughout the U.S. and in foreign countries from time to time.

Location	Related Products or Use of Facility
Mills:	
Battle Creek, MI	CRB
East Angus, Québec	CRB
Kalamazoo, MI	CRB
Macon, GA	CUK
Middletown, OH	CRB
Santa Clara, CA	CRB
West Monroe, LA	CUK; Containerboard; Research and Development
Other:	
Atlanta, GA ^(a)	Research and Development, Packaging Machinery and Design
Concord, NH ^(a)	Research and Development, Design Center
Crosby, MN	Packaging Machinery Engineering, Design and Manufacturing
Louisville, CO ^(a)	Research and Development
North American Converting Plants:	
Atlanta, GA ^(a)	Mitchell, SD
Carol Stream, IL	North Portland, OR
Centralia, IL	Oroville, CA ^(a)
Charlotte, NC	Pacific, MO
Cobourg, Ontario ^(a)	Perry, GA
Elk Grove, IL ^{(a)(b)}	Piscataway, NJ ^(a)
Fort Smith, AR ^(b)	Queretaro, Mexico ^(a)
Gordonsville, TN ^(a)	Renton, WA ^(c)
Gresham, OR ^(a)	Solon, OH
Irvine, CA	Staunton, VA
Kalamazoo, MI	Tuscaloosa, AL
Kendallville, IN	Vancouver, WA ^(a)
Lawrenceburg, TN	Valley Forge, PA
Lumberton, NC	Wausau, WI
Marion, OH	West Monroe, LA ^(b)
Menasha, WI	Winnipeg, Manitoba
Mississauga, Ontario ^(a)	
International Converting Plants:	
	Bremen, Germany ^(a)
	Bristol, Avon, United Kingdom
	Coalville, United Kingdom ^(a)
	Gateshead, United Kingdom ^(a)
	Hoogerheide, Netherlands
	New Castle Upon Tyne, United Kingdom ^(a)
	Igualada, Barcelona, Spain
	Jundiai, Sao Paulo, Brazil
	Leeds, United Kingdom
	Masnieres, France ^(a)
	Portlaoise, Ireland ^(a)
	Sneek, Netherlands

Note:

- (a) Leased facility.
- (b) Multiple facilities in this location.
- (c) Facility scheduled to close in February 2016.

**ITEM 3. *LEGAL
PROCEEDINGS***

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. See Note 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

**ITEM 4. *MINE SAFETY
DISCLOSURES***

Not Applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G.(3) of Form 10-K, the following list is included as an unnumbered item in Part I of this Report in lieu of being included in the definitive proxy statement that will be filed within 120 days after December 31, 2015.

David W. Scheible, 59, was appointed Chairman of the Board of GPHC on May 22, 2013. He was appointed to the Board of Directors of GPHC upon its formation (under the name New Giant Corporation) in June 2007. Mr. Scheible served as President and Chief Executive Officer of GPHC from March 2008 through May 2015, and as Chief Executive Officer from June through December 2015. Prior to the closing of the Company's acquisition of Altivity Packaging, LLC (the "Altivity Transaction") in March 2008, he had served as a director, President and Chief Executive Officer of Graphic Packaging Corporation ("GPC") since January 1, 2007. Prior to that time, Mr. Scheible had served as Chief Operating Officer of GPC since October 2004. Mr. Scheible served as Executive Vice President of Commercial Operations from August 2003 until October 2004. Mr. Scheible served as the Chief Operating Officer of Graphic Packaging International Corporation ("GPIC") from 1999 until August 2003. He also served as President of GPIC's Flexible Division from January to June 1999. Previously, Mr. Scheible was affiliated with the Avery Dennison Corporation, working most recently as its Vice President and General Manager of the Specialty Tape Division from 1995 through 1999 and Vice President and General Manager of the Automotive Division from 1993 to 1995. Mr. Scheible serves on the Board of Directors of Benchmark Electronics, Inc., a provider of integrated electronics manufacturing, design and engineering services. Mr. Scheible also serves on the boards of Flint Group S.A. and Cancer Treatment Centers of America.

Michael P. Doss, 49, is the President and Chief Executive Officer of GPHC. Prior to January 1, 2016, Mr. Doss held the position of President and Chief Operating Officer from May 20, 2015 through December 31, 2015 and Chief Operating Officer from January 1, 2014 until May 19, 2015. Prior to these positions he served as the Executive Vice President, Commercial Operations of GPHC. Prior to this position, Mr. Doss held the position of Senior Vice President, Consumer Packaging Division. Prior to the Altivity Transaction, he had served as Senior Vice President, Consumer Products Packaging of GPC since September 2006. From July 2000 until September 2006, he was the Vice President of Operations, Universal Packaging Division. Mr. Doss was Director of Web Systems for the Universal Packaging Division prior to his promotion to Vice President of Operations. Since joining GPIC in 1990, Mr. Doss has held positions of increasing management responsibility, including Plant Manager at the Gordonsville, TN and Wausau, WI plants.

Stephen R. Scherger, 51, is the Senior Vice President and Chief Financial Officer of GPHC. From October 1, 2014 through December 31, 2014, Mr. Scherger was the Senior Vice President - Finance. From April 2012 through September 2014, Mr. Scherger served as Senior Vice President, Consumer Packaging Division. Mr. Scherger joined GPHC in April of 2012 from MeadWestvaco Corporation, where he served as President, Beverage and Consumer Electronics. Mr. Scherger was with MeadWestvaco Corporation from 1986 to 2012 and held positions including Vice President, Corporate Strategy; Vice President and General Manager, Beverage Packaging; Vice President and CFO, Papers Group, Vice President Asia Pacific and Latin America, Beverage Packaging, CFO Beverage Packaging and other executive-level positions.

Carla J. Chaney, 45, is the Senior Vice President, Human Resources of GPHC, a position she has held since July 15, 2013. Ms. Chaney joined GPHC from Exide Technologies, a leading global supplier of stored electrical energy. Ms. Chaney was with Exide Technologies from February 2012 to July 2013 and served most recently as Executive Vice President, Human Resources and Communications. Prior to Exide Technologies, Ms. Chaney held a variety of leadership roles with Newell Rubbermaid, Inc. from 2004 to 2011, including Group Vice President, Human Resources for the Home & Family business segment, Regional Vice

[Table of Contents](#)

President, Human Resources, EMEA; Corporate Vice President, Global Organization and People Development; and Vice President, Human Resources, Culinary Lifestyles Business. Ms. Chaney also worked for Georgia-Pacific from 1992 to 2004.

Alan R. Nichols, 53, is the Senior Vice President, Mills Division of GPHC. He served as Vice President, Mills from August 2008 until March 2009. From March 2008 until August 2008, Mr. Nichols was Vice President, CRB Mills. Prior to the Altivity Transaction, Mr. Nichols served as Vice President, CRB Mills for Altivity Packaging, LLC from February 2007 until March 2008 and was the Division Manufacturing Manager, Mills for Altivity Packaging and the Consumer Products Division of Smurfit-Stone Container Corporation from August 2005 to February 2007. From February 2001 until August 2005, Mr. Nichols was the General Manager of the Wabash Mill for Smurfit-Stone.

Michael R. Schmal, 63, served as the Senior Vice President, Beverage Packaging Division of GPHC through December 31, 2015. Prior to the Altivity Transaction, he had served as Senior Vice President, Beverage of GPC since August 2003. From October 1996 until August 2003, Mr. Schmal was the Vice President and General Manager, Brewery Group of Riverwood Holding, Inc. Prior to that time, Mr. Schmal held various positions with Riverwood Holding, Inc. since 1981.

Lauren S. Tashma, 49, is the Senior Vice President, General Counsel and Secretary of GPHC, serving in this position since February, 2014. Previously, Ms. Tashma served as Senior Vice President, General Counsel and Secretary of Fortune Brands Home & Security, Inc., a global consumer products company, where she led the legal, compliance and EHS functions. Prior to that, Ms. Tashma had various roles with Fortune Brands, Inc., including Vice President and Associate General Counsel.

Michael S. Ukropina, 49, is the Senior Vice President, Consumer Packaging Division of GPHC. Beginning in August 2014, Mr. Ukropina served as the Senior Vice President, Strategy. Mr. Ukropina joined the Company in August of 2014 from ASG Worldwide, a specialty consumer packaging company, where he led ASG as President and CEO from 2012 to 2014. Prior to that, Mr. Ukropina was an officer with International Paper and his work there from 1993 to 2011 included positions such as Vice President and General Manager, Shorewood Packaging; Vice President of Operations for xpedx; and Director of Finance & Planning for Industrial Packaging. During that time, Mr. Ukropina led packaging growth strategies across multiple businesses in Latin America, Europe and Asia.

Joseph P. Yost, 48, is the Senior Vice President, Global Beverage and Europe of GPHC. Prior to September 1, 2015, Mr. Yost served as Senior Vice President, Europe from March 1, 2014 to August 31, 2015 and Senior Vice President, European Chief Integration Officer/Chief Financial Officer from February 2013 until February, 2014. From 2009 until February 2013, Mr. Yost was the Senior Vice President, Supply Chain of GPHC. From 2006 to 2009, he served as Vice President, Operations Support - Consumer Packaging for Graphic Packaging International, Inc. Mr. Yost has also served in the following positions: Director, Finance and Centralized Services from 2003 to 2006 with Graphic Packaging International, Inc. and from 2000 to 2003 with GPC; Manager, Operations Planning and Analysis - Consumer Products Division from 1999 to 2000 with GPC; and other management positions from 1997 to 1999 with Fort James Corporation.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

GPHC's common stock (together with the associated stock purchase rights) is traded on the New York Stock Exchange under the symbol "GPK." The historical range of the high and low sales price per share for each quarter of 2015 and 2014 are as follows:

	2015		2014	
	High	Low	High	Low
First Quarter	\$ 16.14	\$ 13.37	\$ 10.60	\$ 9.10
Second Quarter	15.16	13.52	11.87	9.19
Third Quarter	15.28	12.62	13.02	11.26
Fourth Quarter	14.46	12.17	14.09	10.76

On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow management to purchase up to \$250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. During 2015, the Company repurchased approximately 4.6 million shares, or \$63 million, under this repurchase program at an average price of \$13.60.

Also, on February 4, 2015, May 20, 2015, July 30, 2015 and November 19, 2015 the Company's board of directors declared a regular quarterly dividend of \$0.05 per common share. During 2015, the Company declared and paid cash dividends of approximately \$66 million and \$49 million, respectively. There were no dividends paid prior to 2015. GPHC depends on its domestic subsidiaries, primarily GPII, for cash to pay dividends. Unless GPHC receives dividends, distributions or transfers from such domestic subsidiaries, it cannot pay cash dividends on its common stock, because it has no independent operations. Such dividends, distributions or transfers from GPHC's domestic subsidiaries may be restricted because the terms of the GPII's debt agreements and indentures limit its ability to make such payments to the Company. See "Item 1A-Risk Factors" and Note - 5 in the Notes to Consolidated Financial Statements in "Item 8-Financial Statements and Supplementary Data."

On February 10, 2016, there were 1,441 stockholders of record and approximately 51,000 beneficial holders of GPHC's common stock.

During the fourth quarter of 2015, pursuant to the share repurchase program described above, the Company purchased shares of its common stock as follows:

Issuer Purchases of Equity Securities

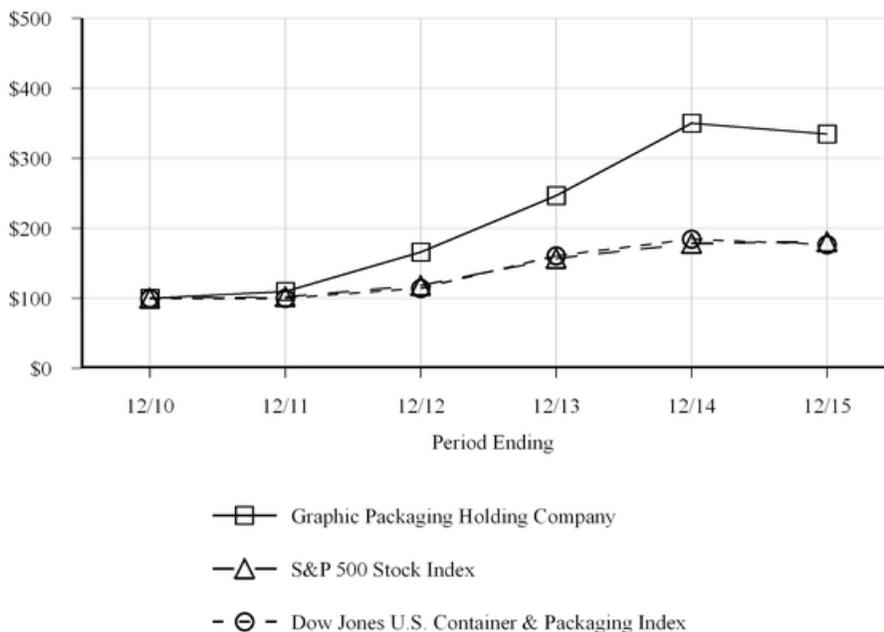
Period (2015)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Program (a)
October 1, through October 31,	—	\$ —	—	—
November 1, through November 30,	1,421,650	\$ 13.59	2,825,077	15,192,156
December 1, through December 31,	1,575,134	\$ 13.13	4,625,211	14,575,217
Total	2,996,784			

(a) Based on the closing price of the Company's common stock as of the end of each period.

Total Return to Stockholders

The following graph compares the total returns (assuming reinvestment of dividends) of the common stock of the Company, the Standard & Poor's ("S&P") 500 Stock Index and the Dow Jones ("DJ") U.S. Container & Packaging Index. The graph assumes \$100 invested on December 31, 2010 in GPHC's common stock and each of the indices. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN



	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Graphic Packaging Holding Company	\$ 100.00	\$ 109.51	\$ 166.07	\$ 246.79	\$ 350.13	\$ 334.63
S&P 500 Stock Index	100.00	102.11	118.45	156.82	178.29	180.75
Dow Jones U.S. Container & Packaging Index	100.00	100.14	114.27	160.79	184.45	176.50

ITEM 6. SELECTED FINANCIAL DATA

The selected consolidated financial data set forth below should be read in conjunction with “Item 7., Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements of the Company and the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

<i>In millions, except per share amounts</i>	Year Ended December 31,				
	2015	2014	2013	2012	2011
Statement of Operations Data:					
Net Sales	\$ 4,160.2	\$ 4,240.5	\$ 4,478.1	\$ 4,337.1	\$ 4,206.3
Income from Operations	427.1	227.8	341.6	322.4	190.3
Net Income	230.1	89.0	146.7	120.1	275.2
Net Loss (Income) Attributable to Noncontrolling Interests	—	0.7	(0.1)	2.5	1.7
Net Income Attributable Graphic Packaging Holding Company	230.1	89.7	146.6	122.6	276.9
Net Income Attributable to Graphic Packaging Holding Company Per Share Basis:					
Basic	\$ 0.70	\$ 0.27	\$ 0.42	\$ 0.31	\$ 0.74
Diluted	\$ 0.70	\$ 0.27	\$ 0.42	\$ 0.31	\$ 0.73
Balance Sheet Data:					
<i>(as of period end)</i>					
Cash and Cash Equivalents	\$ 54.9	\$ 81.6	\$ 52.2	\$ 51.5	\$ 271.8
Total Assets ^(a)	4,256.1	4,137.6	4,373.1	4,482.0	4,575.8
Total Debt ^(a)	1,875.5	1,957.7	2,338.3	2,317.8	2,352.4
Total Equity	1,101.7	1,012.3	1,062.3	972.3	1,166.7
Additional Data:					
Depreciation and Amortization	\$ 280.5	\$ 270.0	\$ 277.4	\$ 266.8	\$ 278.4
Capital Spending	244.1	201.4	209.2	203.3	160.1

^(a) As of December 31, 2015, the Company adopted Accounting Standards Update (“ASU”) No. 2015-03 (ASU No. 2015-03) *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* and ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes (ASU No. 2015-17)*. The adoption ASU No. 2015-03 permits for retrospective reclassification of debt issuance costs previously reported in Total Assets to be presented as a direct reduction of Total Debt. The adoption of ASU No 2015-17 permits retrospective reclassification of previously reported Current Deferred Tax Assets to Deferred Tax Liabilities. All necessary reclassifications have been reflected in the table above. See Note 1 in the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

INTRODUCTION

This management's discussion and analysis of financial condition and results of operations is intended to provide investors with an understanding of the Company's past performance, its financial condition and its prospects. The following will be discussed and analyzed:

Overview of Business

Overview of 2015 Results

Results of Operations

Financial Condition, Liquidity and Capital Resources

Critical Accounting Policies

New Accounting Standards

Business Outlook

OVERVIEW OF BUSINESS

The Company's objective is to strengthen its position as a leading provider of paperboard packaging solutions. To achieve this objective, the Company offers customers its paperboard, cartons and packaging machines, either as an integrated solution or separately. Cartons and carriers are designed to protect and contain products. Product offerings include a variety of laminated, coated and printed packaging structures that are produced from the Company's CUK and CRB, as well as other grades of paperboard that are purchased from third party suppliers. Innovative designs and combinations of paperboard, films, foils, metallization, holographics and embossing are customized to the individual needs of the customers.

Prior to the sale of the Company's multi-wall bag business on June 30, 2014, the Company was also a leading supplier of flexible packaging in North America. Flexible Packaging products included multi-wall bags, such as pasted valve, pinched bottom, sewn open mouth and woven polypropylene, and coated paper. Coated paper products included institutional french fry packaging, barrier pouch rollstock and freezer paper. Key end-markets included food and agriculture, building and industrial materials, chemicals, minerals and pet foods.

The Company is implementing strategies (i) to expand market share in its current markets and to identify and penetrate new markets; (ii) to capitalize on the Company's customer relationships, business competencies, mills and converting assets; (iii) to develop and market innovative, sustainable products and applications; and (iv) to continue to reduce costs by focusing on operational improvements. The Company's ability to fully implement its strategies and achieve its objectives may be influenced by a variety of factors, many of which are beyond its control, such as inflation of raw material and other costs, which the Company cannot always pass through to its customers, and the effect of overcapacity in the worldwide paperboard packaging industry.

Significant Factors That Impact The Company's Business and Results of Operations

Impact of Inflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine pulpwood, chemicals, secondary fibers, purchased paperboard, paper, aluminum foil, ink, plastic films and resin, depreciation expense and labor. Inflation increased year over year costs by \$9.0 million in 2015 and increased year over year costs by \$75.6 million in 2014. The inflation costs in 2015 primarily related to labor and benefits (\$27.9 million) and wood (\$6.8 million), partially offset by lower costs for chemicals (\$8.4 million), energy (\$10.0 million), primarily due to the price of natural gas, freight (\$4.6 million), fiber (\$0.8 million), external board (\$0.8 million), and other (\$1.1 million).

Because the price of natural gas experiences significant volatility, the Company has entered into contracts designed to manage risks associated with future variability in cash flows caused by changes in the price of natural gas. The Company has entered into natural gas swap contracts to hedge prices for a portion of its expected usage for 2016 and 2017. Since negotiated sales contracts and the market largely determine the pricing for its products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

Commitment to Cost Reduction. In light of consistent margin pressure throughout the packaging industry, the Company has programs in place that are designed to reduce costs, improve productivity and increase profitability. The Company utilizes a global continuous improvement initiative that uses statistical process control to help design and manage many types of activities, including production and maintenance. This includes a Six Sigma process focused on reducing variable and fixed manufacturing and administrative costs. The Company expanded its continuous improvement initiative to include the deployment of Lean Sigma principles into manufacturing and supply chain services.

The Company's ability to continue to successfully implement its business strategies and to realize anticipated savings and operating efficiencies is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement the strategic cost reductions or other cost savings plans it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results.

Competition and Market Factors. As some products can be packaged in different types of materials, the Company's sales are affected by competition from other manufacturers' CUK and CRB board and other paper substrates such as SBS. Additional substitute products also include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing on favorable terms or at all. The Company works to maintain market share through efficiency, product innovation and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

In addition, the Company's sales have historically been driven by consumer buying habits in the markets its customers serve. Changes in consumer dietary habits and preferences, increases in the costs of living, unemployment rates, access to credit markets, as well as other macroeconomic factors, may negatively affect consumer spending behavior. New product introductions and promotional activity by the Company's customers and the Company's introduction of new packaging products also impact its sales.

Debt Obligations. The Company has aggregate principal amount of \$1,889.2 million of outstanding debt obligations as of December 31, 2015. This debt has consequences for the Company, as it requires a portion of cash flow from operations to be used for the payment of principal and interest, exposes the Company to the risk of increased interest rates and restricts the Company's ability to obtain additional financing. Covenants in the Company's Credit Agreement and Indentures also restrict, among other things, the disposal of assets, the incurrence of additional indebtedness (including guarantees), payment of dividends, loans or advances and certain other types of transactions. The Credit Agreement also requires compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company's ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company's control. See "Covenant Restrictions" in "Financial Condition, Liquidity and Capital Resources" for additional information regarding the Company's debt obligations.

The debt and the restrictions under the Credit Agreement and Indentures could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The outstanding debt obligations and the restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs.

OVERVIEW OF 2015 RESULTS

This management's discussion and analysis contains an analysis of Net Sales, Income from Operations and other information relevant to an understanding of the Company's results of operations.

- Net Sales in 2015 decreased by \$80.3 million or 1.9%, to \$4,160.2 million from \$4,240.5 million in 2014 primarily due to the sale of multi-wall bag and labels businesses in 2014, unfavorable exchange rates and lower pricing, partially offset by the North American and Benson acquisitions.
- Income from Operations in 2015 increased by \$199.3 million or 87.5%, to \$427.1 million from \$227.8 million in 2014 primarily due to the loss on sale of multi-wall bag in 2014 and cost savings through continuous improvement programs, partially offset by unfavorable exchange rates, the lower pricing, and higher costs, primarily for labor and benefits.

Acquisitions

- On October 1, 2015, the Company acquired the converting assets of Staunton, VA-based Carded Graphics, LLC. ("Carded"), an award winning folding carton producer with a strong regional presence in the food, craft beer and other consumer product markets.
- On February 4, 2015, the Company completed the acquisition of certain assets of Cascades Norampac Division ("Cascades") in Canada. Cascades services the food and beverage markets and operates three folding carton converting facilities located in Cobourg, Ontario, Mississauga, Ontario and Winnipeg, Manitoba along with a thermo mechanical pulp mill located in Jonquiere, Quebec and a coated recycled board mill located in East Angus, Quebec. The Jonquiere mill was shutdown in the third quarter of 2015.
- On January 2, 2015, the Company acquired Rose City Printing and Packaging Inc. ("Rose City") through the purchase of all of the issued and outstanding stock of its parent company, Rose City Holding Company. Rose City services food and beverage markets and operates two folding carton converting facilities located in Gresham, OR and Vancouver, WA. The Carded, Cascades, and Rose City transactions are all referred to collectively as the "North American Acquisitions."

Capital Allocations

- On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow management to purchase up to \$50 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. During 2015, the Company repurchased approximately 4.6 million shares, or approximately \$63 million, of its common stock under this program at an average price of \$13.60.
- On February 4, 2015, May 20, 2015, July 30, 2015 and November 19, 2015, the Company's board of directors declared a regular quarterly dividend of \$0.05 per common share. During 2015, the Company declared and paid cash dividends of approximately \$66 million and \$49 million, respectively.

RESULTS OF OPERATIONS

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
Net Sales	\$ 4,160.2	\$ 4,240.5	\$ 4,478.1
Income from Operations	\$ 427.1	\$ 227.8	\$ 341.6
Interest Expense, Net	(67.8)	(80.7)	(101.9)
Loss on Modification or Extinguishment of Debt	—	(14.4)	(27.1)
Income before Income Taxes and Equity Income of Unconsolidated Entities	\$ 359.3	\$ 132.7	\$ 212.6
Income Tax Expense	(130.4)	(45.4)	(67.4)
Income before Equity Income of Unconsolidated Entities	\$ 228.9	\$ 87.3	\$ 145.2
Equity Income of Unconsolidated Entities	1.2	1.7	1.5
Net Income	\$ 230.1	\$ 89.0	\$ 146.7

2015 COMPARED WITH 2014
Net Sales

The components of the change in Net Sales are as follows:

<i>In millions</i>	Year Ended December 31,									
	2014					2015			Increase (Decrease)	Percent Change
		Price	Volume/Mix	Divestitures	Foreign Exchange					
Consolidated	\$ 4,240.5	\$ (15.6)	\$ 265.9	\$ (221.6)	\$ (109.0)	\$ 4,160.2	\$	(80.3)	(1.9)%	

The Company's Net Sales in 2015 decreased by \$80.3 million or 1.9%, to \$4,160.2 million from \$4,240.5 million for the same period in 2014. Excluding net sales of the divestitures of the Company's multi-wall bag and label businesses in 2014 of \$221.6 million, net sales increased \$141.3 million. The increase was due primarily to the North American and Benson Acquisitions of approximately \$303.3 million, partially offset by unfavorable foreign currency exchange rates of \$109.0 million, lower pricing due to deflationary cost pass throughs and settlements. Volumes were even with prior year as decreases due to the continuation of soft demand in key markets for certain consumer products, primarily cereal and frozen and dry foods, were offset by new products. Global beverage volumes were essentially even with prior year as declines in soft drink and big beer were offset by increases in craft beer, specialty beverage (energy drinks and teas) and open market beverage. The unfavorable currency impact was primarily in Europe and the United Kingdom.

Income (Loss) from Operations

The components of the change in Income (Loss) from Operations are as follows:

Year Ended December 31,

In millions	Variances							2015	Increase (Decrease)	Percent Change
	2014	Price	Volume/Mix	Divestitures	Inflation	Foreign Exchange	Other ^(a)			
Consolidated	\$ 227.8	\$ (15.6)	\$ 12.1	\$ 178.9	\$ (9.0)	\$ (29.2)	\$ 62.1	\$ 427.1	\$ 199.3	87.5%

^(a) Includes the Company's cost reduction initiatives, combination-related expenses and sale of businesses.

The Company's Income from Operations for 2015 increased \$199.3 million or 87.5%, to \$427.1 million from \$227.8 million for the same period in 2014 primarily due to the loss on sale of multi-wall bag in 2014, cost savings through continuous improvement programs as well as general and administrative cost savings following the divestitures in 2014 and lower integration costs and synergies related to the Benson Acquisition. These increases were partially offset by unfavorable foreign currency exchange rates, inflation and the lower pricing. The inflation costs in 2015 primarily related to labor and benefits (\$27.9 million) and wood (\$6.8 million), partially offset by lower costs for chemicals (\$8.4 million), energy (\$10.0 million), primarily due to the price of natural gas, freight (\$4.6 million), fiber (\$0.8 million), external board (\$0.8 million), and other (\$1.1 million).

Interest Expense, Net

Interest Expense, Net decreased by \$12.9 million to \$67.8 million in 2015 from \$80.7 million in 2014. Interest Expense, Net decreased due to both lower total debt levels and lower interest rates on the Company's debt. As of December 31, 2015, approximately 34% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During 2015, the Company recognized Income Tax Expense of \$130.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$359.3 million. During 2014, the Company recognized Income Tax Expense of \$45.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$132.7 million. The effective tax rate for 2015 was different than the statutory rate primarily due to the mix and levels between foreign and domestic earnings, including losses in jurisdictions with full valuation allowances, as well as the effects of certain discrete tax items. The Company has NOLs of approximately \$470 million for U.S. federal income tax purposes, which may be used to offset future taxable income.

Equity Income of Unconsolidated Entities

Equity Income of Unconsolidated Entities was \$1.2 million in 2015 and \$1.7 million in 2014 and is related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd.

2014 COMPARED WITH 2013*Net Sales*

The components of the change in Net Sales are as follows:

Year Ended December 31,								
Variances								
<i>In millions</i>	2013	Price	Volume/Mix	Divestitures	Foreign Exchange	2014	Increase (Decrease)	Percent Change
Consolidated	\$ 4,478.1	\$ 78.1	\$ 75.2	\$ (388.1)	\$ (2.8)	\$ 4,240.5	\$ (237.6)	(5.3)%

The Company's Net Sales in 2014 decreased by \$237.6 million, or 5.3% to \$4,240.5 million from \$4,478.1 million in 2013. The decrease was due primarily to the sale of the Company's multi-wall bag and labels businesses in 2014 and the specialty plastics and URB mill in 2013, representing approximately \$388.1 million of the decrease in net sales, and lower volume in the consumer product and beverage markets. In the beverage markets, brand name beer sales were down partially offset by increases at the craft brewers. Soft drink sales also decreased in 2014 although to a lesser extent than beer. Declines in the market demand for frozen foods, cereal and dry foods resulted in lower volumes for consumer products. These decreases were partially offset by an increase of approximately \$115 million due to the Benson acquisition and higher pricing due to inflationary cost past throughs. New product introductions in both beverage and consumer products also helped offset market related volume declines.

Income (Loss) from Operations

The components of the change in Income (Loss) from Operations are as follows:

<i>In millions</i>	Year Ended December 31,											
	Variances									2014	Increase (Decrease)	Percent Change
	2013	Price	Volume/Mix	Divestitures	Inflation	Foreign Exchange	Other(a)					
Consolidated	\$ 341.6	\$ 78.1	\$ (2.5)	\$ (14.5)	\$ (75.6)	\$ (5.2)	\$ (94.1)	\$ 227.8	\$ (113.8)	(33.3)%		

(a) Includes the Company's cost reduction initiatives and integration related expenses.

The Company's Income from Operations in 2014 decreased by \$113.8 million, or 33.3%, to \$227.8 million from \$341.6 million in 2013. The decrease was due primarily to the loss on the sale of the multi-wall bag and labels businesses, the first quarter impact of severe weather and related power outages resulting in lost production, higher manufacturing and freight costs, charges related to acquisition and integration activities, and inflation. Inflation during the period was primarily related to higher labor and benefits (\$33.8 million), energy (\$13.2 million), externally purchased board (\$11.4 million), wood (\$7.0 million), inks and coatings (\$3.7 million) freight (\$2.5 million) and other costs (\$0.5 million), partially offset by lower secondary fiber costs (\$2.5 million). These decreases were partially offset by higher pricing, the Benson Acquisition, synergies in Europe, the gain on the sale of the flexible plastics business and cost savings through continuous improvement programs and manufacturing initiatives.

Interest Expense, Net

Interest Expense, Net decreased by \$21.2 million to \$80.7 million in 2014 from \$101.9 million in 2013. Interest Expense, Net decreased due to both lower total debt levels and lower interest rates on the Company's debt. As of December 31, 2014, approximately 37% of the Company's total debt was subject to floating interest rates.

Loss on Modification or Extinguishment of Debt

During 2014, the Company (1) entered into Amendment No. 3 to the Credit Agreement to increase the international revolving credit agreement facility (2) entered into a Second Amended and Restated Credit Agreement to increase the domestic revolving credit facility, to extend the maturity date of its existing revolving credit and term loan facilities from September 13, 2018 to October 1, 2019 and to amend certain other terms of the agreement, (3) completed the issuance and sale of \$250 million aggregate principal amount of 4.875% Notes due 2022 and, (4) redeemed and prepaid \$250 million aggregate principal and interest of the 7.875% Senior Notes due in 2018. As a result, in aggregate, \$14.4 million of fees were expensed as part of the loss on modification or extinguishment of debt.

During 2013, the Company (1) completed the issuance and sale of \$425 million aggregated principal amount of its 4.75% Senior Notes due 2021, (2) redeemed 100% of the \$425 million aggregated principal of its 9.5% Senior Notes due in 2017, and (3) entered into Amendment No. 2 to the Credit Agreement to add international credit facilities, to extend the maturity date of its existing revolving credit and term loan facilities from March 16, 2017 to September 13, 2018 and to amend certain other terms of the agreement. As a result, in aggregate, approximately \$27.1 million of fees were expensed as part of the loss on modification or extinguishment of debt.

For further discussion on debt matters, see Note 5 in Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Income Tax Expense

During 2014, the Company recognized Income Tax Expense of \$45.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$132.7 million. During 2013, the Company recognized Income Tax Expense of \$67.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$212.6 million. The effective tax rate for 2014 was different than the statutory rate primarily due to non-deductible goodwill associated with the disposal of the Labels and Flexible businesses and the completion of a multi-year U.S. federal and state research tax credit study to establish credit carryforwards for use in future years. Other differences in the effective tax rate and the statutory tax rate include the mix and levels between foreign

and domestic earnings, including losses in jurisdictions with full valuation allowances, as well as the effects of certain discrete tax items.

Equity Income of Unconsolidated Entities

Equity Income of Unconsolidated Entities was \$1.7 million in 2014 and \$1.5 million in 2013 and is related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd.

Segment Reporting

Prior to the sale of the multi-wall bag business on June 30, 2014, the Company reported its results in two reportable segments: paperboard packaging and flexible packaging. Following the sale, the Company reported its results in one reportable segment: paperboard packaging. During 2015, the Company reevaluated the aggregation of operating segments into reportable segments in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 280 *Segment Reporting*, concluded there are three reportable segments, and recast prior periods:

Paperboard Mills includes the seven North American paperboard mills which produce primarily coated unbleached kraft ("CUK") and coated recycled board ("CRB"). The majority of the paperboard is consumed internally to produce paperboard packaging for the Americas and Europe Paperboard Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard to external customers.

Americas Paperboard Packaging includes paperboard packaging folding cartons sold primarily to Consumer Packaged Goods ("CPG") companies serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging folding cartons sold primarily to CPG companies serving the food, beverage and consumer product markets in Europe.

The Company also assessed and allocated certain mill and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim operating segment and unallocated corporate and one-time costs.

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
NET SALES:			
Paperboard Mills	\$ 480.5	\$ 380.6	\$ 375.0
Americas Paperboard Packaging	3,049.6	3,006.7	3,010.8
Europe Paperboard Packaging	603.9	596.6	466.7
Flexible Packaging	—	215.6	539.1
Corporate/Other/Eliminations	26.2	41.0	86.5
Total	\$ 4,160.2	\$ 4,240.5	\$ 4,478.1
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Mills	\$ 12.9	\$ 8.5	\$ (59.3)
Americas Paperboard Packaging	403.9	412.0	430.1
Europe Paperboard Packaging	40.8	32.5	24.1
Flexible Packaging ^(a)	—	(186.1)	(12.4)
Corporate and Other	(30.5)	(39.1)	(40.9)
Total	\$ 427.1	\$ 227.8	\$ 341.6

^(a) Includes Loss on Sale of Assets of multi-wall bag business of \$171.1 million in 2014.

2015 COMPARED WITH 2014

Paperboard Mills - Open market paperboard Net Sales and Income from Operations increased due to the acquisition of Cascades.

Americas Paperboard Packaging - Sales increased due to the Rose City, Cascades, and Carded acquisitions, new product introductions and increased sales of craft beer and specialty beverage (energy drinks and teas) packaging. This increase was partially offset by soft demand for certain consumer and beverage products, primarily cereal, frozen and dried foods, soft drink and big beer, as well as unfavorable exchange rates primarily in Brazil. Income from Operations decreased slightly due to higher inflation, which was partially offset by the acquisitions and improved operating performance.

Europe Paperboard Packaging - Sales increased due to the May 2014 Benson acquisition and new business, partially offset by unfavorable exchange rates. Income from Operations increased due to synergies and improved operating performance.

2014 COMPARED WITH 2013

Paperboard Mills - Open market paperboard sales increased slightly over prior year due to increased volume and improved pricing. Income from Operations increased due to the improved pricing and performance, partially offset by inflation.

Americas Paperboard Packaging - Sales decreased due to declines in market demand for frozen and dry foods, cereal, big beer and soft drinks. These decreases were partially offset by favorable pricing due to inflationary cost pass throughs, new product introductions and increased sales of craft beer. Income from Operations decreased due to higher inflation and the lower volumes, partially offset by improved operating performance.

Europe Paperboard Packaging - Sales increased due to the Benson acquisition and new products, partially offset by price. Income from Operations increased due to the Benson acquisition and improved operating performance.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company broadly defines liquidity as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. In addition, liquidity includes the ability to obtain appropriate debt and equity financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service commitments.

Cash Flows

<i>In millions</i>	Years Ended December 31,	
	2015	2014
Net Cash Provided by Operating Activities	\$ 589.2	\$ 526.6
Net Cash Used in Investing Activities	\$ (399.8)	\$ (183.2)
Net Cash Used in Financing Activities	\$ (210.9)	\$ (308.8)

Net cash provided by operating activities in 2015 totaled \$589.2 million, compared to \$526.6 million in 2014. The increase was due primarily to improved operating results as compared to the prior year and lower interest payments due to lower average

interest rates and debt balances as compared to the prior year. Pension contributions in 2015 and 2014 were \$53.4 million and \$52.2 million, respectively.

Net cash used in investing activities in 2015 totaled \$399.8 million, compared to \$183.2 million in 2014. Current year activities consisted primarily of capital spending of \$244.1 million and \$163.2 million, net of cash acquired, for the North American Acquisitions. In the prior year, the Company paid \$173.8 million, net of cash acquired, for the Benson acquisition, partially offset by proceeds received of \$170.8 million from the sale of Multi-wall bag and Labels businesses. Additionally, the Company had \$201.4 million of capital spending and received proceeds of \$26.9 million from a government grant.

Net cash used in financing activities in 2015 totaled \$210.9 million, compared to \$308.8 million used in financing activities in 2014. Current year activities include net payments under revolving credit facilities of \$50.8 million and payments on debt of \$25 million. The Company also paid dividends of \$49.3 million, repurchased \$63.0 million of its common stock, and withheld \$21.5 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units. In the prior year, the Company made net payments under revolving credit facilities of \$54.3 million and payments on debt of \$214.6 million. In 2014, the Company also entered into Amendment No. 3 to the prior credit agreement increasing the revolving credit facilities under which borrowings may be made in Sterling or Euro by €63 million (approximately \$86 million). The Company subsequently entered into the Credit Agreement, pursuant to which the revolving credit facility was increased by \$250 million, the term loan was reduced by approximately \$169 million and the maturity date was extended to October 2019. In 2014, the Company also completed the issuance and sale of \$250 million aggregate principal amount of 4.875% Notes due 2022 and redeemed 100% of \$250.0 million aggregate principal of its 7.875% Senior Notes due in 2018. The bonds were redeemed at a price of 103.94%. The Company incurred costs of approximately \$17 million related to these financing activities.

Liquidity and Capital Resources

The Company's liquidity needs arise primarily from debt service on its indebtedness and from the funding of its capital expenditures, ongoing operating costs, working capital, share repurchases and dividend payments. Principal and interest payments under the term loan facility and the revolving credit facilities, together with principal and interest payments on the Company's 4.75% Senior Notes due 2021 and 4.875% Senior Notes due 2022 (the "Notes"), represent liquidity requirements for the Company. Based upon current levels of operations, anticipated cost savings and expectations as to future growth, the Company believes that cash generated from operations, together with amounts available under its revolving credit facilities and other available financing sources, will be adequate to permit the Company to meet its debt service obligations, necessary capital expenditure program requirements, ongoing operating costs and working capital needs, and dividend payments although no assurance can be given in this regard. The Company's future financial and operating performance, ability to service or refinance its debt and ability to comply with the covenants and restrictions contained in its debt agreements (see "Covenant Restrictions" below) will be subject to future economic conditions, including conditions in the credit markets, and to financial, business and other factors, many of which are beyond the Company's control, and will be substantially dependent on the selling prices and demand for the Company's products, raw material and energy costs, and the Company's ability to successfully implement its overall business and profitability strategies.

As of December 31, 2015, the Company had approximately \$470 million of NOLs for U.S. federal income tax purposes. These NOLs generally may be used by the Company to offset taxable income earned in subsequent taxable years.

As of December 31, 2015, the Company had \$51.5 million of cash in foreign jurisdictions for which deferred taxes in the U.S. have not been provided, as earnings have been deemed indefinitely reinvested outside the U.S.

Accounts receivable are stated at the amount owed by the customer, net of an allowance for estimated uncollectible accounts, returns and allowances, and cash discounts. The allowance for doubtful accounts is estimated based on historical experience, current economic conditions and the credit worthiness of customers. Receivables are charged to the allowance when determined to be no longer collectible.

The Company has entered into various factoring and supply chain financing arrangements, which qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("the Codification"). For the years ended December 31, 2015 and 2014, the Company sold receivables under these programs totaling approximately \$129 million and \$413 million, respectively.

In 2014, the Company entered into an agreement for the purchasing and servicing of receivables, to sell, on a revolving basis, certain trade accounts receivable balances to a third party financial institution. In 2015, the Company entered into a similar agreement for the purchasing and servicing of receivables in Europe (collectively referred as the "AR Sales Agreements"). Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the FASB Codification. During 2015, under these agreements, the Company sold and derecognized approximately \$1.1 billion of receivables, of which approximately \$920 million has been collected on behalf of the financial institution, approximately \$154 million has been funded by the financial institution, resulting in deferred proceeds of approximately \$51 million as of December 31, 2015. During 2014 under the agreement, the Company sold and derecognized approximately \$231 million of receivables, of which approximately \$125 million has been collected on behalf of the financial institution, \$74 million has been funded by the financial institution, resulting in deferred proceeds of approximately \$32 million as of December 31, 2014. Cash proceeds related to the sales are included in cash from operating activities in the Consolidated Statements of Cash Flows in the Receivables, Net line item. The loss on sale is not material and is included in Other Income, Net line item.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were approximately \$282 million and \$127 million as of December 31, 2015 and 2014, respectively.

Covenant Restrictions

The Credit Agreement and the Indentures limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Credit Agreement and the Indentures, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase shares, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the indentures under which the Notes are issued, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions, together with disruptions in the credit markets, could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

Under the terms of the Credit Agreement, the Company must comply with a maximum Consolidated Total Leverage Ratio covenant and a minimum Consolidated Interest Expense Ratio covenant. The Second Amended and Restated Credit Agreement, which contains the definitions of these covenants, was filed as an exhibit to the Company's Form 8-K filed on October 7, 2014.

The Company must maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At December 31, 2015, the Company was in compliance with the Consolidated Total Leverage Ratio covenant in the Credit Agreement and the ratio was 2.40 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At December 31, 2015, the Company was in compliance with the minimum Consolidated Interest Expense Ratio covenant in the Credit Agreement and the ratio was 11.91 to 1.00.

As of December 31, 2015, the Company's credit was BB+ by Standard & Poor's and Ba1 by Moody's Investor Services. Standard & Poor's and Moody's Investor Services' rating on the Company included a stable outlook.

Capital Investment

The Company's capital investment in 2015 was \$253.8 million (\$244.1 million was paid), compared to \$215.2 million in 2014 (\$201.4 million was paid). During 2015, the Company had capital spending of \$216.4 million for improving process capabilities, \$24.9 million for capital spares and \$12.5 million for manufacturing packaging machinery.

Environmental Matters

Some of the Company's current and former facilities are the subject of environmental investigations and remediations resulting from historical operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, potential future closures or sales of facilities may necessitate further investigation and may result in future remediation at those facilities. The Company has established reserves for those facilities or issues where liability is probable and the costs are reasonably estimable.

For further discussion of the Company's environmental matters, see Note 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Contractual Obligations and Commitments

A summary of our contractual obligations and commitments as of December 31, 2015 is as follows:

<i>In millions</i>	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Debt Obligations	\$ 1,887.4	\$ 35.8	\$ 151.6	\$ 1,024.9	\$ 675.1
Operating Leases	117.7	26.7	41.0	19.6	30.4
Capital Leases	1.8	0.8	0.9	0.1	—
Interest Payable	410.3	64.9	156.3	189.1	—
Purchase Obligations ^(a)	700.0	164.4	200.9	114.8	219.9
Pension Funding	50.0	50.0	—	—	—
Total Contractual Obligations ^(b)	\$ 3,167.2	\$ 342.6	\$ 550.7	\$ 1,348.5	\$ 925.4

Notes:

- (a) Purchase obligations primarily consist of commitments related to pine pulpwood, wood chips, and wood processing and handling.
- (b) Certain amounts included in this table are based on management's estimates and assumptions about these obligations. Because these estimates and assumptions are necessarily subjective, the obligations the Company will actually pay in the future periods may vary from those reflected in the table.

International Operations

For 2015, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 23% of the Company's net sales. The Company's revenues from export sales fluctuate with changes in foreign currency exchange rates. At December 31, 2015, approximately 19% of the Company's total assets were denominated in currencies other than the U.S. dollar. The Company has significant operations in countries that use the euro, British pound sterling, the Australian dollar or the Japanese yen as their functional currencies. The effect of changes in the U.S. dollar exchange rate against these currencies produced a net currency translation adjustment loss of \$37.2 million, which was recorded in Other Comprehensive (Loss) Income for the year ended December 31, 2015. The magnitude and direction of this adjustment in the future depends on the relationship of the U.S. dollar to other currencies. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results. See "Financial Instruments" below.

The functional currency of the Company's international subsidiaries is the local currency for the country in which the subsidiaries own their primary assets. The translation of the applicable currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average

exchange rate during the period. Any related translation adjustments are recorded directly to Shareholders' Equity. Gains and losses on foreign currency transactions are included in Other Income, Net for the period in which the exchange rate changes.

Financial Instruments

The Company pursues a currency hedging program which utilizes derivatives to reduce the impact of foreign currency exchange fluctuations on its consolidated financial results. Under this program, the Company has entered into forward exchange contracts in the normal course of business to hedge certain foreign currency denominated transactions. Realized and unrealized gains and losses on these forward contracts are included in the measurement of the basis of the related foreign currency transaction when recorded. The Company also pursues a hedging program that utilizes derivatives designed to manage risks associated with future variability in cash flows and price risk related to future energy cost increases. Under this program, the Company has entered into natural gas swap contracts to hedge a portion of its forecasted natural gas usage for 2016 and 2017. Realized gains and losses on these contracts are included in the financial results concurrently with the recognition of the commodity consumed. The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. The Company does not hold or issue financial instruments for trading purposes. See "Item 7A., Quantitative and Qualitative Disclosure About Market Risk."

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates, and changes in these estimates are recorded when known. The critical accounting policies used by management in the preparation of the Company's consolidated financial statements are those that are important both to the presentation of the Company's financial condition and results of operations and require significant judgments by management with regard to estimates used. The critical judgments by management relate to pension benefits, retained insurable risks, future cash flows associated with impairment testing for goodwill and long-lived assets, and deferred income taxes.

Pension Benefits

The Company sponsors defined benefit pension plans (the "Plans") for eligible employees in North America and certain international locations. The funding policy for the qualified defined benefit plans is to, at a minimum, contribute assets as required by the Internal Revenue Code Section 412. Nonqualified defined benefit U.S. plans providing benefits in excess of limitations imposed by the U.S. income tax code are not funded.

The Company's pension expense for defined benefit pension plans was \$16.0 million in 2015 compared with \$6.0 million in 2014. Pension expense is calculated based upon a number of actuarial assumptions applied to each of the defined benefit plans. The weighted average expected long-term rate of return on pension fund assets used to calculate pension expense was 6.81% and 7.69% in 2015 and 2014, respectively. The expected long-term rate of return on pension assets was determined based on several factors, including historical rates of return, input from our pension investment consultants and projected long-term returns of broad equity and bond indices. The Company evaluates its long-term rate of return assumptions annually and adjusts them as necessary.

The Company determined pension expense using both the fair value of assets and a calculated value that averages gains and losses over a period of years. Investment gains or losses represent the difference between the expected and actual return on assets. As of December 31, 2015, the net actuarial loss was \$286.6 million. These net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, or (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the "corridor" determined under the *Compensation — Retirement Benefits* topic of the FASB Codification.

The discount rate used to determine the present value of future pension obligations at December 31, 2015 was based on a yield curve constructed from a portfolio of high-quality corporate debt securities with maturities ranging from 1 year to 30 years. Each year's expected future benefit payments were discounted to their present value at the spot yield curve rate thereby generating the

overall discount rate for the Company's pension obligations. The weighted average discount rate used to determine the pension obligations was 4.41% and 4.02% in 2015 and 2014, respectively.

The Company's pension expense is estimated to be approximately \$15 million in 2016. The estimate is based on a weighted average expected long-term rate of return of 5.90%, a weighted average discount rate of 4.41% and other assumptions. Pension expense beyond 2016 will depend on future investment performance, the Company's contribution to the plans, changes in discount rates and other factors related to covered employees in the plans. Beginning in 2016, the Company has changed its methodology of calculating the service and interest cost components of pension expense from using a yield curve aggregate approach to using individual spot rates along the yield curve. The impact of this change is a \$9 million reduction in pension expense for 2016 compared to the prior approach.

If the discount rate assumptions for the Company's U.S. plans were reduced by 0.25%, pension expense would increase by approximately \$3 million and the December 31, 2015 projected benefit obligation would increase by about \$30 million.

The fair value of assets in the Company's plans was \$1,038.9 million at December 31, 2015 and \$1,092.8 million at December 31, 2014. The projected benefit obligations exceed the fair value of plan assets by \$200.1 million and \$273.9 million as of December 31, 2015 and 2014, respectively. The accumulated benefit obligation ("ABO") exceeded plan assets by \$187.3 million at the end of 2015. At the end of 2014, the ABO exceeded the fair value of plan assets by \$260.5 million.

• **Retained Insurable Risks**

The Company is self-insured for certain losses relating to workers' compensation claims and employee medical and dental benefits. Provisions for expected losses are recorded based on the Company's estimates, on an undiscounted basis, of the aggregate liabilities for known claims and estimated claims incurred but not reported. The Company has purchased stop-loss coverage or insurance with deductibles in order to limit its exposure to significant claims. The Company also has an extensive safety program in place to minimize its exposure to workers' compensation claims. Self-insured losses are accrued based upon estimates of the aggregate uninsured claims incurred using certain actuarial assumptions, loss development factors followed in the insurance industry and historical experience.

• **Goodwill**

The Company evaluates goodwill for potential impairment annually as of October 1, as well as whenever events or changes in circumstances suggest that the fair value of a reporting unit may no longer exceed its carrying amount. Potential impairment of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the estimated fair value of the reporting unit. As of October 1, 2015, the Company had five reporting units, four of which had goodwill.

The calculated fair value of each reporting unit is determined by utilizing a discounted cash flow analysis based on the Company's forecasts discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of earnings before interest, taxes, depreciation and amortization ("EBITDA").

In determining fair value, management relies on and considers a number of factors, including but not limited to, operating results, business plans, economic projections, forecasts including anticipated future cash flows, and market data and analysis, including market capitalization. Fair value determinations are sensitive to changes in the factors described above. There are inherent uncertainties related to these factors and judgments in applying them to the analysis of potential goodwill impairment.

The Company performed its annual goodwill impairment test as of October 1, 2015 and concluded that the fair value of its reporting units exceeded their carrying values including goodwill and, therefore, that goodwill was not impaired.

The variability of the assumptions that management uses to perform the goodwill impairment test depends on a number of conditions, including uncertainty about future events and cash flows. Accordingly, the Company's accounting estimates may materially change from period to period due to changing market factors. If the Company had used other assumptions and estimates or if different conditions occur in future periods, future operating results could be materially impacted.

The assumptions used in the goodwill impairment testing process could be adversely impacted by certain of the risks discussed in “Item 1A., Risk Factors” and thus could result in future goodwill impairment charges.

• *Recovery of Long-Lived Assets*

The Company reviews long-lived assets (including property, plant and equipment and intangible assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of such long-lived assets may not be fully recoverable by undiscounted cash flows. Measurement of the impairment loss, if any, is based on the fair value of the asset, which is determined by an income, cost or market approach. The Company evaluates the recovery of its long-lived assets by analyzing operating results and considering significant events or changes in the business environment that may have triggered impairment.

• *Deferred Income Taxes and Potential Assessments*

According to the *Income Taxes* topic of the FASB Codification, a valuation allowance is required to be established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of a deferred tax asset will not be realized. The FASB Codification provides important factors in determining whether a deferred tax asset will be realized, including whether there has been sufficient taxable income in recent years and whether sufficient income can reasonably be expected in future years in order to utilize the deferred tax asset. The Company has evaluated the need to maintain a valuation allowance for deferred tax assets based on its assessment of whether it is more likely than not that deferred tax benefits would be realized through the generation of future taxable income. Appropriate consideration was given to all available evidence, both positive and negative, in assessing the need for a valuation allowance. In determining whether a valuation allowance is required, many factors are considered, including the specific taxing jurisdiction, the carryforward period, reversals of existing taxable temporary differences, cumulative pretax book earnings, income tax strategies and forecasted earnings for the entities in each jurisdiction.

As of December 31, 2015, the Company has recorded a valuation allowance of \$44.8 million against its net deferred tax assets in certain foreign jurisdictions and against domestic deferred tax assets related to certain state net operating loss carryforwards and federal capital loss carryforwards. As of December 31, 2014, a total valuation allowance of \$53.6 million was recorded.

As of December 31, 2015, the Company has only provided for deferred U.S. income taxes on \$3 million of undistributed earnings related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. The Company has not provided for deferred U.S. income taxes on \$12.6 million of undistributed earnings of international subsidiaries because of its intention to indefinitely reinvest these earnings outside the U.S. The determination of the amount of the unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable because of the complexities associated with the hypothetical calculation.

The Company records liabilities for potential assessments. The accruals relate to uncertain tax positions in a variety of taxing jurisdictions and are based on what management believes will be the most likely outcome of these positions. These liabilities may be affected by changing interpretations of laws, rulings by tax authorities, or the expiration of the statute of limitations.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see Note 1 in the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

BUSINESS OUTLOOK

Total capital investment for 2016 is expected to be between \$270 million and \$280 million and is expected to relate principally to the Company's process capability improvements (approximately \$240 million), acquiring capital spares (approximately \$20 million), and producing packaging machinery (approximately \$15 million).

The Company also expects the following in 2016:

- Depreciation and amortization expense between \$290 million and \$310 million, excluding approximately \$20 million of pension amortization.
- Interest expense of \$75 million to \$85 million, including approximately \$4 million to \$5 million of non-cash interest expense associated with amortization of debt issuance costs.
- Cash of \$360 million to \$380 million available for net debt reduction, dividends, and share repurchases, excluding mergers and acquisitions and capital market activities.
- Pension plan contributions of \$40 million to \$60 million.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company does not trade or use derivative instruments with the objective of earning financial gains on interest or currency rates, nor does it use leveraged instruments or instruments where there are no underlying exposures identified.

Interest Rates

The Company is exposed to changes in interest rates, primarily as a result of its short-term and long-term debt, which include both fixed and floating rate debt. The Company uses interest rate swap agreements effectively to fix the LIBOR rate on certain variable rate borrowings. At December 31, 2015, the Company had active interest rate swap agreements with a notional amount of \$560 million in addition to \$450 million in forward starting interest rate swaps.

The table below sets forth interest rate sensitivity information related to the Company's debt.

Long-Term Debt Principal Amount by Maturity-Average Interest Rate

<i>In millions</i>	Expected Maturity Date						Total	Fair Value
	2016	2017	2018	2019	2020	Thereafter		
Total Debt								
Fixed Rate	\$ —	\$ 0.8	\$ 0.6	\$ 0.2	\$ 0.1	\$ 675.1	\$ 676.8	\$ 693.6
Average Interest Rate	1.77%	1.76%	1.80%	1.77%	1.26%	4.80%	—	—
Variable Rate	\$ 25.0	\$ 25.0	\$ 125.2	\$ 1,024.6	\$ —	\$ —	\$ 1,199.8	\$ 1,197.6
Average Swap Rate is .45% — .82%	LIBOR + Spread	LIBOR + Spread	LIBOR + Spread	LIBOR + Spread	LIBOR + Spread	—	—	—

Total Interest Rate Swaps-Notional Amount by Expiration-Average Swap Rate

<i>In millions</i>	Expected Maturity Date						Total	Fair Value
	2016	2017	2018	2019	2020	Thereafter		
Notional	\$ 560.0	\$ 300.0	\$ 150.0	\$ —	\$ —	\$ —	\$ 1,010.0	\$ —
Average Pay Rate	0.75%	0.81%	1.40%	—	—	—	—	—
Average Receive Rate	1-Month LIBOR	1-Month LIBOR	1-Month LIBOR	—	—	—	—	—

Foreign Exchange Rates

The Company enters into forward exchange contracts to effectively hedge substantially all accounts receivable resulting from transactions denominated in foreign currencies. The purpose of these forward exchange contracts is to protect the Company from the risk that the eventual functional currency cash flows resulting from the collection of these accounts receivable will be adversely affected by changes in exchange rates. At December 31, 2015, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those forward currency exchange contracts outstanding at December 31, 2015, when aggregated and measured in U.S. dollars at December 31, 2015 exchange rates, had net notional amounts totaling \$45.5 million. The Company continuously monitors these forward exchange contracts and adjusts accordingly to minimize the exposure.

The Company also enters into forward exchange contracts to hedge certain other anticipated foreign currency transactions. The purpose of these contracts is to protect the Company from the risk that the eventual functional currency cash flows resulting from anticipated foreign currency transactions will be adversely affected by changes in exchange rates.

During the years ended December 31, 2015 and 2014, there were minimal amounts reclassified to earnings in connection with forecasted transactions that were no longer considered probable of occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there were no amounts excluded from the measure of effectiveness during the years ended December 31, 2015 and 2014.

**Foreign Exchange Rates Contractual Amount by Expected
Maturity-Average Contractual Exchange Rate**

<i>In millions</i>	December 31, 2015	
	Contract Amount	Fair Value
FORWARD EXCHANGE AGREEMENTS:		
Receive \$US/Pay Yen	\$ 16.2	\$ (0.4)
Weighted average contractual exchange rate	122.60	
Receive \$US/Pay Euro	\$ 33.9	\$ (0.6)
Weighted average contractual exchange rate	1.07	
Receive \$US/Pay GBP	\$ 15.1	\$ 0.4
Weighted average contractual exchange rate	1.52	

Natural Gas Contracts

The Company has hedged a portion of its expected natural gas usage for 2016 and 2017. The carrying amount and fair value of the natural gas swap contracts is a net liability of \$11.9 million as of December 31, 2015. Such contracts are designated as cash flow hedges and are accounted for by deferring the quarterly change in fair value of the outstanding contracts in Accumulated Other Comprehensive (Loss), Income in Shareholders' Equity. The resulting gain or loss is reclassified into Cost of Sales concurrently with the recognition of the commodity consumed. The ineffective portion of the swap contracts change in fair value, if any, would be recognized immediately in earnings.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

	Page
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GRAPHIC PACKAGING HOLDING COMPANY	
Consolidated Statements of Operations for each of the three years in the period ended December 31, 2015	40
Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2015	41
Consolidated Balance Sheets as of December 31, 2015 and 2014	42
Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2015	43
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2015	44
Notes to Consolidated Financial Statements	46
Reports of Independent Registered Public Accounting Firm	98

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>In millions, except per share amounts</i>	Year Ended December 31,		
	2015	2014	2013
Net Sales	\$ 4,160.2	\$ 4,240.5	\$ 4,478.1
Cost of Sales	3,371.1	3,453.3	3,752.5
Selling, General and Administrative	347.7	365.5	384.3
Other Income, Net	(7.7)	(3.7)	(13.4)
Restructuring and Other Special Charges, Net	22.0	197.6	13.1
Income from Operations	427.1	227.8	341.6
Interest Expense, Net	(67.8)	(80.7)	(101.9)
Loss on Modification or Extinguishment of Debt	—	(14.4)	(27.1)
Income before Income Taxes and Equity Income of Unconsolidated Entities	359.3	132.7	212.6
Income Tax Expense	(130.4)	(45.4)	(67.4)
Income before Equity Income of Unconsolidated Entities	228.9	87.3	145.2
Equity Income of Unconsolidated Entities	1.2	1.7	1.5
Net Income	\$ 230.1	\$ 89.0	\$ 146.7
Net Loss (Income) Attributable to Noncontrolling Interests	—	0.7	(0.1)
Net Income Attributable to Graphic Packaging Holding Company	\$ 230.1	\$ 89.7	\$ 146.6
Net Income Per Share Attributable to Graphic Packaging Holding Company — Basic	\$ 0.70	\$ 0.27	\$ 0.42
Net Income Per Share Attributable to Graphic Packaging Holding Company — Diluted	\$ 0.70	\$ 0.27	\$ 0.42

The accompanying notes are an integral part of the consolidated financial statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
Net Income	\$ 230.1	\$ 89.0	\$ 146.7
Other Comprehensive (Loss) Income, Net of Tax:			
Derivative Instruments	(0.7)	(6.9)	3.2
Currency Translation Adjustment	(37.2)	(34.0)	(13.7)
Pension and Postretirement Benefit Plans	26.8	(105.2)	134.0
Total Other Comprehensive (Loss) Income, Net of Tax	(11.1)	(146.1)	123.5
Total Comprehensive Income (Loss)	219.0	(57.1)	270.2
Comprehensive Income (Loss) Attributable to Noncontrolling Interests	—	0.4	(0.5)
Comprehensive Income (Loss) Attributable to Graphic Packaging Holding Company	\$ 219.0	\$ (56.7)	\$ 269.7

The accompanying notes are an integral part of the consolidated financial statements.

**GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS**

<i>In millions, except share amounts</i>	December 31,	
	2015	2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 54.9	\$ 81.6
Receivables, Net	423.9	413.6
Inventories, Net	557.1	521.8
Other Current Assets	30.9	32.0
Total Current Assets	1,066.8	1,049.0
Property, Plant and Equipment, Net	1,586.4	1,546.8
Goodwill	1,167.8	1,118.1
Intangible Assets, Net	386.7	385.6
Other Assets	48.4	38.1
Total Assets	\$ 4,256.1	\$ 4,137.6
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	\$ 36.6	\$ 32.2
Accounts Payable	457.9	424.9
Compensation and Employee Benefits	119.7	118.6
Interest Payable	9.2	9.4
Other Accrued Liabilities	108.8	91.6
Total Current Liabilities	732.2	676.7
Long-Term Debt	1,838.9	1,925.5
Deferred Income Tax Liabilities	266.7	132.2
Accrued Pension and Postretirement Benefits	247.3	312.8
Other Noncurrent Liabilities	69.3	78.1
Commitments and Contingencies (Note 12)		
SHAREHOLDERS' EQUITY		
Preferred Stock, par value \$.01 per share; 100,000,000 shares authorized at December 31, 2015 and December 31, 2014; no shares issued or outstanding	—	—
Common Stock, par value \$.01 per share; 1,000,000,000 shares authorized at December 31, 2015 and 2014, 324,688,717 and 327,044,500 shares issued and outstanding at December 31, 2015 and 2014, respectively	3.2	3.3
Capital in Excess of Par Value	1,771.0	1,796.5
Accumulated Deficit	(326.8)	(452.9)
Accumulated Other Comprehensive Loss	(345.7)	(334.6)
Total Shareholders' Equity	1,101.7	1,012.3
Total Liabilities and Shareholders' Equity	\$ 4,256.1	\$ 4,137.6

The accompanying notes are an integral part of the consolidated financial statements.

**GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

<i>In millions, except share amounts</i>	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
	Shares	Amount					
Balances at December 31, 2012	344,534,039	\$ 3.4	\$ 1,915.1	\$ (633.2)	\$ (311.3)	\$ (1.7)	\$ 972.3
Net Income	—	—	—	146.6	—	—	146.6
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	3.2	—	3.2
Pension and Postretirement Benefit Plans	—	—	—	—	133.5	—	133.5
Currency Translation Adjustment	—	—	—	—	(13.6)	—	(13.6)
Repurchase of Common Stock	(23,866,348)	(0.2)	(143.8)	(56.0)	—	—	(200.0)
Investment in Subsidiaries	—	—	(1.7)	—	—	1.7	—
Recognition of Stock-Based Compensation	—	—	20.3	—	—	—	20.3
Issuance of Shares for Stock-Based Awards	4,078,951	—	—	—	—	—	—
Balances at December 31, 2013	324,746,642	\$ 3.2	\$ 1,789.9	\$ (542.6)	\$ (188.2)	\$ —	\$ 1,062.3
Net Income	—	—	—	89.7	—	—	89.7
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	(6.9)	—	(6.9)
Pension and Postretirement Benefit Plans	—	—	—	—	(105.5)	—	(105.5)
Currency Translation Adjustment	—	—	—	—	(34.0)	—	(34.0)
Investment in Subsidiaries	—	—	1.5	—	—	—	1.5
Recognition of Stock-Based Compensation	—	—	5.1	—	—	—	5.1
Issuance of Shares for Stock-Based Awards	2,297,858	0.1	—	—	—	—	0.1
Balances at December 31, 2014	327,044,500	\$ 3.3	\$ 1,796.5	\$ (452.9)	\$ (334.6)	\$ —	\$ 1,012.3
Net Income	—	—	—	230.1	—	—	230.1
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	(0.7)	—	(0.7)
Pension and Postretirement Benefit Plans	—	—	—	—	26.8	—	26.8
Currency Translation Adjustment	—	—	—	—	(37.2)	—	(37.2)
Repurchase of Common Stock	(4,625,211)	(0.1)	(24.4)	(38.5)	—	—	(63.0)
Dividends Declared	—	—	—	(65.5)	—	—	(65.5)
Recognition of Stock-Based Compensation	—	—	(1.1)	—	—	—	(1.1)
Issuance of Shares for Stock-Based Awards	2,269,428	—	—	—	—	—	—
Balances at December 31, 2015	324,688,717	\$ 3.2	\$ 1,771.0	\$ (326.8)	\$ (345.7)	\$ —	\$ 1,101.7

The accompanying notes are an integral part of the consolidated financial statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 230.1	\$ 89.0	\$ 146.7
Non-cash Items Included in Net Income:			
Depreciation and Amortization	280.5	270.0	277.4
Write-off of Deferred Debt Issuance Costs on Early Extinguishment of Debt	—	4.6	4.5
Amortization of Deferred Debt Issuance Costs	4.1	4.8	7.0
Deferred Income Taxes	110.0	33.1	62.7
Amount of Postretirement Expense Less Than Funding	(39.4)	(46.3)	(12.4)
Loss (Gain) on the Sale of Assets, Net	1.9	173.6	(26.6)
Asset Write-offs	0.7	7.0	1.5
Other, Net	20.3	31.0	19.5
Changes in Operating Assets and Liabilities, Net of Acquisitions and Dispositions (See Note 3)	(19.0)	(40.2)	(22.3)
Net Cash Provided by Operating Activities	589.2	526.6	458.0
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Spending	(244.1)	(201.4)	(209.2)
Proceeds from Government Grant	—	26.9	—
Acquisition of Businesses, Net of Cash Acquired	(163.2)	(173.8)	—
Proceeds Received from the Sale of Assets, Net of Selling Costs	—	170.8	73.5
Other, Net	7.5	(5.7)	(8.7)
Net Cash Used in Investing Activities	(399.8)	(183.2)	(144.4)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repurchase of Common Stock	(63.0)	—	(200.0)
Proceeds from Issuance or Modification of Debt	—	250.0	425.0
Retirement of Long-Term Debt	—	(247.7)	(425.0)
Payments on Debt	(25.0)	(214.6)	(71.3)
Borrowings under Revolving Credit Facilities	903.0	1,957.9	1,729.2
Payments on Revolving Credit Facilities	(953.8)	(2,012.2)	(1,738.0)
Redemption and Early Tender Premiums and Debt Issuance Costs	—	(16.8)	(29.9)
Repurchase of Common Stock related to Share-Based Payments	(21.5)	(14.7)	(11.2)
Payment of Dividends	(49.3)	—	—
Other, Net	(1.3)	(10.7)	10.1
Net Cash Used in Financing Activities	(210.9)	(308.8)	(311.1)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(5.2)	(5.2)	(1.8)
Net (Decrease) Increase in Cash and Cash Equivalents	(26.7)	29.4	0.7
Cash and Cash Equivalents at Beginning of Period	81.6	52.2	51.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 54.9	\$ 81.6	\$ 52.2

Non-cash investing activities:

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
Total Consideration Received from the Sale of Assets	\$ —	\$ 181.0	\$ 83.2
Cash Proceeds Received from the Sale of Assets	—	170.8	73.5
Non-cash Consideration Received from the Sale of Assets	\$ —	\$ 10.2	\$ 9.7

The accompanying notes are an integral part of the consolidated financial statements.

**GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company") is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage and other consumer product companies. The Company is one of the largest producers of folding cartons in the United States ("U.S.") and holds a leading market position in coated unbleached kraft paperboard and coated-recycled boxboard. The Company's customers include some of the most widely recognized companies in the world. The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting plants, its proprietary carton and packaging designs, and its commitment to customer service.

GPHC became a new publicly-traded parent company when, on March 10, 2008, the businesses of Graphic Packaging Corporation ("GPC") and Altiivity Packaging, LLC were combined through a series of transactions.

GPHC and GPC conduct no significant business and have no independent assets or operations other than GPHC's ownership of all of GPC's outstanding common stock, and GPC's ownership of all of the outstanding common stock of Graphic Packaging International, Inc. ("GPII"). Effective as of December 31, 2015, GPC was merged into and with GPII, with GPII being the surviving company.

Basis of Presentation and Principles of Consolidation

The Company's Consolidated Financial Statements include all subsidiaries in which the Company has the ability to exercise direct or indirect control over operating and financial policies. Intercompany transactions and balances are eliminated in consolidation. Certain reclassifications have been made to prior year amounts to conform to current year presentation.

The Company holds a 50% ownership interest in a joint venture called Rengo Riverwood Packaging, Ltd. (in Japan) which is accounted for using the equity method.

Prior to May 30, 2014, the Company held an 87% ownership interest in Graphic Flexible Packaging, LLC ("GFP"), which was consolidated in the Company's financial statements. On May 30, 2014, the Company acquired the remaining 13% of GFP and sold 100% of GFP on June 30, 2014. For more information see Note 14 - Redeemable Noncontrolling Interests. The noncontrolling interest is shown in the Company's financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, pension benefits, retained insurable risks, slow-moving and obsolete inventory, allowance for doubtful accounts, useful lives for depreciation and amortization, future cash flows, discount rates and earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples associated with impairment testing of goodwill and long-term assets, fair values related to the allocation of purchase price to property, plant and equipment and intangible assets in connection with business combinations, fair value of derivative financial instruments, deferred income tax assets and potential income tax assessments, and loss contingencies.

Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit and other marketable securities with original maturities of three months or less.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accounts Receivable and Allowances

Accounts receivable are stated at the amount owed by the customer, net of an allowance for estimated uncollectible accounts, returns and allowances, and cash discounts. The allowance for doubtful accounts is estimated based on historical experience, current economic conditions and the credit worthiness of customers. Receivables are charged to the allowance when determined to be no longer collectible.

The Company has entered into various factoring and supply chain financing arrangements, which qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("the Codification"). For the years ended December 31, 2015 and 2014, the Company sold receivables under these programs totaling approximately \$129 million and \$413 million, respectively.

In 2014, the Company entered into an agreement for the purchasing and servicing of receivables, to sell, on a revolving basis, certain trade accounts receivable balances to a third party financial institution. In 2015, the Company entered into a similar agreement for the purchasing and servicing of receivables in Europe (collectively referred as the "AR Sales Agreements"). Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the FASB Codification. During 2015, under these agreements, the Company sold and derecognized approximately \$1.1 billion of receivables, of which approximately \$920 million has been collected on behalf of the financial institution, approximately \$154 million has been funded by the financial institution, resulting in deferred proceeds of approximately \$51 million as of December 31, 2015. During 2014 under the agreement, the Company sold and derecognized approximately \$231 million of receivables, of which approximately \$125 million has been collected on behalf of the financial institution, \$74 million has been funded by the financial institution, resulting in deferred proceeds of approximately \$32 million as of December 31, 2014. Cash proceeds related to the sales are included in cash from operating activities in the Consolidated Statements of Cash Flows in the Receivables, Net line item. The loss on sale is not material and is included in Other Income, Net line item.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were approximately \$282 million and \$127 million as of December 31, 2015 and 2014, respectively.

Concentration of Credit Risk

The Company's cash, cash equivalents, and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with financial institutions that management believes are of high credit quality. Accounts receivable are derived from revenue earned from customers located in the U.S. and internationally and generally do not require collateral. As of and for the years ended December 31, 2015 and 2014, no customer accounted for more than 10% of net sales.

Inventories

Inventories are stated at the lower of cost or market with cost determined principally by the first-in, first-out ("FIFO") basis. Average cost basis is used to determine the cost of supply inventories and certain raw materials. Raw materials and consumables used in the production process such as wood chips and chemicals are valued at purchase cost on a FIFO basis upon receipt. Work in progress and finished goods inventories are valued at the cost of raw material consumed plus direct manufacturing costs (such as labor, utilities and supplies) as incurred and an applicable portion of manufacturing overhead. Inventories are stated net of an allowance for slow-moving and obsolete inventory.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Betterments, renewals and extraordinary repairs that extend the life of the asset are capitalized; other repairs and maintenance charges are expensed as incurred. The Company's cost and related accumulated depreciation applicable to assets retired or sold are removed from the accounts and the gain or loss on disposition is included in income from operations.

Interest is capitalized on assets under construction for one year or longer with an estimated spending of \$1.0 million or more. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Capitalized interest was \$0.8 million, \$1.6 million and \$3.5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

The Company assesses its long-lived assets, including certain identifiable intangibles, for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. To analyze recoverability, the Company projects future cash flows, undiscounted and before interest, over the remaining life of such assets. If these projected cash flows are less than the carrying amount, an impairment would be recognized, resulting in a write-down of assets with a corresponding charge to earnings. The impairment loss is measured based upon the difference between the carrying amount and the fair value of the assets. The Company assesses the appropriateness of the useful life of its long-lived assets periodically.

Depreciation and Amortization

Depreciation is computed using the straight-line method based on the following estimated useful lives of the related assets:

Buildings	40 years
Land improvements	15 years
Machinery and equipment	3 to 40 years
Furniture and fixtures	10 years
Automobiles, trucks and tractors	3 to 5 years

Depreciation expense, including the depreciation expense of assets under capital leases, for 2015, 2014 and 2013 was \$227.6 million, \$221.6 million and \$232.5 million, respectively.

Intangible assets with a determinable life are amortized on a straight-line or accelerated basis over their useful lives. The amortization expense for each intangible asset is recorded in the Consolidated Statements of Operations according to the nature of that asset.

Goodwill is the Company's only intangible asset not subject to amortization at December 31, 2015 and 2014. The following table displays the intangible assets that continue to be subject to amortization and aggregate amortization expense as of December 31, 2015 and 2014:

<i>In millions</i>	December 31, 2015			December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable Intangible Assets:						
Customer Relationships	\$ 627.2	\$ (269.0)	\$ 358.2	\$ 579.5	\$ (226.1)	\$ 353.4
Patents, Trademarks and Licenses	119.5	(91.0)	28.5	115.4	(83.2)	32.2
Total	\$ 746.7	\$ (360.0)	\$ 386.7	\$ 694.9	\$ (309.3)	\$ 385.6

The Company recorded amortization expense for the years ended December 31, 2015, 2014 and 2013 of \$52.9 million, \$48.4 million and \$44.9 million, respectively, relating to intangible assets subject to amortization. The Company expects amortization expense to be approximately \$46 million and \$43 million for 2016 and 2017, respectively, and approximately \$40 million for 2017 through 2019.

Goodwill

The Company tests goodwill for impairment annually as of October 1, as well as whenever events or changes in circumstances suggest that the estimated fair value of a reporting unit may no longer exceed its carrying amount.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company tests goodwill for impairment at the reporting unit level, which is an operating segment or a level below an operating segment, which is referred to as a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component. However, two or more components of an operating segment are aggregated and deemed a single reporting unit if the components have similar economic characteristics.

Potential goodwill impairment is measured at the reporting unit level by comparing the reporting unit's carrying amount (including goodwill), to the fair value of the reporting unit. The estimated fair value of each reporting unit is determined by utilizing a discounted cash flow analysis based on the Company's forecasts, discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of EBITDA. If the carrying amount of a reporting unit exceeds its estimated fair value, goodwill is considered potentially impaired. In determining fair value, management relies on and considers a number of factors, including but not limited to, operating results, business plans, economic projections, forecasts including future cash flows, and market data and analysis, including market capitalization. The assumptions we use are based on what we believe a hypothetical market participant would use in estimating fair value. Fair value determinations are sensitive to changes in the factors described above. There are inherent uncertainties related to these factors and judgments in applying them to the analysis of goodwill impairment.

The Company performed a quantitative impairment analysis of goodwill associated with each of its reporting units as of October 1, 2015 and concluded that the fair values were in excess of the carrying values of each of the reporting units and therefore goodwill was not impaired.

The following is a rollforward of goodwill by reportable segment:

<i>In millions</i>	Paperboard Mills	Americas Paperboard Packaging	Europe Paperboard Packaging	Flexible Packaging	Total
Balance at December 31, 2013	\$ 408.5	\$ 692.5	\$ 16.2	\$ 8.2	\$ 1,125.4
Disposal of Business	—	(47.2)	—	(8.2)	(55.4)
Acquisition of Businesses	—	—	51.9	—	51.9
Foreign Currency Effects	—	(1.2)	(2.6)	—	(3.8)
Balance at December 31, 2014	\$ 408.5	\$ 644.1	\$ 65.5	\$ —	\$ 1,118.1
Acquisition of Businesses	—	55.6	—	—	55.6
Foreign Currency Effects	—	(1.4)	(4.5)	—	(5.9)
Balance at December 31, 2015	\$ 408.5	\$ 698.3	\$ 61.0	\$ —	\$ 1,167.8

Retained Insurable Risks

It is the Company's policy to self-insure or fund a portion of certain expected losses related to group health benefits and workers' compensation claims. Provisions for expected losses are recorded based on the Company's estimates, on an undiscounted basis, of the aggregate liabilities for known claims and estimated claims incurred but not reported.

Asset Retirement Obligations

Asset retirement obligations are accounted for in accordance with the provisions of the *Asset Retirement and Environmental Obligations* topic of the FASB Codification. A liability and asset are recorded equal to the present value of the estimated costs associated with the retirement of long-lived assets where a legal or contractual obligation exists and the liability can be reasonably estimated. The liability is accreted over time and the asset is depreciated over the remaining life of the asset. Upon settlement of the liability, the Company will recognize a gain or loss for any difference between the settlement amount and the liability recorded. Asset retirement obligations with indeterminate settlement dates are not recorded until such time that a reasonable estimate may be made.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

International Currency

The functional currency of the international subsidiaries is the local currency for the country in which the subsidiaries own their primary assets. The translation of the applicable currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average exchange rate during the period. Any related translation adjustments are recorded directly to a separate component of Graphic Packaging Holding Company Shareholders' Equity, unless there is a sale or substantially complete liquidation of the underlying foreign investments.

The Company pursues a currency hedging program which utilizes derivatives to reduce the impact of foreign currency exchange fluctuations on its consolidated financial results. Under this program, the Company has entered into forward exchange contracts in the normal course of business to hedge certain foreign currency denominated transactions. Realized and unrealized gains and losses on these forward contracts are included in the measurement of the basis of the related foreign currency transaction when recorded.

Revenue Recognition

The Company recognizes revenue when all of the following criteria are met: persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the Company's price to the buyer is fixed or determinable and collectability is reasonably assured. Delivery is not considered to have occurred until the customer takes title and assumes the risks and rewards of ownership.

The timing of revenue recognition is largely dependent on the location of title transfer which is normally either at our plant (shipping point) or upon arrival at our customer's plant (destination). The Company recognizes revenues on its annual and multi-year carton supply contracts as the shipment occurs in accordance with the title transfer discussed above.

Discounts and allowances are comprised of trade allowances and rebates, cash discounts and sales returns. Cash discounts and sales returns are estimated using historical experience. Trade allowances are based on the estimated obligations and historical experience. Customer rebates are determined based on contract terms and are recorded at the time of sale.

Shipping and Handling

The Company includes shipping and handling costs in Cost of Sales.

Research and Development

Research and development costs, which relate primarily to the development and design of new packaging machines and products and are recorded as a component of Selling, General and Administrative expenses, are expensed as incurred. Expenses for the years ended December 31, 2015, 2014 and 2013 were \$13.8 million, \$14.9 million and \$16.8 million, respectively.

Restructuring and Other Special Charges, Net

The following table summarizes the transactions recorded in Restructuring and Other Special Charges in the Consolidated Statements of Operations as of December 31:

<i>In millions</i>	2015	2014	2013
Loss (Gain) on Sale or Closure of Certain Assets	\$ 1.9	\$ 180.1	\$ (17.9)
Net Charges Associated with Business Combinations	14.0	12.4	29.2
Other Special Charges	6.1	5.1	1.8
Total	\$ 22.0	\$ 197.6	\$ 13.1

On October 1, 2015, the Company acquired the converting assets of Staunton, VA-based Carded Graphics, LLC. ("Carded"), an award winning folding carton producer with a strong regional presence in the food, craft beer and other consumer product markets.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

On February 4, 2015, the Company completed the acquisition of certain assets of Cascades Norampac Division ("Cascades") in Canada. Cascades services the food and beverage markets and operates three folding carton converting facilities located in Cobourg, Ontario, Mississauga, Ontario and Winnipeg, Manitoba along with a thermo mechanical pulp mill located in Jonquiere, Quebec and a coated recycled board mill located in East Angus, Quebec. The Jonquiere mill was shutdown in the third quarter of 2015.

On January 2, 2015, the Company acquired Rose City Printing and Packaging Inc. ("Rose City") through the purchase of all of the issued and outstanding stock of its parent company, Rose City Holding Company. Rose City services food and beverage markets and operates two folding carton converting facilities located in Gresham, OR and Vancouver, WA.

The Carded, Cascades, and Rose City transactions are all referred to collectively as the "North American Acquisitions" and charges associated with the North American Acquisitions are included in Net Charges Associated with Business Combinations in the table above. For more information regarding these acquisitions see Note 4 - Acquisitions.

In connection with the Company's strategy to focus on core assets, on June 30, 2014, the Company completed the sale of its multi-wall bag business. The financial impact of this transaction is reflected in Loss (Gain) on Sale or Closure of Certain Assets in the above table.

On May 23, 2014, the Company completed its acquisition of Benson Box Holdings Limited ("Benson"), a leading food, beverage, and retail packaging company in the United Kingdom. Charges associated with the acquisition are reflected in Net Charges Associated with Business Combinations in the above table. For more information regarding the acquisition of Benson see Note 4 - Acquisitions.

On February 3, 2014, the Company completed the sale of its labels business. The financial impact of this transaction is reflected in Loss (Gain) on Sale or Closure of Certain Assets in the above table.

On September 30, 2013, the Company completed the sale of certain assets related to the flexible plastics business and the sale of its uncoated-recycled board ("URB") mill. The Company had previously announced the closure of its Brampton, Ontario facility which was also part of the flexible plastics business. This facility was sold in December 2013. The financial impacts of these transactions are reflected as Loss (Gain) on Sale or Closure of Certain Assets in the above table.

Capital Allocation Plan, Equity Offerings and Share Repurchases

Capital Allocation Plan

On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow management to purchase up to \$250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. During 2015, the Company repurchased 4.6 million shares, or approximately \$63 million, of its common stock under this program at an average price of \$13.60.

On February 4, 2015, May 20, 2015, July 30, 2015 and November 19, 2015, the Company's board of directors declared a regular quarterly dividend of \$0.05 per common share. During 2015, the Company declared and paid cash dividends of approximately \$66 million and \$49 million, respectively.

Equity Offerings

During the first and second quarters of 2014, certain shareholders of the Company sold approximately 30 million and 43.7 million shares of common stock into two secondary public offerings at \$9.85 and \$10.45 per share, respectively. The shares were sold by certain affiliates of TPG Capital, L.P. (the "TPG Entities"), certain Coors family trusts and the Adolph Coors Foundation (the "Coors Family Stockholders"), Clayton, Dubilier & Rice Fund V Limited Partnership (the "CD&R Fund") and Old Town, S.A. ("Old Town"), ("Old Town", and together with the TPG Entities, the Coors Family Stockholders, the Adolph Coors Foundation,

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

and the CD&R Fund, the "Selling Stockholders"). Following the completion of the offering in the second quarter, these Selling Stockholders no longer hold shares of the common stock.

Adoption of New Accounting Standards

In November 2015, the FASB issued Accounting Standard Update ("ASU") No. 2015-17, "*Balance Sheet Classification of Deferred Taxes*", an update to ASC 740, Income Taxes ("Update"). Current GAAP requires an entity to separate deferred income tax assets and liabilities into current and noncurrent amounts in a classified statement of financial position. To simplify the presentation of deferred income taxes, the amendments in this Update require that deferred tax assets and liabilities be classified as noncurrent in a classified statement of financial position. The current requirement that deferred tax assets and liabilities of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this Update. For public business entities, the amendments in this Update are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Board also decided to permit earlier application by all entities as of the beginning of any interim or annual reporting period. The Board further provides that this Update may be applied to all deferred tax assets and liabilities retrospectively to all periods presented. The Company chose to adopt the Update retrospectively for the year ended December 31, 2015 and reclassified \$0.1 million and \$177.1 million from net current deferred income tax assets to net non-current deferred tax assets and net non-current deferred income tax liabilities, respectively, as of December 31, 2014.

Effective December 31, 2015, the Company adopted ASU No. 2015-03, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* (ASU No. 2015-03). The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-3 does not change the recognition and measurement requirements for debt issuance costs. The provisions of ASU 2015-03 were applied retrospectively and resulted in the reclassification of \$16.6 million of deferred debt issuance costs related to the Company's Senior Notes and Senior Secured Term Loan facilities (see Note 5- Debt) from Other Assets to Long-Term Debt for the years ended December 31, 2014. The deferred debt issuance costs associated with the Senior Secured Revolving Credit facilities are recorded in Other Assets.

Accounting Standards Not Yet Adopted

On September 28, 2015, the FASB issued ASU No. 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*. The amendments in this ASU eliminate the requirement to retrospectively account for provisional amounts recognized in a business combination. The amendments are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments should be applied prospectively to adjustments to provisional amounts that occur after the effective date with earlier application permitted for financial statements that have not been issued. The adoption will not impact the Company's financial position, results of operations and cash flows.

On July 23, 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. This amendment replaces the current method of measuring inventories at lower of cost or market with a lower of cost and net realizable value method. The amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of adoption on the Company's financial position, results of operations and cash flows.

On May 28, 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. Adoption of ASU No. 2014-09 requires that an entity recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB deferred the effective date by one year to December 15, 2017 for interim and annual reporting periods beginning after that date and permitted early adoption of the standard but not before the original effective date of December 15, 2016. The Company is currently evaluating the impact of adoption on the Company's financial position, results of operations and cash flows.

On June 19, 2014, the FASB issued ASU No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*. The amendments in the ASU clarify the proper method of accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. ASU 2014-12 is effective for all entities for annual periods beginning after December 15, 2015 and interim period within those annual periods and early adoption is permitted. The Company is currently evaluating the impact of adoption on the Company's financial position, results of operations and cash flows.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 2. SUPPLEMENTAL BALANCE SHEET DATA

The following tables provide disclosure related to the components of certain line items included in our consolidated balance sheets.

Receivables, Net:

<i>In millions</i>	2015	2014
Trade	\$ 344.3	\$ 352.7
Less: Allowance	(7.5)	(6.3)
	336.8	346.4
Other ⁽¹⁾	87.1	67.2
Total	\$ 423.9	\$ 413.6

⁽¹⁾ Includes a receivable of approximately \$51 million and \$32 million for 2015 and 2014, respectively, from the financial institution per the AR Sales Agreements, which is a Level 3 fair value measurement.

Inventories, Net by major class:

<i>In millions</i>	2015	2014
Finished Goods	\$ 265.5	\$ 260.2
Work in Progress	50.4	52.9
Raw Materials	163.0	139.0
Supplies	78.2	69.7
Total	\$ 557.1	\$ 521.8

Other Current Assets:

<i>In millions</i>	2015	2014
Prepaid Assets	\$ 30.5	\$ 30.1
Fair Value of Derivatives, current portion	0.4	1.9
Total	\$ 30.9	\$ 32.0

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Property, Plant and Equipment, Net:

<i>In millions</i>	2015	2014
Property, Plant and Equipment, at Cost:		
Land and Improvements	\$ 101.9	\$ 100.9
Buildings	379.7	378.3
Machinery and Equipment ⁽²⁾	3,844.3	3,612.0
Construction-in-Progress	156.4	81.2
	4,482.3	4,172.4
Less: Accumulated Depreciation ⁽²⁾	(2,895.9)	(2,625.6)
Total	\$ 1,586.4	\$ 1,546.8

⁽²⁾ Includes gross assets under capital lease of \$8.8 million and related accumulated depreciation of \$4.1 million as of December 31, 2015 and gross assets under capital lease of \$8.8 million and related accumulated depreciation of \$3.4 million as of December 31, 2014.

Other Assets:

<i>In millions</i>	2015	2014
Deferred Debt Issuance Costs, Net of Amortization of \$7.7 million and \$6.0 million for 2015 and 2014, respectively ⁽³⁾	\$ 6.1	\$ 7.8
Deferred Income Tax Assets	3.6	7.5
Pension Assets	10.4	0.1
Long-term Receivables	9.4	10.2
Other	18.9	12.5
Total	\$ 48.4	\$ 38.1

⁽³⁾ See Note- 1 Nature of Business and Summary of Significant Accounting Policies.

Other Accrued Liabilities:

<i>In millions</i>	2015	2014
Fair Value of Derivatives, current portion	\$ 14.2	\$ 15.5
Deferred Revenue	19.5	15.1
Accrued Customer Rebates	6.6	6.7
Other	68.5	54.3
Total	\$ 108.8	\$ 91.6

Other Noncurrent Liabilities:

<i>In millions</i>	2015	2014
Deferred Revenue	\$ 6.1	\$ 5.7
Multi-employer Plans	30.5	30.9
Workers Compensation Reserve	11.6	12.9
Other	21.1	28.6
Total	\$ 69.3	\$ 78.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 3. SUPPLEMENTAL CASH FLOW INFORMATION

Cash Flow Used in Operations Due to Changes in Operating Assets and Liabilities, net of acquisitions and dispositions:

<i>In millions</i>	2015	2014	2013
Receivables, Net	\$ (1.5)	\$ (25.5)	\$ 49.3
Inventories, Net	(19.7)	(50.4)	(39.5)
Prepaid Expenses	0.1	4.8	(11.4)
Other Assets	(12.4)	9.2	(3.8)
Accounts Payable	12.7	13.3	(13.9)
Compensation and Employee Benefits	(1.9)	9.6	(20.8)
Income Taxes	0.9	9.0	1.1
Interest Payable	(1.1)	(7.4)	21.9
Other Accrued Liabilities	(3.9)	(6.3)	(1.1)
Other Noncurrent Liabilities	7.8	3.5	(4.1)
Total	\$ (19.0)	\$ (40.2)	\$ (22.3)

Cash paid for interest and cash paid, net of refunds, for income taxes was as follows:

<i>In millions</i>	2015	2014	2013
Interest	\$ 60.9	\$ 79.1	\$ 89.6
Income Taxes	\$ 11.2	\$ 12.2	\$ 12.1

NOTE 4. ACQUISITIONS

On October 1, 2015, the Company completed the acquisition of Carded. Based in Staunton, VA, Carded's state-of-the-art converting facility produces award winning folding cartons and has a strong regional presence in the food, craft beer and other consumer product markets.

On February 4, 2015, the Company completed the acquisition of certain assets of Cascades Norampac Division ("Cascades") in Canada. Cascades services the food and beverage markets and operated three folding carton converting facilities located in Cobourg, Ontario, Mississauga, Ontario and Winnipeg, Manitoba along with a thermo mechanical pulp mill located in Jonquiere, Quebec and a coated recycled board mill located in East Angus, Quebec. The Jonquiere mill was shutdown in the third quarter of 2015.

On January 2, 2015, the Company acquired Rose City through the purchase of all of the issued and outstanding stock of its parent company, Rose City Holding Company. Rose City services food and beverage markets and operates two folding carton converting facilities located in Gresham, OR and Vancouver, WA. The Cascades, Rose City, and Carded Graphics transactions are referred to collectively as the "North American Acquisitions."

The Company paid approximately \$164 million for the North American Acquisitions using existing cash and borrowings under its revolving line of credit. The acquisition accounting for the North American Acquisitions has been preliminarily allocated to the assets acquired and liabilities assumed based on the estimated fair values as of the purchase dates and is subject to adjustments in subsequent periods once the third party valuations are completed. Management believes that the purchase price attributable to goodwill represents the benefits expected as the acquisitions were made to continue to grow the North American food and beverage business, integrate paperboard from the Company's mills and to further optimize the Company's supply chain footprint.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company does not expect the goodwill recorded in connection with the Rose City acquisition to be deductible for tax purposes. The purchase price allocation is as follows:

<i>In millions</i>	Amounts Recognized as of Acquisition Date	Measurement Period Adjustments	Amounts Recognized as of Acquisition Date (as adjusted)
Purchase Price	\$ 168.5	\$ (4.3)	\$ 164.2
<i>In millions</i>			
Cash and Cash Equivalents	\$ 1.0	\$ —	\$ 1.0
Receivables, Net	27.5	—	27.5
Inventories, Net	37.4	(7.3)	30.1
Other Current Assets	1.3	—	1.3
Property, Plant and Equipment, Net	69.8	(28.2)	41.6
Pension Asset	2.5	0.9	3.4
Other Assets	7.7	46.6	54.3
Total Assets Acquired	147.2	12.0	159.2
Current Liabilities	27.3	—	27.3
Pension and Postretirement Benefits	5.7	(0.4)	5.3
Deferred Tax Liabilities	5.1	10.8	15.9
Other Noncurrent Liabilities	2.1	—	2.1
Total Liabilities Assumed	40.2	10.4	50.6
Net Assets Acquired	107.0	1.6	108.6
Goodwill	61.5	(5.9)	55.6
Total Estimated Fair Value of Net Assets Acquired	\$ 168.5	\$ (4.3)	\$ 164.2

On May 23, 2014, the Company acquired Benson. Under the terms of the transaction, the Company paid \$190.7 million in an all cash transaction funded with existing cash and borrowings under the Company's revolving line of credit. Benson operated four folding carton facilities that converted approximately 80,000 tons of paperboard annually into folding cartons for the food, beverage and retail product industries. This transaction is herein referred to as the "Benson Acquisition."

NOTE 5. DEBT

Short-Term Debt is comprised of the following:

<i>In millions</i>	2015	2014
Short Term Borrowings	\$ 10.8	\$ 5.6
Current Portion of Capital Lease Obligations	0.8	1.6
Current Portion of Long-Term Debt	25.0	25.0
Total	\$ 36.6	\$ 32.2

Short-term borrowings are principally at the Company's international subsidiaries. The weighted average interest rate on short-term borrowings as of December 31, 2015 and 2014 was 9.2% and 8.1%, respectively.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Long-Term Debt is comprised of the following:

<i>In millions</i>	2015	2014
Senior Notes with interest payable semi-annually at 4.95%, payable in 2022	\$ 250.0	\$ 250.0
Senior Notes with interest payable semi-annually at 4.80%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (1.7% at December 31, 2015) payable through 2019	975.0	1,000.0
Senior Secured Revolving Credit Facilities with interest payable at floating rates (1.9% at December 31, 2015) payable in 2019(a)	224.8	288.4
Capital Lease Obligations	1.8	3.1
Other	1.8	2.2
	1,878.4	1,968.7
Less: Current Portion	25.8	26.6
	1,852.6	1,942.1
Less: Unamortized Deferred Debt Issuance Costs ^(a)	13.7	16.6
Total	\$ 1,838.9	\$ 1,925.5

^(a) As of December 31, 2015, the Company adopted ASU No. 2015-03 *Interest-Imputation of Interest* (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The adoption required debt issue costs previously reported in Other Assets to be presented as a direct reduction in Total Debt. For more information see Note 1 - Nature of Business and Summary of Significant Accounting Policies.

Long-Term Debt maturities (excluding capital leases) are as follows:

<i>In millions</i>	
2016	\$ 25.0
2017	25.8
2018	125.8
2019	1,024.8
2020	0.1
After 2020	675.1
Total	\$ 1,876.6

Senior Notes

On April 2, 2013, the Company completed the issuance and sale of \$425 million aggregate principal amount of its 4.75% Senior Notes due 2021. In connection with the new notes, the Company recorded deferred financing cost of approximately \$7.2 million.

During June of 2013, the Company redeemed 100% of the \$425 million aggregate principal of its 9.5% Senior Notes due in 2017. The bonds were redeemed at a price of 104.75%. The early redemption premium, unamortized issue premium and discount, and unamortized deferred financing costs of \$25.9 million are reflected as Loss on Modification or Extinguishment of Debt in the Company's Consolidated Statement of Operations.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

During November, 2014 the Company completed the issuance and sale of \$250 million aggregate principal amount of 4.875% Notes due 2022. The Company also redeemed 100% of \$250.0 million aggregate principal of its 7.875% Senior Notes due in 2018. The bonds were redeemed at a price of 103.94%. In conjunction with both of these transactions, \$12.1 million of fees were expensed and are reflected as Loss on Modification or Extinguishment of Debt in the Company's Consolidated Statement of Operations. The remaining fees of \$4.4 million were deferred and are being amortized using the effective interest method until maturity.

Credit Facilities

The following describes the Senior Secured Term Loan and Revolving Credit Facilities:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Date	Document ^(a)	Provision	Expiration	Accounting
March 2012	Amended and Restated Credit Agreement	<ul style="list-style-type: none"> □ \$1.0 billion revolving credit facility □ \$1.0 billion amortizing term loan facility □ LIBOR plus variable spread (between 175 basis points and 275 basis points) depending on consolidated total leverage ratio 	March 2017	<ul style="list-style-type: none"> □ Charge of \$8.9 million recorded in Loss on Modification or Extinguishment of Debt
December 2012	Amendment No. 1 to Credit Agreement	<ul style="list-style-type: none"> □ \$300 million incremental term loan 	March 2017	<ul style="list-style-type: none"> □ Charge of \$2.1 million recorded in Loss on Modification or Extinguishment of Debt □ Deferred fees of \$3.1 million will be amortized
September 2013	Amendment No. 2 to Credit Agreement	<ul style="list-style-type: none"> □ Added €75 million (approximately \$100 million) revolving credit facility for borrowings in Euro and Pound Sterling and a ¥2.5 billion (approximately \$25 million) revolving credit facility for borrowings in Yen. LIBOR plus variable spread (between 150 basis points and 250 basis points) depending on consolidated total leverage ratio 	September 2018	<ul style="list-style-type: none"> □ Charge of \$1.2 million recorded in Loss on Modification or Extinguishment of Debt □ Deferred fees of \$2.2 million will be amortized
June 2014	Amendment No. 3 to Credit Agreement	<ul style="list-style-type: none"> □ Increased revolving credit facility under which borrowings can be made in Euros or Sterling by €63 million (approximately \$86 million) 	September 2018	<ul style="list-style-type: none"> □ Deferred Fees of \$0.2 million will be amortized
October 2014	Second Amended and Restated Credit Agreement	<ul style="list-style-type: none"> □ Increased the domestic revolving credit facility by \$250 million and reduced the term loan by approximately \$169 million. LIBOR plus variable spread (between 125 basis points and 225 basis points) depending on consolidated total leverage ratio 	October 2019	<ul style="list-style-type: none"> □ Charge of \$2.3 million recorded in Loss on Modification or Extinguishment of Debt □ Deferred fees of \$2.4 million will be amortized

^(a) The Company's obligations under the Credit Agreement are secured by substantially all of the Company's domestic assets.

At December 31, 2015, the Company and its U.S. and international subsidiaries had the following commitments, amounts outstanding and amounts available under revolving credit facilities:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

<i>In millions</i>	Total Commitments	Total Outstanding	Total Available
Senior Secured Domestic Revolving Credit Facility ^(b)	\$ 1,250.0	\$ 149.6	\$ 1,076.7
Senior Secured International Revolving Credit Facility	170.7	75.2	95.5
Other International Facilities	21.5	12.6	8.9
Total	\$ 1,442.2	\$ 237.4	\$ 1,181.1

^(b)In accordance with its debt agreements, the Company's availability under its Revolving Credit Facility has been reduced by the amount of standby letters of credit issued of \$23.7 million as of December 31, 2015. These letters of credit are primarily used as security against its self-insurance obligations and workers' compensation obligations. These letters of credit expire through mid- 2018 unless extended.

The Credit Agreement and the indentures governing the 4.75% Senior Notes due 2021 and 4.875% Senior Notes due 2022 (the "Indentures") limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Credit Agreement and the Indentures, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the Indenture, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

As of December 31, 2015, the Company was in compliance with the covenants in the Credit Agreement and the Indentures.

NOTE 6. STOCK INCENTIVE PLANS

The Company has one active equity compensation plan from which new grants may be made, the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the "2014 Plan"). Under the 2014 Plan, the Company may grant stock options, stock appreciation rights, restricted stock, restricted stock units ("RSU's") and other types of stock-based and cash awards. Prior to the approval of the 2014 Plan and the expiration of the Graphic Packaging Holding Company Amended and Restated 2004 Stock and Incentive Compensation Plan (the "2004 Plan") in 2014, the Company made all new grants under the 2004 Plan. Awards under the 2004 Plan and the 2014 Plan generally vest and expire in accordance with terms established at the time of grant. Shares issued pursuant to awards under the 2004 Plan and 2014 Plan are from the Company's authorized but unissued shares. Compensation costs are recognized on a straight-line basis over the requisite service period of the award.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Stock Options

The Company has not granted any stock options since 2004. As of December 31, 2015 and December 31, 2014, there were no options outstanding.

A summary of the most recent option activity is as follows:

	Options	Weighted Average Exercise Price
Outstanding — December 31, 2012	2,751,163	\$ 8.01
Exercised	(1,756,629)	6.66
Canceled	(994,534)	10.40
Outstanding — December 31, 2013	—	\$ —

During 2013, the intrinsic value of options exercised was \$2.1 million.

Stock Awards, Restricted Stock and Restricted Stock Units

Under the 2014 Plan and 2004 Plan, all RSUs generally vest and become payable in three years from date of grant. RSUs granted to employees generally contain performance conditions based on various financial targets and service requirements that must be met for the shares to vest. Since 2011, RSU's granted are payable solely in shares of common stock upon vesting. Stock awards granted to non-employee directors as part of their compensation for service on the Board are unrestricted on the grant date.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Data concerning RSUs and stock awards granted in the years ended December 31:

	2015		2014		2013
RSUs — Employees	1,751,823		2,153,885		3,335,039
Weighted-average grant date fair value	\$ 13.28	\$	10.22	\$	7.34
Stock Awards — Board of Directors	54,120		77,139		103,842
Weighted-average grant date fair value	\$ 14.78	\$	10.50	\$	7.80

A summary of the changes in the number of unvested RSUs from December 31, 2012 to December 31, 2015 is presented below:

	Shares	Weighted Average Grant Date Fair Value
Outstanding — December 31, 2012	12,310,287	\$ 4.63
Granted	3,335,039	7.34
Released	(5,299,116)	3.94
Forfeited	(510,077)	5.94
Outstanding — December 31, 2013	9,836,133	\$ 5.86
Granted	2,153,885	10.22
Released	(3,619,979)	5.18
Forfeited	(756,341)	7.45
Outstanding — December 31, 2014	7,613,698	\$ 7.20
Granted	1,751,823	13.28
Released	(3,657,373)	5.45
Forfeited	(268,560)	9.32
Outstanding — December 31, 2015	5,439,588	\$ 10.22

The initial value of the RSUs is based on the market value of the Company's common stock on the date of grant. RSUs are recorded in Stockholders' Equity. The unrecognized expense at December 31, 2015 is approximately \$26 million and is expected to be recognized over a weighted average period of 2 years.

The value of stock awards granted to the Company's directors are based on the market value of the Company's common stock on the date of grant. These awards are unrestricted on the date of grant.

During 2015, 2014 and 2013, \$20.4 million, \$18.7 million and \$19.0 million, respectively, were charged to compensation expense for stock incentive plans. Prior to 2011, RSUs granted were payable in cash and shares of common stock based on the proportion set forth in the grant agreement. During 2013 cash payments for share-based liabilities were \$13.3 million.

During 2015, 2014, and 2013, RSUs with an aggregate fair value of \$56.1 million, \$38.1 million and \$27.3 million, respectively, vested and were paid out. Approximately two-thirds of the amounts paid out in 2013 were payable in shares of common stock and one-third was payable in cash. The RSUs vested and paid out in 2015 were granted primarily during 2012.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 7. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

DEFINED BENEFIT PLANS

The Company maintains both defined benefit pension plans and postretirement health care plans that provide medical and life insurance coverage to eligible salaried and hourly retired employees in North America and their dependents. The Company maintains international defined benefit pension plans which are both noncontributory and contributory and are funded in accordance with applicable local laws. Pension or termination benefits are based primarily on years of service and the employees' compensation.

Currently, the North American plans are closed to newly-hired employees. Effective July 1, 2011, the North American plans were frozen for most salaried and non-union hourly employees and replaced with a defined contribution plan. During 2015, the remaining union plans were closed to newly-hired employees. The Company assumed defined benefit pension and postretirement benefit plans in the Cascades acquisition. These plans are closed to newly-hired employees.

During the fourth quarter of 2015, the Company partially settled obligations of certain of its defined benefit pension plans through lump sum payments to certain term-vested employees who were not currently receiving a monthly benefit. Term-vested employees whose future pension benefits were above an established threshold had the option to either accept the lump sum offer or continue to be entitled to their future monthly benefit. The impact of acceptance reduced the projected benefit obligation by \$34.7 million and required cash payments from existing plan assets of \$34.6 million.

During 2015, the Company settled obligations of a defined benefit plan associated with the Brampton, Ontario facility which was closed. The settlements resulted from lump sum payments to plan participants or the purchase of annuities.

During the fourth quarter of 2014, the Company also partially settled obligations of certain of its defined benefit pension plans through lump sum payments. The impact of acceptance reduced the projected benefit obligation by \$42.0 million, required cash payment from existing plan assets of \$40.2 million and resulted in a settlement charge of \$0.8 million.

Pension and Postretirement Expense

The pension and postretirement expenses related to the Company's plans consisted of the following:

<i>In millions</i>	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
	2015	2014	2013	2015	2014	2013
Components of Net Periodic Cost:						
Service Cost	\$ 12.8	\$ 12.6	\$ 16.3	\$ 1.0	\$ 1.2	\$ 1.2
Interest Cost	54.8	57.9	52.2	1.7	2.2	2.0
Expected Return on Plan Assets	(74.4)	(79.8)	(68.0)	—	—	—
Amortization:						
Prior Service Cost (Credit)	0.7	0.7	0.7	(0.3)	(0.3)	(0.4)
Actuarial Loss (Gain)	19.7	13.2	36.1	(1.6)	(1.0)	(1.1)
Net Curtailment/Settlement Loss	1.5	0.8	—	—	—	—
Special Termination Benefit	—	—	1.2	—	—	—
Other	0.9	0.6	0.7	—	—	—
Net Periodic Cost	\$ 16.0	\$ 6.0	\$ 39.2	\$ 0.8	\$ 2.1	\$ 1.7

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Certain assumptions used in determining the pension and postretirement expenses were as follows:

	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
	2015	2014	2013	2015	2014	2013
Weighted Average Assumptions:						
Discount Rate	4.02%	4.86%	4.20%	3.95%	4.74%	3.97%
Rate of Increase in Future Compensation Levels	1.45%	1.88%	2.03%	—	—	—
Expected Long-Term Rate of Return on Plan Assets	6.81%	7.69%	7.60%	—	—	—
Initial Health Care Cost Trend Rate	—	—	—	7.38 %	7.50%	9.00%
Ultimate Health Care Cost Trend Rate	—	—	—	4.96%	4.77%	4.50%
Ultimate Year	—	—	—	2036	2027	2023

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Funded Status

The following table sets forth the funded status of the Company's pension and postretirement plans as of December 31:

<i>In millions</i>	Pension Benefits		Postretirement Benefits	
	2015	2014	2015	2014
Change in Benefit Obligation:				
Benefit Obligation at Beginning of Year	\$ 1,366.7	\$ 1,218.9	\$ 43.6	\$ 47.9
Service Cost	12.8	12.6	1.0	1.2
Interest Cost	54.8	57.9	1.7	2.2
Actuarial Loss (Gain)	(84.3)	189.1	(5.4)	(5.7)
Foreign Currency Exchange	(16.9)	(17.8)	(0.2)	—
Settlement/Curtailment Gain	(0.4)	(1.8)	—	—
Settlements	(61.1)	(40.2)	—	—
Benefits Paid	(55.9)	(52.5)	(2.8)	(2.2)
Acquisition	22.4	—	2.9	—
Other	0.9	0.5	—	0.2
Benefit Obligation at End of Year	\$ 1,239.0	\$ 1,366.7	\$ 40.8	\$ 43.6
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	\$ 1,092.8	\$ 1,065.7	\$ —	\$ —
Actual Return on Plan Assets	3.0	82.9	—	—
Employer Contributions	53.4	52.2	2.8	2.2
Foreign Currency Exchange	(15.2)	(15.3)	—	—
Benefits Paid	(55.9)	(52.5)	(2.8)	(2.2)
Acquisition	21.7	—	—	—
Settlements	(61.1)	(40.2)	—	—
Other	0.2	—	—	—
Fair Value of Plan Assets at End of Year	\$ 1,038.9	\$ 1,092.8	\$ —	\$ —
Plan Assets Less than Projected Benefit Obligation	\$ (200.1)	\$ (273.9)	\$ (40.8)	\$ (43.6)
Amounts Recognized in the Consolidated Balance Sheets Consist of:				
Pension Assets	\$ 10.4	\$ 0.1	\$ —	\$ —
Accrued Pension and Postretirement Benefits Liability — Current	\$ (1.2)	\$ (2.1)	\$ (2.8)	\$ (2.7)
Accrued Pension and Postretirement Benefits Liability — Noncurrent	\$ (209.3)	\$ (271.9)	\$ (38.0)	\$ (40.9)
Accumulated Other Comprehensive Income:				
Net Actuarial Loss (Gain)	\$ 286.6	\$ 322.7	\$ (20.1)	\$ (16.5)
Prior Service Cost (Credit)	\$ 2.3	\$ 2.9	\$ (1.6)	\$ (1.9)
Weighted Average Calculations:				
Discount Rate	4.41 %	4.02 %	4.29 %	3.95 %
Rates of Increase in Future Compensation Levels	1.49 %	1.45 %	—	—
Initial Health Care Cost Trend Rate	—	—	7.80 %	7.38 %
Ultimate Health Care Cost Trend Rate	—	—	4.50 %	4.96 %
Ultimate Year	—	—	2024	2036

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accumulated Benefit Obligation

The accumulated benefit obligation, (“ABO”), for all defined benefit pension plans was \$1,226.2 million and \$1,353.3 million at December 31, 2015 and 2014, respectively. All of the Company’s defined benefit pension plans had an ABO in excess of plan assets at December 31, 2015 and 2014, except one of the U.K. plans.

Employer Contributions

The Company made contributions of \$53.4 million and \$52.2 million to its pension plans during 2015 and 2014, respectively. The Company also made postretirement health care benefit payments of \$2.8 million and \$2.2 million during 2015 and 2014, respectively. For 2016, the Company expects to make contributions of \$50 to \$60 million to its pension plans and approximately \$3 million to its postretirement health care plans.

Pension Assets

The Company’s overall investment strategy is to achieve a mix of investments for long-term growth and near-term benefit payments through diversification of asset types, fund strategies and fund managers. Investment risk is measured on an on-going basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews. The plans invest in the following major asset categories: cash, equity securities, fixed income securities, real estate and diversified growth funds. At December 31, 2015 and 2014, pension investments did not include any direct investments in the Company’s stock or the Company’s debt.

The weighted average allocation of plan assets and the target allocation by asset category is as follows:

	Target	2015	2014
Cash	—%	1.1%	2.6%
Equity Securities	59.0	51.7	51.0
Fixed Income Securities	41.0	41.6	39.9
Other Investments	—	5.6	6.5
Total	100.0%	100.0%	100.0%

The plans’ investment in equity securities primarily includes investments in U.S. and international companies of varying sizes and industries. The strategy of these investments is to 1) exceed the return of an appropriate benchmark for such equity classes and 2) through diversification, reduce volatility while enhancing long term real growth.

The plans’ investment in fixed income securities includes government bonds, investment grade bonds and non-investment grade bonds across a broad and diverse issuer base. The strategy of these investments is to provide income and stability and to diversify the fixed income exposure of the plan assets, thereby reducing volatility.

The Company’s approach to developing the expected long-term rate of return on pension plan assets is based on fair values and combines an analysis of historical investment performance by asset class, the Company’s investment guidelines and current and expected economic fundamentals.

The following tables set forth, by category and within the fair value hierarchy, the fair value of the Company’s pension assets at December 31, 2015 and 2014:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Fair Value Measurements at December 31, 2015

<i>In millions</i>	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Category:				
Cash ^(a)	\$ 11.4	\$ 5.0	\$ 6.4	\$ —
Equity Securities:				
Domestic ^(a)	397.1	79.8	317.3	—
Foreign ^(a)	140.1	63.5	76.6	—
Fixed Income Securities ^(a)	431.8	172.9	258.9	—
Other Investments:				
Real estate ^(a)	22.6	22.6	—	—
Diversified growth fund ^(b)	35.9	—	—	35.9
Total	\$ 1,038.9	\$ 343.8	\$ 659.2	\$ 35.9

Fair Value Measurements at December 31, 2014

<i>In millions</i>	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Category:				
Cash ^(a)	\$ 28.8	\$ 2.3	\$ 26.5	\$ —
Equity Securities:				
Domestic ^(a)	379.8	77.7	302.1	—
Foreign ^(a)	177.7	62.8	114.9	—
Fixed Income Securities ^(a)	436.3	169.1	267.2	—
Other Investments:				
Real estate ^(a)	21.8	—	21.8	—
Diversified growth fund ^(b)	48.4	—	48.4	—
Total	\$ 1,092.8	\$ 311.9	\$ 780.9	\$ —

(a) The Level 2 investments are held in pooled funds and fair value is determined by net asset value, based on the underlying investments, as reported on the valuation date.

(b) The fund invests in a combination of traditional investments (equities, bonds, and foreign exchange), seeking to achieve returns through active asset allocation over a three to five year horizon.

A reconciliation of fair value measurements of plan assets using significant unobservable inputs (Level 3) is as follows:

<i>In millions</i>	2015
Balance Beginning of Period	\$ —
Transfers In	35.8
Return on Assets Held at December 31	0.1
Balance at December 31,	\$ 35.9

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Postretirement Health Care Trend Rate Sensitivity

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects on 2015 data:

<i>In millions</i>	One Percentage Point	
	Increase	Decrease
Health Care Cost Trend Rate Sensitivity:		
Effect on Total Interest and Service Cost Components	\$ 0.2	\$ (0.1)
Effect on Year-End Postretirement Benefit Obligation	\$ 1.8	\$ (1.6)

Estimated Future Benefit Payments

The following represents the Company's estimated future pension and postretirement health care benefit payments through the year 2025:

<i>In millions</i>	Pension Plans	Postretirement Health Care Benefits
2016	\$ 59.1	\$ 2.8
2017	62.5	3.0
2018	65.1	3.1
2019	67.8	3.2
2020	70.3	3.4
2021— 2025	383.5	16.0

Amounts in Accumulated Other Comprehensive Loss Expected to Be Recognized in Net Periodic Benefit Costs in 2016

During 2016, amounts recorded in Accumulated Other Comprehensive Loss expected to be recognized in Net Periodic Benefit Costs are as follows:

<i>In millions</i>	Pension Benefits	Postretirement Health Care Benefits
Recognition of Prior Service Cost	\$ 0.8	\$ (0.3)
Recognition of Actuarial Loss (Gain)	19.2	(2.2)

Beginning in 2016, the Company will change its methodology of calculating the service and interest costs components of pension expense from using a yield curve aggregate approach to using individual spot rates along the yield curve. Pension expense for 2016 is expected to be approximately \$15 million.

Multi-Employer Plans

Certain of the Company's employees participate in multi-employer plans that provide both pension and other postretirement health care benefits to employees under union-employer organization agreements. Expense related to ongoing participation in these plans for the years ended December 31, 2015 and 2014 was \$2.1 million and \$2.8 million, respectively.

Estimated liabilities have been established related to the partial or complete withdrawal from certain multi-employment benefit plans for facilities which have been closed. At December 31, 2015, and December 31, 2014, the Company has \$30.5 million and

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

\$30.9 million, respectively, recorded in Other Noncurrent Liabilities for these withdrawal liabilities which represents the Company's best estimate of the expected withdrawal liability.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company's remaining participation in multi-employer pension plans consists of contributions to three plans under the terms contained in collective bargaining agreements. The risks of participating in these multi-employer plans are different from single-employer plans in the following ways:

- a. Assets contributed to the multi-employers plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligation of the plan may be borne by the remaining participating employers.
- c. If a company chooses to stop participating in a multi-employer plan, a company may be required to pay that plan an amount based on the underfunded status of the plan, referred to as the withdrawal liability.

The Company recorded charges of \$4.3 million and \$1.5 million in 2014 and 2013 related to the sale of the multi-wall bag business for partial withdrawal from the Paper Industry Union - Management Pension Fund ("PIUMPF") and the complete withdrawal from the United Food and Commercial Workers International Union - Industry Pension Fund, respectively. There were no similar charges recorded for the year ended December 31, 2015. While it is not possible to quantify the potential impact of future actions, further reductions in participation or withdrawal from these multi-employer pension plans could have a material impact on the Company's results of operations, financial position, or cash flows.

The Company's participation in these plans for the year ended December 31, 2015, 2014 and 2013 is shown in the table below:

Multi-employer Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Implemented	Company Contributions (in millions)			Surcharged Imposed	Expiration Date of Bargaining Agreement
		2015	2014		2015	2014	2013		
Central States Southeast and Southwest Areas Pension Fund	36-6044243/001	Red	Red	Yes	\$ 0.1	\$ 0.1	\$ 0.1	Yes	7/31/2018
PIUMPF ⁽¹⁾	11-6166763/001	Red	Red	Yes	—	0.3	0.4	Yes	9/30/2014
Western Conference of Teamsters Pension Trust - Northwest Area	91-6145047/001	Green	Green	No	0.1	0.1	0.1	No	4/30/2017
Total					<u>\$ 0.2</u>	<u>\$ 0.5</u>	<u>\$ 0.6</u>		

⁽¹⁾ The facility associated with this plan was divested on June 30, 2014.

The EIN Number column provides the Employer Identification Number (EIN). Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2015 and 2014 is for the plan's year-end at December 31, 2014 and December 31, 2013, respectively. The zone status is based on information that the Company receives from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Implemented" column indicates plans for which a Financial Improvement Plan (FIP) or Rehabilitation Plan (RP) has been implemented. The Company's share of the contributions to these plans did not exceed 5% of total plan contributions for the most recent plan year.

DEFINED CONTRIBUTION PLANS

The Company provides defined contribution plans for certain eligible employees. The Company's contributions to the plans are based upon employee contributions, a percentage of eligible compensation, and the Company's annual operating results. Contributions to these plans for the years ended December 31, 2015, 2014 and 2013 were \$29.0 million, \$28.9 million and \$27.9 million, respectively.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 8. INCOME TAXES

The U.S. and international components of Income before Income Taxes and Equity Income of Unconsolidated Entities consisted of the following:

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
U.S.	\$ 307.6	\$ 128.0	\$ 252.0
International	51.7	4.7	(39.4)
Income before Income Taxes and Equity Income of Unconsolidated Entities	\$ 359.3	\$ 132.7	\$ 212.6

The provisions for Income Tax (Expense) Benefit on Income before Income Taxes and Equity Income of Unconsolidated Entities consisted of the following:

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
Current (Expense) Benefit:			
U.S.	\$ (7.9)	\$ (7.5)	\$ (1.4)
International	(12.5)	(4.8)	(3.3)
Total Current	\$ (20.4)	\$ (12.3)	\$ (4.7)
Deferred (Expense) Benefit:			
U.S.	(110.6)	(35.0)	(65.3)
International	0.6	1.9	2.6
Total Deferred	\$ (110.0)	\$ (33.1)	\$ (62.7)
Income Tax (Expense)	\$ (130.4)	\$ (45.4)	\$ (67.4)

A reconciliation of Income Tax (Expense) Benefit on Income before Income Taxes and Equity Income of Unconsolidated Entities at the federal statutory rate of 35% compared with the Company's actual Income Tax (Expense) Benefit is as follows:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

<i>In millions</i>	Year Ended December 31,					
	2015	Percent	2014	Percent	2013	Percent
Income Tax Expense at U.S. Statutory Rate	\$ (125.8)	35.0 %	\$ (46.4)	35.0 %	\$ (74.4)	35.0 %
U.S. State and Local Tax (Expense) Benefit	(11.4)	3.2	(5.9)	4.4	(7.7)	3.6
Goodwill Related to Dispositions	—	—	(8.6)	6.5	—	—
Capital Loss on Subsidiary Stock	—	—	—	—	5.4	(2.6)
Permanent Items	1.7	(0.5)	(4.7)	3.5	(3.5)	1.7
Change in Valuation Allowance	1.8	(0.5)	(5.1)	3.9	(15.2)	7.2
International Tax Rate Differences	2.4	(0.7)	3.5	(2.6)	2.9	(1.4)
Foreign Withholding Tax	(0.2)	0.1	(0.1)	—	(0.4)	0.2
Non taxable Excise Tax Credit Refunds	—	—	—	—	29.4	(13.8)
Change in Tax Rates	1.0	(0.3)	4.5	(3.4)	(3.6)	1.7
U.S. Federal & State Research Credits	5.5	(1.5)	20.1	(15.1)	—	—
Uncertain Tax Positions	(3.7)	1.0	(4.5)	3.4	—	—
Other	(1.7)	0.5	1.8	(1.4)	(0.3)	0.1
Income Tax (Expense) Benefit	\$ (130.4)	36.3 %	\$ (45.4)	34.2 %	\$ (67.4)	31.7 %

During the fourth quarter of 2014, the Company completed a multi-year research credit study resulting in the establishment of deferred tax assets for U.S. federal and state research tax credit carryforwards of approximately \$20.1 million, for the years ended December 31, 2011 through December 31, 2014. These research tax credit carryforwards have been reduced by \$4.5 million in accordance with the measurement criteria of the Income Taxes topic of the FASB Codification. The Company also established a valuation allowance against certain state research credit carryforwards of approximately \$5 million. During 2015, the Company established additional U.S. federal research tax credit carryforwards of approximately \$5.5 million, which have been reduced by approximately \$1.5 million, in accordance with the measurement criteria of the Income Taxes topic of the FASB Codification.

During 2013, the Company determined, based on additional guidance published by the Internal Revenue Service, that it is more likely than not that certain excise tax credit refunds received in 2009 are excludable from taxable income. As a result, the Company has amended its 2009 federal and state income tax returns which resulted in an increase in the overall net operating loss carryforward.

The tax effects of differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities as of December 31 were as follows:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

<i>In millions</i>	2015	2014
Deferred Income Tax Assets:		
Compensation Based Accruals	\$ 26.5	\$ 38.9
Net Operating Loss Carryforwards	211.5	310.4
Postretirement Benefits	103.2	127.3
Tax Credits	32.6	28.8
Other	63.4	50.5
Valuation Allowance	(44.8)	(53.6)
Total Deferred Income Tax Assets	\$ 392.4	\$ 502.3
Deferred Income Tax Liabilities:		
Property, Plant and Equipment	(286.1)	(264.7)
Goodwill	(279.0)	(271.3)
Other Intangibles	(86.8)	(85.1)
Other	(3.6)	(5.9)
Net Noncurrent Deferred Income Tax Liabilities	\$ (655.5)	\$ (627.0)
Net Deferred Income Tax (Liability) Asset^(a)	\$ (263.1)	\$ (124.7)

^(a) In November 2015, the FASB issued Accounting Standard Update No. 2015-17, "Balance Sheet Classification of Deferred Taxes", an update to ASC 740, Income Taxes ("Update"). Current GAAP requires an entity to separate deferred income tax assets and liabilities into current and noncurrent amounts in a classified statement of financial position. To simplify the presentation of deferred income taxes, the amendments in this Update require that deferred tax assets and liabilities be classified as noncurrent in a classified statement of financial position. The current requirement that deferred tax assets and liabilities of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this Update. For public business entities, the amendments in this Update are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Board also decided to permit earlier application by all entities as of the beginning of any interim or annual reporting period. The Board further provides that this Update may be applied to all deferred tax assets and liabilities retrospectively to all periods presented. The Company chose to early adopt the Update and apply it retrospectively for the year ended December 31, 2015 and reclassified \$0.1 million and \$177.1 million from net current deferred income tax assets to net non-current deferred tax assets and net non-current deferred income tax liabilities, respectively, as of December 31, 2014.

The Company has total deferred income tax assets, excluding valuation allowance, of \$437.2 million and \$555.9 million as of December 31, 2015 and 2014, respectively. The Company has total deferred income tax liabilities of \$655.5 million and \$627.0 million as of December 31, 2015 and 2014, respectively.

According to the *Income Taxes* topic of the FASB Codification, a valuation allowance is required to be established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of a deferred tax asset will not be realized. The FASB Codification provides important factors in determining whether a deferred tax asset will be realized, including whether there has been sufficient pretax income in recent years and whether sufficient income can reasonably be expected in future years in order to utilize the deferred tax asset. The Company has evaluated the need to maintain a valuation allowance for deferred tax assets based on its assessment of whether it is more likely than not that deferred tax assets will be realized through the generation of future taxable income. Appropriate consideration was given to all available evidence, both positive and negative, in assessing the need for a valuation allowance.

The Company reviewed its deferred income tax assets as of December 31, 2015 and 2014, respectively, and determined that it is more likely than not that a portion will not be realized. A valuation allowance of \$44.8 million and \$53.6 million at December 31, 2015 and 2014, respectively, is maintained on the deferred income tax assets for which the Company has determined that realization is not more likely than not. Of the total valuation allowance at December 31, 2015, \$29.2 million relates to net deferred tax assets in certain foreign jurisdictions, \$5.9 million relates to a deferred tax asset related to a U.S. federal capital loss carryforward, \$4 million relates to research credit carryforwards in certain states, and the remaining \$4.3 million relates to net operating losses in certain U.S. states. The need for a valuation allowance is made on a jurisdiction-by-jurisdiction basis. As of December 31, 2015,

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

the Company concluded that due to cumulative pretax losses and the lack of sufficient future taxable income of the appropriate character, realization is less than more likely than not on the net deferred income tax assets related primarily to the Company's Brazil, Canada, China, France and Germany operations. In addition, the net deferred tax assets related to certain legacy Canadian operations remain less than more likely than not to be realized in the future.

The following table represents a summary of the valuation allowances against deferred tax assets as of and for the three years ended December 31, 2015, 2014, and 2013, respectively:

<i>In millions</i>	December 31,		
	2015	2014	2013
Balance Beginning of Period	\$ 53.6	\$ 52.1	\$ 37.3
Charges	—	5.1	15.2
Deductions	(8.8)	(3.6)	(0.4)
Balance at End of Period	\$ 44.8	\$ 53.6	\$ 52.1

The U.S. federal net operating loss carryforwards expire as follows:

<i>In millions</i>	
2018	\$ —
2019	—
2021	40.0
2022	1.4
2023	67.9
2024	117.8
2026	22.9
2027	93.1
2028	12.1
2029	114.6
Total	\$ 469.8

U.S. state net operating loss carryforward amounts total \$370.7 million and expire in various years through 2031.

International net operating loss carryforward amounts total \$101.4 million, of which substantially all have no expiration date.

Tax Credit carryforwards total \$32.6 million, of which approximately \$8.7 million have no expiration date, and the remainder expire starting in 2020.

As of December 31, 2015, the Company has only provided for deferred U.S. income taxes on \$4.3 million of undistributed earnings related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. The Company has not provided for deferred U.S. income taxes on approximately \$12.6 million of undistributed earnings of international subsidiaries because of its intention to indefinitely reinvest these earnings outside the U.S. The determination of the amount of the unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable because of the complexities associated with the hypothetical calculation.

Uncertain Tax Positions

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

<i>In millions</i>	2015	2014
Balance at January 1,	\$ 5.2	\$ 7.4
Additions for Tax Positions of Current Year	0.8	0.4
Additions for Tax Positions of Prior Years	3.2	4.1
Reductions for Tax Positions of Prior Years	(0.1)	(6.7)
Balance at December 31,	\$ 9.1	\$ 5.2

At December 31, 2015, \$9.1 million of the total gross unrecognized tax benefits, if recognized, would affect the annual effective income tax rate.

The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits within its global operations in Income Tax Expense. The Company had an accrual for the payment of interest and penalties of \$0.6 million and \$0.1 million at December 31, 2015 and 2014, respectively.

The Company anticipates that approximately \$0.6 million of the total unrecognized tax benefits at December 31, 2015 could change within the next 12 months.

The Company files income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local tax examinations for years before 2012 or non-U.S. income tax examinations for years before 2006.

NOTE 9. FINANCIAL INSTRUMENTS, DERIVATIVES AND HEDGING ACTIVITIES

The Company enters into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments under the *Derivatives and Hedging* topic of the FASB Codification and those not designated as hedging instruments under this guidance. The Company uses interest rate swaps, natural gas swap contracts, and forward exchange contracts. These derivative instruments are designated as cash flow hedges and, to the extent they are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings but are included in Accumulated Other Comprehensive Loss. These changes in fair value will subsequently be reclassified to earnings.

Interest Rate Risk

The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. The differential to be paid or received under these agreements is recognized as an adjustment to Interest Expense related to the debt. At December 31, 2015, the Company had interest rate swap agreements with a notional amount of \$560 million which expire in April 2016, under which the Company will pay fixed rates of 0.45% to 0.82% and will receive one-month LIBOR rates. In addition, the Company has \$450.0 million in forward starting interest rate swaps under which the Company will pay fixed rates of 0.73% to 1.40% and receive one month LIBOR rates, starting in April 2016 and expiring either February 2017 or October 2018.

These derivative instruments are designated as cash flow hedges and, to the extent they are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings but are included in Accumulated Other Comprehensive Income (Loss). These changes in fair value will subsequently be reclassified into earnings as a component of Interest Expense as interest is incurred on amounts outstanding under the term loan facility. Ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs.

During 2015 and 2014, there were minimal amounts of ineffectiveness. Additionally, there were no amounts excluded from the measure of effectiveness.

Commodity Risk

To manage risks associated with future variability in cash flows and price risk attributable to certain commodity purchases, the Company enters into natural gas swap contracts to hedge prices for a designated percentage of its expected natural gas usage. The

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Company has hedged a portion of its expected usage for 2016 and 2017. Such contracts are designated as cash flow hedges. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Income (Loss), and the resulting gain or loss is reclassified into Cost of Sales concurrently with the recognition of the commodity purchased. The ineffective portion of the swap contract's change in fair value, if any, would be recognized immediately in earnings.

During 2015 and 2014, there were minimal amounts of ineffectiveness related to changes in the fair value of natural gas swap contracts. Additionally, there were no amounts excluded from the measure of effectiveness.

Foreign Currency Risk

The Company enters into forward exchange contracts to manage risks associated with future variability in cash flows resulting from anticipated foreign currency transactions that may be adversely affected by changes in exchange rates. Such contracts are designated as cash flow hedges. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Income (Loss), and gains/losses related to these contracts are recognized in Other Income, Net when the anticipated transaction affects income.

At December 31, 2015 and 2014, multiple forward exchange contracts existed that expire on various dates throughout the following year. Those purchased forward exchange contracts outstanding at December 31, 2015 and 2014, when aggregated and measured in U.S. dollars at contractual rates at December 31, 2015 and 2014, had notional amounts totaling \$65.2 million in each year.

No amounts were reclassified to earnings during 2015 and 2014 in connection with forecasted transactions that were no longer considered probable of occurring, and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there were no amounts excluded from the measure of effectiveness during 2015 and 2014.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all of accounts receivable resulting from transactions denominated in foreign currencies in order to manage risks associated with foreign currency transactions adversely affected by changes in exchange rates. At December 31, 2015 and 2014, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at December 31, 2015 and 2014, when aggregated and measured in U.S. dollars at exchange rates at December 31, 2015 and 2014, respectively, had net notional amounts totaling \$45.5 million and \$34.5 million. Unrealized gains and losses resulting from these contracts are recognized in Other Income, Net and approximately offset corresponding recognized but unrealized gains and losses on these accounts receivable.

Foreign Currency Movement Effect

Net currency exchange gains included in determining Income from Operations for the years ended December 31, 2015, 2014 and 2013 were \$4.7 million, \$1.4 million and \$5.4 million, respectively.

NOTE 10. FAIR VALUE MEASUREMENT

The Company follows the fair value guidance integrated into the *Fair Value Measurements and Disclosures* topic of the FASB Codification in regards to financial and nonfinancial assets and liabilities. Nonfinancial assets and nonfinancial liabilities include those measured at fair value in goodwill impairment testing, asset retirement obligations initially measured at fair value, and those assets and liabilities initially measured at fair value in a business combination.

The FASB's guidance defines fair value, establishes a framework for measuring fair value and expands the fair value disclosure requirements. The accounting guidance applies to accounting pronouncements that require or permit fair value measurements. It indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The guidance defines fair value based upon an exit price model, whereby fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance clarifies that fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

Valuation Hierarchy

The *Fair Value Measurements and Disclosures* topic establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1 inputs — quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs — quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 inputs — unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value.

An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Company has determined that its financial assets and financial liabilities include derivative instruments which are carried at fair value and are valued using Level 2 inputs in the fair value hierarchy. The Company uses valuation techniques based on discounted cash flow analyses, which reflects the terms of the derivatives and uses observable market-based inputs, including forward rates and uses market price quotations obtained from independent derivatives brokers, corroborated with information obtained from independent pricing service providers.

Fair Value of Financial Instruments

As of December 31, 2015 and 2014, the Company had a gross derivative liability of \$14.2 and \$15.5 million respectively, and a gross derivative asset of \$0.4 and \$1.9 million respectively, primarily related to interest rate, foreign currency and commodity contracts.

As of December 31, 2015, there has not been any significant impact to the fair value of the Company's derivative liabilities due to its own credit risk. Similarly, there has not been any significant adverse impact to the Company's derivative assets based on evaluation of the Company's counterparties' credit risks.

The fair values of the Company's other financial assets and liabilities at December 31, 2015 and 2014 approximately equal the carrying values reported on the Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding capital leases and deferred financing fees) was \$ 1,891.2 million and \$1,970.0 million, as compared to the carrying amounts of \$1,876.6 million and \$1,965.6 million. The fair value of the Company's Long-Term Debt, including the Senior Notes, are based on quoted market prices (Level 2 inputs). Level 2 valuation techniques for Long-Term Debt are based on quotations obtained from independent pricing service providers.

Effect of Derivative Instruments

The pre-tax effect of derivative instruments in cash flow hedging relationships on the Company's Consolidated Statements of Operations for the year ended December 31, 2015 and 2014 is as follows:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

<i>In millions</i>	Amount of Loss (Gain) Recognized in Accumulated Other Comprehensive Loss		Location in Statement of Operations (Effective Portion)	Amount of Loss (Gain) Recognized in Statement of Operations (Effective Portion)		Location in Statement of Operations (Ineffective Portion)	Location in Statement of Operations (Ineffective Portion)	
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,	
	2015	2014		2015	2014		2015	2014
Commodity Contracts	\$ 13.2	\$ 12.9	Cost of Sales	\$ 13.8	\$ (1.8)	Cost of Sales	\$ (0.4)	\$ 0.5
Foreign Currency Contracts	(2.5)	(3.1)	Other Income, Net	(5.3)	(0.7)	Other Income, Net	—	—
Interest Rate Swap Agreements	2.0	2.2	Interest Expense, Net	3.2	3.3	Interest Expense, Net	—	—
Total	\$ 12.7	\$ 12.0		\$ 11.7	\$ 0.8		\$ (0.4)	\$ 0.5

The effect of derivative instruments not designated as hedging instruments on the Company's Consolidated Statements of Operations for the years ended December 31, 2015 and 2014 is as follows:

<i>In millions</i>	2015	2014
Foreign Currency Contracts	Other (Income) Expense, Net	\$ (2.1) \$ (5.4)

Accumulated Derivative Instruments (Loss) Income

The following is a rollforward of pre-tax Accumulated Derivative Instruments (Loss) Income which is included in the Company's Consolidated Balance Sheets and Consolidated Statements of Shareholders' Equity as of December 31:

<i>In millions</i>	2015	2014	2013
Balance at January 1	\$ (12.5)	\$ (1.3)	\$ (5.7)
Reclassification to earnings	11.7	0.8	2.5
Current period change in fair value	(12.7)	(12.0)	1.9
Balance at December 31	\$ (13.5)	\$ (12.5)	\$ (1.3)

At December 31, 2015, the Company expects to reclassify \$12.3 million of pre-tax losses in the next twelve months from Accumulated Other Comprehensive Loss to earnings, contemporaneously with and offsetting changes in the related hedged exposure. The actual amount that will be reclassified to future earnings may vary from this amount as a result of changes in market conditions.

NOTE 11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in the components of Accumulated Other Comprehensive Income (Loss) attributable to Graphic Packaging Holding Company are as follows:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

<i>In millions</i>	Year Ended December 31,								
	2015			2014			2013		
	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount
Derivative Instruments (Loss) Gain	\$ (1.0)	\$ 0.3	\$ (0.7)	\$ (11.2)	\$ 4.3	\$ (6.9)	\$ 4.4	\$ (1.2)	\$ 3.2
Currency Translation Adjustment	(37.2)	—	(37.2)	(34.7)	0.7	(34.0)	(13.9)	0.3	(13.6)
Pension and Postretirement Benefit Plans	40.0	(13.2)	26.8	(165.8)	60.3	(105.5)	213.4	(79.9)	133.5
Other Comprehensive Income (Loss)	\$ 1.8	\$ (12.9)	\$ (11.1)	\$ (211.7)	\$ 65.3	\$ (146.4)	\$ 203.9	\$ (80.8)	\$ 123.1

The balances of Accumulated Other Comprehensive Income (Loss) attributable to Graphic Packaging Holding Company, net of applicable taxes are as follows:

<i>In millions</i>	December 31,	
	2015	2014
Accumulated Derivative Instruments Loss	\$ (18.4)	\$ (17.7)
Currency Translation Adjustment	(87.8)	(50.6)
Pension and Postretirement Benefit Plans	(239.5)	(266.3)
Accumulated Other Comprehensive Loss	\$ (345.7)	\$ (334.6)

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Company leases certain warehouse facilities, office space, data processing equipment and plant equipment under long-term, non-cancelable contracts that expire at various dates and are subject to renewal options and some leases contain escalation clauses. Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) and the future minimum lease payments at December 31, 2015, are as follows:

<i>In millions</i>	Capital Leases	Operating Leases	Total
2016	\$ 0.8	\$ 26.7	\$ 27.5
2017	0.6	23.6	24.2
2018	0.4	17.4	17.8
2019	0.1	11.6	11.7
2020	—	8.0	8.0
Thereafter	—	30.4	30.4
Total Minimum Lease Payments	1.9	117.7	119.6
Less: Amount Representing Interest	(0.1)	—	(0.1)
Present Value of Net Minimum Leases	\$ 1.8	\$ 117.7	\$ 119.5

Total rental expense was approximately \$29 million, \$30 million, and \$36 million for the years ended December 31, 2015, 2014 and 2013, respectively.

The Company has entered into other long-term contracts principally for the purchase of fiber and chip processing. The minimum purchase commitments extend beyond 2020. At December 31, 2015, total commitments under these contracts were as follows:

[Table of Contents](#)

In millions

2016	\$	164.4
2017		111.0
2018		89.9
2019		62.4
2020		52.4
Thereafter		219.9
Total	\$	700.0

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 13. ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

The Company is subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, solid waste and hazardous wastes, the investigation and remediation of contamination resulting from historical site operations and releases of hazardous substances, and the health and safety of employees. Compliance initiatives could result in significant costs, which could negatively impact the Company's consolidated financial position, results of operations or cash flows. Any failure to comply with environmental or health and safety laws and regulations or any permits and authorizations required thereunder could subject the Company to fines, corrective action or other sanctions.

Some of the Company's current and former facilities are the subject of environmental investigations and remediations resulting from historic operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, potential future closures or sales of facilities may necessitate further investigation and may result in future remediation at those facilities.

The Company has established reserves for those facilities or issues where a liability is probable and the costs are reasonably estimable. The Company believes that the amounts accrued for its loss contingencies, and the reasonably possible loss beyond the amounts accrued, are not material to the Company's consolidated financial position, results of operations or cash flows. The Company spent approximately \$1.5 million during 2015 to achieve compliance with the National Emission Standards for Hazardous Air Pollutants for units at major sources (known as "Boiler MACT"). The Company cannot estimate with certainty other future corrective compliance, investigation or remediation costs. Some costs relating to historic usage that the Company considers to be reasonably possible of resulting in liability are not quantifiable at this time. The Company will continue to monitor environmental issues at each of its facilities, as well as regulatory developments, and will revise its accruals, estimates and disclosures relating to past, present and future operations, as additional information is obtained.

Legal Matters

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

NOTE 14. REDEEMABLE NONCONTROLLING INTERESTS

On December 8, 2011, the Company combined its multi-wall bag and specialty plastics packaging businesses with the kraft paper and multi-wall businesses of Delta Natural Kraft, LLC and Mid-America Packaging, LLC (collectively "DNK"), both wholly owned subsidiaries of Capital Five Investments, LLC ("CVI"). Under the terms of the transaction, the Company formed a new limited liability company, Graphic Flexible Packaging, LLC ("GFP") and contributed its ownership interest in multi-wall bag and specialty plastics packaging subsidiaries to it. CVI concurrently contributed its ownership interest in DNK to GFP. Neither party received cash consideration as part of the transaction. The Company owned 87% of GFP and consolidated its results of operations with the remaining 13% of GFP owned by CVI.

On May 30, 2014, the Company acquired the remaining 13% of GFP from CVI. At December 31, 2014, the book value of the redeemable noncontrolling interests was determined as follows:

In millions

Balance at December 31, 2013	\$	11.3
Net Loss Attributable to Redeemable Noncontrolling Interests		(0.7)
Other Comprehensive Income		0.3
Redemption of Noncontrolling Interest		(10.9)
Balance at December 31, 2014	\$	—

Prior to May 30, 2014, the calculation of fair value (a Level 3 measurement) of the redeemable noncontrolling interest was determined by using a discounted cash flow analysis based on the Company's forecasts discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of EBITDA. On June 30, 2014, the Company completed the sale of its multi-wall bag business.

NOTE 15. RELATED PARTY TRANSACTIONS

During the first and second quarters of 2014, the Selling Stockholders sold approximately 30 million and 43.7 million shares of common stock in secondary public offerings at \$9.85 and \$10.45 per share, respectively. Following the completion of the offering in the second quarter, the Selling Stockholders no longer hold shares of the Company's common stock.

The beneficial ownership of the Company's common stock by the Selling Stockholders at December 31, 2014 and 2013 is as follows (unaudited):

	TPG Entities		Coors Family Stockholders		CD&R Fund		Old Town		Total	
	Number of Shares Beneficially Owned	Percent Owned	Number of Shares Beneficially Owned	Percent Owned	Number of Shares Beneficially Owned	Percent Owned	Number of Shares Beneficially Owned	Percent Owned	Number of Shares Beneficially Owned	Percent Owned
Balance at December 31, 2013	39,393,264	12.1%	17,146,884	5.3%	8,557,033	2.6%	8,557,033	2.6%	73,654,214	22.6%
Secondary Offerings	(39,393,264)	—	(17,146,884)	—	(8,557,033)	—	(8,557,033)	—	(73,654,214)	—
Balance at December 31, 2014	—	—%	—	—%	—	—%	—	—%	—	—%

NOTE 16. BUSINESS SEGMENT AND GEOGRAPHIC AREA INFORMATION

Prior to the sale of the multi-wall bag business on June 30, 2014, the Company reported its results in two reportable segments: paperboard packaging and flexible packaging. Following the sale, the Company reported its results in one reportable segment: paperboard packaging. During 2015, the Company reevaluated the aggregation of operating segments into reportable segments in accordance with FASB ASC 280 *Segment Reporting*, concluded there are three reportable segments, and recast prior periods:

Paperboard Mills includes the seven North American paperboard mills which produce primarily coated unbleached kraft (“CUK”) and coated recycled board (“CRB”). The majority of the paperboard is consumed internally to produce paperboard packaging for the Americas and Europe Paperboard Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard to external customers.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Americas Paperboard Packaging includes paperboard packaging folding cartons sold primarily to Consumer Packaged Goods ("CPG") companies serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging folding cartons sold primarily to CPG companies serving the food, beverage and consumer product markets in Europe.

The Company also assessed and allocated certain mill and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim operating segment and unallocated corporate and one-time costs.

These segments are evaluated by the chief operating decision maker based primarily on Income from Operations as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described above in Note 1 - Nature of Business and Summary of Significant Accounting Policies.

The Company did not have any one customer who accounted for 10% or more of the Company's net sales during 2015, 2014 or 2013.

Business segment information is as follows:

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
NET SALES:			
Paperboard Mills	\$ 480.5	\$ 380.6	\$ 375.0
Americas Paperboard Packaging	3,049.6	3,006.7	3,010.8
Europe Paperboard Packaging	603.9	596.6	466.7
Flexible Packaging	—	215.6	539.1
Corporate/Other/Eliminations	26.2	41.0	86.5
Total	\$ 4,160.2	\$ 4,240.5	\$ 4,478.1
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Mills	\$ 12.9	\$ 8.5	\$ (59.3)
Americas Paperboard Packaging	403.9	412.0	430.1
Europe Paperboard Packaging	40.8	32.5	24.1
Flexible Packaging ^(a)	—	(186.1)	(12.4)
Corporate and Other	(30.5)	(39.1)	(40.9)
Total	\$ 427.1	\$ 227.8	\$ 341.6
CAPITAL EXPENDITURES:			
Paperboard Mills	\$ 145.0	\$ 106.0	\$ 112.5
Americas Paperboard Packaging	50.9	45.7	59.9
Europe Paperboard Packaging	39.9	37.4	9.1
Flexible Packaging	—	5.6	17.6
Corporate and Other	8.3	6.7	10.1
Total	\$ 244.1	\$ 201.4	\$ 209.2
DEPRECIATION AND AMORTIZATION:			
Paperboard Mills	\$ 124.7	\$ 114.5	\$ 106.4
Americas Paperboard Packaging	108.9	101.0	105.3
Europe Paperboard Packaging	40.1	34.7	23.1
Flexible Packaging	—	11.0	27.8
Corporate and Other	6.8	8.8	14.8
Total	\$ 280.5	\$ 270.0	\$ 277.4

^(a) Includes Loss on Sale of Assets of multi-wall bag business of \$171.1 million in 2014.

<i>In millions</i>	December 31,		
	2015	2014	2013
ASSETS AT DECEMBER 31:			
Paperboard Mills	\$ 1,445.0	\$ 1,373.5	\$ 1,398.4
Americas Paperboard Packaging	2,157.1	2,076.8	2,283.9
Europe Paperboard Packaging	574.0	607.9	389.4
Flexible Packaging	—	—	283.5
Corporate and Other	80.0	79.4	17.9
Total	\$ 4,256.1	\$ 4,137.6	\$ 4,373.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Business geographic area information is as follows:

<i>In millions</i>	Year Ended December 31,		
	2015	2014	2013
NET SALES:			
Americas ^(a)	\$ 3,492.6	\$ 3,341.5	\$ 3,332.9
Europe	603.9	596.6	466.7
Asia Pacific	117.4	129.4	132.6
Corporate and Other	(53.7)	173.0	545.9
Total	\$ 4,160.2	\$ 4,240.5	\$ 4,478.1

<i>In millions</i>	2015			2014			2013		
	ASSETS AT DECEMBER 31:								
Americas ^(a)	\$	3,590.4	\$	3,447.0	\$	3,896.7			
Europe		574.0		607.9		389.4			
Asia Pacific		91.7		82.7		87.0			
Total	\$	4,256.1	\$	4,137.6	\$	4,373.1			

^(a) Includes North America and Brazil.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 17. QUARTERLY FINANCIAL INFORMATION
(UNAUDITED)

Results of operations for the four quarters of 2015 and 2014 are shown below.

<i>In millions, except per share amounts</i>	2015				
	First	Second	Third	Fourth	Total
Statement of Operations Data:					
Net Sales	\$ 1,008.2	\$ 1,057.1	\$ 1,070.0	\$ 1,024.9	\$ 4,160.2
Gross Profit	189.6	198.0	201.9	199.6	789.1
Restructuring and Other Special Charges	2.2	3.9	8.0	7.9	22.0
Income from Operations	105.3	110.2	110.0	101.6	427.1
Net Income	55.1	57.6	60.2	57.2	230.1
Net Income Per Share — Basic ^(a)	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.17	\$ 0.70
Net Income Per Share — Diluted ^(a)	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.17	\$ 0.70

^(a) Does not cross foot due to rounding.

<i>In millions, except per share amounts</i>	2014				
	First	Second	Third	Fourth	Total
Statement of Operations Data:					
Net Sales	\$ 1,072.7	\$ 1,116.7	\$ 1,050.0	\$ 1,001.1	\$ 4,240.5
Gross Profit	187.0	213.1	202.4	184.7	787.2
Restructuring and Other Special Charges	7.8	171.1	6.8	11.9	197.6
Income (Loss) from Operations	79.7	(52.9)	112.3	88.7	227.8
Net Income (Loss)	34.8	(40.3)	53.0	41.5	89.0
Net Income (Loss) Attributable to Graphic Packaging Holding Company	35.2	(40.0)	53.0	41.5	89.7
Net Income (Loss) Per Share Attributable to Graphic Packaging Holding Company — Basic ^(a)	\$ 0.11	\$ (0.12)	\$ 0.16	\$ 0.13	\$ 0.27
Net Income (Loss) Per Share Attributable to Graphic Packaging Holding Company — Diluted ^(a)	\$ 0.11	\$ (0.12)	\$ 0.16	\$ 0.13	\$ 0.27

^(a) Does not cross foot due to rounding.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 18. EARNINGS PER SHARE

<i>In millions, except per share data</i>	Year Ended December 31,		
	2015	2014	2013
Net Income Attributable to Graphic Packaging Holding Company	\$ 230.1	\$ 89.7	\$ 146.6
Weighted Average Shares:			
Basic	329.5	328.6	347.3
Dilutive effect of RSUs and stock options	1.2	1.9	2.4
Diluted	330.7	330.5	349.7
Earnings Per Share — Basic	\$ 0.70	\$ 0.27	\$ 0.42
Earnings Per Share — Diluted	\$ 0.70	\$ 0.27	\$ 0.42

The following are the potentially dilutive securities excluded from the above calculation because the effect would have been anti-dilutive:

	Year Ended December 31,		
	2015	2014	2013
Employee Stock Options	—	—	773,542

NOTE 19. OTHER COMPREHENSIVE (LOSS) INCOME

The following represents changes in Accumulated Other Comprehensive (Loss) Income by component for the year ended December 31, 2015^(a):

<i>In millions</i>	Derivatives Instruments	Currency Translation Adjustments	Pension Benefit Plans	Postretirement Benefit Plans	Total
Balance at December 31, 2014	\$ (17.7)	\$ (50.6)	\$ (280.2)	\$ 13.9	\$ (334.6)
Other Comprehensive (Loss) Income before Reclassifications	(7.9)	(37.2)	12.0	3.2	(29.9)
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) (b)	7.2	—	12.8	(1.2)	18.8
Net Current-period Other Comprehensive (Loss) Income	(0.7)	(37.2)	24.8	2.0	(11.1)
Balance at December 31, 2015	\$ (18.4)	\$ (87.8)	\$ (255.4)	\$ 15.9	\$ (345.7)

^(a) All amounts are net-of-tax.

^(b) See following table for details about these reclassifications.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following represents reclassifications out of Accumulated Other Comprehensive Income for the year ended December 31, 2015:

<i>In millions</i>			
Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income		Affected Line Item in the Statement Where Net Income is Presented
Derivatives Instruments:			
Commodity Contracts	\$ 13.8		Cost of Sales
Foreign Currency Contracts	(5.3)		Other Income, Net
Interest Rate Swap Agreements	3.2		Interest Expense, Net
	<u>11.7</u>		Total before Tax
	<u>(4.5)</u>		Tax Benefit
	<u>\$ 7.2</u>		Net of Tax
Amortization of Defined Benefit Pension Plans:			
Prior Service Costs	\$ 0.7 ^(c)		
Actuarial Losses	19.7 ^(c)		
	<u>20.4</u>		Total before Tax
	<u>(7.6)</u>		Tax Benefit
	<u>\$ 12.8</u>		Net of Tax
Amortization of Postretirement Benefit Plans:			
Prior Service Credits	\$ (0.3) ^(c)		
Actuarial Gains	(1.6) ^(c)		
	<u>(1.9)</u>		Total before Tax
	<u>0.7</u>		Tax Expense
	<u>\$ (1.2)</u>		Net of Tax
Total Reclassifications for the Period	<u>\$ 18.8</u>		

^(c) These accumulated other comprehensive income components are included in the computation of net periodic pension cost (see Note 7 — Pensions and Other Postretirement Benefits).

NOTE 20. GUARANTOR CONSOLIDATING FINANCIAL STATEMENTS

This disclosure is required because certain subsidiaries are guarantors of GPII debt securities.

These consolidating financial statements reflect GPHC (“the Parent”); GPII (the “Subsidiary Issuer”); and the Subsidiary Guarantors, which consist of all material 100% owned subsidiaries of GPII other than its foreign subsidiaries; and the nonguarantor subsidiaries (herein referred to as “Nonguarantor Subsidiaries”). The Nonguarantor Subsidiaries include all of GPII’s foreign subsidiaries and the operations of GFP. Separate complete financial statements of the Subsidiary Guarantors are not presented because the guarantors are jointly and severally, fully and unconditionally liable under the guarantees. As of June 30, 2014, the assets retained from the sale of the multi-wall bag business that was previously part of the flexible packaging segment were transferred

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

from Combined Nonguarantor Subsidiaries to Subsidiary Issuer, see Note 1 - Nature of Business and Summary of Significant Accounting Policies.

<i>In millions</i>	Year Ended December 31, 2015					
	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	\$ —	\$ 3,270.9	\$ 39.1	\$ 1,092.4	\$ (242.2)	\$ 4,160.2
Cost of Sales	—	2,655.0	33.9	924.4	(242.2)	3,371.1
Selling, General and Administrative	—	270.0	4.4	73.3	—	347.7
Other (Income) Expense, Net	—	(10.7)	(0.6)	3.6	—	(7.7)
Restructuring and Other Special Charges	—	6.1	—	15.9	—	22.0
Income from Operations	—	350.5	1.4	75.2	—	427.1
Interest (Expense) Income, Net	—	(64.9)	0.9	(3.8)	—	(67.8)
Income before Income Taxes and Equity Income of Unconsolidated Entities	—	285.6	2.3	71.4	—	359.3
Income Tax Expense	—	(114.9)	(1.1)	(14.4)	—	(130.4)
Income before Equity Income of Unconsolidated Entities	—	170.7	1.2	57.0	—	228.9
Equity Income of Unconsolidated Entities	—	—	—	1.2	—	1.2
Equity in Net Earnings of Subsidiaries	230.1	59.4	(1.3)	—	(288.2)	—
Net Income (Loss)	230.1	230.1	(0.1)	58.2	(288.2)	230.1
Comprehensive Loss	\$ 219.0	\$ 219.0	\$ (9.3)	\$ 12.4	\$ (222.1)	\$ 219.0

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Year Ended December 31, 2014

<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	\$ —	\$ 3,422.5	\$ 38.0	\$ 1,028.4	\$ (248.4)	\$ 4,240.5
Cost of Sales	—	2,747.2	36.5	918.0	(248.4)	3,453.3
Selling, General and Administrative	—	303.7	2.1	59.7	—	365.5
Other Income, Net	—	(6.0)	(0.7)	3.0	—	(3.7)
Restructuring and Other Special Charges	—	7.9	5.9	183.8	—	197.6
Income (Loss) from Operations	—	369.7	(5.8)	(136.1)	—	227.8
Interest Expense, Net	—	(74.1)	—	(6.6)	—	(80.7)
Loss on Modification or Extinguishment of Debt	—	(14.4)	—	—	—	(14.4)
Income (Loss) before Income Taxes and Equity Income of Unconsolidated Entities	—	281.2	(5.8)	(142.7)	—	132.7
Income Tax (Expense) Benefit	—	(103.8)	(1.0)	59.4	—	(45.4)
Income (Loss) before Equity Income of Unconsolidated Entities	—	177.4	(6.8)	(83.3)	—	87.3
Equity Income of Unconsolidated Entities	—	—	—	1.7	—	1.7
Equity in Net Earnings of Subsidiaries	89.0	(88.4)	(0.6)	—	—	—
Net Income (Loss)	89.0	89.0	(7.4)	(81.6)	—	89.0
Net Income (Loss) Attributable to Noncontrolling Interests	0.7	0.7	—	—	(0.7)	0.7
Net Income (Loss) Attributable to Graphic Packaging Holding Company	\$ 89.7	\$ 89.7	\$ (7.4)	\$ (81.6)	\$ (0.7)	\$ 89.7
Comprehensive Loss Attributable to Graphic Packaging Holding Company	\$ (56.7)	\$ (56.7)	\$ (17.6)	\$ (135.5)	\$ 209.8	\$ (56.7)

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2013						
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated	
Net Sales	\$ —	\$ 3,298.4	\$ 94.0	\$ 1,276.7	\$ (191.0)	\$ 4,478.1	
Cost of Sales	—	2,680.1	78.1	1,185.3	(191.0)	3,752.5	
Selling, General and Administrative	—	260.7	9.0	114.6	—	384.3	
Other (Income) Expense, Net	—	(7.3)	(0.3)	(5.8)	—	(13.4)	
Restructuring and Other Special Charges	—	4.6	—	8.5	—	13.1	
Income (Loss) from Operations	—	360.3	7.2	(25.9)	—	341.6	
Interest Expense, Net	—	(91.5)	—	(10.4)	—	(101.9)	
Loss on Modification or Extinguishment of Debt	—	(27.1)	—	—	—	(27.1)	
Income (Loss) before Income Taxes and Equity Income of Unconsolidated Entities	—	241.7	7.2	(36.3)	—	212.6	
Income Tax Expense	—	(63.0)	(3.6)	(0.8)	—	(67.4)	
Income (Loss) before Equity Income of Unconsolidated Entities	—	178.7	3.6	(37.1)	—	145.2	
Equity Income (Loss) of Unconsolidated Entities	—	—	2.2	(0.7)	—	1.5	
Equity in Net Earnings of Subsidiaries	146.7	(32.0)	(2.0)	—	(112.7)	—	
Net Income (Loss)	\$ 146.7	\$ 146.7	\$ 3.8	\$ (37.8)	\$ (112.7)	\$ 146.7	
Net (Loss) Income Attributable to Noncontrolling Interests	(0.1)	(0.1)	—	—	0.1	(0.1)	
Net Income (Loss) Attributable to Graphic Packaging Holding Company	\$ 146.6	\$ 146.6	\$ 3.8	\$ (37.8)	\$ (112.6)	\$ 146.6	
Comprehensive Income (Loss) Attributable to Graphic Packaging Holding Company	\$ 269.7	\$ 269.7	\$ 3.3	\$ (45.6)	\$ (227.4)	\$ 269.7	

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Year Ended December 31, 2015

<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ —	\$ 0.1	\$ 3.2	\$ 51.6	\$ —	\$ 54.9
Receivables, Net	—	206.2	8.7	209.0	—	423.9
Inventories, Net	—	401.3	3.9	151.9	—	557.1
Intercompany	—	678.0	—	—	(678.0)	—
Other Current Assets	—	19.3	1.2	10.4	—	30.9
Total Current Assets	—	1,304.9	17.0	422.9	(678.0)	1,066.8
Property, Plant and Equipment, Net	—	1,347.4	7.9	231.1	—	1,586.4
Investment in Consolidated Subsidiaries	1,176.8	—	15.2	—	(1,192.0)	—
Goodwill	—	1,042.8	8.1	116.9	—	1,167.8
Other Assets	—	334.7	4.4	96.0	—	435.1
Total Assets	\$ 1,176.8	\$ 4,029.8	\$ 52.6	\$ 866.9	\$ (1,870.0)	\$ 4,256.1
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	\$ —	\$ 25.5	\$ —	\$ 11.1	\$ —	\$ 36.6
Accounts Payable	—	336.1	3.2	118.6	—	457.9
Interest Payable	—	9.2	—	—	—	9.2
Intercompany	75.1	—	6.2	802.6	(883.9)	—
Other Accrued Liabilities	—	182.1	3.0	43.4	—	228.5
Total Current Liabilities	75.1	552.9	12.4	975.7	(883.9)	732.2
Long-Term Debt	—	1,761.4	—	77.5	—	1,838.9
Deferred Income Tax Liabilities	—	249.2	1.0	16.5	—	266.7
Other Noncurrent Liabilities	—	289.5	0.5	26.6	—	316.6
EQUITY						
Total Equity	1,101.7	1,176.8	38.7	(229.4)	(986.1)	1,101.7
Total Liabilities and Equity	\$ 1,176.8	\$ 4,029.8	\$ 52.6	\$ 866.9	\$ (1,870.0)	\$ 4,256.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Year Ended December 31, 2014

<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ —	\$ 2.0	\$ 1.8	\$ 77.8	\$ —	\$ 81.6
Receivables, Net	—	238.5	8.6	166.5	—	413.6
Inventories, Net	—	408.5	4.8	108.5	—	521.8
Deferred Income Tax Assets	—	—	—	—	—	—
Intercompany	54.5	337.5	—	—	(392.0)	—
Other Current Assets	—	22.0	1.3	8.7	—	32.0
Total Current Assets	54.5	1,008.5	16.5	361.5	(392.0)	1,049.0
Property, Plant and Equipment, Net	—	1,349.3	10.3	187.3	(0.1)	1,546.8
Investment in Consolidated Subsidiaries	957.8	—	18.7	—	(976.5)	—
Goodwill	—	1,043.1	—	75.0	—	1,118.1
Other Assets	—	351.1	15.4	57.2	—	423.7
Total Assets	\$ 1,012.3	\$ 3,752.0	\$ 60.9	\$ 681.0	\$ (1,368.6)	\$ 4,137.6
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	\$ —	\$ 26.3	\$ —	\$ 5.9	\$ —	\$ 32.2
Accounts Payable	—	316.3	2.7	105.9	—	424.9
Interest Payable	—	9.4	—	—	—	9.4
Intercompany	—	—	7.1	597.4	(604.5)	—
Other Accrued Liabilities	—	165.7	2.7	41.8	—	210.2
Total Current Liabilities	—	517.7	12.5	751.0	(604.5)	676.7
Long-Term Debt	—	1,805.6	—	119.9	—	1,925.5
Deferred Income Tax Liabilities	—	110.5	0.3	21.4	—	132.2
Other Noncurrent Liabilities	—	360.4	—	30.5	—	390.9
EQUITY						
Total Equity	1,012.3	957.8	48.1	(241.8)	(764.1)	1,012.3
Total Liabilities and Equity	\$ 1,012.3	\$ 3,752.0	\$ 60.9	\$ 681.0	\$ (1,368.6)	\$ 4,137.6

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Year Ended December 31, 2015

<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 230.1	\$ 230.1	\$ (0.1)	\$ 58.2	\$ (288.2)	\$ 230.1
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	238.3	1.9	40.3	—	280.5
Deferred Income Taxes	—	107.4	1.0	1.6	—	110.0
Amount of Postretirement Expense Less Than Funding	—	(31.4)	—	(8.0)	—	(39.4)
Loss on the Sale of Assets	—	1.9	—	—	—	1.9
Equity in Net Earnings of Subsidiaries	(230.1)	(59.4)	1.3	—	288.2	—
Other, Net	—	31.6	—	(6.5)	—	25.1
Changes in Operating Assets and Liabilities	0.3	(85.3)	(2.3)	68.3	—	(19.0)
Net Cash Provided by Operating Activities	0.3	433.2	1.8	153.9	—	589.2
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(201.2)	(0.4)	(42.5)	—	(244.1)
Acquisition of Businesses, Net of Cash Acquired	—	(131.1)	—	(32.1)	—	(163.2)
Other, Net	133.5	78.6	—	9.9	(214.5)	7.5
Net Cash Provided by (Used in) by Investing Activities	133.5	(253.7)	(0.4)	(64.7)	(214.5)	(399.8)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(63.0)	—	—	—	—	(63.0)
Payments on Debt	—	(25.0)	—	—	—	(25.0)
Borrowings under Revolving Credit Facilities	—	831.3	—	71.7	—	903.0
Payments on Revolving Credit Facilities	—	(852.9)	—	(100.9)	—	(953.8)
Payments of Dividends	(49.3)	—	—	—	—	(49.3)
Repurchase of Common Stock related to Share-Based Payments	(21.5)	—	—	—	—	(21.5)
Other, Net	—	(134.8)	—	(81.0)	214.5	(1.3)
Net Cash (Used in) Provided by Financing Activities	(133.8)	(181.4)	—	(110.2)	214.5	(210.9)
Effect of Exchange Rate Changes on Cash	—	—	—	(5.2)	—	(5.2)
Net Increase in Cash and Cash Equivalents	—	(1.9)	1.4	(26.2)	—	(26.7)
Cash and Cash Equivalents at Beginning of Period	—	2.0	1.8	77.8	—	81.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ 0.1	\$ 3.2	\$ 51.6	\$ —	\$ 54.9

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Year Ended December 31, 2014

<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 89.0	\$ 89.0	\$ (7.4)	\$ (81.6)	\$ —	\$ 89.0
Non-cash Items Included in Net Income:						
Depreciation and Amortization	—	224.8	2.3	42.9	—	270.0
Write-off of Deferred Debt Issuance Costs on Early Extinguishment of Debt	—	4.6	—	—	—	4.6
Deferred Income Taxes	—	91.5	1.0	(59.4)	—	33.1
Amount of Postretirement Expense Less Than Funding	—	(43.7)	—	(2.6)	—	(46.3)
Equity in Net Earnings of Subsidiaries	(89.0)	88.4	0.6	—	—	—
Loss on the Sale of Assets	—	—	6.7	166.9	—	173.6
Other, Net	—	43.2	—	(0.4)	—	42.8
Changes in Operating Assets and Liabilities	—	(21.9)	5.6	(39.9)	16.0	(40.2)
Net Cash Provided by Operating Activities	—	475.9	8.8	25.9	16.0	526.6
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(142.5)	(5.5)	(53.4)	—	(201.4)
Proceeds from Government Grant	—	26.9	—	—	—	26.9
Acquisition of Business	—	—	—	(190.7)	—	(190.7)
Cash Acquired Related to Business Acquisitions	—	—	—	16.9	—	16.9
Proceeds from Sale of Assets, Net of Selling Costs	—	—	70.7	100.1	—	170.8
Other, Net	15.7	(5.7)	0.3	—	(16.0)	(5.7)
Net Cash Provided by (Used in) Investing Activities	15.7	(121.3)	65.5	(127.1)	(16.0)	(183.2)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from Issuance or Modification of Debt	—	250.0	—	—	—	250.0
Retirement of Long-Term Debt	—	(247.7)	—	—	—	(247.7)
Payments on Debt	—	(214.6)	—	—	—	(214.6)
Borrowings under Revolving Credit Facilities	—	1,825.2	0.9	131.8	—	1,957.9
Payments on Revolving Credit Facilities	—	(1,950.0)	(0.1)	(62.1)	—	(2,012.2)
Debt Issuance Costs	—	(16.8)	—	—	—	(16.8)
Repurchase of Common Stock related to Share-Based Payments	(14.7)	—	—	—	—	(14.7)
Other, Net	(1.0)	—	(70.7)	61.0	—	(10.7)
Net Cash (Used in) Provided by Financing Activities	(15.7)	(353.9)	(69.9)	130.7	—	(308.8)
Effect of Exchange Rate Changes on Cash	—	—	(2.6)	(2.6)	—	(5.2)
Net (Decrease) Increase in Cash and Cash Equivalents	—	0.7	1.8	26.9	—	29.4
Cash and Cash Equivalents at Beginning of Period	—	1.3	—	50.9	—	52.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ 2.0	\$ 1.8	\$ 77.8	\$ —	\$ 81.6

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2013					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 146.7	\$ 146.7	\$ 3.8	\$ (37.8)	\$ (112.7)	\$ 146.7
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	223.7	4.1	49.6	—	277.4
Write-off of Deferred Debt Issuance Costs on Early Extinguishment of Debt	—	—	4.5	—	—	4.5
Amortization of Deferred Debt Issuance Costs	—	—	7.0	—	—	7.0
Deferred Income Taxes	—	65.3	—	(2.6)	—	62.7
Amount of Postretirement Expense Less Than Funding	—	(7.2)	—	(5.2)	—	(12.4)
Impairment Charges/Asset Write-Offs	—	3.5	—	(2.0)	—	1.5
Equity in Net Earnings of Subsidiaries	(146.7)	32.0	2.0	—	112.7	—
Gain on the Sale of Assets	—	—	—	(26.6)	—	(26.6)
Other, Net	—	19.3	—	0.2	—	19.5
Changes in Operating Assets and Liabilities	—	(38.7)	(19.9)	48.4	(12.1)	(22.3)
Net Cash Provided by Operating Activities	—	444.6	1.5	24.0	(12.1)	458.0
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(181.4)	(1.5)	(26.3)	—	(209.2)
Proceeds from Sale of Assets, Net of Selling Costs	—	0.3	—	73.2	—	73.5
Other, Net	211.2	64.5	—	—	(284.4)	(8.7)
Net Cash Provided by (Used in) Investing Activities	211.2	(116.6)	(1.5)	46.9	(284.4)	(144.4)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(200.0)	—	—	—	—	(200.0)
Proceeds from Issuance or Modification of Debt	—	425.0	—	—	—	425.0
Retirements of Long-Term Debt	—	(425.0)	—	—	—	(425.0)
Payments on Debt	—	(60.4)	—	(10.9)	—	(71.3)
Borrowings under Revolving Credit Facilities	—	1,502.7	—	226.5	—	1,729.2
Payments on Revolving Credit Facilities	—	(1,532.5)	—	(205.5)	—	(1,738.0)
Debt Issuance Costs	—	(29.9)	—	—	—	(29.9)
Repurchase of Common Stock Related to Share-Based Payments	(11.2)	—	—	—	—	(11.2)
Other, Net	—	(212.5)	—	(73.9)	296.5	10.1
Net Cash Provided by (Used in) Financing Activities	(211.2)	(332.6)	—	(63.8)	296.5	(311.1)
Effect of Exchange Rate Changes on Cash	—	—	—	(1.8)	—	(1.8)
Net Increase in Cash and Cash Equivalents	—	(4.6)	—	5.3	—	0.7
Cash and Cash Equivalents at Beginning of Period	—	5.9	—	45.6	—	51.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ 1.3	\$ —	\$ 50.9	\$ —	\$ 52.2

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 21. SUBSEQUENT EVENTS

On January 15, 2016, the Company agreed to acquire Walter G. Anderson Inc., a premier folding carton manufacturer with a focus on store branded food and consumer product markets. The company operates two world-class sheet-fed folding carton converting facilities located in Hamel, Minnesota and Newton, Iowa. The acquisition is subject to standard closing requirements and regulatory review and is expected to close in the first quarter of 2016.

On January 11, 2016, the Company agreed to offer to purchase 100% of the outstanding shares of Colorpak (ASX:CKL), a leading folding carton supplier in Australia and New Zealand. Colorpak operates three folding carton facilities that convert paperboard into folding cartons for the food, beverage and consumer product markets. The folding carton facilities are located in Melbourne, Australia, Sydney, Australia and Auckland, New Zealand. The acquisition is subject to Colorpak shareholder approval, court and regulatory review, and standard closing requirements. Subject to those conditions, the transaction is expected to close in the second quarter of 2016.

On January 5, 2016 the Company acquired G-Box, S.A. de C.V. The acquisition includes two folding carton converting facilities located in Monterrey, Mexico and Tijuana, Mexico that service the food and beverage end-markets.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Graphic Packaging Holding Company

We have audited the accompanying consolidated balance sheets of Graphic Packaging Holding Company as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Graphic Packaging Holding Company at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Graphic Packaging Holding Company's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 12, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 12, 2016

Report of the Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Graphic Packaging Holding Company

We have audited Graphic Packaging Holding Company's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Graphic Packaging Holding Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Rose City Holding Company, Cascades Norampac Division and Carded Graphics, LLC, which are included in the 2015 consolidated financial statements of Graphic Packaging Holding Company and constituted 5% and 14% of total and net assets, respectively, as of December 31, 2015 and 6% and 5% of net sales and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of Graphic Packaging Holding Company also did not include an evaluation of the internal control over financial reporting of Rose City Holding Company, Cascades Norampac Division and Carded Graphics, LLC.

In our opinion, Graphic Packaging Holding Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2015 of Graphic Packaging Holding Company and our report dated February 12, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 12, 2016

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management has established disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within time periods specified in the Securities and Exchange Commission rules and forms. Such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Based on management's evaluation as of the end of the period covered by this Annual Report on Form 10-K, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) were effective as of the end of the period covered by this Annual Report on Form 10-K.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only with proper authorizations; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. The Company's management did not include the internal controls of the North American Acquisitions in 2015, which are included in the Company's results for the year-end December 31, 2015.

The Company's management, under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014 based on criteria for effective control over financial reporting described in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2015.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2015 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

During the year ended December 31, 2015, the Company changed its segment reporting under ASC 280. In connection with this change, the Company enhanced certain internal controls over financial reporting, including controls over the adequacy of segment information disclosed in the notes to our consolidated financial statements.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Pursuant to Instruction G(3) to Form 10-K, the information relating to Directors of the Registrant, compliance with Section 16(a) of the Exchange Act, compliance with the Company's Code of Ethics, and certain other information required by Item 10 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2016 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2015.

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 11 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2016 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2015.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 12 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2016 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2015.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 13 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2016 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2015.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 14 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2016 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2015.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- a. Financial statements, financial statement schedule and exhibits filed as part of this report:
 - 1. Consolidated Statements of Operations for each of the three years in the period ended December 31, 2015
 - Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2015
 - Consolidated Balance Sheets as of December 31, 2015 and 2014
 - Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2015
 - Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2015

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm

2. All schedules are omitted as the information required is either included elsewhere in the consolidated financial statements herein or is not applicable.
3. Exhibits to Annual Report on Form 10-K for Year Ended December 31, 2015.

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of New Giant Corporation. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
3.2	Bylaws of Graphic Packaging Holding Company, as amended on May 20, 2015. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on May 27, 2015 and incorporated herein by reference.
3.3	Certificate of Designation Preferences and Rights of Series A Junior Participating Preferred Stock. Filed as Exhibit 3.3 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
4.1	Rights Agreement entered into between Graphic Packaging Holding Company and Wells Fargo Bank, National Association. Filed as Exhibit 4.3 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
4.2	Indenture, dated as of September 29, 2010, among Graphic Packaging International, Inc. and Graphic Packaging Holding Company, Graphic Packaging Corporation and the other Note Guarantors party thereto, as Note Guarantors, and U.S. Bank National Association, as Trustee, relating to the 7.87% Senior Notes due 2018 of Graphic Packaging International, Inc. Filed as Exhibit 4.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on September 29, 2010 and incorporated herein by reference.
4.3	Supplemental Indenture, dated as of April 2, 2013, among Graphic Packaging International, Inc., the guarantors named therein and U.S. Bank National Association, as Trustee, relating to the 4.75% Senior Notes due 2021 of Graphic Packaging International, Inc. Filed as Exhibit 4.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on April 2, 2013 and incorporated herein by reference.
4.4	Indenture dated as of November 6, 2014, by and among Graphic Packaging International, Inc., the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
4.5	First Supplemental Indenture dated as of November 6, 2014 by and among Graphic Packaging International, Inc. the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
10.1*	Employment Agreement, dated as of November 5, 2009, by and among Graphic Packaging International, Inc., the Registrant and Daniel J. Blount. Filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 22, 2010 and incorporated herein by reference.
10.2*	Amendment effective October 1, 2014 to the Amended and Restated Employment Agreement among Daniel J. Blount, Graphic Packaging International, Inc. and the Registrant dated November 5, 2009. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 3, 2014 and incorporated herein by reference.
10.3*	Employment Agreement, dated as of November 9, 2009, by and among Graphic Packaging International, Inc., the Registrant and Michael R. Schmal. Filed as Exhibit 10.9 to the Registrant's Current Report on Form 8-K filed on January 22, 2010 and incorporated herein by reference.
10.4*	Employment Agreement, dated as of July 22, 2013 by and among Graphic Packaging International, Inc., the Registrant and Carla J. Chaney. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2013 and incorporated herein by reference.

[Table of Contents](#)

- 10.5* Employment Agreement, dated as of October 26, 2009, by and among Graphic Packaging International, Inc., the Registrant and Alan Nichols. Filed as Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed on January 22, 2010 and incorporated herein by reference.
- 10.6* Amended and Restated Employment Agreement dated as of November 21, 2013 by and among Graphic Packaging International, Inc., the Registrant and David W. Scheible. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 25, 2013 and incorporated herein by reference.
- 10.7* Amended and Restated Employment Agreement dated as of November 19, 2015 by and among Graphic Packaging International, Inc., the Registrant and Michael P. Doss. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 19, 2015 and incorporated herein by reference.
- 10.8* Graphic Packaging Excess Benefit Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.22 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
- 10.9* Graphic Packaging Supplemental Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.23 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
- 10.10 Form of Indemnification Agreement, dated as of September 10, 2003, entered into by and among Registrant, GPI Holding, Inc., Graphic Packaging International, Inc. and each of Jeffrey H. Coors, Stephen M. Humphrey, Kevin J. Conway, G. Andrea Botta, John D. Beckett, Harold R. Logan, Jr., John R. Miller, Robert W. Tieken, B. Charles Ames (as emeritus director) and William K. Coors (as emeritus director). Filed as Exhibit 10.30 to Graphic Packaging Corporation's Annual Report on Form 10-K filed on March 16, 2004 and incorporated herein by reference.
- 10.11* Amended and Restated 2004 Stock and Incentive Compensation Plan effective May 19, 2011. Filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 8, 2011 and incorporated herein by reference.
- 10.12* Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan effective as of May 21, 2014. Filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 10, 2014 and incorporated herein by reference.
- 10.13* Graphic Packaging International, Inc. Management Incentive Plan filed as Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed on February 23, 2012 and incorporated herein by reference.
- 10.14 Master Services Agreement dated November 29, 2007 by and between Graphic Packaging International, Inc. and Perot Systems Corporation. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 5, 2007 and incorporate herein by reference.
- 10.15* Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.36 to the Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
- 10.16* Riverwood International Change in Control Supplemental Retirement Plan, as amended and restated, effective as of January 1, 2008. Filed as Exhibit 10.37 to Graphic Packaging Holding Company's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
- 10.17 Amended and Restated Form of Indemnification Agreement for Directors. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 4, 2010 and incorporated herein by reference.
- 10.18* Riverwood International Employees Retirement Plan, as amended and restated effective January 1, 2015.
- 10.19* First Amendment to the Riverwood International Employees Retirement Plan, effective April 1, 2015.
- 10.20* Second Amendment to the Riverwood International Employees Retirement Plan, effective November 1, 2015.
- 10.21* Graphic Packaging Retirement Plan, as amended and restated effective January 1, 2015.
- 10.22* First Amendment to the Graphic Packaging Retirement Plan, effective as of January 6, 2015.
- 10.23* Second Amendment to the Graphic Packaging Retirement Plan effective March 31, 2015.
- 10.24* Third Amendment to the Graphic Packaging Retirement Plan, effective November 1, 2015.

[Table of Contents](#)

- 10.25* Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan filed as Exhibit 10.44 to the Registrant's Annual Report on Form 10-K filed on February 23, 2012 and incorporated herein by reference.
- 10.26* First Amendment to the Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 24, 2012 and incorporated herein by reference.
- 10.27* Employment Agreement dated as of April 1, 2012 by and among Graphic Packaging International, Inc., Graphic Packaging Holding Company and Stephen Scherger. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 5, 2012 and incorporated herein by reference.
- 10.28 Second Amended and Restated Credit Agreement effective October 2, 2014 among Graphic Packaging International, Inc. and certain of its subsidiaries, as Borrowers; Bank of American, N.A. as Administrative Agent, L/C Issuer, Swing Line Lender, Swing Line Euro Tranche Lender and Alternative Currency Funding Fronting Lender; Cooperative Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" New York Branch, Suntrust Bank, JPMorgan Bank, N.A. and Citibank, N.A., as Co-Syndication Agents; Compass Bank, as Documentation Agent; and several lenders from time to time parties thereto. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
- 10.29 First Amendment to Master Services Agreement dated as of September 22, 2008 by and between Graphic Packaging International, Inc. and Perot Systems Corporation.
- 10.30 Second Amendment to Master Services Agreement effective as of August 1, 2012 by and between Graphic Packaging International, Inc. and Dell Marketing L.P. (as assignee of Perot Systems Corporation).
- 10.31* Amendment dated March 9, 2015 to the Amended and Restated Employment Agreement dated November 21, 2013 by and among Graphic Packaging International, Inc., the Registrant and David W. Scheible. Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on April 23, 2015 and incorporated herein by reference.
- 10.32* GPI Savings Plan, as amended and restated effective January 1, 2015.
- 10.33* First Amendment to the GPI Savings Plan, effective January 1, 2015.
- 10.34* First Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, effective January 31, 2012.
- 10.35* Second Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, executed on December 30, 2013.
- 10.36* Third Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, effective June 23, 2014.
- 10.37* Fourth Amendment to the Graphic Packaging International Inc. Non-Qualified Deferred Compensation Plan, effective January 1, 2016.
- 10.38* Amended and Restated Employment Agreement among the Registrant, Graphic Packaging International, Inc. and Joseph P. Yost effective September 1, 2015.
- 10.39* Graphic Packaging International, Inc. Executive Severance Plan dated as of February 25, 2014.
- 14.1 Code of Business Conduct and Ethics. Filed as Exhibit 14.1 to the Company's Annual Report on Form 10-K filed on March 8, 2011 and incorporated herein by reference.
- 21.1 List of Subsidiaries.
- 23.1 Consent of Independent Registered Public Accounting Firm.
- 24.1 Power of Attorney Incorporated by reference to the signature page of this Annual Report on Form 10-K.
- 31.1 Certification required by Rule 13a-14(a).
- 31.2 Certification required by Rule 13a-14(a).
- 32.1 Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
- 32.2 Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.

* Executive compensation plan or agreement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAPHIC PACKAGING HOLDING COMPANY
(Registrant)

/s/ Stephen R. Scherger
Stephen R. Scherger

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

February 12, 2016

[Table of Contents](#)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ Michael P. Doss</u> Michael P. Doss	President and Chief Executive Officer (Principal Executive Officer)	February 12, 2016
<u>/s/ Stephen R. Scherger</u> Stephen R. Scherger	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 12, 2016
<u>/s/ Deborah R. Frank</u> Deborah R. Frank	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 12, 2016

POWER OF ATTORNEY

Each of the directors of the Registrant whose signature appears below hereby appoints Stephen R. Scherger and Lauren S. Tashma, and each of them severally, as his or her attorney-in-fact to sign in his or her name and behalf, in any and all capacities stated below, and to file with the Securities and Exchange Commission any and all amendments to this report on Form 10-K, making such changes in this report on Form 10-K as appropriate, and generally to do all such things on their behalf in their capacities as directors and/or officers to enable the Registrant to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission.

[Table of Contents](#)

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ G. Andrea Botta</u> G. Andrea Botta	Director	February 12, 2016
<u>/s/ David D. Campbell</u> David D. Campbell	Director	February 12, 2016
<u>/s/ Paul D. Carrico</u> Paul D. Carrico	Director	February 12, 2016
<u>/s/ Jeffrey H. Coors</u> Jeffrey H. Coors	Director	February 12, 2016
<u>/s/ Michael P. Doss</u> Michael P. Doss	Director, President and Chief Executive Officer	February 12, 2016
<u>/s/ Robert A. Hagemann</u> Robert A. Hagemann	Director	February 12, 2016
<u>/s/ Harold R. Logan, Jr.</u> Harold R. Logan, Jr.	Director	February 12, 2016
<u>/s/ Philip R. Martens</u> Philip R. Martens	Director	February 12, 2016
<u>/s/ David W. Scheible</u> David W. Scheible	Chairman of the Board	February 12, 2016
<u>/s/ Lynn A. Wentworth</u> Lynn A. Wentworth	Director	February 12, 2016



**RIVERWOOD INTERNATIONAL
EMPLOYEES RETIREMENT PLAN**

(As Amended and Restated Effective January 1, 2015)

**RIVERWOOD INTERNATIONAL EMPLOYEES RETIREMENT PLAN
TABLE OF CONTENTS**

Page

ARTICLE 1. DEFINITIONS 3

1.01	Accrued Benefit	3
1.02	Affiliated Employer	3
1.03	Annuity Starting Date	3
1.04	Appendix or Appendices	3
1.05	Average Final Salary	3
1.06	Beneficiary	4
1.07	Benefit Service	4
1.08	Board of Directors or Board	4
1.09	Break in Service	5
1.09A	Charter	5
1.10	Code	5
1.11	Covered Compensation	5
1.12	Disability or Disabled	5
1.13	Effective Date	5
1.14	Employee	5
1.15	Employer	6
1.16	Equivalent Actuarial Value	6
1.17	ERISA	7
1.18	Full-time Employee	7
1.19	Fund(s)	7
1.20	Hour of Service	7
1.21	Hourly Plan	8
1.22	IRS Interest Rate	8
1.23	IRS Mortality Table	8
1.24	Leased Employee	8
1.25	Manville Plan	9
1.26	Member	9
1.27	Non-Grandfathered Member	9
1.28	Normal Retirement Age	9
1.29	Parental Leave	9
1.30	Participating Unit	9
1.31	Part-time Employee	9
1.32	Pension	9
1.33	Pensionable Earnings	9
1.34	Plan	11
1.35	Plan Sponsor	11
1.36	Plan Year	11
1.37	Prior Plan	11
1.38	Qualified Joint and Survivor Annuity	11

1.39	Required Beginning Date	11
1.40	Retirement Committee	11
1.41	Retirement Date	11
1.42	Severance Date	12
1.43	Social Security Retirement Age	12
1.44	Spousal Consent	12
1.45	Spouse	12
1.46	Suspendible Month	12
1.47	Stability Period	13
1.48	Statutory Compensation	13
1.49	Trust Agreement	13
1.50	Trustee	13
1.51	Vesting Service	13

ARTICLE 2. MEMBERSHIP 14

2.01	Membership Requirements	14
2.02	Events Affecting Membership	14
2.03	Membership Upon Reemployment	14

ARTICLE 3. SERVICE 15

3.01	Vesting Service	15
3.02	Benefit Service	16
3.03	Restoration to Service	17
3.04	Special Provisions for Members With Service at Acquired Companies	19

ARTICLE 4. ELIGIBILITY FOR AND AMOUNT OF BENEFITS 20

4.01	Normal Retirement	20
4.02	Late Retirement	21
4.03	Early Retirement	22
4.04	Disability Benefit	23
4.05	Vested Pension	25
4.06	Surviving Spouse's Pension	26
4.07	Maximum Benefit Limitation	29
4.08	Cessation of Benefit Accruals for Non-Grandfathered Members	29

ARTICLE 5. PAYMENT OF PENSIONS 30

5.01	Normal Form of Payment	30
5.02	Optional Forms of Payment	31
5.03	Election of Options	33
5.04	Commencement and Duration of Payments	36
5.05	Distribution Limitation	37
5.06	Direct Rollover of Certain Distributions	38
5.07	Special Commencement Right During 2014	41

ARTICLE 6. CONTRIBUTIONS 44

6.01	Employer Contributions	44
6.02	Return of Contributions	44

6.03 Member Contributions 44

ARTICLE 7. ADMINISTRATION OF PLAN 45

- 7.01 Adoption of Charter 45
- 7.02 Administration of Retirement Committee 45
- 7.03 Authority of Retirement Committee 45
- 7.04 Prudent Conduct 45
- 7.05 Actuary 46
- 7.06 Service in More Than One Fiduciary Capacity 46
- 7.07 Limitation of Liability 46
- 7.08 Indemnification 46
- 7.09 Expenses of Administration 46

ARTICLE 8. MANAGEMENT OF FUNDS 48

- 8.01 Trustee 48
- 8.02 Exclusive Benefit Rule 48
- 8.03 Appointment of Investment Manager 48

ARTICLE 9. GENERAL PROVISIONS 49

- 9.01 Nonalienation and Qualified Domestic Relations Orders 49
- 9.02 Conditions of Employment Not Affected by Plan 50
- 9.03 Facility of Payment 50
- 9.04 Information 50
- 9.05 Top-Heavy Provisions 50
- 9.06 Construction 53
- 9.07 Prevention of Escheat 54
- 9.08 Electronic Transmission of Notices to Members 54
- 9.09 Limitation on Benefits In the Event of a Liquidity Shortfall 54
- 9.10 Funding-Based Limitations on Benefits under Section 436 of the Code 54
- 9.11 Limitation on Highly Compensated Employees and on High-25 Employees 61
- 9.12 Revision of the Plan and Applicability of Plan Provisions 63

ARTICLE 10. AMENDMENT, MERGER AND TERMINATION 65

- 10.01 Amendment of Plan 65
- 10.02 Merger or Consolidation 65
- 10.03 Additional Participating Employers 65
- 10.04 Termination of Plan 66

ARTICLE 11. TRANSFERS 67

- 11.01 Transfers To and From an Affiliated Employer 67
- 11.02 Transfers To and From Hourly Plan 67

APPENDIX A 70

APPENDIX B 74

APPENDIX C 78

APPENDIX D 79

RIVERWOOD INTERNATIONAL EMPLOYEES RETIREMENT PLAN
(As Amended and Restated Effective January 1, 2015)

PREAMBLE

WHEREAS, effective January 1, 1956, Olin Mathieson Chemical Corporation established a defined benefit pension plan for its Employees known as the Employees Retirement Plan of Olin Mathieson Chemical Corporation (the "Olin Plan"); and

WHEREAS, effective January 1, 1967, the name of the Olin Plan was changed to the Olin Salaried Pension Plan; and

WHEREAS, effective September 1, 1969, Olin Mathieson Chemical Corporation changed its name to Olin Corporation; and

WHEREAS, effective June 1, 1974, the wholly-owned subsidiary of Olinkraft, Inc. was spun-off from Olin Corporation, and the Olinkraft Salaried Pension Plan was established; assets and liabilities attributable to employees of Olinkraft, Inc. were spun-off to the Olinkraft Salaried Pension Plan; and

WHEREAS, Olinkraft, Inc. was subsequently purchased by the Manville Corporation on January 19, 1979, and the name of the Olinkraft Salaried Pension Plan was changed to the Manville Salaried Pension Plan effective July 1, 1980 (the Manville Salaried Pension Plan was separate from the plan sponsored by Manville Corporation for its employees, which had the name Manville Salaried Employees Retirement Plan); and

WHEREAS, effective May 6, 1980, Olinkraft, Inc. changed its name to Manville Forest Products Corporation; and

WHEREAS, effective January 1, 1985, the name of the Manville Salaried Pension Plan was changed to the Manville Forest Products Salaried Retirement Plan; and

WHEREAS, effective January 2, 1986, the Manville Forest Products Salaried Retirement Plan was merged with the Manville Salaried Employees Retirement Plan; and

WHEREAS, effective January 1, 1989, the name of the Manville Salaried Employees Retirement Plan was changed to the Manville Employees Retirement Plan (As Amended and Restated Effective January 1, 1989 and As Further Amended Effective September 1, 1991); and

WHEREAS, effective June 10, 1991, Manville Forest Products Corporation changed its name to Riverwood International Corporation; and

WHEREAS, effective January 1, 1992, the assets and liabilities attributable to employees of Riverwood International Corporation were spun-off from the Manville Employees Retirement Plan to this newly established plan, the Riverwood International Employees Retirement Plan (the "Plan"); and

WHEREAS, the Plan was last amended and restated effective as of January 1, 2009, and the Employer now desires to amend and restate the Plan, by a separate restatement, in its entirety effective January 1, 2015, except as otherwise provided herein, to incorporate previously adopted amendments, to reflect certain plan design changes, and to make certain changes required by pension law.

NOW, THEREFORE, effective January 1, 2015, the Plan is amended and restated in its entirety, and the January 1, 2009 restatement is superseded and replaced by this separate restated Plan.

There shall be no termination and no gap or lapse in time or effect between such prior plans and the Plan, and the existence of a qualified plan shall be continuous and uninterrupted.

Except as otherwise specifically provided herein, adopting resolutions, or required by law, the rights and benefits of any Member who retires or whose employment is terminated are determined in accordance with the provisions of the applicable plan as in effect at the time the Member retired or terminated employment. The restated Plan is conditional upon its qualification under Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time, with Employer contributions being deductible under Section 404 of said Code or any other applicable sections thereof, as amended from time to time.

Notwithstanding anything contained in the Plan to the contrary, except with respect to provisions relating to (i) the Plan's definition of "Spouse," (ii) Section 436 of the Code, and (iii) the operation of the Retirement Committee, this amendment and restatement of the Plan is intended only to incorporate prior amendments to the Plan for the purpose of obtaining a determination letter from the Internal Revenue Service; it is not intended, nor shall it be construed, to increase or decrease any benefits accrued under the Plan prior to the Effective Date, except those provided in prior amendments to the Plan.

The terms and conditions of the Plan, effective January 1, 2015 (except as otherwise indicated), are as provided in the following document.

Article 1. DEFINITIONS

1.01 *Accrued Benefit* means, as of any date of determination, the normal retirement Pension determined under the Plan.

1.02 *Affiliated Employer* means any company not participating in the Plan which is (a) a member of a controlled group of corporations (as defined in Section 414(b) of the Code), which also includes the Employer as a member of the controlled group of corporations; (b) any trade or business under common control (as defined in Section 414(c) of the Code) with the Employer; (c) any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Employer; and (d) any other entity required to be aggregated with the Employer pursuant to regulations under Section 414(o) of the Code. Notwithstanding the foregoing sentence, for purposes of Section 1.24, "Leased Employee," the definitions in Sections 414(b) and (c) of the Code shall be modified as provided in Section 415(h) of the Code.

1.03 *Annuity Starting Date* means the first day of the first period for which an amount is paid as an annuity or any other form.

1.04 *Appendix or Appendices* means the appendices to the Plan, which are defined as follows:

- (a) **Appendix A** means the special provisions applicable to employees affected by a corporate acquisition or divestiture.
- (b) **Appendix B** means the provisions for minimum benefits for Members who were members of the Prior Plan as of December 31, 1988.
- (c) **Appendix C** means the schedule of benefits referenced by Section 4.01(c) (iv).
- (d) **Appendix D** means the special schedule of benefits referenced by Section 4.01(c) (v).
- (e) **Appendix E** means the provisions of the Plan that are retained for historical purposes.

1.05 *Average Final Salary* means the annual Pensionable Earnings of a Member paid during the four consecutive Plan Years in the last ten Plan Years of the Member's Benefit Service affording the highest average, subject to the following rules:

- (a) If a layoff, approved medical leave or workers' compensation leave is included in the last ten Plan Years of a Member's Benefit Service, Pensionable Earnings shall include, for that period, an amount based on Pensionable Earnings in effect for the calendar year prior to that period.
- (b) If a Member is entitled to Benefit Service on account of a period of service in the uniformed services of the United States, the Member shall be deemed to have earned Pensionable Earnings during the period of absence at the rate he would have received had he remained employed as an Eligible Employee for that period or, if such rate

is not reasonably certain, on the basis of the Member's rate of compensation during the 12-month period immediately preceding such period of absence (or if shorter, the period of employment immediately preceding such period).

- (c) In the case of an Employee who is rehired, the Employee's annual Pensionable Earnings during the year in which termination occurred and the year in which rehire occurred shall not be included as one of the last ten calendar years of the Member's Benefit Service, unless such Pensionable Earnings are greater than the Pensionable Earnings in the calendar year preceding the year in which termination occurred.
- (d) If a Member completes less than four full consecutive Plan Years under the Plan, the Member's Pensionable Earnings for the portion of a Plan Year worked will be increased by annualizing base pay and adding other amounts actually paid during that Plan Year that are included as Pensionable Earnings. The Member's Pensionable Earnings will be annualized only for the initial year of employment (or reemployment, if applicable) if that results in four full consecutive Plan Years considered. Otherwise, the Member's Pensionable Earnings in the year of termination will also be annualized.
- (e) If using the Pensionable Earnings paid to a Member in his final, partial calendar year of employment would produce an Average Final Salary that is greater than the Average Final Salary otherwise calculated, then his final, partial calendar year of employment shall be added to his last ten calendar years in calculating his Average Final Salary.
- (f) Notwithstanding the above, a Non-Grandfathered Member's Average Final Salary shall be determined as of December 31, 2011, or as of his retirement or termination of employment, if earlier. Notwithstanding the cessation of Benefit Service as of June 30, 2011, for purposes of determining the amount of a Member's Average Final Salary, Pensionable Earnings for the 2011 Plan Year shall include Pensionable Earnings for the period July 1, 2011 to December 31, 2011 to the extent it would have been counted had Benefit Service continued to be recognized under the Plan for that period.

1.06 *Beneficiary* means the person named by a Member by written designation, filed with the Retirement Committee, to receive payments after the Member's death under an optional form of payment pursuant to Section 5.02.

1.07 *Benefit Service* means service recognized for purposes of computing the amount of any benefit, as provided in Section 3.02.

1.08 *Board of Directors or Board* means the Board of Directors of Graphic Packaging Holding Company.

1.09 *Break in Service* means a period which constitutes a break in an Employee's Vesting Service, as provided in Section 3.01.

1.09A Charter means the Charter of the Retirement Committee of Graphic Packaging International, Inc., as amended from time to time or such other charter or operating procedures adopted by the Board of Directors which defines the scope of the Retirement Committee's authorities and responsibilities with respect to the Plan.

1.10 Code means the Internal Revenue Code of 1986, as amended from time to time.

1.11 Covered Compensation means, for any Member, the average of the taxable wage bases in effect under Section 230 of the Social Security Act for each year in the 35-year period ending with the year in which the Member attains his Social Security Retirement Age. In determining a Member's Covered Compensation for any Plan Year, the taxable wage base for the current Plan Year and any subsequent Plan Year shall be assumed to be the same as the taxable wage base in effect as of the beginning of the Plan Year for which the determination is made. Notwithstanding the foregoing, a Non-Grandfathered Member's Covered Compensation shall be determined as of December 31, 2011, or as of his retirement or termination of employment, if earlier.

1.12 Disability or Disabled means a physical or mental condition rendering a Member totally and permanently disabled, as determined by eligibility for and receipt of disability benefits under the Employer's long-term disability plan. To the extent required by law, and to the extent the Retirement Committee is ruling on a claim for disability benefits, the Plan will follow, with respect to that claim, claims procedures required by law for plans providing disability benefits.

1.13 Effective Date of this amended and restated Plan means January 1, 2015, except as otherwise specified herein. The original Effective Date of the Plan was January 1, 1992.

1.14 Employee means any person, including but not limited to a U.S. citizen, a U.S. resident alien and a U.S. expatriate, employed by the Employer who is classified as a salaried employee by the Employer and who receives stated Pensionable Earnings other than a pension, separation pay, retainer, or fee under contract. The term "Employee" shall also include members of a Participating Unit as provided in Appendix A, as amended from time to time. Foreign nationals who have immigration status to work in the U.S., who work in the U.S. for a period of time and then work abroad on assignment for a period of time, are also eligible Employees. Notwithstanding the preceding sentences, the term "Employee" shall exclude:

- (a) any person first employed by the Employer prior to January 1, 2004 who is paid from the payroll processed from the Ceridian Corporation as of August 8, 2003 or the date when first employed by the Employer, if later (other than as provided for in Appendix A);
- (b) any person first employed by the Employer on or after January 1, 2004 and assigned to one of the following plant locations: Golden, Co Carton; Centralia, IL Laminations, Centralia, IL Carton; Lawrenceburg, TN Carton; North Portland, OR Carton; Tuscaloosa, AL Laminations; Wausau, WI Carton; Bow, NH Carton; Charlotte, NC Carton; Fort Smith, AR Carton; Gordonsville, TN Carton; Kalamazoo, MI Carton; Kalamazoo, MI Papermill; Kendallville, IN Carton; Lumberton, NC Carton; Menasha, WI Carton; Mitchell, SD Carton; Richmond, VA Carton;

- (c) any person first employed after January 1, 2004 and assigned to either of the following divisions, but not a specific plant location: Performance Packaging Division and Universal Packaging Division;
- (d) any Leased Employee;
- (e) any non-resident alien;
and
- (f) any person who is included in a unit of employees covered by a collective bargaining agreement which does not provide for the employee's membership in the Plan.

In addition, any person classified as an independent contractor or consultant by the Employer shall, during such period, be excluded from the definition of Employee, regardless of such person's reclassification for such period by the Internal Revenue Service for tax withholding purposes.

The term "employee," as used in the Plan, means any Leased Employee or any individual who is employed by the Employer or an Affiliated Employer as a common law employee of the Employer or Affiliated Employer, regardless of whether the individual is an "Employee."

1.15 *Employer* means Graphic Packaging International, Inc. or any successor by merger, purchase or otherwise, with respect to its Employees; and any other company participating in the Plan, as provided in Section 10.03, with respect to its Employees.

1.16 *Equivalent Actuarial Value* means a benefit having the same value as the benefit that such Equivalent Actuarial Value replaces. The Equivalent Actuarial Value shall be based on an annual interest rate of five percent per year, compounded annually, and the mortality table prescribed by Revenue Ruling 2001-62, unless otherwise specified below or in another Section of the Plan:

- (a) For purposes of calculating lump sum payments and a benefit payable in the form of a level income option under Section 5.02(g), the interest rate shall be the IRS Interest Rate and the mortality assumption shall be based on the IRS Mortality Table.
- (b) In determining the present value and the amount of a lump sum payment with respect to a benefit with an Annuity Starting Date occurring during the period beginning January 1, 2007 and ending December 31, 2007, the interest rate to be used shall be no greater than the annual rate of interest on 30-year Treasury securities for the second full calendar month preceding the month containing the Annuity Starting Date. Further, the present value of a lump sum payment or a benefit payable under the level income option under Section 5.02(g) with an Annuity Starting Date occurring during the period beginning January 1, 2010 and ending December 31, 2010, shall not be less than the present value determined using the interest rate prescribed under Section 417(e)(3)(C) of the Code for the second full calendar month preceding the applicable Stability Period.

1.17 *ERISA* means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.18 *Full-time Employee* means any Employee who, on the basis of the Employee's regularly stated work schedule, is classified as a full-time Employee by the Employer.

1.19 *Fund(s)* means the funds of the Plan maintained by the Trustee in accordance with the terms of the Trust Agreement.

1.20 *Hour of Service* means, with respect to any applicable computation period (as described in Article 3):

- (a) Each hour for which an Employee is paid or entitled to payment for the performance of duties for the Employer or an Affiliated Employer;
- (b) Each hour for which an Employee is paid or entitled to payment by the Employer or an Affiliated Employer on account of a period during which no duties are performed (whether or not the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence;
- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer or an Affiliated Employer, excluding any hour credited under (a) or (b) above, which shall be credited to the computation period or periods to which the award, agreement or payment pertains, rather than to the computation period in which the award, agreement or payment is made; and
- (d) Solely for purposes of determining whether an Employee has incurred a Break in Service under the Plan, each hour for which an Employee would normally be credited under paragraph (a) or (b) above during a period of Parental Leave, but not more than 501 hours for any single continuous period. However, the number of hours credited to an Employee under this paragraph (d) during the computation period in which the Parental Leave began, when added to the hours credited to an Employee under paragraphs (a) through (c) above during that computation period, shall not exceed 501. If the number of hours credited under this paragraph (d) for the computation period in which the Parental Leave began is zero, the provisions of this paragraph (d) shall apply as though the Parental Leave began in the immediately following computation period.

In the event no Employer record exists for a period for which Hours of Service must be credited under the provisions of the Plan, an Employee shall be credited with 190 Hours of Service for each calendar month in which he is entitled to be credited with one Hour of Service under the provisions of this Section.

No hours shall be credited on account of any period during which the Employee performs no duties and receives payment solely for the purpose of complying with unemployment compensation, workers' compensation or disability insurance laws, subject to the provisions

of Sections 1.05, 3.01 and 3.02. The Hours of Service credited shall be determined as required by Title 29 of the Code of Federal Regulations, Sections 2530.200b-2(b) and (c).

1.21 *Hourly Plan* means the Riverwood International Hourly Retirement Plan.

1.22 *IRS Interest Rate* means, with respect to determining the amount of a benefit with an Annuity Starting Date:

- (a) on and after January 1, 2007 and prior to January 1, 2008, the interest rate prescribed under Section 417(e)(3)(A)(ii)(II) of the Code for the second full calendar month preceding the applicable Stability Period;
- (b) on and after January 1, 2008 and prior to January 1, 2010, the interest rate prescribed under Section 417(e)(3)(C) of the Code for the second full calendar month preceding the applicable Stability Period; and
- (c) on and after January 1, 2010, the interest rate prescribed under Section 417(e)(3)(C) of the Code for the fifth full calendar month preceding the applicable Stability Period.

1.23 *IRS Mortality Table* means, with respect to determining the amount of a benefit with an Annuity Starting Date:

- (a) prior to December 31, 2002, the mortality table prescribed under Section 417(e)(3)(A)(ii)(I) of the Code as in effect on the first day of the applicable Stability Period;
- (b) on and after December 31, 2002 and prior to January 1, 2008, the mortality table prescribed by Revenue Ruling 2001-62 as in effect on the first day of the applicable Stability Period; and
- (c) on and after January 1, 2008, the mortality table prescribed under Section 417(e)(3)(B) of the Code as in effect on the first day of the applicable Stability Period.

1.24 *Leased Employee* means any person (other than a common law employee of the Employer or an Affiliated Employer) who performs services for the Employer or an Affiliated Employer, provided all of the following circumstances exist:

- (a) such services are provided pursuant to an agreement between an organization or person (the “leasing organization”) and the Employer or an Affiliated Employer;
- (b) such services have been performed for the Employer or an Affiliated Employer (or for the Employer and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one year; and
- (c) such services are performed under the primary direction or control of the Employer or an Affiliated Employer.

1.25 *Manville Plan* means the Manville Employees Retirement Plan, the predecessor plan to the Plan.

1.26 *Member* means any person included in the membership of the Plan, as provided in Article 2.

1.27 *Non-Grandfathered Member* means a Member who, on July 1, 2011, failed to meet one or more of the following requirements:

- (a) is age 50 or older,
- (b) has completed five or more years of Vesting Service, and
- (c) is in active employment, is on an approved leave of absence, is in receipt of benefits under the Employer's long-term disability plan, or is on a military leave as described in Section 3.01(c) provided the Member's reemployment rights are protected by law on July 1, 2011.

1.28 *Normal Retirement Age* means an Employee's 65th birthday.

1.29 *Parental Leave* means a period in which the Employee is absent from work immediately following his active employment because of the Employee's pregnancy, the birth of the Employee's child, or the placement of a child with the Employee in connection with the adoption of that child by the Employee, or for purposes of caring for that child for a period beginning immediately following birth or placement.

1.30 *Participating Unit* means every location employing non-union hourly Employees in the United States owned or operated by the Employer, which the Board of Directors has designated as a participating unit for purposes of the Plan, provided that the Employer has agreed to cover the members of that unit under the Plan. Participating Units are specified in Appendix A.

1.31 *Part-time Employee* means any Employee who, on the basis of the Employee's regularly stated work schedule, is classified as a Part-time Employee or temporary Employee by the Employer.

1.32 *Pension* means annual payments under the Plan, as provided in Article 5.

1.33 *Pensionable Earnings* means the total cash remuneration paid to an Employee for services rendered to the Employer during the Plan Year, determined prior to any contributions under a "qualified cash or deferred arrangement" (as defined under Section 401(k) of the Code and its applicable regulations), and prior to any contributions under a "cafeteria plan" (as defined under Section 125 of the Code and its applicable regulations) or pursuant to a "qualified transportation fringe" (as defined under Section 132(f) of the Code), and including remuneration for items such as overtime, commissions, annual bonuses, profit incentive bonuses, President's awards and differential wage payments (as defined in Section 3401(h)(2) of the Code) in accordance with Section 414(u)(12) of the Code; but excluding remuneration for items such as one-time bonuses, signing bonuses, all non-cash remuneration, living expenses, separation pay, the Employer's cost for any public or private employee benefit plan, any remuneration received under the Employer's

Award for Special Merit Plan and executive long-term cash incentive payments. If Pensionable Earnings are paid in foreign currency, they shall be taken at par of exchange on the date paid.

Except as otherwise provided in the Plan, the Pensionable Earnings for a period of absence which is counted as Benefit Service shall be based on the Member's Pensionable Earnings for the calendar year prior to the period of absence.

Pensionable Earnings shall include, for any period during which the Employee is accruing Benefit Service under the provisions of Sections 3.02(a)(iv) and 4.04, an amount based on the greater of:

- (a) Pensionable Earnings received in the calendar year prior to the calendar year in which the Member is placed on the Employer's long-term disability plan, excluding Pensionable Earnings paid in lieu of vacation or holidays; or
- (b) Pensionable Earnings, excluding Pensionable Earnings paid in lieu of vacation and holidays, for the calendar year in which the Member is placed on the Employer's long-term disability plan, plus base compensation that would have been paid from the date the Member is placed on the Employer's long-term disability plan through the end of that Plan Year.

A Non-Grandfathered Member who is accruing Benefit Service under Section 3.02(a)(iv) as of June 30, 2011 shall continue to be credited with Pensionable Earnings under the preceding paragraph for the period July 1, 2011 to December 31, 2011 to the extent he remains Disabled during that period and does not elect to commence payment of his Pension.

Pensionable Earnings of each Member taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001 shall not exceed \$200,000. The \$200,000 limit on Pensionable Earnings shall be adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to Pensionable Earnings for the Plan Year that begins with or within such calendar year.

In determining benefit accruals for Members in Plan Years beginning after December 31, 2001, the limit on Pensionable Earnings for Plan Years beginning before January 1, 2002, notwithstanding anything in the Plan to the contrary other than Appendix C, shall be \$200,000.

Notwithstanding the above, Pensionable Earnings paid after December 31, 2011 with respect to a Non-Grandfathered Member shall not be counted under the Plan. In addition, no Pensionable Earnings shall be imputed for any period of absence after December 31, 2011 with respect to a Non-Grandfathered Member.

1.34 *Plan* means the Riverwood International Employees Retirement Plan as set forth in this document or as amended from time to time.

1.35 *Plan Sponsor* means Graphic Packaging International, Inc., or any successor by merger, purchase or otherwise.

1.36 *Plan Year* means the calendar year.

1.37 *Prior Plan* means the Manville Employees Retirement Plan or the Manville Forest Products Salaried Retirement Plan, whichever is applicable, (including any predecessor plans thereto) in force and effect for the period prior to January 1, 1992. Any reference herein to the Prior Plan as of a certain date or for a certain period shall be deemed a reference to the Prior Plan as then in effect.

1.38 *Qualified Joint and Survivor Annuity* means an annuity which is of Equivalent Actuarial Value to a Pension payable as a single life annuity and which is payable for the life of the Member with the provision that after the Member's death, 50% of the amount payable to the Member shall continue to be paid monthly during the life of, and to, the Spouse to whom the Member was married on the earlier of his date of death or his Annuity Starting Date.

1.39 *Required Beginning Date* means the April 1 of the calendar year following the later of (a) the calendar year in which the Member attains age 70½, or (b) the calendar year in which the Member retires; provided, however, that the Required Beginning Date for a Member who is a five percent owner (as defined in Section 1.401(a)(9)-2, Q&A-2(c) of the U. S. Treasury Department regulations) is April 1 of the calendar year following the calendar year in which the Member attains age 70½.

1.40 *Retirement Committee* means the committee which is maintained and governed in accordance with the Charter to administer and supervise the Plan as provided in Article 10. The Retirement Committee shall be a "named fiduciary" within the meaning of Section 402(a) of ERISA and shall carry out the duties of the "plan administrator" of the Plan as imposed by ERISA.

1.41 *Retirement Date* means a Member's Normal, Late, or Early Retirement Date, whichever is applicable, as follows:

- (a) ***Normal Retirement Date*** means the first day of the calendar month coincident with or next following the date a Member attains age 65.
- (b) ***Late Retirement Date*** means, in the case of a Member who continues in service after attaining his Normal Retirement Date, the first day of the calendar month next following the date of actual retirement.
- (c) ***Early Retirement Date*** means the first day of the calendar month next following the date a Member shall retire after the Member has attained age 55 and has completed 10 or more years of Vesting Service.

Notwithstanding the above, if a Member attains the applicable age requirement for a Retirement Date on the first day of the month, the Member shall be entitled to commence payment on the applicable Retirement Date, provided he terminates employment on the last day of the preceding month and meets the service requirement, if applicable, on his date of termination.

1.42 Severance Date means, with respect to employment with the Employer and all Affiliated Employers, the earlier of:

- (a) The date an employee quits, retires, is discharged, or dies;
or
- (b) The last day of an authorized leave of absence, or, if later, the first anniversary of the date on which an employee is first absent from the service of the Employer or an Affiliated Employer, with or without pay, for any reason such as vacation, sickness, disability, layoff or leave of absence if the Employee does not return to employment with the Employer or an Affiliated Employer on or before such date.

1.43 Social Security Retirement Age means age 65 with respect to a Member who was born before January 1, 1938; age 66 with respect to a Member who was born after December 31, 1937 and before January 1, 1955; and age 67 with respect to a Member who was born after December 31, 1954.

1.44 Spousal Consent means written consent given by a Member's Spouse to an election made by the Member which specifies the form of Pension and Beneficiary designated by the Member. Spousal Consent shall be duly witnessed by a notary public or Plan representative, and shall acknowledge the effect on the Spouse of the Member's election. Once given, Spousal Consent may not be revoked after the Annuity Starting Date. The requirement for Spousal Consent may be waived by the Retirement Committee if it is established to its satisfaction that there is no Spouse, or that the Spouse cannot be located, or because of such other circumstances as may be established by applicable law. Spousal Consent shall be applicable only to the particular Spouse who provides such consent.

1.45 Spouse means, effective June 26, 2013, with respect to a Member, the person who is treated as married to such Member under the laws of the U.S. jurisdiction or foreign jurisdiction that sanctioned such marriage. The determination of a Member's Spouse will be made as of the date of such Member's death. In addition, a Member's former Spouse will be treated as his Spouse to the extent provided under a qualified domestic relations order, as defined in Code Section 414(p).

1.46 Suspensible Month means:

- (a) A month in which a Member who is a Full-time Employee receives payment from the Employer or an Affiliated Employer for a least eight days of service during that month; or
- (b) A four or five-week payroll period ending in a month in which the Member who is a Part-time Employee completes at least 40 Hours of Service with the Employer.

1.47 Stability Period means the Plan Year in which occurs the Annuity Starting Date for the distribution.

1.48 Statutory Compensation means compensation from the Employer or any Affiliated Employer as defined in U.S. Treasury Department regulation Section 1.415(c)-2(d)(4) (*i.e.*, information required to be reported under Sections 6041, 6051 and 6052 of the Code ("W-2 Pay"))

plus amounts that would be included in wages but for an election under Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) of the Code. For Plan Years beginning on or after July 1, 2007, the preceding definition of compensation shall be modified as required under the provisions of U.S. Treasury Department regulation Section 1.415(c)-2(e) and shall include all amounts permitted to be recognized under the provisions of U.S. Treasury Department regulation Sections 1.415(c)-2(e)(2) and (3) and, effective on and after January 1, 2009, U.S. Treasury Department regulation Section 1.415(c)-2(e)(4). Also, effective for Plan Years beginning on and after January 1, 2009, Statutory Compensation shall include differential wage payments (as defined in Section 3401(h)(2) of the Code) paid to an individual by the Employer, to the extent not otherwise included in this definition of Statutory Compensation. For purposes of applying the top-heavy provisions under Section 9.05 and effective for Plan Years beginning on and after July 1, 2007, for purposes of applying the maximum benefit limitations under Section 4.07, Statutory Compensation shall not exceed the limitation on compensation under Section 401(a)(17) of the Code.

1.49 *Trust Agreement* means the agreement between the Plan Sponsor and the Trustee establishing the trust, and all amendments thereto.

1.50 *Trustee* means the trustee holding the Funds of the Plan as provided in Article 8.

1.51 *Vesting Service* means service recognized for purposes of determining eligibility for membership in the Plan and eligibility for an early retirement or vested Pension under the Plan, as defined in Section 3.01.

ARTICLE 2. MEMBERSHIP

2.01 *Membership Requirements*

Every Employee who was a Member immediately prior to the Effective Date shall continue to be a Member.

Prior to January 1, 2008, every person in the employ of the Employer became a Member of the Plan as of the first day following the "service computation year" in which he completed 1,000 Hours of Service, provided he was then an Employee. For this purpose, "service computation year" is the 12-month period beginning with the date of the Employee's first Hour of Service, if he completes at least 1,000 Hours of Service during such 12-month period, and is any Plan Year following such date during which he completes at least 1,000 Hours of Service.

Notwithstanding any provision of the Plan to the contrary, the Plan is closed to new Members on and after January 1, 2008, except that an Employee of Graphic Packaging International, Inc. on December 31, 2007 who was not then a Member because he had not yet met the service requirement for eligibility to be a Member of the Plan will remain eligible to become a Member upon completion of the service requirement as set forth in the preceding paragraph provided that he remains continuously employed as an Employee until the date he becomes a Member.

2.02 *Events Affecting Membership*

An Employee's membership in the Plan shall end at the Member's Severance Date, unless he is entitled to either an immediate or a deferred Pension under the Plan or during a period while he is accruing Benefit Service under Section 3.02(a)(iv), or during a period while he is not an Employee but is in the employ of the Employer or an Affiliated Employer; however, no Benefit Service shall be counted for such a period, except as specifically provided in Articles 3 and 11.

2.03 *Membership Upon Reemployment*

If an Employee's membership in the Plan ends and he again becomes an Employee, he shall again become a Member as of his date of restoration to service as an Employee. Notwithstanding the foregoing, any employee who incurs a termination of service either before or on or after January 1, 2008 and is rehired as an employee by the Employer on or after January 1, 2008 shall be ineligible to again become an active Member and shall be ineligible to receive future accruals under the terms of the Plan on and after his date of reemployment. Following his date of reemployment, the Accrued Benefit of such a Member shall be determined on the basis of his Average Final Salary, Covered Compensation and Benefit Service determined as of his prior termination of employment and under the benefit formula in effect on that date.

ARTICLE 3. SERVICE

3.01 *Vesting Service*

- (a) Vesting Service, with respect to any Full-time Employee, shall mean the period of employment with the Employer or an Affiliated Employer, whether or not as an Employee, beginning on the date the Employee first completes one Hour of Service and ending on the Employee's Severance Date. If a Full-time Employee's employment is terminated and he is later reemployed within one year, the period between his termination date and the date of his reemployment shall be included in his Vesting Service. A Break in Service shall occur if an Employee is not reemployed within one year after the Severance Date; provided, however, that if an Employee's employment is terminated or if the Employee is otherwise absent from work because of Parental Leave, a Break in Service shall occur only if the Employee is not reemployed or does not return to active service within two years of his Severance Date. All periods of employment credited as Vesting Service shall be counted, regardless of any Break in Service; provided, however, if an Employee who was a non-vested hourly employee terminated employment and incurred a Break in Service of one day or longer prior to January 1, 1976, then is reemployed by the Employer, any service credited prior to that termination of employment shall not be restored to such Employee.
- (b) With respect to any Part-time Employee, a year of Vesting Service is any Plan Year in which the Part-time Employee completes at least 1,000 Hours of Service. No Vesting Service is counted for any Plan Year in which a Part-time Employee completes less than 1,000 Hours of Service. All periods of employment credited as Vesting Service shall be counted, regardless of any Break in Service; provided, however, if a non-vested hourly employee terminated employment and incurred a Break in Service of one day or longer prior to January 1, 1976, then is reemployed by the Employer, any service credited prior to that termination of employment shall not be restored to such Employee.
- (c) If the Employee is absent from the service of the Employer or an Affiliated Employer because of military service of the United States (as defined in Sections 4303(13) and 4303(16) of the Uniformed Services Employment and Reemployment Rights Act of 1994), and if the Employee returns to the service of the Employer or an Affiliated Employer or applies to return to the service of the Employer or an Affiliated Employer while the Employee's reemployment rights are protected by law, that absence shall not count as a Break in Service, but instead shall be counted as Vesting Service.
- (d) In the case of a Member who is eligible to accrue benefits under Section 4.04, any period during which the Member is accruing Benefit Service under the provisions of Section 4.04 shall be included in an Employee's Vesting Service. In addition, a Non-Grandfathered Member who is receiving payments under the Employer's long-term disability plan as of June 30, 2011 or who becomes Disabled on or after July 1, 2011 shall continue to be credited with Vesting Service for his period of Disability

until the earlier of the date the Member ceases to be Disabled or commences payment of his Pension.

- (e) A period of layoff and a period during which an Employee is on a leave of absence approved by the Employer, up to one year, shall not be considered Breaks in Service.
- (f) If a Part-time Employee is transferred to service as a Full-time Employee during a Plan Year, Vesting Service is counted as though the transfer occurred at the beginning of the year. If, however, the Part-time Employee had 1,000 or more Hours of Service in the year before being transferred, the Employee receives a full year of Vesting Service for that year. If a Full-time Employee is transferred to service as a Part-time Employee, Vesting Service for that calendar year is counted as though the transfer occurred on the last day of the year.
- (g) For purposes of determining eligibility for membership and vesting, each of the following periods of service shall be counted in a person's Vesting Service to the extent that it would be recognized under paragraphs (a) through (f) above with respect to Employees:
 - (i) A period of service as an employee, but not an Employee of the Employer;
 - (ii) A period of service as an employee of an Affiliated Employer;
and
 - (iii) In the case of a person who is a Leased Employee before or after a period of service as an Employee or a period of service described in clause (i) or (ii) above, a period during which he has performed services for the Employer or an Affiliated Employer as a Leased Employee. A person who would qualify as a Leased Employee except that he has not performed services on a substantially full-time basis for one year shall nonetheless be deemed a Leased Employee for purposes of this clause (iii).
- (h) Effective January 1, 2007, if an individual who was an employee dies while performing qualified military service (as defined in Section 414(u) of the Code) and while his reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, such individual's period of time in qualified military service through the date he died shall be counted as Vesting Service.

3.02 Benefit Service

For any year, Benefit Service shall not exceed one full year less any Benefit Service granted to the Employee for that year by any other defined benefit plan of the Employer or an Affiliated Employer.

- (a) Benefit Service shall include:

- (i) The period of employment with the Employer beginning on the date the Member first completes an Hour of Service and ending on the Member's Severance Date, subject to the rules contained in this Section 3.02.
 - (ii) Any period of absence from service with the Employer due to service in the uniformed services of the United States which is counted in a Member's Vesting Service, as provided in Section 3.01(c), provided such service is required to be recognized for benefit accrual purposes under applicable law.
 - (iii) Any period during which an Employee is on an approved leave of absence, including Parental Leave and layoff, up to one year.
 - (iv) Any period during which a Member is accruing Benefit Service under the provisions of Section 4.04.
 - (v) Any period between a Severance Date and a reemployment date which is counted as Vesting Service as provided in Section 3.01(a).
 - (vi) Any period credited as Benefit Service for transferred Employees as provided in Article 11.
 - (vii) Any period credited as Benefit Service for a Member under the Manville Plan prior to January 1, 1992, provided such Member was an Employee as of January 1, 1992.
- (b) Benefit Service shall exclude:
- (i) Any period in which a Member is not an Employee, except as may otherwise be provided in Article 11 or Appendix A.
 - (ii) Any Benefit Service credited prior to a Break in Service of one day or longer prior to January 1, 1976, for an Employee who was a non-vested hourly employee.
 - (iii) All part-time and temporary service prior to January 1, 1976.
 - (iv) Any period excluded under the provisions of Section 3.03(e).
 - (v) Any period of service or period of absence after June 30, 2011 with respect to a Non-Grandfathered Member.

3.03 Restoration to Service

- (a) If a Member in receipt of a Pension is restored to service with the Employer or an Affiliated Employer as an Employee, the following shall apply:
 - (i) The Pension payable to such Member shall cease (unless the provisions of Section 5.04(b) are applicable), and any election of an optional benefit in

effect shall be void. In accordance with the provisions of Section 4.06, if the Member should die in active service, a benefit shall be paid to the Member's surviving Spouse based on the Member's Accrued Benefit at death (including any additional Pension such Member accrues after his restoration to service).

- (ii) Any Vesting Service and Benefit Service to which the Member was entitled when he retired or terminated service shall be restored to him.
 - (iii) Upon subsequent retirement or termination of service, the Member's Pension shall be based on the benefit formula then in effect and on the Member's Pensionable Earnings and Benefit Service both before and after the period during which such Member was not in the service of the Employer, reduced by the Equivalent Actuarial Value of the Pension, if any, the Member received both before the date of his restoration to service and before his Normal Retirement Date (determined in the manner prescribed in Section 1.16(a) as of the date of subsequent termination).
 - (iv) The part of the Member's Pension upon subsequent retirement payable with respect to Benefit Service rendered before his previous retirement or termination of service shall never be less than the amount of the Member's previous Pension, but modified to reflect any option in effect on subsequent retirement.
 - (v) Upon later retirement of a Member in service after his Normal Retirement Date, payment of the Member's Pension shall resume effective as of the first day of the month following such retirement, payable no later than the third month after the latest Suspendible Month during the period of restoration, and shall be adjusted, if necessary, in compliance with Title 29 of the Code of Federal Regulations, Section 2530.203-3, in a consistent and nondiscriminatory manner.
- (b) If a Member entitled to but not in receipt of a Pension, or a former Member who did not receive a lump sum settlement, is restored to service, his Vesting Service and Benefit Service shall be determined as provided in Sections 3.01 and 3.02. If such former Member is restored to service as an Employee, he shall again become a Member as of his date of restoration to service.
- (c) If a former Member who received a lump sum settlement in lieu of a Pension is restored to service with the Employer, the following shall apply:
- (i) Any Benefit Service to which the Member was entitled at the time of his termination of service shall be restored to him.
 - (ii) Upon the later termination or retirement of a Member whose previous Benefit Service has been restored under this paragraph (c), his Pension shall be based on the benefit formula then in effect and on his Pensionable Earnings and

Benefit Service before and after the period when he was not in the service of the Employer, and shall be reduced by the Equivalent Actuarial Value of the lump sum settlement. Equivalent Actuarial Value for this purpose shall be determined in the manner prescribed in Section 1.16(a) as of the date of distribution.

- (d) In the event a Member of the Plan ceases to be an employee of the Employer due to the divestiture of a subsidiary, division or Affiliated Employer, and such Member's accrued normal retirement Pension at that date becomes an obligation of a successor employer's retirement plan due to a transfer of both Trust assets and Plan liabilities to the successor employer's retirement plan and trust, then upon rehire by the Employer or an Affiliated Employer, such Member's normal retirement Pension computed under Section 4.01 of the Plan shall not include any Benefit Service earned prior to the date of such divestiture.
- (e) Notwithstanding the preceding provisions of this Section 3.03, in the event an employee's date of reemployment occurs on or after January 1, 2008, he shall be ineligible to again become an active Member and shall be ineligible to receive future accruals or Benefit Service under the terms of the Plan on and after his date of reemployment.

3.04 *Special Provisions for Members With Service at Acquired Companies*

- (a) The Board of Directors shall determine the extent, if any, to which Vesting Service and Benefit Service shall count for service rendered by any employee while in the employ of any acquired company prior to its acquisition by the Employer.
- (b) Any Member whose pre-acquisition service is included as Benefit Service under Section 3.02 shall have his retirement Pension computed under Section 4.01 reduced by any Accrued Benefit earned under any other qualified defined benefit pension plan for the same period of service, provided no assets were transferred to the Employer for such benefits.

ARTICLE 4. ELIGIBILITY FOR AND AMOUNT OF BENEFITS

4.01 *Normal Retirement*

- (a) Eligibility. The right of a Member to receive his normal retirement Pension shall be nonforfeitable as of his Normal Retirement Age. A Member may retire from service on a normal retirement Pension beginning on his Normal Retirement Date, or he may remain in service in which event the provisions of Section 4.02 shall be applicable.
- (b) Commencement. The normal retirement Pension shall commence effective as of the Member's Normal Retirement Date unless the Member elects to postpone the commencement of his benefit until the first day of any later month. However, in no event shall a Member's Pension commence later than his Required Beginning Date. Pension checks are issued at the end of each month for which payment is due.
- (c) Amount. Subject to the provisions of Section 5.01, the annual normal retirement Pension payable upon retirement on a Member's Normal Retirement Date shall be equal to the sum of (i), (ii), (iii), (iv), (v) and (vi), but not less than (vii):
- (i) 0.90% of Average Final Salary up to Covered Compensation plus 1.40% of Average Final Salary in excess of Covered Compensation multiplied by Benefit Service up to 35 years.
 - (ii) 1.20 of Average Final Salary multiplied by Benefit Service accrued as of June 30, 2011 in excess of 35 years.
 - (iii) 0.90% of Average Final Salary multiplied by Benefit Service accrued after June 30, 2011 in excess of 35 years (taking Benefit Service accrued prior to June 30, 2011 into account in determining the Member's years of Benefit Service in excess of 35 years).
 - (iv) 2.5% of the Employee's Accumulated Contributions (as defined in Appendix E), if any, together with interest at the rate of 5% per year compounded annually from January 1, 1986 to the Annuity Starting Date. (v) For any Member identified in Appendix C, the annual amount corresponding to such Member as set forth in such Appendix C.
 - (vi) For any Member identified in Appendix D, the annual amount corresponding to such Member as set forth in such Appendix D.
 - (vii) For any Member who is credited with Benefit Service for any Plan Year beginning after December 31, 1999 under either the Plan or the Hourly Plan, the minimum annual normal retirement Pension shall be \$300 multiplied by the number of years of the Member's Benefit Service, but not less than \$1,200.

However, the annual normal retirement Pension shall never be less than the greatest annual amount of reduced early retirement Pension which the Member could have received under Section 4.03 before his Normal Retirement Date, except to the extent permitted by law.

With respect to a Member who terminates employment after December 31, 2001, and who is affected by the \$200,000 limitation on Pensionable Earnings as provided in Section 1.32, the annual normal retirement Pension shall be equal to the greater of (i) the Member's Pension calculated under the provisions of the Plan as determined with regard to such imposition or (ii) a Pension equal to the Member's Accrued Benefit determined as of December 31, 1993, plus the Member's Accrued Benefit based solely on service after such date under the provisions of the Plan as determined with regard to such imposition. For this purpose, the Accrued Benefit determined as of December 31, 1993 shall be equal to the greater of (iii) the Member's Accrued Benefit determined as of December 31, 1993 as determined with regard to the \$200,000 limitation on Pensionable Earnings provided in Section 1.32 (effective before January 1, 1994) or (iv) the Member's Accrued Benefit determined as of December 31, 1998 (under the terms of the Plan then in effect) plus the Member's Accrued Benefit based solely on service after such date under the provisions of the Plan as determined with regard to such limitation.

Certain Accrued Benefits for Members of the Manville Plan as of December 31, 1988, are minimum benefits under the Plan and are specified in Appendix B.

In no event shall a Member's normal retirement Pension be less than the Member's Accrued Benefit determined as of December 31, 2006 under the provisions of the Plan then in effect. With respect to a Member accruing Benefit Service under the provisions of Section 4.04 as of December 31, 2006, such Member's Accrued Benefit as of December 31, 2006 shall be computed on the basis of Covered Compensation frozen as of the date the Member became Disabled (determined under the terms of the Plan and applicable law as in effect on that date).

In the event a Member retires on his Normal Retirement Date but defers payment to a later date under the provisions of paragraph (b) above, the Member's Pension payable upon the later commencement date shall be of Equivalent Actuarial Value to the Pension otherwise payable as of his Normal Retirement Date.

4.02 *Late Retirement*

- (a) Eligibility. In the event a Member remains in service after his Normal Retirement Date, no Pension shall be payable during such continuance in service, subject to the provisions of Section 5.04(b). Upon retirement on a Late Retirement Date, such Member shall be eligible to receive a monthly late retirement Pension.
- (b) Commencement. The late retirement Pension shall commence effective as of the Member's Late Retirement Date unless the Member elects to postpone the

commencement of his Pension until the first day of any later month. However, in no event shall a Member's Pension commence later than his Required Beginning Date. Pension checks are issued at the end of each month for which payment is due.

(c) Amount. Subject to the following provisions of this paragraph (c) and Section 5.01(b), the Member's late retirement Pension shall be an immediate Pension beginning as of the Member's Late Retirement Date and shall be equal to (i) the amount determined in accordance with Section 4.01(c) based on the Member's Benefit Service, Average Final Salary and Covered Compensation as of his Late Retirement Date, or, if greater, (ii) an amount of Equivalent Actuarial Value to the Pension to which the Member would have been entitled under Section 4.01(c) if he had retired on his Normal Retirement Date, recomputed as of the first day of each subsequent Plan Year (and as of his actual Late Retirement Date) as if each such date were the Member's Late Retirement Date. In the event a Member retires on a Late Retirement Date but defers payment to a later date under the provisions of paragraph (b) above, the Member's Pension payable upon the later commencement date shall be of Equivalent Actuarial Value to the Pension otherwise payable as of his Late Retirement Date.

4.03 Early Retirement

(a) Eligibility. A Member who terminates employment with the Employer and all Affiliated Employers on or after his 55th birthday and before his Normal Retirement Date and is credited with at least ten years of Vesting Service shall be entitled to receive an early retirement Pension.

(b) Commencement. The early retirement Pension shall be a deferred Pension commencing as of the Member's Normal Retirement Date. However, the Member may elect to receive a reduced early retirement Pension effective as of the first day of any earlier month following the Member's termination of employment, provided that an election of an early payment date shall be subject to the notice and timing requirements set forth in Section 5.03. Alternatively, the Member may elect to postpone commencement of his early retirement Pension to the first day of any month following his Normal Retirement Date, but in no event later than his Required Beginning Date. Pension checks are issued at the end of each month for which payment is due.

(c) Amount. Subject to the provisions of Section 5.01(b), the monthly amount of the Member's early retirement Pension payable as of his Normal Retirement Date shall be equal to his Accrued Benefit determined as of the date of the Member's retirement. In the event the Member elects to defer commencement of his early retirement Pension beyond his Normal Retirement Date, the Member's Pension shall be of Equivalent Actuarial Value to the Pension otherwise payable as of his Normal Retirement Date. In the event a Member elects to commence payment prior to his Normal Retirement Date, the Member's Pension payable as of the earlier commencement date shall be equal to his Accrued Benefit reduced by 5/12 of 1%

for each month by which the commencement date of the Member's early retirement Pension precedes his Normal Retirement Date; provided, however, if the Member shall have 25 years of Vesting Service at his date of retirement, the Member's early retirement Pension shall be equal to the deferred Pension reduced by 5/12 of 1% for each month by which the commencement date of the Member's early retirement Pension precedes the first day of the calendar month coincident with or immediately following the Member's 62nd birthday. Notwithstanding the foregoing, in no event shall the Member's early retirement Pension commencing prior to his Normal Retirement Date be less than the Pension to which the Member would have been entitled under this Section based on his Accrued Benefit as of December 31, 2006 and payable at the earlier commencement date under the terms of the Plan as in effect on December 31, 2006.

4.04 Disability Benefit

- (a) Eligibility. Subject to the provisions of paragraph (e) below, a Member who terminates from employment with the Employer and all Affiliated Employers as an Employee on account of Disability shall be entitled to benefits as provided in this Section. A Member must file an application requesting a determination of Disability with the Retirement Committee prior to the Employee's termination of employment
- (b) Commencement and Duration. In the event the Member remains Disabled until his Normal Retirement Date, he shall be entitled to a Pension payable in monthly installments commencing as of his Normal Retirement Date or effective as of such later date as of which the Member ceases to accrue Benefit Service under the provisions of paragraph (c) below. If the Member's Disability ceases prior to the Member's Normal Retirement Date, the Member's entitlement to benefits under this Plan shall be determined as provided under paragraph (c) below. A Member may also elect to postpone commencement of his Pension in accordance with the provisions of Section 4.01(b). However, payment shall commence no later than the Member's Required Beginning Date.
- (c) Amount. The amount of the Pension payable to a Member entitled to benefits under this Section shall be determined by (i) considering Benefit Service as if the Member's Benefit Service continued uninterrupted to the earlier of the date the Member's Disability ceases or the Member's Normal Retirement Date, provided, however, if the Member becomes Disabled after attaining age 60, the Member shall be entitled to accrue Benefit Service for a period of up to five years provided he remains Disabled during that period, (ii) using the benefit formula as stated in Section 4.01(c) in effect on the date the Member ceases to accrue Benefit Service under clause (i), and (iii) using Covered Compensation frozen as of the date the Member became Disabled (determined under the terms of the Plan and applicable law as in effect on that date).

In the event a Member who becomes Disabled after age 60 ceases to be eligible for payments under the Employer's long-term disability plan on account of age, the Retirement Committee shall determine the Member's continued disability for the

period of time during which he may accrue Benefit Service under clause (i) above, based on such medical evidence as the Retirement Committee shall require in accordance with such uniform rules as it shall adopt and by applying the same definition of disability as contained under the Employer's long-term disability plan. In the event such Member continues to accrue Benefit Service after his Required Beginning Date, his Pension shall be recomputed as of the end of each Plan Year following his Required Beginning Date (and as of the date he ceases benefit accruals) to reflect additional accruals. The Member's recomputed Pension shall be reduced by the Equivalent Actuarial Value of the total payments of his Pension paid prior to such recomputation to arrive at his Pension payable following the recomputation (provided no reduction shall reduce a Member's Pension below the amount of Pension payable to the Member prior to the recomputation).

If the Member's Disability ceases before the Member's Normal Retirement Date, the Member shall cease to accrue any further benefits under this Section as of the date he ceases to be Disabled and his Pension shall be determined under Section 4.03 or 4.05, as applicable, but based on Covered Compensation frozen as of the date the Member became Disabled (determined under the terms of the Plan and applicable law as in effect on that date), and including the Benefit Service the Member accrued during the period the Member was receiving benefits under the Employer's long-term disability plan or, if applicable, would be receiving benefits but for a long-term disability plan age-based limitation on benefits which is different than the age-based limitation described in the preceding paragraph.

- (d) Election of Benefit Commencement In Lieu of Continued Accruals. Notwithstanding the preceding provisions of this Section 4.04, if a Member who is accruing Benefit Service under the provisions of this Section meets the requirements to commence payment of a Pension under the provisions of Section 4.01, 4.02, 4.03, or 4.05 (including Vesting Service credited under this Section) as of the day before the Member's Annuity Starting Date, the Member may elect to cease further benefit accruals under the preceding provisions of this Section 4.04 and, in lieu thereof, elect to commence payment of a Pension under the provisions of Section 4.01, 4.02, 4.03, or 4.05. The amount of the Pension for a Member who elects to commence payments under this paragraph shall be determined using Covered Compensation frozen as of the date the Member became Disabled (determined under the terms of the Plan and applicable law as in effect on that date) and on the basis of the Member's Average Final Salary and Benefit Service as of the date the Member ceases to accrue further accruals under this Section. The Member's early retirement Pension or vested Pension shall be reduced to reflect its commencement prior to the Member's Normal Retirement Date in accordance with the provisions of Section 4.03 or 4.05, as applicable. In the event payment commences after the Member's Normal Retirement Date, the Member's Pension shall be determined in accordance with the provisions of Section 4.02.
- (e) Restriction of Benefits for Non-Grandfathered Members. Notwithstanding the preceding provisions of this Section 4.04, in no event shall a Non-Grandfathered

Member first become eligible for benefits under the provisions of this Section 4.04 after June 30, 2011. In addition, a Non-Grandfathered Member who is accruing Benefit Service under the provisions of this Section 4.04 as of June 30, 2011 shall cease to accrue Benefit Service under the provisions of this Section 4.04 as of June 30, 2011. A Non-Grandfathered Member's benefit accrued under the provisions of this Section 4.04 shall continue to be governed by the provisions of this Section 4.04 on and after July 1, 2011, including the right to commence payment in accordance with the provisions of paragraph (d) above and Sections 4.01, 4.02, 4.03 and 4.05. For purposes of determining a Non-Grandfathered Member's right to an early retirement Pension and the early retirement factor to be applied in the event a Member elects to commence payment of his Pension prior to the Member's Normal Retirement Date under the provisions of Section 4.03, a Non-Grandfathered Member who is accruing benefits under the provisions of this Section 4.04 as of June 30, 2011 shall continue to accrue Vesting Service while the Member remains Disabled in accordance with the provisions of this Section 4.04 up to the date the Member's Pension commences.

4.05 *Vested Pension*

- (a) Eligibility. A Member shall be 100 percent vested in, and have a nonforfeitable right to, his Accrued Benefit upon completion of five years of Vesting Service or, solely with respect to an employee hired by the Employer prior to January 1, 2007, the attainment of age 55. If the Member's employment with the Employer and all Affiliated Employers is terminated for reasons other than retirement or death after he is 100% vested, the Member shall be eligible for a vested Pension after the Retirement Committee receives his written application for the Pension.
- (b) Commencement. The vested Pension shall be an unreduced deferred Pension beginning as of the Member's Normal Retirement Date. However, a Member may elect to receive a reduced vested Pension effective as of the first day of any earlier month coincident with or following the date he attains age 55, (or, if the Member was a member of the Manville Plan prior to January 1, 1989, the date he attains age 50) provided that an election of an early payment date shall be subject to the notice and timing requirements set forth in Section 5.03. Alternatively, a Member may elect to postpone commencement of his vested Pension to the first day of any month following his Normal Retirement Date, but not later than his Required Beginning Date. Pension checks are issued at the end of each month for which payment is due.
- (c) Amount. Subject to Section 5.01(b), the amount of a Member's vested Pension payable as of his Normal Retirement Date shall be equal to his Accrued Benefit determined as of the date of the Member's termination of employment. If the vested Pension commences after the Member's Normal Retirement Date, the Pension shall be of Equivalent Actuarial Value to the Pension otherwise payable at the Member's Normal Retirement Date. If payment of the vested Pension commences before the Member's Normal Retirement Date, the Member's vested Pension shall be the Accrued Benefit multiplied by the appropriate factor from the following schedule:

<u>Age Pension Commences</u>	<u>Percent Payable</u>
50	26%
51	28
52	30
53	33
54	36
55	39
56	42
57	46
58	50
59	55
60	61
61	67
62	74
63	81
64	90

When the age at commencement is other than full years, the percentages in the above schedule shall be interpolated to four decimal places to take into account the number of full months.

4.06 *Surviving Spouse's Pension*

- (a) Eligibility. The surviving Spouse of a married Member shall be eligible for a surviving Spouse's Pension if such married Member dies before his Annuity Starting Date:
 - (i) In active service after he has completed the requirements for a normal retirement Pension under Section 4.01; a late retirement Pension under Section 4.02; or an early retirement Pension under Section 4.03; or
 - (ii) After retiring with entitlement to a normal retirement Pension under Section 4.01; a late retirement Pension under Section 4.02; or an early retirement Pension under Section 4.03; or
 - (iii) Either in active service or after terminating service on or after January 1, 1976, but in either event with entitlement to a vested Pension under Section 4.05; or
 - (iv) While accruing benefits under the provisions of Section 4.04 and after accruing five years of Vesting Service.
- (b) Commencement. Payment of the surviving Spouse's Pension to the Spouse shall commence as of the Member's Normal Retirement Date or as of the first day of the

month coincident with or next following his date of death, if later. Notwithstanding the foregoing, the surviving Spouse may elect to commence payment of the surviving Spouse's Pension effective as of the first day of any earlier month coincident with or following the earliest date the Member could have elected to commence benefit payments or the first day of any month coincident with or following his date of death, if later, or the surviving Spouse may elect to defer payments up to the first day of any month following the Member's Normal Retirement Date, but not later than the end of the calendar year in which the deceased Member would have attained age 70½. Pension checks are issued at the end of each month for which payment is due.

- (c) Amount. The amount of the monthly surviving Spouse's Pension payable to the Member's Spouse shall be equal to the Pension that would have been payable to his Spouse if the Member had elected to have his Pension commence in the form of a Qualified Joint and Survivor Annuity on his Normal Retirement Date or upon his date of death, if later.

However, if within the 90-day period prior to his Annuity Starting Date a Member has elected an optional form of payment which provides for monthly payments to the Member's Spouse for life in an amount equal to at least 50 percent but not more than 100 percent of the monthly amount payable under the option for the life of the Member and such option is of Equivalent Actuarial Value to the Qualified Joint and Survivor Annuity, such optional form of payment shall be used for computing the surviving Spouse's Pension instead of the Qualified Joint and Survivor Annuity. Further, a Member who dies after qualifying for an early, normal or late retirement Pension shall be deemed to have elected a Qualified Joint and 100% Survivor Annuity and the amount of the survivor annuity calculated under this paragraph shall be calculated on that basis.

In any case in which the surviving Spouse's Pension commences (in accordance with paragraph (b) above) prior to the Member's Normal Retirement Date, the amount of the surviving Spouse's Pension shall be adjusted to reflect a reduction for early commencement equivalent to the reduction that would have been applied in determining the amount of the Member's Pension under the provisions of Section 4.03 or 4.05, as applicable, had the Member begun to receive his Pension as of such commencement date. If a Member dies after he has reached his 55th birthday and completed at least 25 years of Vesting Service, the Pension payable to his surviving Spouse shall be increased if the Spouse postpones payment beyond the date the Member would have attained age 62. The Spouse's Pension otherwise payable at the date the Member would have attained age 62 shall be increased by 0.25% per month for every month that the postponed commencement date follows the first day of the month after the Member would have attained his 62nd birthday up to the Member's Normal Retirement Date.

In any case in which the surviving Spouse elects to defer commencement after the Member's Normal Retirement Date, the surviving Spouse's Pension shall be of Equivalent Actuarial Value to the benefit otherwise payable to the Spouse at the later

of the Member's Normal Retirement Date (taking into account the adjustment provided for in the preceding paragraph, if applicable) or the earliest date the Spouse was eligible to commence payment.

If the Member's death occurred while he was accruing benefits under Section 4.04, the surviving Spouse's Pension (i) shall be based on the Member's Accrued Benefit at his date of death determined by using Covered Compensation as of the date the Member became Disabled, and Average Final Salary and Benefit Service as of his date of death including the period during which the Member was accruing Benefit Service under Section 4.04; and, if applicable, (ii) shall be reduced for early commencement based on the reduction that would apply if the Member's Pension had commenced on the commencement date elected by the Spouse.

(d)Small Lump Sum Payment. Notwithstanding the preceding provisions of this Section, a lump sum payment of Equivalent Actuarial Value shall be paid to the Spouse in lieu of the monthly Pension if the present value of the Spouse's Pension payable as of the Member's Normal Retirement Date or date of death, if later, amounts to \$5,000 or less. The lump sum payment shall be made as soon as practicable following the Member's date of death. In the event the present value of a Spouse's Pension exceeds \$5,000 upon an initial determination as to its present value, the present value of the Spouse's Pension shall be redetermined at such times as the Retirement Committee, in accordance with rules and procedures it shall adopt, determines that there has been sufficient change in the actuarial assumptions used to compute such present value that it is likely that the present value of the Pension of more than a de minimis number of Spouse's will be less than \$5,000 based on such actuarial assumptions, to determine whether a lump sum payment shall be made in lieu of the monthly Pension. The lump sum payment shall be made as soon as practicable following the determination that the amount qualifies for distribution under this paragraph. However, in no event shall a lump sum payment be made following the date Pension payments have commenced to the Spouse as an annuity.

(e)Mandatory Survivor Benefits on behalf of Members Who Die in Qualified Military Service. In the event a Member dies on or after January 1, 2007, while in qualified military service (as defined in Section 414(u) of the Code) and while his reemployment rights are protected under law, the surviving Spouse's Pension shall be determined based on the assumption that the Member had returned to active employment and then terminated employment on account of his or her death. However, in determining the amount of the surviving Spouse's Pension, the Member's Accrued Benefit shall be determined at the date the Member entered military service and no Pensionable Earnings or Benefit Service shall be imputed for the period of military service (except to the extent all or a portion of such period of military service is treated as a Leave of Absence for which Benefit Service is granted under the Plan).

4.07 Maximum Benefit Limitation

- (a) Maximum Pension. Notwithstanding any provisions of the Plan to the contrary, the benefits accrued by and payable to or on behalf of a Member under the Plan shall be subject to the maximum limitations set forth in Section 415 of the Code and any regulations or rulings issued thereunder. The increased limitations of Section 415(b) of the Code effective on and after January 1, 2002 shall apply solely to employees participating in the Plan who have one Hour of Service on or after January 1, 2002.
- (b) Adjustment of Benefit and Maximum Dollar Limitation. If the benefit payable under the Plan would (but for this Section) exceed the limitations of Section 415 of the Code by reason of a benefit payable under another defined benefit plan aggregated with this Plan under Section 415(f) of the Code, the benefit under this Plan shall be reduced to the extent necessary to comply with the provisions of Section 415 of the Code. As of January 1 of each calendar year beginning on or after January 1, 2002, the maximum dollar limitation shall be adjusted as indexed, pursuant to Section 415(d) of the Code. Such adjustment of the maximum dollar limitation shall not apply to Members who terminated employment prior to the effective date of the adjustment.
- (c) Limitation Year. For purposes of this Section, the limitation year shall be the calendar year.
- (d) Definition of Compensation. The term “compensation” for purposes of applying the applicable limitations under Section 415 of the Code with respect to any Member shall mean Statutory Compensation.

4.08 Cessation of Benefit Accruals for Non-Grandfathered Members

Notwithstanding any provisions of the Plan to the contrary, in calculating the benefit payable to or on behalf of a Non-Grandfathered Member under the Plan after June 30, 2011, the following rules shall apply:

- (a) Benefit Service for benefit accrual purposes shall be frozen as of June 30, 2011;
- (b) Average Final Salary and Covered Compensation shall be frozen as of December 31, 2011;
and
- (c) Vesting Service shall continue to be credited in accordance with the provisions of the Plan for all purposes.

ARTICLE 5. PAYMENT OF PENSIONS

5.01 *Normal Form of Payment*

- (a) Unmarried Member. If a Member is not married on his Annuity Starting Date, his Pension shall be payable in the form of a single life annuity and shall be payable in monthly installments on or about the last business day of each month ending with the last monthly payment for the month in which his death occurs, unless the Member has elected an optional benefit as provided in Section 5.02.
- (b) Married Member. If a Member is married on his Annuity Starting Date, the monthly Pension shall be payable as a Qualified Joint and Survivor Annuity, unless the Member has elected an optional benefit as provided in Section 5.02. Notwithstanding the foregoing, in no event shall the Member's benefit under the form of payment in this paragraph (b) be less than the amount payable under such form of payment on his Annuity Starting Date based on his Accrued Benefit as of December 31, 2006 and based on the terms of the Plan in effect on December 31, 2006 (including the actuarial equivalent factors in effect as of that date).
- (c) Cash-Outs. Notwithstanding any provision of the Plan to the contrary, if the Equivalent Actuarial Value of the Pension payable to a Member from the Plan determined as of the Member's Normal Retirement Date or actual termination of employment, if later, is \$5,000 or less, such Pension shall be paid in a lump sum which is the Equivalent Actuarial Value of such Pension. The lump sum payment shall be made as soon as administratively practicable following the Member's Severance Date, provided the Member's Pension has not commenced in the form of an annuity. In the event the present value of a Member's Pension exceeds \$5,000 upon an initial determination as to its present value, the present value of the Member's Pension shall be redetermined at such times as the Retirement Committee, in accordance with rules and procedures it shall adopt, determines that there has been sufficient change in the actuarial assumptions used to compute such present value that it is likely that the present value of the Pension of more than a de minimis number of Members will be less than \$5,000 based on such actuarial assumptions, to determine whether a lump sum payment shall be made in lieu of the monthly Pension. The lump sum payment shall be made as soon as practicable following the determination that the amount qualifies for distribution under this paragraph. However, in no event shall a lump sum payment be made following the date Pension payments have commenced to the Member as an annuity. In the event a Member is not entitled to any Pension upon his Severance Date, he shall be deemed cashed out as of the date he terminates employment and shall forfeit any benefit under the Plan. However, if a Member described in the preceding sentence is subsequently reemployed by the Employer or Affiliated Employer, the provisions of Section 3.03 shall apply to him without regard to such sentence.

5.02 *Optional Forms of Payment*

Subject to the provisions of Section 5.03, a Member may elect to convert the Pension otherwise payable to him into an optional Pension of Equivalent Actuarial Value, as provided in one of the options named below:

(a) Option 1 – Single Life Annuity

A monthly Pension shall be paid during the life of the Member with no Pension payable after his death.

(b) Option 2 – 100% Joint and Survivor Annuity

A reduced monthly Pension shall be paid during the life of the Member and after his death, 100% of such reduced monthly Pension shall be continued during the life of and shall be paid to the Member's Beneficiary.

(c) Option 3 – 75% Joint and Survivor Annuity

A reduced monthly Pension shall be paid during the life of the Member and after his death, a monthly payment equal to 75% of such reduced monthly Pension shall be continued during the life of and shall be paid to the Member's Beneficiary.

(d) Option 4 – 50% Joint and Survivor Annuity

A reduced monthly Pension shall be paid during the life of the Member and after his death, a monthly payment equal to 50% of such reduced monthly Pension shall be continued during the life of and shall be paid to the Member's Beneficiary.

(e) Option 5 – 25% Joint and Survivor Annuity

A reduced monthly Pension shall be paid during the life of the Member and after his death, a monthly payment equal to 25% of such reduced monthly Pension shall be continued during the life of and shall be paid to the Member's Beneficiary.

(f) Option 6 – 10 Years Certain and Life Annuity

A monthly Pension shall be paid during the life of the Member and payments shall be guaranteed to be made for a minimum period of ten years. In the event of the death of the Member after the Annuity Starting Date, but before the Member's receipt of monthly Pension payments for ten years, the remainder of such payments shall be made to the Member's Beneficiary. In the event such Beneficiary is not living at the date of the Member's death, the residual value of those remaining monthly payments payable under this paragraph (f) shall be paid to the Member's estate. If the designated Beneficiary should die after receiving at least one payment, and if further payments are due after the death of the designated Beneficiary, the further payments shall be made to any person(s) designated by the Member as an alternate

Beneficiary or, in the absence of an alternate surviving Beneficiary, the residual value shall be paid to the estate of the last surviving Beneficiary in one lump sum. The residual value shall be determined on the basis of an interest rate of 120 percent of the mid-term Applicable Federal Rate for the first month of the applicable Plan Year, compounded annually.

(g) Option 7 – Level Income Option.

Under the level income option, a Member who retires when eligible for an early retirement Pension or terminates employment with eligibility for a vested Pension and whose Annuity Starting Date precedes the Member's 62nd birthday may elect to receive a retirement Pension of Equivalent Actuarial Value beginning as of the Member's Annuity Starting Date and continuing to the first day of the month in which the Member's death occurs. Payments will be made monthly at one rate until a Member becomes eligible for a primary Social Security benefit (age 62) (the "changeover date"), and at a lower rate thereafter.

The difference between the amount payable before and after the changeover date will approximate the old age benefit estimated by the Retirement Committee to be payable to the Member under the Social Security Act on the changeover date, as if payment of such benefit were to begin on the changeover date. Unless the Member provides the Retirement Committee with documentation of the Member's salary history, the old age benefit will be estimated in accordance with uniform, nondiscriminatory rules based on the following assumptions: (A) the Member continued to receive earnings between the date of his termination of employment with the Employer and the Member's changeover date in an amount equal to the full calendar year pay immediately prior to his termination of employment, and (B) the Member's earnings before the full calendar year immediately prior to his termination of employment will be projected backward by applying a salary scale which equals the change in national average wages from year to year as determined by the Social Security Administration.

Notwithstanding the foregoing, in no event shall the Member's benefit under Option 2, 3, 4, 5 or 6 above be less than the amount that would have been payable under such form of payment on his Annuity Starting Date based on his Accrued Benefit as of December 31, 2006 and based on the terms of the Plan in effect on December 31, 2006 (including the actuarial equivalent factors in effect as of that date).

If a Member dies after Pension payments have commenced, any payments continuing to be made to a Beneficiary shall be distributed at least as rapidly as under the method of distribution being used as of the Member's date of death.

5.03 Election of Options

- (a) Spousal Consent. A married Member's election of any option shall only be effective if Spousal Consent to the election is received by the Retirement Committee, unless:

- (i) the option provides for monthly payments to his Spouse for life after the Member's death, in an amount equal to at least 50%, but not more than 100%, of the monthly amount payable under the option to the Member, and
 - (ii) the option is of Equivalent Actuarial Value to the Qualified Joint and Survivor Annuity.
- (b) Notice. The Retirement Committee shall furnish to each Member a written notice explaining in nontechnical language the terms and conditions of the Pension payable to the Member in the optional forms described in Section 5.02. Such explanation shall include a general description of the eligibility conditions for, and the material features and relative values of, the optional forms of Pensions under the Plan, any rights the Member may have to defer commencement of his Pension, the consequences of the Member's failure to defer, the requirement for Spousal Consent as provided in paragraph (a) above, and the right of the Member to make, and to revoke, elections under this Section. Generally, the notice shall be provided not less than 30 days and no more than 90 days before the Member's Annuity Starting Date, provided, however, the notice may be furnished after the Annuity Starting Date if the written notice as described above was not provided on a timely basis (i) due to an administrative error determined by the Retirement Committee on a basis uniformly applicable to all Members similarly situated, or (ii) due to an involuntary termination of employment.
- (c) Form and Timing of Elections. An election of an optional form shall be made on a form provided by the Retirement Committee. The timing of such election shall be subject to the following:
- (i) General Rule. Except as otherwise provided in this paragraph (c), a Member's election of an optional form may be made at any time during the period beginning on the date the Member receives the notice described in paragraph (b) and ending on the Member's Annuity Starting Date. Notwithstanding the foregoing, an election received after the Annuity Starting Date shall be deemed to have been made within the election period if:
 - (A) the notice described in paragraph (b) is provided to the Member at least 30 days before the Annuity Starting Date;
 - (B) distributions commence not later than 90 days after the date such notice is provided to the Member; and
 - (C) the Member's election is made before the date distributions commence.

A distribution shall not be deemed to violate the requirement of subparagraph (B) merely because, due solely to administrative delay, it commences more than 90 days after the date notice is provided to the Member.

A Member's Annuity Starting Date may not occur sooner than 30 days after receipt of the notice, except as permitted under subparagraph (ii).

- (ii) Waiver of 30-Day Period. A Member may, after having received the notice described in paragraph (b) above, affirmatively elect to have his Pension commence sooner than 30 days following his receipt of the notice, provided all of the following requirements are met:
 - (A) the Retirement Committee clearly informs the Member that he has a period of at least 30 days after receiving the notice to decide when to have his benefits begin, and, if applicable, to choose a particular optional form of payment;
 - (B) after receiving the notice, the Member affirmatively elects a date for his Pension to begin and, if applicable, an optional form of payment;
 - (C) the Member is permitted to revoke his election until the later of his Annuity Starting Date or at any time prior to the commencement of benefit payments;
 - (D) payment does not commence less than seven days following the day after the notice is received by the Member, nor more than 90 days following the day the notice is received by the Member (except that the 90-day period may be extended due to administrative delay); and
 - (E) the Member's Annuity Starting Date is after the date the notice is provided, except as provided in subparagraph (iii).
- (iii) Retroactive Annuity Starting Date. If a Member is eligible (in accordance with the provisions of the last sentence of paragraph (b) above) to elect, and does elect, an Annuity Starting Date that precedes the date he received the notice (a "retroactive Annuity Starting Date"), such election shall be subject to the following requirements:
 - (A) With respect to an election made by a Member who is involuntarily terminated by the Employer, the retroactive Annuity Starting Date is within the 120-day period following the Member's termination of employment with the Employer and all Affiliated Employers.
 - (B) The Member's benefit, including any interest adjustment, must satisfy the provisions of Section 415 of the Code, both at the retroactive Annuity Starting Date and at the actual commencement date, except that if the form of payment is not subject to the provisions of Section 417(e)(3) of the Code and payments commence within 12 months of the Member's retroactive Annuity Starting Date, the provisions of Section 415 of the Code need only be satisfied as of the retroactive Annuity Starting Date.

- (C) If payment is made in the form of an annuity that is not subject to the provisions of Section 417(e)(3) of the Code, a payment equal in amount to the sum of the monthly payments that the Member would have received during the period commencing on his retroactive Annuity Starting Date and ending with the month preceding his actual commencement date, plus interest at the rate of 120 percent of the mid-term Applicable Federal Rate for the first month of the applicable Plan Year, compounded annually, shall be paid to the Member on his actual commencement date.
- (D) Spousal Consent to the retroactive Annuity Starting Date is required for such election to be effective unless:
 - (I) the amount of the survivor annuity payable to the Spouse determined as of the retroactive Annuity Starting Date under the form elected by the Member is no less than the amount the Spouse would have received under the Qualified Joint and Survivor Annuity if the date payments commence were substituted for the retroactive Annuity Starting Date; or
 - (II) the Member's Spouse on his retroactive Annuity Starting Date is not his Spouse on his actual commencement date and is not treated as his Spouse under a qualified domestic relations order.
- (E) If the Member elects payment in a form of payment that is subject to the provisions of Section 417(e)(3) of the Code:
 - (I) the monthly amount shall not be less than the amount that would have been paid in the same form on the retroactive Annuity Starting Date if the benefit amount had been calculated using the IRS Interest Rate and the IRS Mortality Table in effect on the actual commencement date; and
 - (II) interest shall be credited in the same manner as described under subparagraph (C) above.
- (F) The provisions of subparagraphs (i) and (ii) above shall apply by substituting the actual commencement date for the Annuity Starting Date.
- (G) Payment does not commence less than seven days following the day after the notice is received by the Member, nor more than 90 days following the day the notice is received by the Member (except that the 90-day period may be extended due to administrative delay).

- (d) Revocation of Election. An election of an option may be revoked on a form provided by the Retirement Committee, and subsequent elections and revocations may be made at any time during the election period described above. An election of an optional benefit shall be effective on the Member's Annuity Starting Date and may not be modified after his Annuity Starting Date unless otherwise provided in paragraph (c) above. A revocation of any election shall be effective when the completed form is timely filed with the Retirement Committee. If a Member who has elected an optional benefit dies before his Annuity Starting Date (or before the date the election of the option becomes effective under paragraph (c) above, if later), the election shall be revoked. If the Beneficiary designated under an option dies before the Member's Annuity Starting Date (or before the date the election of the option becomes effective under paragraph (c) above, if later), the election shall be revoked.

5.04 Commencement and Duration of Payments

- (a) Except as otherwise provided in Article 4 or this Article 5, payment of a Member's Pension shall begin as soon as administratively practicable following the later of (i) the Member's 65th birthday, or (ii) the date he terminates service with the Employer and all Affiliated Employers (but not more than 60 days after the close of the Plan Year in which the later of (i) or (ii) occurs).
- (b) Notwithstanding the preceding paragraph or any provision of the Plan to the contrary, a Member's Pension shall commence no later than his Required Beginning Date.
- (c) The first monthly payment of a Pension to a Member shall be made on or about the last business day of the month in which the Member's Annuity Starting Date occurs. Subsequent monthly payments shall be made on or about the last business day of each subsequent month during the Member's lifetime. The last monthly payment to the Member shall be made on or about the last business day of the month in which the Member dies (unless an earlier termination date is provided under the optional form of payment elected by the Member).

In the event payments are due to a surviving Spouse or other Beneficiary following the Member's death under the form of payment then in effect, the first payment due the surviving Spouse or other Beneficiary shall be made on or about the last business day of the month following the calendar month in which the Member died. Subsequent monthly payments shall be made on or about the last business day of each month during the Spouse's or Beneficiary's lifetime (or during the remaining period certain, if applicable). The last monthly payment shall be made on or about the last business day of the month in which the Spouse or Beneficiary dies (or, if earlier, upon the expiration of the period certain, if applicable).

5.05 Distribution Limitation

Notwithstanding any other provision of this Article 5, all distributions from the Plan shall conform to the regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code. Further, such regulations shall override any Plan provision that is inconsistent with Section 401(a)(9) of the Code. With respect to distributions made under the Plan on or after January 1, 2003, the Plan shall apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the final regulations issued on April 17, 2002.

With respect to Pensions commencing on or after January 1, 2006, the following rules shall apply:

- (a) Any additional benefits accruing to a Member in a calendar year after the first distribution calendar year will be distributed beginning as of the first payment interval ending in the calendar year immediately following the calendar year in which such amounts accrue.
- (b) If a Member's Pension is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a non-Spouse Beneficiary, annuity payments to be made on or after the Member's Required Beginning Date to the Beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the U. S. Treasury Department regulations. If the Annuity Starting Date occurs in a calendar year which precedes the calendar year in which the Member reaches age 70, in determining the applicable percentage, the Member/Beneficiary's age difference is reduced by the number of years that the Member is younger than age 70 on the Member's birthday in the calendar year that contains the Annuity Starting Date.
- (c) If the Member's Pension is being distributed in the form of a period certain and life annuity option, the period certain may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the U. S. Treasury Department regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the U. S. Treasury Department regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the Annuity Starting Date.
- (d) For purposes of this Section, the following definitions shall apply:
 - (i) "Beneficiary" means an individual other than the Member's Spouse who is designated to receive survivor benefits under a joint and survivor annuity or a period certain annuity as an optional form of payment. Such Beneficiary shall constitute the designated beneficiary as such term is used under Section

401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the U. S. Treasury Department regulations.

- (ii) “Distribution calendar year” means a calendar year for which a minimum distribution is required. For distributions beginning before a Member’s death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member’s Required Beginning Date.
- (iii) “Life expectancy” is life expectancy as computed using the Single Life Table in Section 1.401(a)(9)-9 of the U.S. Treasury Department regulations.

5.06 *Direct Rollover of Certain Distributions*

- (a) Elective Rollovers. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee’s election under this Article, a distributee may elect, at the time and in the manner prescribed by the Retirement Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (b) Mandatory Rollovers. Notwithstanding any provision of the Plan to the contrary, effective March 28, 2005 if the present value of the Member’s Accrued Benefit amounts to at least \$1,000 but not more than \$5,000, and if the Member fails to make an affirmative election to either receive the lump sum payment in cash or have it directly rolled over to an eligible retirement plan pursuant to the provisions of paragraph (a) within such election period as shall be prescribed by the Retirement Committee, the Retirement Committee shall direct the Trustee to transfer such lump sum payment to an individual retirement plan (within the meaning of Section 7701(a)(37) of the Code) (“IRA”) selected by the Retirement Committee. The IRA shall be maintained for the exclusive benefit of the Member on whose behalf such transfer is made. The transfer shall occur as soon as practicable following the end of the election period. The funds in the IRA shall be invested in an investment product designed to preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with liquidity, as determined from time to time by the Retirement Committee. In implementing the provisions of this paragraph (b), the Retirement Committee shall:
 - (i) enter into a written agreement with each IRA provider setting forth the terms and conditions applicable to the establishment and maintenance of the IRAs in conformity with applicable law;
 - (ii) furnish Member with notice of the Plan’s automatic rollover provisions, including, but not limited to, a description of the nature of the investment product in which the assets of the IRA will be invested and how the fees and expenses attendant to the IRA will be allocated, and a statement that a Member may roll over the assets of the IRA to another eligible retirement plan. Such

notice shall be provided to Members in such time and form as shall be prescribed by the Retirement Committee in accordance with applicable law; and

- (iii) fulfill such other requirements of the safe harbor contained in Department of Labor Regulation Section 2550.404a-2 and, if applicable, the conditions of Department of Labor Prohibited Transaction Class Exemption 2004-16.

(c) Definitions. The following definitions apply to the terms used in this Section:

- (i) “Eligible rollover distribution” means any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:
 - (A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more;
 - (B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and
 - (C) any after-tax amount unless such amount is rolled over or transferred (i.e., directly rolled) to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, or, effective on or after January 1, 2008 a Roth individual retirement account described in Section 408A(b) of the Code; or transferred (i.e., directly rolled over) to:
 - (1) a qualified defined contribution plan described in Section 401(a) of the Code;
 - (2) effective on and after January 1, 2007, any qualified plan described in Section 401(a) of the Code; or
 - (3) effective on and after January 1, 2007, an annuity plan described in Section 403(b) of the Code;provided that a plan described in subparagraph (1), (2) or (3) agrees to separately account for such after-tax amount and earnings thereon.
- (ii) “Eligible retirement plan” means any of the following types of plans that accept the distributee’s eligible rollover distribution:
 - (A) a qualified plan described in Section 401(a) of the Code;

- (B) an annuity plan described in Section 403(a) of the Code;
 - (C) an individual retirement account or individual retirement annuity described in Section 408(a) or 408(b) of the Code, respectively;
 - (D) effective January 1, 2002, an annuity contract described in Section 403(b) of the Code;
 - (E) effective January 1, 2002, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; and
 - (F) effective January 1, 2008, a Roth IRA described in Section 408A of the Code.
- (iii) “Distributee” means an employee or former employee. In addition, solely for purposes of paragraph (a) above, the employee’s or former employee’s surviving Spouse and the employee’s or former employee’s Spouse or former Spouse who is the alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code are distributees with regard to the interest of the Spouse or former Spouse.
- (iv) “Direct rollover” means a payment by the Plan to the eligible retirement plan specified by the distributee.
- (d) Non-Spouse Beneficiary Rollovers. Notwithstanding any provision of this Section to the contrary, effective as of January 1, 2010, a non-Spouse Beneficiary of a deceased Member may elect, at the time and in the manner prescribed by the Retirement Committee, to directly roll over any portion of a distribution that would constitute an eligible rollover distribution if it were made to a Member, surviving Spouse, or alternate payee, provided such direct rollover is made to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, or a Roth IRA described in Section 408A of the Code (collectively, “IRA”) that is established on behalf of the non-Spouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Sections 402(c)(11) and 408(d)(3)(C)(ii) of the Code. Distributions under this paragraph (d) that would have been eligible rollover distributions if made to a Member, surviving spouse or alternate payee will be treated as eligible rollover distributions for all purposes under the Code, regardless of whether the non-spouse Beneficiary elects to directly roll over such distribution.

5.07 Special Commencement Right During 2014

Notwithstanding anything in Article 4 or this Article 5 to the contrary, certain Members may elect to commence their Pension with an Annuity Starting Date on the Special Annuity Starting Date (as defined below), in accordance with this Section.

- (a) Definitions. For purposes of this Section, each of the following terms when capitalized has the respective meaning set forth below:
- (i) Eligible Participant. An “Eligible Participant” is a vested Member who meets all of the following requirements:
 - (A) The Member had a termination of employment with the Employer and all Affiliated Employers with a vested Pension prior to April 1, 2014 and has not been reemployed by the Employer or an Affiliated Employer on or before the Special Annuity Starting Date;
 - (B) The Member is not receiving benefits under a long-term disability plan of the Employer or an Affiliated Employer;
 - (C) The Member has not attained his or her Normal Retirement Date on or before the Special Annuity Starting Date;
 - (D) The Member has not commenced his or her benefit as of an Annuity Starting Date prior to the Special Annuity Starting Date;
 - (E) No portion of the Member’s Accrued Benefit is subject to a qualified domestic relations order or other lien that is in effect or pending as of the Special Annuity Starting Date;
 - (F) As of the Special Annuity Starting Date, the Member had not deceased;
and
 - (G) The Equivalent Actuarial Value of the Member’s Accrued Benefit determined as of November 1, 2014 is no greater than \$50,000.
 - (ii) Special Annuity Starting Date. The “Special Annuity Starting Date” means November 1, 2014.
 - (iii) Window Election Period. The “Window Election Period” means the period beginning on August 18, 2014 and ending on October 3, 2014.
- (b) Payment Options for Eligible Participants. The following provisions apply to Eligible Participants who commence their Plan benefits under this Section:
- (i) Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is eligible to commence an early retirement Pension under Section 4.03 or a vested Pension under Section 4.05 as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit

in the form of a lump-sum payment pursuant to this Section or in any form of benefit otherwise available to the Eligible Participant under Section 5.02.

(ii) Non-Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is otherwise not eligible to commence his benefit as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit in the form of a:

(A) lump-sum payment pursuant to this Section,

(B) single life annuity under Section 5.02(a),

(C) if the Eligible Participant is married on the Special Annuity Starting Date, a Qualified Joint and Survivor Annuity, or

(D) if the Eligible Participant is married on the Special Annuity Starting Date, a 75% joint and survivor annuity under Section 5.02(c) with the Eligible Participant's Spouse as his Beneficiary.

(iii) Spousal Consent Requirements. An Eligible Participant's election to waive the normal form of benefit under Section 5.01(b) is subject to Spousal Consent.

(c) Calculation of Benefits.

(i) Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(i) above, the benefit payable under this Section shall be calculated under the provisions of the Plan that generally apply to the calculation of such benefit, but disregarding any limitation on the amount of lump sums otherwise payable under the terms of the Plan.

(ii) Non-Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(ii) above, the benefit payable under this Section shall be of Equivalent Actuarial Value to the Eligible Participant's Accrued Benefit using the actuarial assumptions for calculating lump sums.

(d) Election Procedures. An Eligible Participant's election to commence benefits under this Section must be made in accordance with procedures established by the Retirement Committee. An Eligible Participant's election to receive payment under this Section must be postmarked no later than the last day of the Window Election Period, unless a later date is required by law due to a delay in the delivery of the election notice to the Eligible Participant. An Eligible Participant who does not notify the Retirement Committee of a change in his or her address by the date established by the Retirement Committee in order for the Eligible Participant to commence a benefit with an Annuity Starting Date on the Special Annuity Starting Date, shall not be eligible to commence his or her benefit under this Section. An Eligible Participant who does not submit a completed election form (including any

applicable Spousal Consent) in accordance with this subsection (d) may commence benefits only at the time and in the form determined under the Plan without regard to this Section.

ARTICLE 6. CONTRIBUTIONS

6.01 *Employer Contributions*

It is the intention of the Employer to continue the Plan, make the contributions that are necessary to maintain the Plan on a sound actuarial basis, and meet the minimum funding standards prescribed by law. However, subject to the provisions of Article 10, the Employer may discontinue its contributions for any reason at any time. Any forfeitures shall be used to reduce the Employer's contributions otherwise payable.

6.02 *Return of Contributions*

- (a) Employer contributions to the Plan are conditioned upon their deductibility under Section 404 of the Code. If all or part of the Employer's deductions for contributions to the Plan are disallowed by the Internal Revenue Service, the portion of the contributions to which that disallowance applies shall be returned to the Employer without interest, but reduced by any investment loss attributable to those contributions. The return shall be made within one year after the date of the disallowance of deduction.
- (b) The Employer may recover without interest the amount of its contributions to the Plan made on account of a mistake-of-fact, reduced by any investment loss attributable to those contributions, provided recovery is made within one year after the date of those contributions.

6.03 *Member Contributions*

No Member shall contribute to the Plan.

ARTICLE 7. ADMINISTRATION OF PLAN

7.01 *Adoption of Charter*

The Board of Directors may adopt a Charter which sets forth procedures regarding the governance and maintenance of the Retirement Committee and, to the extent not inconsistent with the Plan, the rights, duties, and responsibilities of the Retirement Committee with respect to the Plan.

7.02 *Administration of Retirement Committee*

The Retirement Committee will have all rights, duties and responsibilities as provided in the Charter and the Plan, and will be governed and maintained in accordance with the Charter.

7.03 *Authority of Retirement Committee*

Subject to the limitations of the Plan, the Retirement Committee shall establish rules for the administration of the Plan and the transaction of its business. All actions of the Retirement Committee shall be in accordance with the Charter. The Retirement Committee, in addition to such duties and powers as provided in the Charter, shall maintain accounts reflecting the financial transactions of the Plan, and shall recommend, implement and monitor investment policy guidelines and objectives as approved by the Board of Directors. The Retirement Committee shall submit a report periodically to the Board of Directors giving the status of the Fund regarding the satisfaction of the investment objectives.

The Retirement Committee shall have discretionary authority to determine eligibility for benefits and to construe the terms of the Plan, which shall include, but not be limited to, determination of:

- (a) an individual's eligibility for Plan participation,
- (b) the right to and amount of any benefit payable under the Plan, and
- (c) the date on which any individual ceases to be a Member. The Retirement Committee shall have discretionary authority to decide disputed claims in accordance with its interpretation of the terms of the Plan.

The determination of the Retirement Committee as to any disputed question or claim shall be conclusive and final.

7.04 *Prudent Conduct*

The members of the Retirement Committee shall use that degree of care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of a similar situation.

7.05 Actuary

The Retirement Committee shall maintain such data as may be necessary for actuarial valuations of the liabilities of the Plan. At the request of the Board of Directors, the Retirement Committee shall submit a report each year to the Board of Directors, giving a brief account of the operation of the Plan during the past year, and a copy of that report shall be filed in the office of the Plan, where it shall be open to inspection by any Member of the Plan. As an aid to the Retirement Committee in fixing the rate of contributions payable to the Plan, the actuary designated by the Retirement Committee shall prepare annual actuarial valuations of the contingent assets and liabilities of the Plan, and shall submit to the Retirement Committee the recommended Employer contribution.

7.06 Service in More Than One Fiduciary Capacity

Any individual, entity or group of persons may serve in more than one fiduciary capacity with respect to the Plan and/or the Funds of the Plan.

7.07 Limitation of Liability

The Employer, the Board of Directors, the members of the Retirement Committee, and any officer, employee or agent of the Employer shall not incur any liability individually or on behalf of any other individuals, or on behalf of the Employer for any act, or failure to act, made in good faith in relation to the Plan or the Funds of the Plan. However, this limitation shall not act to relieve any such individual or the Employer from a responsibility or liability for any fiduciary responsibility, obligation or duty under Part 4, Title I of ERISA.

7.08 Indemnification

The Employer, the members of the Retirement Committee, the Board of Directors, and the officers, employees and agents of the Employer shall be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the Funds of the Plan, including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan or the Funds of the Plan, and any and all amounts paid in any compromise or settlement relating to the Plan or the Funds of the Plan, except for actions or failures to act made in bad faith. The foregoing indemnification shall be made from the Funds of the Plan to the extent of those Funds and to the extent permitted under applicable law; otherwise, from the assets of the Employer.

7.09 Expenses of Administration

All expenses that arise in connection with the administration of the Plan, including but not limited to the compensation of the Trustee, administrative expenses and proper charges and disbursements of the Trustee and compensation and other expenses and charges of any actuary, counsel, accountant, specialist, or other person who has been retained by the Employer or the Retirement Committee in connection with the administration thereof, shall be paid from the Funds of the Plan held by the Trustee under the trust agreement or insurance

or annuity contract adopted for use in implementing the Plan to the extent not paid by the Employer.

ARTICLE 8. MANAGEMENT OF FUNDS

8.01 *Trustee*

All the Funds of the Plan shall be held by a Trustee, or Trustees, appointed from time to time by the Retirement Committee under a Trust Agreement adopted, or as amended, by the Retirement Committee for use in providing the benefits of the Plan and paying its expenses not paid directly by the Employer. The Employer shall have no liability for the payment of benefits under the Plan or for the administration of the Funds paid over to the Trustee or Trustees.

8.02 *Exclusive Benefit Rule*

Except as otherwise provided in the Plan, no part of the corpus or income of the Funds of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and other persons entitled to benefits under the Plan, before the satisfaction of all liabilities with respect to them. No person shall have any interest in, or right to, any part of the earnings of the Funds of the Plan, or any interest in, or right to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

8.03 *Appointment of Investment Manager*

Except as provided in this Section, the Trustee shall have the power and authority to manage and invest the assets of the Plan. The Retirement Committee may, at its discretion, appoint one or more investment managers (within the meaning of Section 3(38) of ERISA) to manage (including the power to acquire and dispose of) all or part of the assets of the Plan, as the Retirement Committee shall designate. In that event, authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that investment manager.

ARTICLE 9. GENERAL PROVISIONS

9.01 *Nonalienation and Qualified Domestic Relations Orders*

- (a) Except as required by any applicable law or paragraph (b) or (c) below, no benefit under the Plan shall in any manner be anticipated, assigned or alienated, and any attempt to do so shall be void. However, payment shall be made in accordance with the provisions of any judgment, decree, or order which meets the following conditions:
 - (i) Creates for, or assigns to, an alternate payee the right to receive all or a portion of the Member's benefits under the Plan for the purpose of providing child support, alimony payments or marital property rights to that alternate payee;
 - (ii) Is made pursuant to a state domestic relations law;
 - (iii) Does not require the Plan to provide any type of benefit, or any option, not otherwise provided under the Plan; and
 - (iv) Otherwise meets the requirements of Section 206(d) of ERISA, as amended, as a "qualified domestic relations order (QDRO)," as determined by the Retirement Committee.

In determining the benefit payable to the alternate payee, the portion of the Member's benefit payable to the alternate payee at the date that benefits are scheduled to commence under the QDRO shall be actuarially adjusted to reflect the difference in ages between the Member and the alternate payee. The actuarial adjustment for this purpose, as well as for the purpose of determining the Equivalent Actuarial Value of a benefit commencing before Normal Retirement Date, if applicable, shall be based on an interest rate and mortality table specified for converting a life annuity to an optional form of annuity (other than a level income option) under the terms of the Plan in effect on the alternate payee's Annuity Starting Date. Notwithstanding anything herein to the contrary, if the present value of any series of payments meeting the criteria set forth in clauses (i) through (iv) above amounts to \$5,000 or less, a lump sum payment of Equivalent Actuarial Value shall be made in lieu of the series of payments. Such Equivalent Actuarial Value shall be determined on the basis of the IRS Interest Rate and the IRS Mortality Table.

For purposes of the Plan, an "alternate payee" means a spouse, former spouse, child or dependent of a Member who is entitled, pursuant to a qualified domestic relations order and the provisions of this paragraph (a), to receive a payment of all or a portion of a Member's Accrued Benefit under the Plan.

- (b) A Member's benefits under the Plan shall be offset by the amount the Member is required to pay to the Plan under the circumstances set forth in Section 401(a)(13)(C) of the Code.

- (c) A Member's Pension under the Plan shall be distributed as required because of the enforcement of a federal tax levy made pursuant to Section 6331 of the Code or the collection by the United States on a judgment resulting from an unpaid tax assessment.

9.02 *Conditions of Employment Not Affected by Plan*

The establishment of the Plan shall not confer upon any Employee or other person any legal rights to a continuation of employment, nor shall it interfere with the rights of the Employer to discharge any Employee or to treat him without regard to the effect which that treatment might have upon him as a Member or potential Member of the Plan.

9.03 *Facility of Payment*

If the Retirement Committee shall find that a Member or other person entitled to a benefit is unable to care for his affairs because of illness or accident, or because he is a minor, the Retirement Committee may direct that any benefit due him (unless claim shall have been made for the benefit by a duly appointed legal representative) be paid to his Spouse, child, parent or other blood relative, or to a person with whom he resides. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

9.04 *Information*

Each Member or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the Plan, shall file with the Employer the information that it shall require to establish his rights and benefits under the Plan.

9.05 *Top-Heavy Provisions*

- (a) Definitions. The following definitions apply to the terms used in this Section:
- (i) "Applicable Determination Date" means the last day of the preceding Plan Year;
 - (ii) "Applicable Valuation Date" means the date within the preceding Plan Year as of which annual Plan costs are or would be computed for minimum funding purposes;
 - (iii) "Average Statutory Compensation" means the average annual Statutory Compensation of a Member for the five consecutive years of his Vesting Service after December 31, 1983 during which he received the greatest aggregate remuneration from the Employer or an Affiliated Employer, excluding any Statutory Compensation for service after the last Plan Year with respect to which the Plan is top-heavy;
 - (iv) "Key Employee" means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the

applicable determination date was an officer of the Employer or an Affiliated Employer having Statutory Compensation greater than \$130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5-percent owner (as defined in Section 416(i)(1)(B)(i) of the Code) of the Employer or an Affiliated Employer, or a 1-percent owner (as defined in Section 416(i)(1)(B)(ii) of the Code) of the Employer or an Affiliated Employer having Statutory Compensation greater than \$150,000 (the determination of who is a key employee shall be made in accordance with Section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder);

- (v) “Non-Key Employee” means any employee who is not a Key Employee;
- (vi) “Permissive Aggregation Group” means each plan in the Required Aggregation Group and any other qualified plan(s) of the Employer or an Affiliated Employer in which all members are non-key employees, if the resulting aggregation group continues to meet the requirements of Sections 401(a)(4) and 410 of the Code;
- (vii) “Required Aggregation Group” means each other qualified plan of the Employer or an Affiliated Employer (including plans that terminated within the five-year period ending on the determination date) in which there are members who are key employees or which enables the Plan to meet the requirements of Section 401(a)(4) or 410 of the Code; and
- (viii) “Top-Heavy Ratio” means the ratio of (A) the present value of the cumulative Accrued Benefits under the Plan for key employees to (B) the present value of the cumulative Accrued Benefits under the Plan for all key employees and non-key employees; provided, however, that if an individual has not performed services for the Employer or any Affiliated Employer at any time during the one-year period ending on the applicable determination date, any accrued benefit for such individual (and the account of such individual) shall not be taken into account; and provided further, that the present values of Accrued Benefits under the Plan for an employee as of the applicable determination date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the one-year period (five-year period in the case of a distribution made for a reason other than severance from employment, death, or disability) ending on the applicable determination date and any distributions made with respect to the employee under a terminated plan which, had it not been terminated, would have been in the required aggregation group.

(b) Determination of Top Heavy Status

- (i) The Plan shall be “top-heavy” if, as of the Applicable Determination Date, the Top-Heavy Ratio exceeds 60 percent. The Top-Heavy Ratio shall be determined as of the Applicable Valuation Date in accordance with Sections 416(g)(3) and (4) (B) of the Code on the basis of the interest rate and mortality table used in the actuarial valuation for the Plan for the applicable Plan Year.
- (ii) For purposes of determining whether the Plan is top-heavy, the present value of accrued benefits under the Plan will be combined with the present value of accrued benefits or account balances under each other plan in the Required Aggregation Group. In the Employer’s discretion, accrued benefits or account balances under each plan in the Required Aggregation Group may be combined with the present value of accrued benefits or account balances under any other qualified plan(s) in the Permissive Aggregation Group.
- (iii) The accrued benefit of a Non-Key Employee under the Plan or any other defined benefit plan in the aggregation group shall be:
 - (A) determined under the method, if any, that uniformly applies for accrual purposes under all plans maintained by the Employer or an Affiliated Employer, or
 - (B) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule described in Section 411(b)(1)(C) of the Code.
- (c) Consequences of Being Top Heavy. The following provisions shall be applicable to Members for any calendar year with respect to which the Plan is top-heavy:
 - (i) In lieu of the vesting requirements specified in Section 4.05, a Member shall be vested in, and have a nonforfeitable right to, a percentage of his Accrued Benefit determined in accordance with the provisions of Section 1.01 and subparagraph (ii) below, as set forth in the following vesting schedule:

Years of Vesting Service	Percentage Vested
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 or more years	100%

- (ii) The Accrued Benefit of a Member who is a Non-Key Employee shall not be less than two percent of his Average Statutory Compensation multiplied by the number of years of his Vesting Service, during the calendar years for which the Plan is top-heavy, but not in excess of 10. For purposes of the preceding sentence, years of Vesting Service shall be disregarded to the extent that such years of Vesting Service occur during a Plan Year when the Plan

benefits (within the meaning of Section 410(b) of the Code) no key employee or former key employee. Such minimum benefit shall be payable at a Member's Normal Retirement Date. If payments commence at a time other than the Member's Normal Retirement Date, the minimum Accrued Benefit shall be of Equivalent Actuarial Value to such minimum benefit.

- (d) Cessation of Top Heavy Status. If the Plan is top-heavy with respect to a Plan Year and ceases to be top-heavy for a subsequent Plan Year, the following provisions shall be applicable:
- (i) The Accrued Benefit in any such subsequent Plan Year shall not be less than the minimum Accrued Benefit provided in subparagraph (c)(ii) above, computed as of the end of the most recent Plan Year for which the Plan was top-heavy.
 - (ii) If a Member has completed three years of Vesting Service on or before the last day of the most recent Plan Year for which the Plan was top-heavy, the vesting schedule set forth in subparagraph (c)(i) above shall continue to be applicable.
 - (iii) If a Member has completed less than three years of Vesting Service on or before the last day of the most recent Plan Year for which the Plan was top-heavy, the vesting provisions of subparagraph (c)(i) shall continue to be applicable to the portion of his Accrued Benefit determined as of the last day of the Plan Year in which the Plan was top-heavy, and Section 4.05 shall again be applicable with respect to the remaining portion of his Accrued Benefit; provided, however, that in no event shall the vested percentage of such remaining portion be less than the percentage determined under subparagraph (c)(i) above as of the last day of the most recent Plan Year for which the Plan was top-heavy.

9.06 Construction

- (a) The Plan shall be construed, regulated and administered under ERISA, as in effect from time to time, and the laws of Georgia, except where ERISA controls.
- (b) The masculine pronoun shall include the feminine.
- (c) The titles and headings of the articles and sections in the Plan are for convenience only. In case of ambiguity or inconsistency, the text rather than the titles or headings shall control.
- (d) The Retirement Committee shall have full power and authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be issued or adopted by the Board of Directors, to interpret the provisions and supervise the administration of the Plan, including the power to remedy possible ambiguities, inconsistencies or omissions. Such determinations shall be conclusive.

9.07 Prevention of Escheat

If the Retirement Committee cannot ascertain the whereabouts of any person to whom a payment is due under the Plan, the Retirement Committee may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person as shown on the records of the Retirement Committee or the Employer. If such person has not made written claim for payment within three months of the date of the mailing, the Retirement Committee may, if it so elects and upon receiving advice from counsel to the Plan, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the Plan and the amount thereof applied to reduce the contributions of the Employer. Upon such cancellation, the Plan shall have no further liability therefore except that, in the event such person or his Beneficiary later notifies the Retirement Committee of his whereabouts and requests the payment or payments due to him under the Plan, the amount so applied shall be paid to him in accordance with the provisions of the Plan.

9.08 Electronic Transmission of Notices to Members

Notwithstanding any provision of the Plan to the contrary, any notice required to be distributed to Members, Beneficiaries, and alternate payees pursuant to the terms of the Plan may, at the direction of the Retirement Committee, be transmitted electronically to the extent permitted by, and in accordance with any procedures set forth in, applicable law and regulations.

9.09 Limitation on Benefits In the Event of a Liquidity Shortfall

Notwithstanding any provisions of the Plan to the contrary, in the event the Plan has a liquidity shortfall within the meaning of Section 401(a)(32) of the Code, the Trustee shall, as directed by the Employer, cease payment during the period of such liquidity shortfall of (a) any payment in excess of the monthly amount payable under a single life annuity (plus any social security supplements described in Section 411(a)(9) of the Code) to any Member or Beneficiary whose Annuity Starting Date occurs during such period, (b) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, or (c) any other payment specified in regulations promulgated under Section 401(a)(32) of the Code.

9.10 Funding-Based Limitations on Benefits under Section 436 of the Code

- (a) Limitations Applicable if the Plan's Adjusted Funding Target Attainment Percentage ("AFTAP") is Less Than 80%, but not Less Than 60%. Notwithstanding any other provisions of the Plan, if the Plan's AFTAP for a Plan Year is less than 80% (or would be less than 80% to the extent described in subparagraph (a)(ii) below) but is not less than 60%, then the limitations set forth in this paragraph (a) apply.
 - (i) 50% Limitation on Single-Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments. A Member or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or

other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (A) 50% of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
- (B) 100% of the PBGC maximum benefit guarantee amount (as defined in Treasury Regulation Section 1.436-1(d)(3)(iii)(C)).

The limitation set forth in this subparagraph (a)(i) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Member. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Member or Beneficiary as of the Annuity Starting Date because of the application of the requirements of this subparagraph (a)(i), the Member or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Treasury Regulation Section 1.436-1(d)(3)(iii)(D)). The Member or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that Annuity Starting Date that would satisfy the 50%/PBGC maximum benefit guarantee amount limitation described in this subparagraph (a)(i), or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan. During a period when the restrictions of this subsection apply to the Plan, Members and Beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in Treasury Regulation Section 1.436-1(d)(3)(iii)(D)), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as Code Sections 411(a)(11) and 401(a)(9)).

- (ii) Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the AFTAP for the Plan Year is:
 - (A) Less than 80%;
or
 - (B) 80% or more, but would be less than 80% if the benefits attributable to the amendment were taken into account in determining the AFTAP.

The limitation set forth in this subparagraph (a)(ii) does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Members covered by the amendment.

- (b) Limitations Applicable if the Plan's AFTAP is Less Than 60%. Notwithstanding any other provisions of the Plan, if the Plan's AFTAP for a Plan Year is less than 60% (or would be less than 60% to the extent described in subparagraph (b)(ii) below), then the limitations in this paragraph (b) apply.
- (i) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. A Member or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this subparagraph (b)(i) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Member.
- (ii) Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to be Paid. An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the AFTAP for the Plan Year is:
- (A) Less than 60%;
or
- (B) 60% or more, but would be less than 60% if the AFTAP were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100%.
- (iii) Benefit Accruals Frozen. Benefit accruals under the Plan shall cease as of the applicable section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this subparagraph (b)(iii), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.
- (c) Limitations Applicable if the Employer is in Bankruptcy. Notwithstanding any other provisions of the Plan, a Member or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date that occurs during any period in which the Employer is a debtor in a case under title 11, United States Code,

or similar federal or state law, except for payments made within a Plan Year with an Annuity Starting Date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's AFTAP for that Plan Year is not less than 100%. In addition, during such period in which the Employer is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's AFTAP for that Plan Year is not less than 100%. The limitation set forth in this paragraph (c) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Member.

(d) Provisions Applicable After Limitations Cease to Apply.

- (i) Resumption of Prohibited Payments. If a limitation on prohibited payments under subparagraph (a)(i), (b)(i), or paragraph (c) applied to the Plan as of a section 436 measurement date, but that limit no longer applies to the Plan as of a later section 436 measurement date, then that limitation does not apply to benefits with Annuity Starting Dates that are on or after that later section 436 measurement date.
- (ii) Resumption of Benefit Accruals. If a limitation on benefit accruals under subparagraph (b)(iii) applied to the Plan as of a section 436 measurement date, but that limitation no longer applies to the Plan as of a later section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later section 436 measurement date, except as otherwise provided under the Plan. In addition, benefit accruals that were not permitted to accrue because of the application of subparagraph (b)(iii) shall be restored when that limitation ceases to apply if the continuous period of the limitation was 12 months or less and the Plan's enrolled actuary certifies that the AFTAP for the Plan Year would not be less than 60 percent taking into account any restored benefit accruals for the prior Plan Year. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor Regulation 29 C.F.R. Sections 2530.204-2(c) and (d).
- (iii) Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of subparagraph (b)(ii), but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the AFTAP for the Plan Year that meets the requirements of Treasury Regulation Section 1.436-1(g)(5)(ii)(B)), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have

been payable under the terms of the Plan (determined without regard to subparagraph (b)(ii)). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

- (iv) Treatment of Plan Amendments That Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of subparagraph (a)(ii) or (b)(iii), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the AFTAP for the Plan Year that meets the requirements of Treasury Regulation Section 1.436-1(g)(5)(ii)(C)), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.
- (e) Notice Requirement. See ERISA Section 101(j) for rules requiring the plan administrator of a single employer defined benefit pension plan to provide a written notice to participants and beneficiaries within 30 days after certain specified dates if the plan has become subject to a limitation described in subparagraph (a)(i), or paragraph (b) or (c).
- (f) Methods to Avoid or Terminate Benefit Limitations. See Sections 436(b)(2), (c)(2), (e)(2), and (f) of the Code and Treasury Regulation Section 1.436-1(f) for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in paragraphs (a) through (c) for a plan year. In general, the methods a plan sponsor may use to avoid or terminate one or more of the benefit limitations under paragraphs (a) through (c) for a plan year include employer contributions and elections to increase the amount of plan assets which are taken into account in determining the AFTAP, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the plan.
- (g) Special Rules.
 - (i) Rules of Operation for Periods Prior to and After Certification of Plan's AFTAP.
 - (A) In General. Code Section 436(h) and Treasury Regulation Section 1.436-1(h) set forth a series of presumptions that apply (x) before the Plan's enrolled actuary issues a certification of the Plan's AFTAP for the Plan Year and (y) if the Plan's enrolled actuary does not issue a certification of the Plan's AFTAP for the Plan Year before the first day of the tenth month of the Plan Year (or if the Plan's enrolled

actuary issues a range certification for the Plan Year pursuant to Treasury Regulation Section 1.436-1(h)(4)(ii) but does not issue a certification of the specific AFTAP for the Plan by the last day of the Plan Year). For any period during which a presumption under Section 436(h) of the Code and Treasury Regulation Section 1.436-1(h) applies to the Plan, the limitations under paragraphs (a) through (c) are applied to the Plan as if the AFTAP for the Plan Year were the presumed AFTAP determined under the rules of Section 436(h) of the Code and Treasury Regulation Section 1.436-1(h)(1), (2), or (3). These presumptions are set forth in subparagraphs (g)(i)(B) through (D).

- (B) Presumption of Continued Underfunding Beginning First Day of Plan Year. If a limitation under paragraph (a), (b), or (c) applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the AFTAP for the Plan for the current Plan Year, or, if earlier, the date subparagraph (g)(i)(C) or (D) applies to the Plan:
- (1) The AFTAP of the Plan for the current Plan Year is presumed to be the AFTAP in effect on the last day of the preceding Plan Year; and
 - (2) The first day of the current Plan Year is a section 436 measurement date.
- (C) Presumption of Underfunding Beginning First Day of Fourth Month. If the Plan's enrolled actuary has not issued a certification of the AFTAP for the Plan Year before the first day of the fourth month of the Plan Year and the Plan's AFTAP for the preceding Plan Year was either at least 60% but less than 70% or at least 80% but less than 90%, or is described in Treasury Regulation Section 1.436-1(h)(2)(ii), then, commencing on the first day of the fourth month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the AFTAP for the Plan for the current Plan Year, or, if earlier, the date subparagraph (g)(i)(D) applies to the Plan:
- (1) The AFTAP of the Plan for the current Plan Year is presumed to be the Plan's AFTAP for the preceding Plan Year reduced by 10 percentage points; and
 - (2) The first day of the fourth month of the current Plan Year is a section 436 measurement date.

- (D) Presumption of Underfunding On and After First Day of Tenth Month. If the Plan's enrolled actuary has not issued a certification of the AFTAP for the Plan Year before the first day of the tenth month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to Treasury Regulation Section 1.436-1(h)(4)(ii) but has not issued a certification of the specific AFTAP for the Plan by the last day of the Plan Year), then, commencing on the first day of the tenth month of the current Plan Year and continuing through the end of the Plan Year:
- (1) The AFTAP of the Plan for the current Plan Year is presumed to be less than 60%;
and
 - (2) The first day of the tenth month of the current Plan Year is a section 436 measurement date.
- (ii) New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules.
- (A) First Five Plan Years. The limitations in subparagraphs (a)(ii), (b)(ii), and (b)(iii) do not apply to a new plan for the first five plan years of the plan, determined under the rules of Section 436(i) of the Code and Treasury Regulation Section 1.436-1(a)(3)(i).
 - (B) Plan Termination. The limitations on prohibited payments in subparagraphs (a)(i) and (b)(i), and paragraph (c) do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this section of the Plan do not cease to apply as a result of termination of the Plan.
 - (C) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans. The limitations on prohibited payments set forth in subparagraphs (a)(i) and (b)(i), and paragraph (c) do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005 and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any participants. This subparagraph (g)(ii)(C) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a plan amendment that increases benefits takes effect.
 - (D) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under subparagraph (g)(i) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's AFTAP for the Plan Year, the limitations under subparagraphs (a)(ii) and (b)(ii) shall be based on the inclusive

presumed AFTAP for the Plan, calculated in accordance with the rules of Treasury Regulation Section 1.436-1(g)(2)(iii).

(iii) Special Rules Under PRA 2010.

(A) Payments Under Social Security Leveling Options. For purposes of determining whether the limitations under subparagraph (a)(i) or (b)(i) apply to payments under a social security leveling option, within the meaning of Section 436(j)(3)(C)(i) of the Code, the AFTAP for a Plan Year shall be determined in accordance with the “Special Rule for Certain Years” under Section 436(j)(3) of the Code and any Treasury Regulation or other published guidance thereunder issued by the Internal Revenue Service.

(B) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under subparagraph (b)(iii) applies to the Plan, the AFTAP for a Plan Year shall be determined in accordance with the “Special Rule for Certain Years” under Section 436(j)(3) of the Code (except as provided under Section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

(iv) Interpretation of Provisions. The limitations imposed by this Section of the Plan shall be interpreted and administered in accordance with section 436 and Treasury Regulation Section 1.436-1.

(h) Definitions. The definitions in the following Treasury Regulation Sections apply for purposes of subparagraphs (a) through (g): Section 1.436-1(j)(1) defining AFTAP; Section 1.436-1(j)(2) defining Annuity Starting Date; Section 1.436-1(j)(6) defining prohibited payment; Section 1.436-1(j)(8) defining section 436 measurement date; and Section 1.436-1(j)(9) defining an unpredictable contingent event and an unpredictable contingent event benefit.

(i) Effective Date. The rules in subsections (a) through (h) are effective for Plan Years beginning after December 31, 2007.

9.11 *Limitation on Highly Compensated Employees and on High-25 Employees*

(a) When This Section Applies. The provisions of this Section shall apply:

- (i) in the event the Plan is terminated, to any Member who is a Highly Compensated Employee or Highly Compensated Former Employee, and
- (ii) in any other event, to any Member who is one of the 25 Highly Compensated Employees or Highly Compensated Former Employees of the Employer or an Affiliated Employer with the greatest Statutory Compensation in any Plan Year.

The amount of the annual payments to any one of the Members to whom this Section applies shall not be greater than the amount that would be paid on behalf of the Member under a single life annuity that is of Equivalent Actuarial Value to the sum of the Member's accrued benefit and the Member's other benefits under the Plan.

- (b) When This Section Does Not Apply. The provisions of this Section shall not apply if:
- (i) after taking into account payment of all benefits payable to or on behalf of the Member to whom this Section applies, the value of Plan assets equals or exceeds 110 per cent of the value of current liabilities (as that term is defined in Section 412(l)(7) of the Code) of the Plan,
 - (ii) after taking into account the value of all benefits payable to or on behalf of the Member to whom this Section applies is less than one per cent of the value of current liabilities of the Plan, or
 - (iii) the value of the benefits payable to or on behalf of the Member to whom this Section applies does not exceed the amount described in Section 411(a)(11)(A) of the Code.
- (c) Repayment of Lump Sum Distributions. To the extent permitted by law, if any Member to whom subparagraph (a)(ii) applies elects to receive a lump sum payment in lieu of his Pension and this Section is applicable, the Member shall be entitled to receive his benefit in full. However, the Member must agree to repay to the Plan any portion of the lump sum payment which would otherwise be restricted and must provide adequate security to guarantee that repayment in accordance with rules established by the Internal Revenue Service.
- (d) Termination of Plan. Notwithstanding the above, in the event the Plan is terminated, the restrictions of this Section shall not be applicable if the benefits payable to any Highly Compensated Employee and any Highly Compensated Former Employee is limited to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code.
- (e) Definitions. For purposes this Section, the following terms shall have the following meanings:
- (i) "Highly Compensated Employee" means for a Plan Year any employee of the Employer or an Affiliated Employer (whether or not eligible for membership in the Plan) who:
 - (A) was a 5-percent owner (as defined in Section 416(i) of the Code) for such Plan Year or the prior Plan Year;
or
 - (B) for the preceding Plan Year received Statutory Compensation in excess of \$80,000, and was among the highest 20 percent of employees for the preceding Plan Year when ranked by Statutory

Compensation paid for that year excluding, for purposes of determining the number of such employees, such employees as the Retirement Committee may determine on a consistent basis pursuant to Section 414(q) of the Code. The \$80,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Section 414(q) of the Code.

Notwithstanding the foregoing, employees who are nonresident aliens and who receive no earned income from the Employer or an Affiliated Employer which constitutes income from sources within the United States shall be disregarded for all purposes of this Section.

The Employer's top-paid election as described above, shall be used consistently in determining Highly Compensated Employees for determination years of all employee benefit plans of the Employer and Affiliated Employers for which Section 414(q) of the Code applies (other than a multiemployer plan) that begin with or within the same calendar year, until such election is changed by Plan amendment in accordance with IRS requirements.

The provisions of this Section shall be further subject to such additional requirements as shall be described in Section 414(q) of the Code and its applicable regulations, which shall override any aspects of this Section inconsistent therewith.

- (ii) "Highly Compensated Former Employee" means for a Plan Year any former employee of the Employer or an Affiliated Employer who had terminated employment prior to the Plan Year and who was a Highly Compensated Employee for either the year of termination or any Plan Year ending on or after the employee's 55th birthday.
- (f) When This Section is Ineffective. If it should subsequently be determined by statute, court decision acquiesced in by the Commissioner of the Internal Revenue Service, or ruling by the Commissioner of the Internal Revenue Service, that the provisions of this Section are no longer necessary to qualify the Plan under the Code, this Section shall be ineffective without the necessity of further amendment to the Plan.

9.12 Revision of the Plan and Applicability of Plan Provisions

The provisions of the Plan as set forth herein are effective as of January 1, 2015, except that certain provisions shall have an earlier or later effective date as specifically set forth in the Plan, in the resolution adopting the amendment, or as follows:

1. The amendment of Section 5.03(b), 5.06(c)(i), 9.05(d) and 10.01 shall be effective as of January 1, 2007.
2. The amendment of Section 9.05(a)(viii) shall be effective as of January 1, 2002.

3. The amendment of Section 5.03 permitting the election of a retroactive annuity starting date and the waiver of the 30-day notice period in certain circumstances shall be effective as of January 1, 2010 with respect to all Annuity Starting Dates occurring on and after that date.

Any questions concerning eligibility for and the amount of pension and any other right or limitation set forth herein which calls for a determination as to a time on or after January 1, 2015 shall be determined in accordance with the provisions of this Plan as may be amended and in effect from time to time, and any questions concerning such matters which call for a determination under the Plan as to a time prior to January 1, 2015 shall be determined in accordance with the provisions of the Plan effective as of the Member's date of termination and taking into account any amendments effective retroactive to such date in accordance with the provisions of this Section or other provisions of the Plan, except as otherwise specifically provided in the Plan or as otherwise required by law.

ARTICLE 10. AMENDMENT, MERGER AND TERMINATION

10.01 *Amendment of Plan*

The Board of Directors (or, to the extent provided in the Charter, the Retirement Committee) reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the Plan. However, no amendment shall make it possible for any part of the Funds of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the Plan prior to the satisfaction of all liabilities with respect to such persons. No amendment shall be made which has the effect of decreasing the Accrued Benefit of any Member or of reducing the nonforfeitable percentage of the Accrued Benefit of a Member below the nonforfeitable percentage computed under the Plan as in effect on the date on which the amendment is adopted or, if later, the date on which the amendment becomes effective. For purposes of this Section, a plan amendment that has the effect of (i) eliminating or reducing an early retirement benefit or retirement-type subsidy, or (ii) eliminating an optional form, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Member who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. Notwithstanding the preceding sentences, a Member's accrued benefit, early retirement benefit, retirement-type subsidy, or optional form of payment may be reduced to the extent permitted under Section 412(c)(8) of the Code (for Plan Years beginning on or before December 31, 2007) or Section 412(d)(2) of the Code (for Plan Years beginning after December 31, 2007), or to the extent permitted under Section 1.411(d)-(3) and (4) of the U.S. Treasury Department regulations.

10.02 *Merger or Consolidation*

The Plan may not be merged or consolidated with, and its assets or liabilities may not be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer if the Plan had then terminated. The transactions referenced in this Section shall be carried out under the provisions of Section 414(l) of the Code.

10.03 *Additional Participating Employers*

- (a) If any company is now or becomes a subsidiary or associated company of the Employer, the Board of Directors may, at its discretion and upon appropriate action, include the employees of that company in the membership of the Plan upon appropriate action by that company necessary to adopt the Plan. In that event, or if any persons become Employees of the Employer or an Affiliated Employer as the result of merger or consolidation or as the result of acquisition of all or part of the assets or business of another company, the Board of Directors shall determine to what extent, if any, credit shall be granted for previous service with the subsidiary,

associated or other company, but subject to the continued qualification of the Plan and trust under the Code.

- (b) Any subsidiary or associated company may terminate its participation in the Plan upon appropriate action by it, in which event the Funds of the Plan held on account of Members in the employ of that company shall be determined by the Retirement Committee and shall be applied as provided in Section 10.04 if the Plan should be terminated, or shall be segregated by the Trustee as a separate trust, pursuant to certification to the Trustee by the Retirement Committee, continuing the Plan as a separate plan for the employees of that company, under which the board of directors of that company shall succeed to all the powers and duties of the Board of Directors, including the appointment of the members of the Retirement Committee. Notwithstanding the above, the Board of Directors may refuse to approve such a termination of participation by a subsidiary or associated company if it determines that such action could jeopardize the qualified status of the Plan.

10.04 Termination of Plan

The Board of Directors may terminate the Plan for any reason at any time. In case of termination of the Plan, the rights of Members to the benefits accrued under the Plan to the date of the termination, to the extent then funded (or, if greater, protected by law), shall be nonforfeitable. The Funds of the Plan shall be used for the exclusive benefit of persons entitled to benefits under the Plan as of the date of termination, except as provided in Sections 6.02 and 7.12. However, any Funds not required to satisfy liabilities of the Plan for benefits, that arise out of any variation between actual requirements and expected actuarial requirements, shall be returned to the Employer. The Retirement Committee shall determine, on the basis of actuarial valuation, the share of the Funds of the Plan allocable to each person entitled to benefits under the Plan in accordance with Section 4044 of ERISA or corresponding provision of any applicable law in effect at the time. In the event of a partial termination of the Plan, the provisions of this Section shall be applicable to the Members affected by that partial termination.

ARTICLE 11. TRANSFERS

11.01 *Transfers To and From an Affiliated Employer*

- (a) Except as otherwise provided in Section 11.02, if an Employee (i) becomes employed by the Employer in any capacity other than as an Employee, or (ii) becomes employed by an Affiliated Employer, he shall retain his Accrued Benefit under the Plan on the date he ceases to be an Employee. Upon his later retirement or termination of employment with the Employer or Affiliated Employer, the Accrued Benefit to which the Employee is entitled under the Plan shall be determined under the Plan provisions in effect on the date he ceased to be an Employee.
- (b) Subject to the provisions of Article 3, in the case of a person who (i) was originally employed by the Employer in any capacity other than as an Employee, or (ii) was originally employed by an Affiliated Employer, or (iii) was originally providing services to the Employer as a Leased Employee and thereafter becomes an Employee, upon his later Severance Date, the benefits payable under the Plan shall be computed under the Plan provisions in effect at that time, and only on the basis of the Benefit Service accrued while he is an Employee, except as otherwise provided in Section 11.02.
- (c) All applicable remuneration with an Affiliated Employer for employees described in Section 11.01(b), shall be deemed Pensionable Earnings for purposes of the Plan during periods of Benefit Service, taken at par of exchange at the Employee's Severance Date for remuneration paid in other than U.S. currency. Employment with an Affiliated Employer shall be deemed Vesting Service with the Employer for the purpose of determining eligibility for benefits under the Plan, but the Pension payable under the Plan shall be computed on the basis of Benefit Service as defined in the Plan only.
- (d) Transfer of employment of a Member from the Employer to an Affiliated Employer shall not terminate membership under the Plan.
- (e) Notwithstanding the preceding paragraphs of this Section, no employee shall be eligible to become a Member on account of a transfer to Employee status on and after January 1, 2008.

11.02 *Transfers To and From Hourly Plan*

- (a) Notwithstanding any other provisions of the Plan, the provisions of this Section 11.02(a) shall apply to (i) any member of the Hourly Plan who ceases to be an employee as defined in the Hourly Plan and at the same time becomes an Employee on or after January 1, 1992 and prior to January 1, 2008, and (ii) any Member of the Plan who ceases to be an Employee and at the same time becomes an employee as defined in the Hourly Plan.

- (b) Service credited to the Member as an employee under the Hourly Plan shall be deemed service with the Employer for purposes of determining Vesting Service under the Plan (based on the rules specified in Section 3.01).
- (c) If an Employee described in clause (i) of paragraph (a) above accrues at least five years of Benefit Service under the Plan, he shall be entitled to an additional Accrued Benefit calculated as follows. Service credited to the Member as an employee under the Hourly Plan shall be deemed service with the Employer for purposes of determining Benefit Service under the Plan (based on the rules specified in Section 3.02). For this purpose, remuneration while a member of the Hourly Plan shall be deemed Pensionable Earnings under the Plan. The retirement Pension under the Plan will be reduced by any accrued normal retirement allowance which the Member is entitled to receive under the Hourly Plan for the same period of service. In applying the provisions of the preceding sentence to a Non-Grandfathered Member, the benefit payable under the Hourly Plan shall be calculated based on the benefit level in effect at the earlier of the Member's termination of employment or June 30, 2011.
- (d) The retirement Pension of an Employee described in clause (ii) of paragraph (a) above will be calculated using Benefit Service and Pensionable Earnings determined under the Plan. Benefits earned under the Hourly Plan will follow the provisions of the Hourly Plan.
- (e) The Retirement Committee may decide with respect to a Member of the Plan who has met the vesting requirements of Section 4.05 to transfer the vested benefits that he has earned under the Hourly Plan to the Plan. Such transfer shall be carried out in accordance with Section 10.02.
- (f) In the event a Member transferred from union status to salaried status under the Prior Plan prior to January 1, 1992, his period of service in union status shall be treated as Vesting Service and Benefit Service under the provisions of this Plan (based on rules specified in Article 3) as though such service had been rendered as an Employee, and any earnings paid to such Employee during such period of service shall be deemed to be Pensionable Earnings to the extent such earnings would have been included in Pensionable Earnings had the Member been an Employee during such period of service.

IN WITNESS WHEREOF, the Graphic Packaging International, Inc. Retirement Committee has caused this Plan to be duly executed this 21st day of November, 2014.

Graphic Packaging International, Inc.
Retirement Committee Members

By: /s/ Daniel J. Blount
Daniel J. Blount

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Brian A. Wilson
Brian A. Wilson

APPENDIX A

Special Provisions Applicable to Certain Participating Units, Locations, and Employee Groups

Effective Date	Members Covered	Special Provisions
January 1, 2005	Five legacy Graphic Packaging executives whose employment contracts as of December 31, 2004 entitle them to participate in all retirement plans applicable to similarly situated executives of the Employer.	The affected Employees shall become Members of the Plan and receive Vesting Service and Benefit Service as recognized under the Graphic Packaging Retirement Plan, and “Benefit Compensation” earned under the Graphic Packaging Retirement Plan shall be treated as Pensionable Earnings; with the Pension payable under the Plan subject to Section 3.04.
November 19, 1998	Peter L. Lee	The affected Employee shall receive Vesting Service starting on February 1, 1989 on account of service with his predecessor employer, and Benefit Service starting on March 23, 1995.
October 9, 1998	Wood Procurement non-union hourly Employees as a result of sale to Fulghum Fibres.	Such affected Employees no longer participate in the Plan. Accelerated vesting credit was not granted to affected Employees.
May 1 to July 1, 1997	Members of the Plan who were terminated as a result of the closure of the Bakersfield, California Plant.	Such affected Employees no longer participate in the Plan. Accelerated vesting credit was not granted to affected Employees.
October 18, 1996	Salaried and non-union hourly Employees at Joyce, Forest Resources, and Wood Products who were terminated as a result of the sale of the Wood Products Division to Plum Creek Timber Company, L.P.	Such affected Employees no longer participate in the Plan and shall be 100% vested in their Accrued Benefits as of October 18, 1996.
October 13, 1996	Members of the Plan who were terminated as a result of the closure of the Kankakee, Illinois Plant.	Such affected Employees shall be 100% vested in their Accrued Benefit as of October 13, 1996.
July 10, 1996	Charles E. Lawson, Michael G. Dooley, and Leroy G. Gwin	The affected Employees shall receive Vesting Service on account of service with the Julian B. Slevin Company.

Effective Date	Members Covered	Special Provisions
November 19, 1994	Salaried employees of Fort Packaging Company.	Affected Employees are eligible to participate in the Plan, and service recognized by Miller Brewing is recognized under the Plan for purposes of vesting and eligibility.
June 30, 1994	Non-union hourly and salaried Employees who were terminated as a result of the sale of the Laminates Plant in Jacksonville, Florida.	Such affected Employees no longer participate in the Plan. Accelerated vesting credit was not granted to affected Employees.
June 30, 1993	Non-union hourly and salaried Employees of the Waste Recovery & Paper Plant in Macon, Georgia.	Such affected Employees no longer participate in the Plan. Accelerated vesting credit was not granted to affected Employees.
October 31, 1992	Members of the Plan who were terminated as a result of the closure of the Memphis, Tennessee Carrier Plant.	Such affected Employees shall be 100% vested in their Accrued Benefit as of October 31, 1992.
June 30, 1992	Former salaried and non-union hourly employees of Macon Kraft, Inc., Macon Kraft Laminates, Inc. and Waste Recovery & Paper, Inc.	Service recognized for vesting and eligibility purposes under a qualified plan sponsored by Pratt Industries (USA), Inc. is recognized under the Plan for purposes of vesting and eligibility.
January 1, 1992	Salaried employees of Minnesota Automation, Inc.	Affected Employees are eligible to participate in the Plan, and service recognized by Minnesota Automation, Inc. is recognized under the Plan for purposes of vesting and eligibility.
September 27, 1991	Each participant in the Manville Employees Retirement Plan who was terminated as a result of the sale of the Riverwood International Charlotte, North Carolina Carton Plant to James River Corporation.	Affected employees are 100% vested in their Accrued Benefit under the Plan as of September 27, 1991.
May 31, 1991	Each participant in the Manville Employees Retirement Plan who was terminated as a result of the sale of the Manville Forest Products Madison, Wisconsin Carton Plant to Olympic Packaging.	Affected Employees are 100% vested in their Accrued Benefit under the Plan as of May 31, 1991. Assets and liabilities transferred April 30, 1993.

Effective Date	Members Covered	Special Provisions
March 16, 1991	Former salaried employees of JAK-ET-PAK.	Service recognized by Federal Paper Board Company, Inc. for vesting and eligibility purposes under a qualified plan sponsored by Federal Paper Board Company, Inc. is recognized under the Plan for purposes of vesting and eligibility for affected Employees.
July 31, 1989	Each participant in the Manville Employees Retirement Plan who was terminated as a result of the sale of the Manville Forest Products Grocery Bags & Sacks Plant.	Affected Employees are 100% vested in their Accrued Benefit under the Plan as of July 31, 1989.
January 2, 1989	Non-union hourly Employees at Joyce, Forest Resources, and Wood Procurement.	The assets and liabilities representing the Accrued Benefits of affected Employees were transferred to the Plan from the Hourly Plan (formerly the Manville Forest Products Hourly Retirement Plan) on January 2, 1989, and such affected Employees became Members of the Plan on January 2, 1989. Benefit Service shall not be credited prior to February 18, 1983, for former Crown Zellerbach employees at Joyce Operations.
October 28, 1985	Employees who became Members of the Plan as of October 28, 1985, due to the acquisition of Eastex Packaging Incorporated.	Affected Employees are credited with service earned after December 31, 1953, and prior to October 28, 1985, at Eastex Packaging Incorporated for purposes of Vesting Service and Benefit Service.
December 3, 1984	Employees of the Clinton Packaging Plant who became Members of the Plan on or after December 3, 1984 due to the purchase of the Plant from Consolidated Packaging.	Affected Employees are credited with service earned prior to December 3, 1984, at the Clinton Packaging Plant for purposes of vesting.
August 13, 1984	Each participant in the Manville Salaried Pension Plan who was terminated as a result of the sale of the Lillie Particleboard Plant as of August 13, 1984 to Willamette Industries.	Affected Employees are 100% vested in their Accrued Benefit under the Plan as of August 13, 1984.

Effective Date	Members Covered	Special Provisions
February 18, 1983	Salaried Employees in Joyce, Louisiana who became Members of the Plan as of February 18, 1983 due to the acquisition of the Joyce Operations from Crown Zellerbach.	Affected Employees are credited with service earned prior to February 18, 1983, at Crown Zellerbach for purposes of vesting and Benefit Service; however, such an Employee's Pension is reduced by an amount that is the actuarial equivalent of any pension benefit paid from a pension plan maintained by Crown Zellerbach.
November 23, 1981	Each participant in the Manville Salaried Pension Plan who was terminated as a result of the sale of a location to the Georgia-Pacific Corporation as of November 23, 1981.	Affected Employees are 100% vested in their Accrued Benefit under the Plan as of November 23, 1981.
April 15, 1980	Salaried Employees who were terminated as a result of the sale of Wood Mosaic to Katz of America on April 15, 1980.	Such affected Employees no longer participate in the Plan. Accelerated vesting credit was not granted to affected Employees. Effective January 1, 1975, Benefit Service was granted to Wood Mosaic Employees for service prior to January 1, 1970, with Wood Mosaic.
March 1, 1979	Each participant in the Olinkraft Salaried Pension Plan who was terminated as a result of the sale of the Kansas City Plant on March 1, 1979, to Union Camp.	Affected employees are 100% vested in their Accrued Benefit under the Plan as of March 1, 1979.
May 1, 1978	Salaried Employees at the Monroeville, Alabama Particleboard Plant.	Affected Employees received lump sum payments.
February 24, 1973	Salaried Employees of the Company at its Joliet, Illinois Container Plant on February 24, 1973, who participated in the Olin Salaried Pension Plan of Olin Corporation on February 24, 1973, and who transferred employment to Hoerner-Waldorf Corporation on February 24, 1973, and who were still employed by Hoerner-Waldorf Corporation on June 1, 1974. Hoerner-Waldorf was succeeded by Champion, which was succeeded by Stone Container, and these provisions apply to any successor at that location.	Affected Employees are entitled to benefits under the Plan according to the provisions of the Plan in effect as of December 31, 1975. Such Accrued Benefit was calculated as of February 24, 1973, based on the following: vesting at age 40 with 10 years of service; early retirement at age 55 with 15 years of service; early retirement reduced 4% per year prior to age 65.

APPENDIX B

Minimum Benefits for Members of the Prior Plan as of December 31, 1988

Members of the Prior Plan on December 31, 1988, are entitled to minimum benefits under the Plan based on the benefit formulas and provisions of the Prior Plan in effect prior to January 1, 1989, as outlined below. These minimum benefits are “frozen” based on the Member’s Benefit Service and Average Final Salary as of December 31, 1988.

Accrued Benefits as of December 31, 1988, Payable at Age 65

1. **Current Formula** (Benefit formula in effect under the Manville Plan for the period January 2, 1986 through December 31, 1988)

Accrued Benefits as of December 31, 1988, under the benefit formula in effect under the Manville Plan on December 31, 1988.

2. (a) **Prior Formula** (applies only to members of the Manville Salaried Retirement Plan prior to January 1, 1986)

Greater of the Alternate or Grandfathered Formula

Alternate Formula (1985 Benefit Formula)

Accrued Benefits as of December 31, 1988, based on the benefit formula in effect under the Plan on December 31, 1985.

Grandfathered Formula (1980 Benefit Formula)

Accrued Benefits as of December 31, 1988, based on the benefit formula in effect under the Plan on December 31, 1980.

Offset Due to the Refund of Accumulated Contributions

Accrued Benefits as of December 31, 1988, based on the refund of Accumulated Contributions.

- (b) **Prior Formula** (applies only to members of the Manville Forest Products Salaried Retirement Plan prior to January 1, 1986)

Accrued Benefits as of December 31, 1988, based on the benefit formula in effect under the Plan on December 31, 1985. (1985 Benefit Formula)

Minimum Benefits Based on Retirement at Age 65

A member retiring at age 65 will be entitled to a minimum normal retirement Pension under Section 4.01(c) of the Plan as follows:

The greater of (a) or (b) below:

- (a) The Current
Formula

- (b) The Prior Formula under (i) or (ii) as applicable as follows:

- (i) Under the Manville Salaried Retirement
Plan:

(A)The greater of the Alternate Formula or the Grandfathered Formula;
less

(B)The Offset Due to the Refund of Accumulated
Contributions.

(ii)Prior Formula under the Manville Forest Products Retirement
Plan.

Minimum Benefits Based on Early Retirement

A Member retiring before age 65 under early retirement or deferred vested retirement after age 50 with 10 years of Vesting Service and receiving benefits prior to age 65 will be entitled to a minimum early retirement Pension as follows:

The greater of (a) or (b) below:

(a)The Current Formula reduced by 3% for each year and fraction thereof that the benefit commencement date precedes the Member's age 62.

(b)The Prior Formula under (i) or (ii) as applicable as follows:

(i)Under the Manville Salaried Retirement
Plan:

The greater of the Alternate Formula or the Grandfathered Formula reduced by 4% for each year and fraction thereof that the benefit commencement date precedes the Member's age 62 less the offset due to the refund of Accumulated Contributions multiplied by the applicable percentage as follows:

COMPLETED AGE AT DATE BENEFITS COMMENCE	PERCENTAGE
65	100%
64	95
63	81
62	77
61	74
60	70
59	59
58	56
57	54
56	51
55	49
54	46
53	39
52	37
51	35
50	33

(ii)Under the Manville Forest Products Salaried Retirement
Plan:

The Prior Formula reduced by 3% for each year and fraction thereof that the benefit commencement date precedes the Member's age 62, down to age 55,

and actuarially reduced for payment before age 55, down to age 50, based on the UP-1984 Mortality Table and an interest rate of five percent (5%) compounded annually.

Minimum Benefits Based on Deferred Vested Retirement

A Member retiring before age 65 under Deferred Vested Retirement and receiving benefits prior to age 65 will be entitled to a minimum deferred vested retirement Pension as follows:

The greater of (a) or (b) below:

(a) The Current Formula reduced by the appropriate factor from the schedule in Section 4.04(b) of the Prior Plan based on his age when his Pension commences.

(b) The Prior Formula under (i) or (ii) as applicable as follows:

(i) Under the Manville Salaried Retirement Plan

The greater of the Alternate Formula or the Grandfathered Formula reduced by the appropriate factor from the schedule in Section 4.04(b) of the Prior Plan based on his age when his Pension commences, less the offset due to the refund of Accumulated Contributions as outlined in clause (i) of Section (b) under Minimum Benefits Based on Early Retirement in this Appendix B.

(ii) Under the Manville Forest Products Salaried Retirement Plan

The Prior Formula reduced by 3% for each year and fraction thereof that the benefit commencement date precedes the Member's age 62, down to age 55, and actuarially reduced for payment before age 55, down to age 50, based on the UP-1984 Mortality Table and an interest rate of five percent (5%) compounded annually.

Minimum Benefits Based on Late Retirement

A Member retiring after age 65 will be entitled to a minimum late retirement Pension under Section 4.02(c) of the Plan defined above for Minimum Benefits Based on Retirement at Age 65, with the exception that the Offset Due to the Refund of Contributions shall be multiplied by the applicable percentage as follows:

COMPLETED AGE AT DATE BENEFITS COMMENCE	PERCENTAGE
65	100%
66	105%
67	121%
68	127%
69	145%
70	153%
71	160%
72	182%
73	192%
74	217%
75	228%

Minimum Benefits Based on Disability Retirement or Death Before the Member's Annuity Starting Date

In the event a Member becomes entitled to a deferred disability retirement Pension under Section 4.04 of the Plan, or the surviving Spouse of a Member becomes entitled to a monthly Spouse's Pension under Section 4.06(a) of the Plan due to the death of a Member before the Member's Annuity Starting Date, the minimum Pension payable under Section 4.04 shall be calculated as under the Minimum Benefits Based on Retirement at Age 65. The minimum pension payable under Section 4.06 shall be calculated as under the Minimum Benefits Based on Retirement at Age 65, or the Minimum Benefits Based on Early Retirement or Deferred Vested Retirement, whichever is applicable, prior to the application of the reduction for the optional form of payment election under Section 5.02.

APPENDIX C

Schedule of Benefits Referenced in Section 4.01(c)(iv)

<u>Pension Number</u>	<u>Prior Annual Amount(\$)</u>	<u>Updated Annual Amount(\$)</u>	<u>Effective Date of Update</u>
7	2,360.76	10,323.37	9/30/2007
9	56,291.64	66,820.71	9/30/2007
10	17,001.24	22,692.00	9/30/2007
11	34,283.52	101,902.07	9/30/2007
15	39,417.00	47,520.29	9/30/2007
20	5,576.28	6,017.88	9/30/2007
22	1,746.00	1,997.41	9/30/2007
27	3,851.76	13,587.63	9/30/2007
33	15,248.88	84,248.88	9/30/2007
37	2,704.32	22,736.77	9/30/2007
39	1,861.56	19,924.64	9/30/2007
41	N/A	12,587.17	9/30/2007
42	N/A	1,265.45	9/30/2007
43	N/A	313.13	9/30/2007
44	N/A	13,959.11	9/30/2007
45	N/A	46,572.95	9/30/2007
46	N/A	1,233.34	9/30/2007

APPENDIX D

Schedule of Benefits Referenced in Section 4.01(c)(v)

Pension <u>Number</u>	Annual <u>Amount (\$)</u>	Effective Date <u>of Update</u>
34	1,587.36	9/30/2007

APPENDIX E

CERTAIN HISTORICAL PROVISIONS

The purpose of this Appendix E is to record, for historical purposes, certain provisions which are no longer applicable to active Members in the Plan, or which have minimal application.

ARTICLE 1 - DEFINITIONS

- A.** *Accumulated Contributions* means the Member's total contributions, if any, made to the Manville Plan prior to January 2, 1986, increased by an amount equal to the sum of (a), (b) and (c) below:
- (a) If the Member elected under Section 5.01(b) of the Manville Salaried Retirement Plan as in effect on July 1, 1968, to leave on deposit all of the Member's Accumulated Contributions made under the Retirement Plan of Johns-Manville Corporation and subsidiaries as in effect on June 30, 1968, an amount equal to the excess, if any, of those Accumulated Contributions over the amount that would have been required if the Member's election had been under Section 5.01(a) of the Manville Salaried Retirement Plan as in effect on July 1, 1968;
 - (b) The supplemental contributions, if any, the Member elected to make under Section 5.03 of the Manville Salaried Retirement Plan as in effect on July 1, 1968; and
 - (c) Earnings credited on such contributions as of December 31, 1985.
- B.** *Actuarial Equivalent* means a benefit having the same value as the benefit that such Actuarial Equivalent replaces. For periods prior to January 1, 2007, with respect to benefits payable in a form other than a lump sum payment, Actuarial Equivalent was based on an interest rate of 5% and the UP-84 Mortality Table.
- C.** *Average Final Salary* means prior to January 1, 2007, the annual Pensionable Wages of a Member paid during the five consecutive Plan Years in the last ten Plan Years of the Member's Benefit Service affording the highest average. Prior to January 1, 2007, the Final Average Salary of a Part-time Employee was subject to the following rules:
- (a) If, in any period included in the computation of Average Final Salary, a Member who is a Part-time Employee has completed less than the normal number of hours for a Full-time Employee similarly employed, the Member's Pensionable Wages for that period shall be adjusted to a full-time basis for the purpose of that computation. The adjustment will be made by annualizing the base pay of the Member for the period and adding other amounts actually paid during that period that are included in Pensionable Wages.
 - (b) If, in any period included in the computation of Average Final Salary, a Member who has previous employment with the Employer as an hourly employee, was not covered during that period of employment by the Plan, and who completed less than

the normal number of hours for a Full-time Employee similarly employed, the Member's Pensionable Wages for that period shall be adjusted to a full-time basis for the purpose of that computation. The adjustment will be made by multiplying the Member's Pensionable Wages by the ratio of the hours worked by a similarly situated Full-time Employee to the Member's hours worked in that period.

- D.** *Board of Directors or Board* means the Board of Directors of Riverwood International Corporation prior to August 8, 2003 and, on and after August 8, 2003 and prior to March 10, 2008, means the Board of Director of Graphic Packaging International, Inc., and on and after March 10, 2008, means the Board of Directors of Graphic Packaging Holding Company.
- E.** *Covered Compensation* means prior to January 1, 2007, for any Plan Year, the average of the taxable wage bases in effect under Section 230 of the Social Security Act for each year in the 35-year period ending with the year prior to the year in which the Member terminates. For purposes of this definition, if a Member's date of termination precedes his attainment of Social Security Retirement Age, he shall be deemed to attain his Social Security Retirement Age in the year of termination. Covered Compensation shall be frozen at:
- (a) Social Security Retirement Age;
 - (b) The date of eligibility for the Employer's long-term disability plan; and
 - (c) The last day worked if eligible for immediate disability retirement.
- F.** *Employer* means Riverwood International Corporation prior to August 8, 2003 and, on and after August 8, 2003, means Graphic Packaging International, Inc. or any successor by merger, purchase or otherwise, with respect to its Employees; and any other company participating in the Plan, as provided in Section 10.03, with respect to its Employees.
- G.** *Pensionable Wages* for periods prior to January 1, 2002 were limited as follows. Effective on and after January 1, 1989 and before January 1, 1994, Pensionable Earnings taken into account for any purpose under the Plan, including the determination of Average Final Salary shall not exceed \$200,000 per year. Except as provided below, as of January 1 of each calendar year on and after January 1, 1990 and before January 1, 1994, the applicable limitation as determined by the Commissioner of Internal Revenue for that calendar year shall become effective as the maximum Pensionable Earnings to be taken into account for Plan purposes for that calendar year only in lieu of the \$200,000 limitation set above. Commencing with the Plan Year beginning in 1994, Pensionable Earnings to be taken into account for any purpose under the Plan, including the determination of Average Final Salary, shall not exceed \$150,000 (as adjusted below). If, for any calendar year after 1994, the cost-of-living adjustment described in the following sentence is equal to or greater than \$10,000, then the limitation (as previously adjusted hereunder) for any Plan Year beginning in any subsequent calendar year shall be increased by the amount of such cost-of-living adjustment, rounded to the next lowest multiple of \$10,000. The cost-of-living adjustment shall equal the lesser of:

- (a) \$150,000 increased by the adjustment made under Section 415(d) of the Code for the calendar year except that the base period for purposes of Section 415(d)(1)(A) of the Code shall be the calendar quarter beginning October 1, 1993 over
- (b) The annual dollar limitation in effect for the Plan Year beginning in the calendar year.

ARTICLE 5- BENEFITS

A. Normal Retirement Pension

Prior to January 1, 2007, Section 4.01(c)(i) and (ii) read as follows:

- (i) 1.02% of Average Final Salary up to Covered Compensation plus 1.40% of Average Final Salary in excess of Covered Compensation multiplied by Benefit Service up to 35 years.
- (ii) 1.33% of Average Final Salary multiplied by Benefit Service in excess of 35 years.

In addition, notwithstanding anything contained herein to the contrary, the annual normal retirement Pension of a Member who terminated employment prior to January 1, 2002, and who was affected by the imposition of the \$150,000 limitation on Pensionable Earnings provided in Section 1.32 shall be equal to the greater of (i) the Member's Pension calculated under the provisions of the Plan as determined with regard to such imposition or (ii) a Pension equal to the Member's Accrued Benefit determined as of December 31, 1993, plus the Member's Accrued Benefit based solely on service after such date under the provisions of the Plan as determined with regard to such imposition. For this purpose, the Accrued Benefit determined as of December 31, 1993 shall be equal to the greater of (iii) the Member's Accrued Benefit determined as of December 31, 1993 as determined with regard to the \$200,000 limitation on Pensionable Earnings provided in Section 1.32 (effective before January 1, 1994) or (iv) the Member's Accrued Benefit determined in paragraph (b) above as of December 31, 1988 plus the Member's Accrued Benefit based solely on service after such date under the provisions of the Plan as determined with regard to such limitation.

B. Early Retirement Pension

Prior to January 1, 2007, in the case of a Member who elected to commence receipt of an early retirement Pension, the Member's Pension shall be equal to the deferred Pension reduced by 1/3 of 1% for each month by which the date of the Member's early retirement Pension precedes his Normal Retirement Date; provided, however, if the Member shall have 25 years of Accumulated Service at his date of retirement, the Member's Pension shall be equal to the deferred Pension reduced by 1/3 of 1% for each month by which the date of the Member's early retirement Pension precedes the first day of the calendar month coincident with or immediately following the Member's 62nd birthday.

C. Payments to Persons Retired Under the Prior Plan

Any person entitled to receive retirement income or another allowance under the Prior Plan as in effect prior to January 1, 1992, shall be considered as a retired Member or former Member of the Plan, as the case may be, and after December 31, 1991, shall receive the retirement income or other allowance under the Plan. However, the retirement income or other allowance shall be subject to all terms and conditions of the Prior Plan as in effect at the time the person retired or terminated employment.

D. Thrift Plan Benefit

If a Member who made Accumulated Contributions under the Manville Plan failed to make an election under Article 9 of the Manville Employees Thrift Plan (the “thrift plan”) to not have the Retirement Plan Account of the thrift plan be paid in the form of an annuity, the balance of such account shall be transferred to the Plan and an equivalent additional benefit shall be paid from the Plan. Such additional benefit will be calculated based on the UP-1984 Mortality Table and the interest rate used by the PBGC for valuing benefits for single employer plans that terminate on the Member’s Annuity Starting Date or calculated on the date of transfer, if earlier.

ARTICLE 6 – PAYMENT OF PENSIONS

A. Interest Rate and Mortality Assumptions for Lump sum Payments

Notwithstanding the above, a lump sum payment of equivalent actuarial value shall be made in lieu of all benefits payable under the Plan if the present value of the Pension payable to the Member or to the Member’s surviving Spouse in the case of the death of a married Member (such Pension determined as of the Member’s Normal Retirement Date or actual termination of service, if later) amounts to \$5,000 or less. In determining the present value and the amount of a lump sum payment payable under this paragraph for an Annuity Starting Date before January 1, 2000, the interest rate(s) to be used shall be the interest rate(s) which would be used by the Pension Benefit Guaranty Corporation for valuing deferred pensions commencing at Normal Retirement Date for single employer plans that terminate on the date of distribution, and the UP-1984 Table. For an Annuity Starting Date on or after January 1, 2000, the present value and the amount of a lump sum payable under this paragraph shall be based on the (i) the “applicable interest rate” which means the annual rate of interest on 30-year Treasury securities for the second calendar month preceding the month containing the Annuity Starting Date and (ii) the “applicable mortality table” which means the mortality table prescribed by the Secretary of the Treasury under Section 417(e)(3)(A)(ii)(I) of the Code in effect as of the Annuity Starting Date. For an Annuity Starting Date on or after January 1, 2007, the present value and the amount of the lump sum payable under this paragraph shall be based on (i) the “applicable interest rate” which means the annual rate of interest on 30-year Treasury securities for the month of November preceding the Plan Year in which the Annuity Starting Date occurs (except that the applicable interest rate for an Annuity Starting Date occurring in the period January 1, 2007 through December 31, 2007 shall not be greater than the interest rate determined under the preceding sentence),

and (ii) the “applicable mortality table” prescribed by the Secretary of the Treasury under Section 417(e)(3)(A)(ii)(I) of the Code in effect as of the Annuity Starting Date.

ARTICLE 11- TRANSFERS

11.03 Transfers To and From Manville Plan

- (a) Notwithstanding any other provisions of the Plan, the provisions of this Section 11.03 shall apply to (i) any member of the Manville Plan who ceases to be an employee as defined in the Manville Plan and at the same time becomes an Employee on or after January 1, 1992 but before January 1, 1998, and (ii) any Member of the Plan on or after January 1, 1992 but before January 1, 1998 who ceases to be an Employee and at the same time becomes an employee as defined in the Manville Plan.
- (b) For persons described in clause (i) of paragraph (a):
 - (i) Employment credited as accumulated service or benefit service under the Manville Plan will be fully recognized as Vesting Service and Benefit Service under the Plan.
 - (ii) All applicable remuneration while a member of the Manville Plan will be deemed Pensionable Earnings for purposes of the Plan.
 - (iii) The individual’s accrued benefit under the Manville Plan at the date he ceases to be an employee as defined in the Manville Plan will be a minimum Accrued Benefit under the Plan.
 - (iv) The individual’s Pension under the Plan shall be based on the provisions of the Plan as in effect on the Employee’s Severance Date.
 - (v) Assets from the trust of the Manville Plan will be transferred to the trust of the Plan in an amount equal to the Accumulated Benefit Obligation (as that term is defined in Financial Accounting Standards Board Statement No. 87) of the Accrued Benefit of the employee at the date of transfer, multiplied by a “Plan Funding Ratio.” The Accumulated Benefit Obligation will be determined on the basis of the actuarial assumptions used by Manville Corporation for financial reporting purposes as of the December 31 preceding or coincident with the date of the employee’s change in employment status. The Plan Funding Ratio will be determined on the December 31 coincident with or preceding the date of the employee’s change in employment status and will be equal to:

Market Value of Manville Plan Trust Assets
Accumulated Benefit Obligation for Manville Plan

- (vi) Such transfer of assets will be made by July 1 of each year for all employees changing employment status during the preceding calendar year (or at such other frequency as agreed to by Manville Corporation and the Employer) and will include investment return for the delay in payment at an annual rate equal to the discount rate used in determining the Accumulated Benefit Obligation at the December 31 coincident with or preceding the transfer.
 - (vii) This transfer of assets and liabilities will be carried out under the provisions of Section 414(l) of the Code.
 - (viii) Upon completion of the transfer of assets and liabilities for any affected individual, the Plan will have the total and sole responsibility for the Employee's Accrued Benefit under the Plan.
- (c) For persons described in clause (ii) of paragraph (a) above:
- (i) Employment credited as Vesting Service or Benefit Service under the Plan will be fully recognized as accumulated service and benefit service in the Manville Plan.
 - (ii) Pensionable Earnings under the Plan will be recognized as pensionable Earnings under the Manville Plan.
 - (iii) The individual's Accrued Benefit under the Plan as of the date he ceases to be an Employee will be a minimum accrued benefit under the Manville Plan.
 - (iv) The individual's pension under the Manville Plan shall be based on the provisions of the Manville Plan as in effect on the employee's severance date.
 - (v) Assets from the trust of the Plan will be transferred to the trust of the Manville Plan in an amount equal to the Accumulated Benefit Obligation (as that term is defined in Financial Accounting Standards Board Statement No. 87) of the Accrued Benefits of the Employee at the date of transfer, multiplied by a "Plan Funding Ratio." The Accumulated Benefit Obligation will be determined on the basis of the actuarial assumptions used by the Employer for financial reporting purposes as of the December 31 preceding or coincident with the date of the employee's change in employment status. The Plan Funding Ratio will be determined on the December 31 coincident with or preceding the date of the employee's change in employment status and will be:

Market Value of Plan Trust Assets
Accumulated Benefit Obligation for Plan

- (vi) Such transfer of assets will be made by July 1 of each year for all employees changing employment status during the preceding calendar year (or at such

other frequency as agreed to by Manville Corporation and the Employer) and will include investment return for the delay in payment at an annual rate equal to the discount rate used in determining the Accumulated Benefit Obligation at the December 31 coincident with or preceding the transfer.

- (vii) This transfer of assets and liabilities will be carried out under the provisions of Section 414(l) of the Code.
- (viii) Upon completion of the transfer of assets and liabilities for any affected employee, the Manville Plan will have the total and sole responsibility for the individual's accrued benefit under the Manville Plan.

**FIRST AMENDMENT TO THE
RIVERWOOD INTERNATIONAL EMPLOYEES RETIREMENT PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, the Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company has delegated to the Retirement Committee (the "Retirement Committee") of Graphic Packaging International, Inc. (the "Company") the responsibility to make certain amendments to the Riverwood International Employees Retirement Plan (the "Plan"); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to reflect the change in payroll classification of employees at the Company's Perry facility from salaried to non-union hourly;

NOW, THEREFORE, BE IT RESOLVED, effective as of April 1, 2015, Appendix A of the Plan be, and it hereby is, amended by adding the following new row to the beginning thereof:

Effective Date	Members Covered	Special Provisions
April 1, 2015	Non-union hourly employees at the Employer's Perry, GA facility	An Employee's eligibility under the Plan will not be affected by the change in payroll classification of from salaried to non-union hourly at the Perry, GA facility that occurred on or about April 1, 2015.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this First Amendment to the Riverwood International Employees Retirement Plan this 6th day of March, 2015.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

By: /s/ Brian A. Wilson

Brian A. Wilson

2

**SECOND AMENDMENT TO THE
RIVERWOOD INTERNATIONAL EMPLOYEES RETIREMENT PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, the Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company has delegated to the Retirement Committee (the "Retirement Committee") of Graphic Packaging International, Inc. (the "Company") the responsibility to make certain amendments to the Riverwood International Employees Retirement Plan (the "Plan"); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to permit certain vested participants who are no longer employed by the Company or an affiliate to elect to receive lump-sum distributions of their Plan benefits during a limited period of time in 2015;

NOW, THEREFORE, BE IT RESOLVED, that, effective November 1, 2015, the Plan be, and it hereby is, amended in the following respects:

1. Article 5 of the Plan is amended by adding the following new Section 5.08 to the end thereof:

5.08 Special Commencement Right During 2015

Notwithstanding anything in Article 4 or Article 5 to the contrary, certain Members may elect to commence their Pension with an Annuity Starting Date on the Special Annuity Starting Date (as defined below), in accordance with this Section.

(a) Definitions. For purposes of this Section, each of the following terms when capitalized has the respective meaning set forth below:

(i) Eligible Participant. An "Eligible Participant" is a vested Member who meets all of the requirements described in Subsections (A) through (F) below:

(A) The Member had a termination of employment with the Employer and all Affiliated Employers with a vested Pension, either:

(I) Prior to April 1, 2014, and the Member did not satisfy the eligibility requirement of Section 5.07(a)(i)(G);

(II) Prior to April 1, 2014, and satisfied the eligibility requirements of Section 5.07 but did not elect to commence his or her Pension solely because the Member was not sent distribution paperwork; or

(III) After March 31, 2014 and prior to May 29, 2015 and has not been reemployed by the Employer or an Affiliated Employer on or before the Special Annuity

Starting Date, without regard to the Equivalent Actuarial Value of the Member's Accrued Benefit; and

- (B) The Member is not receiving benefits under a long-term disability plan of the Employer or an Affiliated Employer;
 - (C) The Member has not attained his or her Normal Retirement Date on or before the Special Annuity Starting Date;
 - (D) The Member has not commenced his or her benefit as of an Annuity Starting Date prior to the Special Annuity Starting Date;
 - (E) No portion of the Member's Accrued Benefit is subject to a qualified domestic relations order or other lien that is in effect or pending as of the Special Annuity Starting Date; and
 - (F) As of the Special Annuity Starting Date, the Member had not deceased.
- (ii) Special Annuity Starting Date. The "Special Annuity Starting Date" means November 1, 2015.
 - (iii) Window Election Deadline. The "Window Election Deadline" means the earlier of (i) the date that is 60 days after an Eligible Participant initiates the process of commencing benefits under this Section, or (ii) December 1, 2015.
 - (iv) Window Initiation Period. The "Window Initiation Period" means the period beginning on August 17, 2015 and ending on October 2, 2015.
- (b) Payment Options for Eligible Participants. The following provisions apply to Eligible Participants who commence their Plan benefits under this Section:
 - (i) Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is eligible to commence an early retirement Pension under Section 4.03 or a vested Pension under Section 4.05 as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit in the form of a lump-sum payment pursuant to this Section or in any form of benefit otherwise available to the Eligible Participant under Section 5.02.
 - (ii) Non-Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is otherwise not eligible to

commence his benefit as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit in the form of a:

- (A) lump-sum payment pursuant to this Section,
 - (B) single life annuity under Section 5.02(a),
 - (C) if the Eligible Participant is married on the Special Annuity Starting Date, a Qualified Joint and Survivor Annuity, or
 - (D) if the Eligible Participant is married on the Special Annuity Starting Date, a 75% joint and survivor annuity under Section 5.02(c) with the Eligible Participant's Spouse as his Beneficiary.
- (iii) Spousal Consent Requirements. An Eligible Participant's election to waive the normal form of benefit under Section 5.01(b) is subject to Spousal Consent.
- (c) Calculation of Benefits.
- (i) Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(i) hereof, the benefit payable under this Section shall be calculated under the provisions of the Plan that generally apply to the calculation of such benefit, but disregarding any limitation on the amount of lump sums otherwise payable under the terms of the Plan.
 - (ii) Non-Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(ii) hereof, the benefit payable under this Section shall be of Equivalent Actuarial Value to the Eligible Participant's Accrued Benefit using the actuarial assumptions for calculating lump sums.
- (d) Election Procedures. An Eligible Participant's election to commence benefits under this Section must be made in accordance with procedures established by the Retirement Committee. An Eligible Participant's election to receive payment under this Section must be (i) initiated by the Eligible Participant no later than the last day of the Window Initiation Period and (ii) completed by returning an election form postmarked on or before the Window Election Deadline, unless a later date is required by law due to a delay in the delivery of the election notice to the Eligible Participant. An Eligible Participant who does not notify the Retirement Committee of a change in his or her address by the date established by the Retirement Committee in order for the Eligible Participant to commence a benefit with an Annuity Starting Date on the Special Annuity Starting Date, shall not be eligible to commence his or her

benefit under this Section. An Eligible Participant who does not submit a completed election form (including any applicable Spousal Consent) in accordance with this subsection (d) may commence benefits only at the time and in the form determined under the Plan without regard to this Section.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Second Amendment to the Riverwood International Employees Retirement Plan this 3rd day of September, 2015.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

By: /s/ Brian A. Wilson
Brian A. Wilson

GRAPHIC PACKAGING RETIREMENT PLAN

(As Amended and Restated Effective January 1, 2015)

CORE DOCUMENT

TABLE OF CONTENTS

PREAMBLE1

ARTICLE 1. 2

DEFINITIONS

- 1.1 Accrued
Benefit 2
- 1.2 Affiliated
Employer 2
- 1.3 Annuity Starting
Date 2
- 1.4 Appendix 2
- 1.5 Beneficiary 3
- 1.6 Board of
Directors 3
- 1.6A Charter 3
- 1.7 Code 3
- 1.8 Core
Document 3
- 1.9 Effective
Date 3
- 1.10 Eligible
Employee 4
- 1.11 Employee 4
- 1.12 Employer 5
- 1.13 Equivalent Actuarial
Value 5
- 1.14 ERISA 5
- 1.15 Fund(s) 5
- 1.16 Hour of
Service 5
- 1.17 IRS Interest
Rate 5
- 1.18 IRS Mortality
Table 6
- 1.19 Leased
Employee 6
- 1.20 Member 6
- 1.21 Normal Retirement
Date 6
- 1.22 Pension 7
- 1.23 Plan
Sponsor 7
- 1.24 Plan
Year 7
- 1.25 Required Beginning
Date 7
- 1.26 Retirement
Committee 7
- 1.27 Spousal
Consent 7
- 1.28 Spouse 7
- 1.29 Stability
Period 7
- 1.30 Statutory
Compensation 7
- 1.31 Trust
Agreement 8
- 1.32 Trustee 8
- 1.33 Vesting
Service 8

ARTICLE 2 . 9
BENEFIT
AND
PAYMENT
PROVISIONS

- 2.1 Participation 9
- 2.2 Benefit
Provisions 9
- 2.3 Election of an Optional Form of
Pension 9
- 2.4 Beneficiary
Designations 13
- 2.5 Pension Payout
Rules 13

- 2.6 Distribution
Limitation 13
- 2.7 Suspension of
Benefits 15
- 2.8 Direct
Rollovers 16
- 2.9 Special Commencement Right During
2014 19

ARTICLE 3 . 22

**GOVERNMENTAL
RESTRICTIONS**

- 3.1 Maximum Annual Compensation
Limitation 22
- 3.2 Code Section 415 Limitations—Maximum Annual
Pension 23
- 3.3 Top-Heavy
Provisions 23
- 3.4 Limitation on Highly Compensated Employees and on High-25
Employees 27

ARTICLE 4 . 30

CONTRIBUTIONS

- 4.1 Employer
Contributions 30
- 4.2 Return of
Contributions 30
- 4.3 Member
Contributions 30

ARTICLE 5 . 31

**ADMINISTRATION
OF PLAN**

- 5.1 Adoption of
Charter 31
- 5.2 Administration of Retirement
Committee 31
- 5.3 Authority of Retirement
Committee 31
- 5.4 Prudent
Conduct 31
- 5.5 Actuary 31
- 5.6 Service in More Than One Fiduciary
Capacity 32
- 5.7 Limitation of
Liability 32
- 5.8 Indemnification 32
- 5.9 Expenses of
Administration 32

ARTICLE 6 . 34

**MANAGEMENT
OF FUNDS**

- 6.1 Trustee 34
- 6.2 Exclusive Benefit
Rule 34
- 6.3 Appointment of Investment
Manager 34

ARTICLE 7 . 35

**GENERAL
PROVISIONS**

- 7.1 Nonalienation and Qualified Domestic Relations
Orders 35
- 7.2 Conditions of Employment Not Affected by
Plan 36
- 7.3 Facility of
Payment 36

- 7.4 Information 36
- 7.5 Construction 36
- 7.6 Prevention of
Escheat 37
- 7.7 Electronic Transmission of Notices to
Members 37
- 7.8 Limitation on Benefits In the Event of a Liquidity
Shortfall 37
- 7.9 Funding-Based Limitations on Benefits under Section 436 of the
Code 37
- 7.10 Revision of the Plan and Applicability of Plan
Provisions 44

ARTICLE 8 . 46
AMENDMENT,
MERGER AND
TERMINATION

- 8.1 Amendment of
Plan 46
- 8.2 Merger or
Consolidation 46
- 8.3 Additional Participating
Employers 46
- 8.4 Termination of
Plan 47

GRAPHIC PACKAGING RETIREMENT PLAN

PREAMBLE

The Plan as amended and restated herein is generally effective as of January 1, 2015, except as otherwise provided. Any Member of the Plan who is credited with at least one Hour of Service after the effective date of this amendment and restatement shall be subject to the provisions of the Plan as so amended and restated. Any Member of the Plan who terminated employment prior to the effective date of this amendment and restatement shall be subject to the provisions of this Plan as in effect immediately prior to such Member's termination of employment, except as otherwise specified in the Plan, adopting resolutions, or required by law. The Plan and Trust are intended to comply with the provisions of the Code and ERISA.

Notwithstanding anything contained in the Plan to the contrary, except with respect to provisions relating to (i) the Plan's definition of "Spouse," (ii) Section 436 of the Code, and (iii) the operation of the Retirement Committee, this amendment and restatement of the Plan is intended only to incorporate prior amendments to the Plan for the purpose of obtaining a determination letter from the Internal Revenue Service; it is not intended, nor shall it be construed, to increase or decrease any benefits accrued under the Plan prior to the Effective Date, except those provided in prior amendments to the Plan.

Article 1 . DEFINITIONS

1.1 *Accrued Benefit* means the benefit to which a Member is entitled under the Plan, as computed in accordance with the provisions of the applicable Appendix as of the applicable date of calculation.

1.2 *Affiliated Employer* means any company which is (a) a member of a controlled group of corporations (as defined in Section 414(b) of the Code), which also includes the Employer as a member of such controlled group of corporations; (b) any trade or business under common control (as defined in Section 414(c) of the Code) with the Employer; (c) any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Employer; and (d) any other entity required to be aggregated with the Employer pursuant to regulations under Section 414(o) of the Code. Notwithstanding the foregoing sentence, for purposes of Section 1.19, "Leased Employee," the definitions in Sections 414(b) and (c) of the Code shall be modified as provided in Section 415(h) of the Code.

1.3 *Annuity Starting Date* means, unless otherwise specified in an Appendix, the first day of the first period for which an amount is paid as an annuity or any other form. However, the Annuity Starting Date for a Member retired on a disability Pension continuing until his Normal Retirement Date shall be his Normal Retirement Date.

1.4 *Appendix* means the separate provisions applicable to the various groups of Employees covered by the Plan, as detailed below:

- (a) "Appendix 1" means the provisions of the Plan contained in Appendix 1, which covers non-union Employees.
- (b) "Appendix 2" means the provisions of the Plan contained in Appendix 2, which covers Employees employed at the Kalamazoo Board Mill or the Kalamazoo Carton Plant and represented by the union identified in Appendix 2.
- (c) "Appendix 3" means the provisions of the Plan contained in Appendix 3, which covers Employees employed at the Menasha, Wisconsin Carton Plant or the Wausau, Wisconsin Carton Plant and represented by the union identified in Appendix 3.
- (d) "Appendix 4" means the provisions of the Plan contained in Appendix 4, which covers Employees employed at the Charlotte, North Carolina Plant and represented by the union identified in Appendix 4.
- (e) "Appendix 5" means the provisions of the Plan contained in Appendix 5, which covers Employees employed at the Gordonsville, Tennessee Plant and represented by the union identified in Appendix 5.
- (f) "Appendix 6" means the provisions of the Plan contained in Appendix 6, which covered Employees employed at the Garden Grove, California Carton Plant who were represented by the union identified in Appendix 6. The Garden Grove,

California Carton Plant was closed effective April 21, 2004 and therefore there are no longer any active employees covered by Appendix 6.

- (g) “Appendix 7” means the provisions of the Plan contained in Appendix 7, which covered Employees employed at the Perrysburg, Ohio Facility who were represented by the union identified in Appendix 7. The Perrysburg, Ohio Facility was closed effective July 1, 2000 and therefore there are no longer any active employees covered by Appendix 7.
- (h) “Appendix 8” means the provisions of the Plan contained in Appendix 8, which covers Employees employed at the North Portland, Oregon Facility and represented by the union identified in Appendix 8.
- (i) “Appendix 9” means the provisions of the Plan contained in Appendix 9, which covers Employees employed at the Menasha, Wisconsin Plant, the Wausau, Wisconsin Plant, or the Newnan, Georgia Plant and are represented by the union identified in Appendix 9. The Newnan, Georgia Plant was closed in July, 2002 and therefore there are no longer any active employees covered by Appendix 9 at that location.
- (j) “Appendix 10” means the provisions of the Plan contained in Appendix 10, which covers Employees who formerly participated in the Universal Packaging Corporation Pension Plan. Appendix 10 applies solely to benefits accrued under the Universal Packaging Corporation Pension Plan prior to January 1, 2000. Employees covered under the provisions of Appendix 10 accrue benefits for service rendered on and after January 1, 2000 under the provisions of Appendix 1.

1.5 Beneficiary means the person designated by the Member on the form provided by and filed with the Retirement Committee to receive any benefit that becomes payable upon the Member’s death in accordance with the provisions of Section 2.4.

1.6 Board of Directors means on and after March 10, 2008, the Board of Directors of Graphic Packaging Holding Company.

1.6A Charter means the Charter of the Retirement Committee of Graphic Packaging International, Inc., as amended from time to time or such other charter or operating procedures adopted by the Board of Directors which defines the scope of the Retirement Committee’s authorities and responsibilities with respect to the Plan.

1.7 Code means the Internal Revenue Code of 1986, as amended and the regulations and rulings in effect thereunder.

1.8 Core Document means the provisions of the Plan, which are contained in this Section of the Plan and which, together with the separate Appendices, comprise the Plan.

1.9 *Effective Date* means January 1, 2015, the date that this amendment and restatement of the Plan generally will be effective, except as otherwise specified herein. The original effective date of the Plan was December 28, 1992.

1.10 *Eligible Employee* means any Employee who is eligible to participate in the Plan under the terms of the applicable Appendix. An Employee is deemed to be an Eligible Employee solely with respect to the benefits provided under the applicable Appendix.

1.11 *Employee* means any individual who provides services to the Employer as a common law employee and whose remuneration is subject to the withholding of federal income tax pursuant to Section 3401 of the Code. Notwithstanding the preceding sentence, the term “Employee” shall exclude:

- (a) any individual whose employment is subject to a collective bargaining agreement between the Employer and a union that is not listed in an attached Appendix,
- (b) any individual who is first employed by the Employer prior to January 1, 2004 in employment not subject to a collective bargaining agreement listed in the Appendices and who is not paid from the payroll processed from the Ceridian Corporation as of August 8, 2003 or the date when first employed by the Employer, if later,
- (c) any individual who is first employed by the Employer on or after January 1, 2004 in employment not subject to a collective bargaining agreement listed in the Appendices unless such individual is assigned when first employed by the Employer to:
 - (i) one of the following plant locations: Golden, CO Carton; Centralia, IL Laminations; Centralia, IL Carton; Lawrenceburg, TN Carton; North Portland, OR Carton; Tuscaloosa, AL Laminations; Wausau, WI Carton; Bow, NH Carton; Charlotte, NC Carton; Fort Smith, AR Carton; Gordonsville, TN Carton; Kalamazoo, MI Carton; Kalamazoo, MI Board Mill; Kendallville, IN Carton; Lumberton, NC Carton; Menasha, WI Carton; Mitchell, SD Carton; Richmond, VA Carton; Garden Grove, CA Carton; or
 - (ii) either of the following divisions, but not a specified plant location: Performance Packaging Division and Universal Packaging Division;
- (d) any individual (i) who provides services to the Employer under an agreement, contract, or any other arrangement pursuant to which the individual is initially classified as an independent contractor or (ii) whose remuneration for services has not been treated initially as subject to the withholding of federal income tax pursuant to Section 3401 of the Code even if the individual described in (i) or (ii) is subsequently reclassified as a common law employee as a result of a final decree of a court of competent jurisdiction or the settlement of an administrative or judicial proceeding.

- (e) any Leased Employees, except solely for the purposes of applying the nondiscrimination requirements of Section 414(n)(3) of the Code, Employee shall include leased employees within the meaning of Section 414(n)(2) of the Code. Notwithstanding the foregoing, if such leased employees constitute less than twenty percent of the Employer's or Affiliated Employer's non-highly compensated workforce within the meaning of Section 414(n)(5)(C)(ii) of the Code, Employee shall not include those leased employees covered by a plan described in Section 414(n)(5) of the Code,
- (f) any individual covered by any other private qualified defined benefit retirement plan contributed to by an Affiliated Employer for the period of such coverage,
- (g) a non-resident alien who either (i) receives no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer or any Affiliated Employer that constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code) or (ii) receives earned income from the Employer or an Affiliated Employer that constitutes income from sources within the United States, but such income is exempt from United States income tax by an income tax treaty or convention,
- (h) any individual covered by the ACX Technologies, Inc. Retirement Plan for the period such coverage is in effect, and
- (i) any individual employed by the Employer or an Affiliated Employer for the period prior to the adoption of the Plan by the Employer or Affiliated Employer, unless specifically provided otherwise in the Plan.

The term "employee" as used in this Plan means any individual who is employed by the Employer or an Affiliated Employer as a common law employee of the Employer or an Affiliated Employer, regardless of whether the individual is an "Employee" and any Leased Employee.

Each Appendix shall indicate the Eligible Employees to which it applies.

1.12 *Employer* means Graphic Packaging International, Inc. and any successor by merger, purchase or otherwise with respect to its employees, or any other company participating in the Plan as provided in Section 8.3 with respect to its employees.

1.13 *Equivalent Actuarial Value* means equivalent value when determined on the basis of the mortality table prescribed by Revenue Ruling 2001-62 and an interest rate of five percent per year, compounded annually, except as otherwise specified in this Core Document or an applicable Appendix.

1.14 *ERISA* means the Employee Retirement Income Security Act of 1974, as amended.

1.15 *Fund(s)* means the funds of the Plan maintained by the Trustee in accordance with the terms of the Trust Agreement.

1.16 *Hour of Service* means each hour of service as defined in the applicable Appendix.

1.17 *IRS Interest Rate* means, with respect to determining the amount of a benefit with an Annuity Starting Date:

- (a) on and after January 1, 2007 and prior to January 1, 2008, the interest rate prescribed under Section 417(e)(3)(A)(ii)(II) of the Code for the second full calendar month preceding the applicable Stability Period;
- (b) on and after January 1, 2008 and prior to January 1, 2010, the interest rate prescribed under Section 417(e)(3)(C) of the Code for the second full calendar month preceding the applicable Stability Period; and
- (c) on and after January 1, 2010, the interest rate prescribed under Section 417(e)(3)(C) of the Code for the fifth full calendar month preceding the applicable Stability Period.

1.18 *IRS Mortality Table* means, with respect to determining the amount of a benefit with an Annuity Starting Date:

- (a) prior to December 31, 2002, the mortality table prescribed under Section 417(e)(3)(A)(ii)(I) of the Code as in effect on the first day of the applicable Stability Period;
- (b) on and after December 31, 2002 and prior to January 1, 2008, the mortality table prescribed by Revenue Ruling 2001-62 as in effect on the first day of the applicable Stability Period; and
- (c) on and after January 1, 2008, the mortality table prescribed under Section 417(e)(3)(B) of the Code as in effect on the first day of the applicable Stability Period.

1.19 *Leased Employee* means any person (other than a common law employee of the Employer or an Affiliated Employer) who performs services for the Employer or an Affiliated Employer provided all of the following circumstances exist:

- (a) such services are provided pursuant to an agreement between an organization or person (the “leasing organization”) and the Employer or Affiliated Employer,
- (b) such services have been performed for the Employer or an Affiliated Employer (or for the Employer and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one year, and
- (c) such services are performed under the primary direction or control of the Employer or Affiliated Employer.

1.20 Member means any person included in the membership of the Plan, as provided in the applicable Appendix.

1.21 Normal Retirement Date means the date identified in the applicable Appendix.

1.22 Pension means the annual or monthly amount payable to a Member or his Beneficiary, determined under the benefit formula specified in the applicable Appendix.

1.23 Plan Sponsor means Graphic Packaging International, Inc. or any successor by merger, purchase or otherwise.

1.24 Plan Year means the calendar year.

1.25 Required Beginning Date means April 1 of the calendar year following the later of (a) the calendar year in which the Member attains age 70½ or (b) the calendar year in which the Member retires; provided, however, that the Required Beginning Date for a Member who is a five percent owner (as defined in Section 1.401(a)(9)-2, Q&A-2(c) of the U. S. Treasury Department regulations) is April 1 of the calendar year following the calendar year in which the Member attains age 70½.

1.26 Retirement Committee means the committee which is maintained and governed in accordance with the Charter to administer and supervise the Plan as provided in Article 5. The Retirement Committee shall be a “named fiduciary” within the meaning of Section 402(a) of ERISA and shall carry out the duties of the “plan administrator” of the Plan as imposed by ERISA.

1.27 Spousal Consent means written consent given by a Member’s Spouse to an election made by the Member which specifies the form of Pension and Beneficiary designated by the Member. Spousal Consent shall be duly witnessed by a notary public or Plan representative, and shall acknowledge the effect on the Spouse of the Member’s election. Once given, Spousal Consent may not be revoked after the Annuity Starting Date. The requirement for Spousal Consent may be waived by the Retirement Committee if it is established to its satisfaction that there is no Spouse, or that the Spouse cannot be located, or because of such other circumstances as may be established by applicable law. Spousal Consent shall be applicable only to the particular Spouse who provides such consent.

1.28 Spouse means, effective June 26, 2013, with respect to a Member, the person who is treated as married to such Member under the laws of the U.S. jurisdiction or foreign jurisdiction that sanctioned such marriage. The determination of a Member’s Spouse will be made as of the date of such Member’s death. In addition, a Member’s former Spouse will be treated as his Spouse to the extent provided under a qualified domestic relations order, as defined in Code Section 414(p).

1.29 Stability Period means the Plan Year in which occurs the Annuity Starting Date for the distribution.

1.30 Statutory Compensation means compensation from the Employer or any Affiliated Employer as defined in U.S. Treasury Department regulation section 1.415(c)-2(d)(4) (*i.e.*, information required to be reported under Sections 6041, 6051 and 6052 of the Code (“W-2 Pay”))

plus amounts that would be included in wages but for an election under Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) of the Code). For Plan Years beginning on or after July 1, 2007, the preceding definition of compensation shall be modified as required under the provisions of U.S. Treasury Department regulation section 1.415(c)-2(e) and shall include all amounts permitted to be recognized under the provisions of U.S. Treasury Department regulation section 1.415(c)-2(e)(2) and (3) and, effective on and after January 1, 2009, U.S. Treasury regulation section 1.415(c)-2(e)(4). Also, effective for Plan Years beginning on and after January 1, 2009, Statutory Compensation shall include differential wage payments (as defined in Section 3401(h)(2) of the Code) paid to an individual by the Employer, to the extent not otherwise included in this definition of Statutory Compensation. For purposes of applying the top-heavy provisions under Section 3.3 and effective for Plan Years beginning on and after July 1, 2007, for purposes of applying the maximum benefit limitations under Section 3.2, Statutory Compensation shall not exceed the limitation on compensation under Section 401(a)(17) of the Code.

1.31 *Trust Agreement* means the agreement between the Plan Sponsor and the Trustee establishing the trust, and all amendments thereto.

1.32 *Trustee* means the trustee holding the Funds of the Plan as provided in Article 6.

1.33 *Vesting Service* means the Employee's period of service recognized as Vesting Service under the provisions of the applicable Appendix.

ARTICLE 2 . BENEFIT AND PAYMENT PROVISIONS

2.1 Participation

An Employee shall become a Member of the Plan in accordance with the terms of the applicable Appendix.

2.2 Benefit Provisions

The benefits provided under the Plan are set forth in the applicable Appendix.

2.3 Election of an Optional Form of Pension

A Member's election of an optional form of payment under an Appendix shall be subject to the following provisions:

(a) Election of Optional Forms.

- (i) Election. During the election period specified in paragraph (c), a Member may elect to convert the Pension otherwise payable to him into an optional Pension of Equivalent Actuarial Value, as provided in one of the options specified in the applicable Appendix.
- (ii) Spousal Consent. A married Member's election of any option shall only be effective if Spousal Consent to the election is received by the Retirement Committee, unless:
 - (A) the option provides for monthly payments to his Spouse for life after the Member's death, in an amount equal to at least 50%, but not more than 100%, of the monthly amount payable under the option to the Member, and
 - (B) the option is of Equivalent Actuarial Value to the Qualified Joint and Survivor Annuity (as defined in the applicable Appendix).

- (b) Notice. The Retirement Committee shall furnish to each Member a written notice explaining in nontechnical language the terms and conditions of the Pension payable to the Member in the optional forms described in the applicable Appendix. Such explanation shall include a general description of the eligibility conditions for, and the material features and relative values of, the optional forms of Pensions under the Plan, any rights the Member may have to defer commencement of his Pension, the consequences of the Member's failure to defer, the requirement for Spousal Consent as provided in paragraph (a)(ii), and the right of the Member to make, and to revoke, elections under this Section. The notice shall be provided not less than 30 days and no more than 90 days before the Member's Annuity Starting Date, provided, however, the notice may be provided after the Annuity Starting Date with respect to a Member who is entitled to a Pension under Appendices 2 through 9, or with respect to a

Member who is entitled to a Pension payable under the provisions of Appendix 1 or 10 if the written notice as described above was not provided on a timely basis (i) due to an administrative error as determined by the Retirement Committee on a basis uniformly applicable to all Members similarly situated, or (ii) due to an involuntary termination of employment.

(c) Form and Timing of Election. An election of an optional form shall be made on a form provided by the Retirement Committee. The timing of such election shall be subject to the following:

(i) General Rule. Except as otherwise provided in this paragraph (c), a Member's election of an optional form may be made at any time during the period beginning on the date the Member receives the notice described in paragraph (b) and ending on the Member's Annuity Starting Date. Notwithstanding the foregoing, an election received after the Annuity Starting Date shall be deemed to have been made within the election period if:

- (A) the notice described in paragraph (b) is provided to the Member at least 30 days before the Annuity Starting Date;
- (B) distributions commence not later than 90 days after the date such notice is provided to the Member; and
- (C) the Member's election is made before the date distributions commence.

A distribution shall not be deemed to violate the requirement of subparagraph (B) merely because, due solely to administrative delay, it commences more than 90 days after the date notice is provided to the Member.

A Member's Annuity Starting Date may not occur sooner than 30 days after receipt of the notice, except as permitted under subparagraph (ii).

(ii) Waiver of 30-Day Period. A Member may, after having received the notice described in paragraph (b), affirmatively elect to have his Pension commence sooner than 30 days following his receipt of the notice, provided all of the following requirements are met:

- (A) the Retirement Committee clearly informs the Member that he has a period of at least 30 days after receiving the notice to decide when to have his benefits begin, and, if applicable, to choose a particular optional form of payment;
- (B) after receiving the notice, the Member affirmatively elects a date for his Pension to begin and, if applicable, an optional form of payment;

- (C) the Member is permitted to revoke his election until the later of his Annuity Starting Date or at any time prior to the commencement of benefit payments;
 - (D) payment does not commence less than seven days following the day after the notice is received by the Member, nor more than 90 days following the day the notice is received by the Member (except that the 90-day period may be extended due to administrative delay); and
 - (E) the Member's Annuity Starting Date is after the date the notice is provided, except as provided in subparagraph (iii).
- (iii) Retroactive Annuity Starting Date. If a Member is eligible (in accordance with the provisions of the last sentence of paragraph (b) above) to elect, and does elect, an Annuity Starting Date that precedes the date he received the notice (a "retroactive Annuity Starting Date"), such election shall be subject to the following requirements:
- (A) With respect to an election made by a Member who is entitled to a Pension payable under the provisions of Appendix 1 or 10 and who is involuntarily terminated by the Employer, the retroactive Annuity Starting Date is within the 120-day period following the Member's termination of employment with the Employer and all Affiliated Employers.
 - (B) The Member's benefit, including any interest adjustment, must satisfy the provisions of Section 415 of the Code, both at the retroactive Annuity Starting Date and at the actual commencement date, except that if the form of payment is not subject to the provisions of Section 417(e)(3) of the Code and payments commence within 12 months of the Member's retroactive Annuity Starting Date, the provisions of Section 415 of the Code need only be satisfied as of the retroactive Annuity Starting Date.
 - (C) If payment is made in the form of an annuity that is not subject to the provisions of Section 417(e)(3) of the Code, a payment equal in amount to the sum of the monthly payments that the Member would have received during the period commencing on his retroactive Annuity Starting Date and ending with the month preceding his actual commencement date, plus interest at the rate of 120 percent of the mid-term Applicable Federal Rate for the first month of the applicable Plan Year, compounded annually, shall be paid to the Member on his actual commencement date.
 - (D) Spousal Consent to the retroactive Annuity Starting Date is required for such election to be effective unless:

- (I) the amount of the survivor annuity payable to the Spouse determined as of the retroactive Annuity Starting Date under the form elected by the Member is no less than the amount the Spouse would have received under the Qualified Joint and Survivor Annuity if the date payments commence were substituted for the retroactive Annuity Starting Date; or
 - (II) the Member's Spouse on his retroactive Annuity Starting Date is not his Spouse on his actual commencement date and is not treated as his Spouse under a qualified domestic relations order.
- (E) If the Member elects payment in a form of payment that is subject to the provisions of Section 417(e)(3) of the Code:
- (I) the monthly amount shall not be less than the amount that would have been paid in the same form on the retroactive Annuity Starting Date if the benefit amount had been calculated using the IRS Interest Rate and the IRS Mortality Table in effect on the actual commencement date; and
 - (II) interest shall be credited in the same manner as described under clause (C) above.
- (F) The provisions of subparagraphs (i) and (ii) above shall apply by substituting the actual commencement date for the Annuity Starting Date.
- (G) Payment does not commence less than seven days following the day after the notice is received by the Member, nor more than 90 days following the day the notice is received by the Member (except that the 90-day period may be extended due to administrative delay)."
- (d) Revocation of Election. An election of an option under the applicable Appendix may be revoked on a form provided by the Retirement Committee, and subsequent elections and revocations may be made at any time during the election period described above. An election of an optional benefit shall be effective on the Member's Annuity Starting Date and may not be modified after his Annuity Starting Date unless otherwise provided in paragraph (c) above. A revocation of any election shall be effective when the completed form is timely filed with the Retirement Committee. If a Member who has elected an optional benefit dies before his Annuity Starting Date (or before the date the election of the option becomes effective under paragraph (c) above, if later), the election shall be revoked. If the Beneficiary designated under an option dies before the Member's Annuity Starting Date (or before the date the election of the option becomes effective under paragraph (c) above, if later), the election shall be revoked.

2.4 Beneficiary Designations

- (a) **Designation.** Each Member may designate a primary beneficiary and a contingent beneficiary to receive a death benefit that may become payable under this Plan other than a death benefit payable only to a surviving Spouse. A designation of anyone other than the Spouse as the sole Beneficiary shall not be effective unless the Spouse consents in a writing that is witnessed by a notary public or Plan representative. Beneficiary designations shall be made on forms furnished by the Retirement Committee and shall become effective only when filed with the Retirement Committee. Except as otherwise provided in the applicable Appendix, if the Member survives all primary and contingent Beneficiaries or if the Member dies without a valid beneficiary designation, any death benefits shall be paid to his surviving Spouse, or if none, to his estate.
- (b) **Proof of Death.** A copy of the Member's death certificate shall be sufficient proof of death for purposes of this Plan, and the Retirement Committee shall be fully protected in relying thereon. In the absence of a death certificate, the Retirement Committee may rely on such other evidence of death as it deems necessary or appropriate.
- (c) **120-Hour Survival Requirement.** A Beneficiary who does not survive the Member by at least 120 hours shall be deemed to have predeceased the Member. Any benefit payable to such Beneficiary shall be paid to the next designated Beneficiary, or if there is no Beneficiary shall be paid pursuant to paragraph (a) above.

2.5 Pension Payout Rules

- (a) **Commencement of Payment.** Except as otherwise provided in the applicable Appendix, payment of a Member's Pension shall begin as soon as administratively practicable following the later of (i) the Member's 65th birthday, or (ii) the date he terminates service with the Employer and all Affiliated Employers (but not more than 60 days after the close of the Plan Year in which the later of (i) or (ii) occurs).
- (b) **Mandatory Distribution Under Section 401(a)(9) of the Code.** Notwithstanding any provisions of the Plan to the contrary, a Member's Pension shall commence no later than his Required Beginning Date.

2.6 Distribution Limitation

Notwithstanding any other provisions of the Plan, all distributions from the Plan shall conform to the regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9) of the Code. Further, such regulations shall override any Plan provision that is inconsistent with Section 401(a)(9) of the Code. If a Member dies after Pension payments have commenced, any payments continuing on to his Spouse or Beneficiary shall be distributed at least as rapidly as under the method of distribution being used as of the Member's date of death. With respect to

distributions under the Plan made on or after January 1, 2001 (“New Reg Effective Date”) for calendar years beginning on or after January 1, 2001 and prior to January 1, 2006, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the regulations under Section 401(a)(9) of the Code that were proposed on January 17, 2001 (the “2001 Proposed Regulations”), notwithstanding any provision of the Plan to the contrary. If the total amount of required minimum distributions made to a Member for 2001 prior to the New Reg Effective Date are equal to or greater than the amount of required minimum distributions determined under the 2001 Proposed Regulations, then no additional distributions are required for such Member for 2001 on or after such date. If the total amount of required minimum distributions made to a Member for 2001 prior to the New Reg Effective Date are less than the amount determined under the 2001 Proposed Regulations, then the amount of required minimum distributions for 2001 on or after such date will be determined so that the total amount of required minimum distributions for 2001 is the amount determined under the 2001 Proposed Regulations.

With respect to Pensions commencing on or after January 1, 2006, the following rules shall apply:

- (a) Any additional benefits accruing to a Member in a calendar year after the first distribution calendar year will be distributed beginning as of the first payment interval ending in the calendar year immediately following the calendar year in which such amounts accrue.
- (b) If a Member’s Pension is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a non-Spouse Beneficiary, annuity payments to be made on or after the Member’s Required Beginning Date to the Beneficiary after the Member’s death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the U.S. Treasury Department regulations. If the Annuity Starting Date occurs in a calendar year which precedes the calendar year in which the Member reaches age 70, in determining the applicable percentage, the Member/Beneficiary’s age difference is reduced by the number of years that the Member is younger than age 70 on the Member’s birthday in the calendar year that contains the Annuity Starting Date.
- (c) If the Member’s Pension is being distributed in the form of a period certain and life annuity option, the period certain may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the U. S. Treasury Department regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the U. S. Treasury Department regulations plus the excess of 70 over the age of the Member as of the Member’s birthday in the year that contains the Annuity Starting Date.

- (d) For purposes of this Section, the following definitions shall apply:
- (i) “Beneficiary” means an individual other than the Member’s Spouse who is designated to receive survivor benefits under a joint and survivor annuity or a period certain annuity as an optional form of payment. Such Beneficiary shall constitute the designated beneficiary as such term is used under Section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the U. S. Treasury Department regulations.
 - (ii) “Distribution calendar year” means a calendar year for which a minimum distribution is required. For distributions beginning before a Member’s death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member’s Required Beginning Date.
 - (iii) “Life expectancy” is life expectancy as computed using the Single Life Table in Section 1.401(a)(9)-9 of the U. S. Treasury Department regulations.

2.7 Suspension of Benefits

- (a) Suspension. Subject to the provisions of the applicable Appendix, a Member’s benefits shall, for purposes of this Section, be deemed to have been suspended for any month in which the Member remains employed after reaching his Normal Retirement Date and before reaching his Required Beginning Date.

Upon subsequent retirement, the late retirement benefit payable with respect to any Member whose benefit has been suspended following his attainment of his Normal Retirement Date shall be an immediate benefit beginning as of the first day of the month following the Member’s late retirement date (unless the Member elects a later commencement date) and shall be equal to the greater of (i) the amount determined in accordance with the provisions of the applicable Appendix as of his late retirement date, or (ii) an amount which is of Equivalent Actuarial Value to the benefit to which the Member would have been entitled under the provisions of the applicable Appendix if he had retired on his Normal Retirement Date, recomputed as of the first day of each subsequent Plan Year (and as of his actual late retirement date) as if each such date were the Member’s late retirement date. The resulting retirement benefit shall then be reduced by the Equivalent Actuarial Value of any payments made with respect to the Member’s retirement benefit after his Normal Retirement Date. In the event the Member elects to defer payment beyond his late retirement date (but in no event later than his Required Beginning Date), the Member’s benefit shall be of Equivalent Actuarial Value to the benefit otherwise payable as of his late retirement date.

Benefits of a Member in pay status shall be suspended if the Member is re-employed by the Employer or an Affiliated Employer but only for those calendar months in which he completes at least 40 Hours of Service as an Eligible Employee. Upon his

subsequent retirement, his eligibility for a benefit and the amount of the benefit shall be determined and calculated as if he were then first retired. In no event shall such benefit be less than the benefit received by the Member upon his original retirement. The benefit, as so determined, shall be reduced actuarially for the amount of any benefits paid prior to his Normal Retirement Date by reason of the previous retirement. If any payment that could have been suspended under this Section is paid to the Member, subsequent benefit payments shall be offset by that amount; provided however, that except for any offset applied to the initial payment upon resumption of benefit payments, the offset will be spread over subsequent payments so that no single monthly benefit payment is reduced by more than 25%.

- (b) Amount Suspended. The amount suspended shall be an amount equal to the monthly benefit payment that would have otherwise been payable, but not more than would have been payable as a single life annuity.
- (c) Resumption of Payment. If benefit payments have been suspended, then, unless a Member elects a later commencement date pursuant to the provisions of the applicable Appendix, payments shall resume no later than the first day of the third calendar month in which the Employee ceases to be employed or, if earlier, the Employee's Required Beginning Date. The initial payment upon resumption shall include (i) the payment scheduled to be made in the calendar month when payments resume and (ii) any amounts withheld during the period between the cessation of employment and the resumption of payments, less any offset provided under paragraph (a) above.
- (d) Exception; Waiver of Participation. A retired Member who is re-employed as an Eligible Employee may elect to waive participation in the Plan with the consent of his Spouse. All such waivers shall be in writing on a form furnished by the Retirement Committee, and all spousal consents shall satisfy the requirements of Section 2.3(a)(ii). Such a Member shall continue to receive his benefit payments and shall accrue no additional benefits under the Plan. A Member who has waived participation may later elect to participate if he then satisfies the requirements for participation by filing a written notice with the Retirement Committee. His benefit shall then be suspended under this Section for each subsequent calendar month in which he completes at least 40 Hours of Service as an Eligible Employee.

2.8 Direct Rollovers

- (a) Elective Rollovers. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Retirement Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (b) Mandatory Rollovers. Notwithstanding any provision of the Plan to the contrary, effective March 28, 2005 if the present value of the Member's Accrued Benefit

amounts to at least \$1,000 but not more than \$5,000, and if the Member fails to make an affirmative election to either receive the lump sum payment in cash or have it directly rolled over to an eligible retirement plan pursuant to the provisions of paragraph (a) within such election period as shall be prescribed by the Retirement Committee, the Retirement Committee shall direct the Trustee to transfer such lump sum payment to an individual retirement plan (within the meaning of Section 7701(a)(37) of the Code) ("IRA") selected by the Retirement Committee. The IRA shall be maintained for the exclusive benefit of the Member on whose behalf such transfer is made. The transfer shall occur as soon as practicable following the end of the election period. The funds in the IRA shall be invested in an investment product designed to preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with liquidity, as determined from time to time by the Retirement Committee. In implementing the provisions of this paragraph, the Retirement Committee shall:

- (i) enter into a written agreement with each IRA provider setting forth the terms and conditions applicable to the establishment and maintenance of the IRAs in conformity with applicable law;
 - (ii) furnish Members with notice of the Plan's automatic rollover provisions, including, but not limited to, a description of the nature of the investment product in which the assets of the IRA will be invested and how the fees and expenses attendant to the IRA will be allocated, and a statement that a Member may roll over the assets of the IRA to another eligible retirement plan. Such notice shall be provided to Members in such time and form as shall be prescribed by the Retirement Committee in accordance with applicable law; and
 - (iii) fulfill such other requirements of the safe harbor contained in Department of Labor Regulation Section 2550.404a-2 and, if applicable, the conditions of Department of Labor Prohibited Transaction Class Exemption 2004-16.
- (c) Definitions. The following definitions apply to the terms used in this Section:
- (i) "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:
 - (A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more;
 - (B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(C) any after-tax amount unless such amount is rolled over or transferred (*i.e.*, directly rolled) to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, or, effective on or after January 1, 2008, a Roth individual retirement account described in Section 408A(b) of the Code; or transferred (*i.e.*, directly rolled over) to:

- (1) a qualified defined contribution plan described in Section 401(a) of the Code;
- (2) effective on and after January 1, 2007, any qualified plan described in Section 401(a) of the Code; or
- (3) effective on and after January 1, 2007, an annuity plan described in Section 403(b) of the Code,

provided that a plan described in subparagraph (1), (2) or (3) agrees to separately account for such after-tax amount and earnings thereon.

(ii) “Eligible retirement plan” means any of the following types of plans that accept the distributee’s eligible rollover distribution:

- (A) a qualified plan described in Section 401(a) of the Code;
- (B) an annuity plan described in Section 403(a) of the Code;
- (C) an individual retirement account or individual retirement annuity described in Section 408(a) or 408(b) of the Code, respectively;
- (D) effective January 1, 2002, an annuity contract described in Section 403(b) of the Code;
- (E) effective January 1, 2002, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; and
- (F) effective January 1, 2008, a Roth IRA described in Section 408A of the Code.

(iii) “Distributee” means an employee or former employee. In addition, solely for purposes of paragraph (a) above, the employee’s or former employee’s surviving Spouse and the employee’s or former employee’s Spouse or former Spouse who is the alternate payee under a qualified domestic relations order

as defined in Section 414(p) of the Code are distributees with regard to the interest of the Spouse or former Spouse.

- (iv) "Direct rollover" means a payment by the Plan to the eligible retirement plan specified by the distributee.
- (d) **Non-Spouse Beneficiary Rollover.** Notwithstanding any provision of this Section to the contrary, effective as of January 1, 2010, the non-Spouse Beneficiary of a deceased Member may elect, at the time and in the manner prescribed by the Retirement Committee, to directly roll over any portion of a distribution that would constitute an eligible rollover distribution if it were made to a Member, Spouse or alternate payee, provided such direct rollover is made to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, or a Roth IRA described in Section 408A of the Code (collectively, "IRA") that is established on behalf of the non-Spouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Sections 402(c)(11) and 408(d)(3)(C)(ii) of the Code. Distributions under this paragraph that would have been eligible rollover distributions if made to a Member, surviving spouse or alternate payee will be treated as eligible rollover distributions for all purposes under the Code, regardless of whether the non-spouse Beneficiary elects to directly roll over such distribution.

2.9 Special Commencement Right During 2014

Notwithstanding anything in (i) Section 2.3, or (ii) Article 5 or Article 6 of the applicable Appendix to the contrary, certain Members may elect to commence their Pension with an Annuity Starting Date on the Special Annuity Starting Date (as defined below), in accordance with this Section.

- (a) **Definitions.** For purposes of this Section, each of the following terms when capitalized has the respective meaning set forth below:
 - (i) **Eligible Participant.** An "Eligible Participant" is a vested Member who meets all of the following requirements:
 - (A) The Member had a termination of employment with the Employer and all Affiliated Employers with a vested Pension prior to April 1, 2014 and has not been reemployed by the Employer or an Affiliated Employer on or before the Special Annuity Starting Date;
 - (B) The Member is not receiving benefits under a long-term disability plan of the Employer or an Affiliated Employer;
 - (C) The Member has not attained his or her Normal Retirement Date on or before the Special Annuity Starting Date;

- (D) The Member has not commenced his or her benefit as of an Annuity Starting Date prior to the Special Annuity Starting Date;
 - (E) No portion of the Member's Accrued Benefit is subject to a qualified domestic relations order or other lien that is in effect or pending as of the Special Annuity Starting Date;
 - (F) As of the Special Annuity Starting Date, the Member had not deceased;
and
 - (G) The Equivalent Actuarial Value of the Member's Accrued Benefit determined as of November 1, 2014 is no greater than \$50,000.
- (ii) Special Annuity Starting Date. The "Special Annuity Starting Date" means November 1, 2014.
 - (iii) Window Election Period. The "Window Election Period" means the period beginning on August 18, 2014 and ending on October 3, 2014.
- (b) Payment Options for Eligible Participants. The following provisions apply to Eligible Participants who commence their Plan benefits under this Section:
 - (i) Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is eligible to commence an early retirement Pension under Section 5.3 of the applicable Appendix or a vested Pension under Section 5.5 of the applicable Appendix as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit in the form of a lump-sum payment pursuant to this Section or in any form of benefit otherwise available to the Eligible Participant under Section 6.2 of the applicable Appendix.
 - (ii) Non-Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is otherwise not eligible to commence his benefit as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit in the form of a:
 - (A) lump-sum payment pursuant to this Section,
 - (B) single life annuity under Section 6.2(a) of the applicable Appendix,
 - (C) if the Eligible Participant is married on the Special Annuity Starting Date, a Qualified Joint and Survivor Annuity, or
 - (D) if the Eligible Participant is married on the Special Annuity Starting Date, a 75% joint and survivor annuity under Section 6.2(c) of the applicable Appendix with the Eligible Participant's Spouse as his Beneficiary.

- (iii) Spousal Consent Requirements. An Eligible Participant's election to waive the normal form of benefit under Section 6.1(b) of the applicable Appendix is subject to the spousal consent requirements of Section 2.3(a)(ii).
- (c) Calculation _____ of Benefits.
 - (i) Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(i) hereof, the benefit payable under this Section shall be calculated under the provisions of the Plan that generally apply to the calculation of such benefit, but disregarding any limitation on the amount of lump sums otherwise payable under the terms of the Plan.
 - (ii) Non-Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(ii) hereof, the benefit payable under this Section shall be of Equivalent Actuarial Value to the Eligible Participant's Accrued Benefit using the actuarial assumptions for calculating lump sums.
- (d) Election Procedures. An Eligible Participant's election to commence benefits under this Section must be made in accordance with procedures established by the Retirement Committee. An Eligible Participant's election to receive payment under this Section must be postmarked no later than the last day of the Window Election Period, unless a later date is required by law due to a delay in the delivery of the election notice to the Eligible Participant. An Eligible Participant who does not notify the Retirement Committee of a change in his or her address by the date established by the Retirement Committee in order for the Eligible Participant to commence a benefit with an Annuity Starting Date on the Special Annuity Starting Date, shall not be eligible to commence his benefit under this Section. An Eligible Participant who does not submit a completed election form (including any applicable spousal consent) in accordance with this subsection (d) may commence benefits only at the time and in the form determined under the Plan without regard to this Section.

ARTICLE 3 . GOVERNMENTAL RESTRICTIONS

3.1 *Maximum Annual Compensation Limitation*

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the compensation taken into account for the appropriate time period shall not exceed the compensation limit in effect for the calendar year in which the time period begins. For Plan Years beginning before January 1, 1994, the compensation limit is \$200,000, as adjusted by the Secretary of the Treasury for cost-of-living increases. For Plan Years beginning on or after January 1, 1994 and before January 1 2002, the annual compensation limit is \$150,000, as adjusted by the Secretary of the Treasury for cost-of-living increases. For Plan Years beginning on and after January 1, 2002, the compensation limit is \$200,000, as adjusted by the Secretary of the Treasury for cost-of-living increases. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. Any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the annual compensation limit set forth in this provision. If compensation for any prior determination period is taken into account in determining an employee's benefits accruing in the current Plan Year, the compensation for that prior determination period is subject to the annual compensation limit in effect for that prior determination period. For purposes of determining benefit accruals in a Plan Year beginning on or after January 1, 1994, but prior to January 1, 2002, compensation for any determination periods beginning prior to the first Plan Year beginning on or after January 1, 1994 shall be limited to the annual compensation limit of \$150,000. For purposes of determining benefit accruals in Plan Years beginning on or after January 1, 2002, compensation for any determination periods beginning prior to January 1, 2002 shall be limited to the annual compensation limit of \$200,000.

Unless otherwise provided under the Plan, each Code Section 401(a)(17) employee's accrued benefit under this Plan will be the greater of the accrued benefit determined for the employee under (a) or (b) below:

- (a) the employee's accrued benefit determined with respect to the benefit formula applicable for the Plan Year beginning on or after January 1, 1994, as applied to the employee's total years of service taken into account under the Plan for the purposes of benefit accruals, or
- (b) the sum
 - (i) the employee's accrued benefit as of the last day of the last Plan Year beginning before January 1, 1994, frozen in accordance with Treasury Regulations Section 1.401(a)(4)-13, and

- (ii) the employee's accrued benefit determined under the benefit formula applicable for the Plan Year beginning on or after January 1, 1994, as applied to the employee's years of service credited to the employee for Plan Years beginning on or after January 1, 1994, for purposes of benefit accruals.

A "Code Section 401(a)(17) employee" means an employee whose current accrued benefits as of a date on or after the first day of the first Plan Year beginning on or after January 1, 1994, is based on compensation for a year beginning prior to the first day of the first Plan Year beginning on or after January 1, 1994, that exceeded \$150,000.

3.2 Code Section 415 Limitations—Maximum Annual Pension

- (a) Maximum Pension. Notwithstanding any provisions of the Plan to the contrary, the benefits accrued by and payable to or on behalf of a Member under the Plan shall be subject to the maximum limitations set forth in Section 415 of the Code and any regulations or rulings issued thereunder. The increased limitations of Section 415(b) of the Code effective on and after January 1, 2002 shall apply to all current and former Members (with benefits limited by Section 415(b) of the Code) who have an Accrued Benefit under the Plan immediately prior to January 1, 2002 (other than an Accrued Benefit resulting from a benefit increase solely as a result of the increases in limitations under Section 415(b) of the Code) and whose Annuity Starting Date occurs on or after January 1, 2002.
- (b) Adjustment of Benefit and Maximum Dollar Limitation. If the benefit payable under the Plan would (but for this Section) exceed the limitations of Section 415 of the Code by reason of a benefit payable under another defined benefit plan aggregated with this Plan under Section 415(f) of the Code, the benefit under this Plan shall be reduced only after all reductions have been made under such other plan. As of January 1 of each calendar year beginning on or after January 1, 2002, the maximum dollar limitation shall be adjusted as indexed. Such adjustment of the maximum dollar limitation shall not apply to retired Members.
- (c) Limitation Year. For purposes of this Section, the limitation year shall be the calendar year.
- (d) Definition of Compensation. The term "compensation" for purposes of applying the applicable limitations under Section 415 of the Code with respect to any Member shall mean Statutory Compensation.

3.3 Top-Heavy Provisions

- (a) Definitions. The following definitions apply to the terms used in this Section:
 - (i) "Applicable Determination Date" means the last day of the preceding Plan Year;

- (ii) “Applicable Valuation Date” means the date within the preceding Plan Year as of which annual Plan costs are or would be computed for minimum funding purposes;
- (iii) “Average Statutory Compensation” means the average annual Statutory Compensation of a Member for the five consecutive years of his Vesting Service after December 31, 1983 during which he received the greatest aggregate remuneration from the Employer or an Affiliated Employer, excluding any Statutory Compensation for service after the last Plan Year with respect to which the Plan is top-heavy;
- (iv) “Key Employee” means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the applicable determination date was an officer of the Employer or an Affiliated Employer having Statutory Compensation greater than \$130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5-percent owner (as defined in Section 416(i)(1)(B)(i) of the Code) of the Employer or an Affiliated Employer, or a 1-percent owner (as defined in Section 416(i)(1)(B)(ii) of the Code) of the Employer or an Affiliated Employer having Statutory Compensation greater than \$150,000 (the determination of who is a key employee shall be made in accordance with Section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder);
- (v) “Non-Key Employee” means any employee who is not a Key Employee;
- (vi) “Permissive Aggregation Group” means each plan in the Required Aggregation Group and any other qualified plan(s) of the Employer or an Affiliated Employer in which all members are non-key employees, if the resulting aggregation group continues to meet the requirements of Sections 401(a)(4) and 410 of the Code;
- (vii) “Required Aggregation Group” means each other qualified plan of the Employer or an Affiliated Employer (including plans that terminated within the five-year period ending on the determination date) in which there are members who are key employees or which enables the Plan to meet the requirements of Section 401(a)(4) or 410 of the Code; and
- (viii) “Top-Heavy Ratio” means the ratio of (A) the present value of the cumulative Accrued Benefits under the Plan for key employees to (B) the present value of the cumulative Accrued Benefits under the Plan for all key employees and non-key employees; provided, however, that if an individual has not performed services for the Employer or any Affiliated Employer at any time during the one-year period ending on the applicable determination date, any accrued benefit for such individual (and the account of such individual) shall not be taken into account; and provided further, that the present values of

Accrued Benefits under the Plan for an employee as of the applicable determination date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the one-year period (five-year period in the case of a distribution made for a reason other than severance from employment, death, or disability) ending on the applicable determination date and any distributions made with respect to the employee under a terminated plan which, had it not been terminated, would have been in the required aggregation group.

(b) Determination of Top Heavy Status.

- (i) The Plan shall be “top-heavy” if, as of the Applicable Determination Date, the Top-Heavy Ratio exceeds 60 percent. The Top-Heavy Ratio shall be determined as of the Applicable Valuation Date in accordance with Sections 416(g)(3) and (4) (B) of the Code on the basis of the interest rate and mortality table used in the actuarial valuation for the Plan for the applicable Plan Year.
- (ii) For purposes of determining whether the Plan is top-heavy, the present value of accrued benefits under the Plan will be combined with the present value of accrued benefits or account balances under each other plan in the Required Aggregation Group. In the Employer’s discretion, accrued benefits or account balances under each plan in the Required Aggregation Group may be combined with the present value of accrued benefits or account balances under any other qualified plan(s) in the Permissive Aggregation Group.
- (iii) The accrued benefit of a Non-Key Employee under the Plan or any other defined benefit plan in the aggregation group shall be:
 - (A) determined under the method, if any, that uniformly applies for accrual purposes under all plans maintained by the Employer or an Affiliated Employer, or
 - (B) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule described in Section 411(b)(1)(C) of the Code.

(c) Consequences of Being Top Heavy. The following provisions shall be applicable to Members of Appendix 1 for any calendar year with respect to which the Plan is top-heavy:

- (i) In lieu of the vesting requirements specified in Appendix 1, a Member shall be vested in, and have a nonforfeitable right to, a percentage of his Accrued Benefit determined in accordance with the provisions of Appendix 1 and subparagraph (ii) below, as set forth in the following vesting schedule:

Years of Vesting Service	Percentage Vested
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 or more years	100%

- (ii) The Accrued Benefit of a Member under Appendix 1 who is a Non-Key Employee shall not be less than two percent of his Average Statutory Compensation multiplied by the number of years of his Vesting Service, during the calendar years for which the Plan is top-heavy, but not in excess of 10. For purposes of the preceding sentence, years of Vesting Service shall be disregarded to the extent that such years of Vesting Service occur during a Plan Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no key employee or former key employee. Such minimum benefit shall be payable at a Member's Normal Retirement Date. If payments commence at a time other than the Member's Normal Retirement Date, the minimum Accrued Benefit shall be of Equivalent Actuarial Value to such minimum benefit.
- (d) Cessation of Top Heavy Status. If the Plan is top-heavy with respect to a Plan Year and ceases to be top-heavy for a subsequent Plan Year, the following provisions shall be applicable:
- (i) The Accrued Benefit in any such subsequent Plan Year shall not be less than the minimum Accrued Benefit provided in subparagraph (c)(ii) above, computed as of the end of the most recent Plan Year for which the Plan was top-heavy.
- (ii) If a Member has completed three years of Vesting Service on or before the last day of the most recent Plan Year for which the Plan was top-heavy, the vesting schedule set forth in subparagraph (c)(i) above shall continue to be applicable.
- (iii) If a Member has completed less than three years of Vesting Service on or before the last day of the most recent Plan Year for which the Plan was top-heavy, the vesting provisions of subparagraph (c)(i) above shall continue to be applicable to the portion of his Accrued Benefit determined as of the last day of the Plan Year in which the Plan was top-heavy, and Section 5.5 of Appendix 1 shall again be applicable with respect to the remaining portion of his Accrued Benefit; provided, however, that in no event shall the vested percentage of such remaining portion be less than the percentage determined under subparagraph (c)(i) above as of the last day of the most recent Plan Year for which the Plan was top-heavy.

3.4 *Limitation on Highly Compensated Employees and on High-25 Employees*

- (a) When This Section Applies. The provisions of this Section shall apply:
- (i) in the event the Plan is terminated, to any Member who is a Highly Compensated Employee or Highly Compensated Former Employee, and
 - (ii) in any other event, to any Member who is one of the 25 Highly Compensated Employees or Highly Compensated Former Employees of the Employer or an Affiliated Employer with the greatest Statutory Compensation in any Plan Year.

The amount of the annual payments to any one of the Members to whom this Section applies shall not be greater than the amount that would be paid on behalf of the Member under a single life annuity that is of Equivalent Actuarial Value to the sum of the Member's accrued benefit and the Member's other benefits under the Plan.

- (b) When This Section Does Not Apply. The provisions of this Section shall not apply if:
- (i) after taking into account payment of all benefits payable to or on behalf of the Member to whom this Section applies, the value of Plan assets equals or exceeds 110 per cent of the value of current liabilities (as that term is defined in Section 412(l)(7) of the Code) of the Plan,
 - (ii) after taking into account the value of all benefits payable to or on behalf of the Member to whom this Section applies is less than one per cent of the value of current liabilities of the Plan, or
 - (iii) the value of the benefits payable to or on behalf of the Member to whom this Section applies does not exceed the amount described in Section 411(a)(11)(A) of the Code.
- (c) Repayment of Lump Sum Distributions. To the extent permitted by law, if any Member to whom subparagraph (a)(ii) applies elects to receive a lump sum payment in lieu of his Pension and this Section is applicable, the Member shall be entitled to receive his benefit in full. However, the Member must agree to repay to the Plan any portion of the lump sum payment which would otherwise be restricted and must provide adequate security to guarantee that repayment in accordance with rules established by the Internal Revenue Service.
- (d) Termination of Plan. Notwithstanding the above, in the event the Plan is terminated, the restrictions of this Section shall not be applicable if the benefits payable to any Highly Compensated Employee and any Highly Compensated Former Employee is limited to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code.

(e) Definitions. For purposes this Section, the following terms shall have the following meanings:

(i) “Highly Compensated Employee” means for a Plan Year any employee of the Employer or an Affiliated Employer (whether or not eligible for membership in the Plan) who:

(A) was a 5-percent owner (as defined in Section 416(i) of the Code) for such Plan Year or the prior Plan Year;
or

(B) for the preceding Plan Year received Statutory Compensation in excess of \$80,000, and was among the highest 20 percent of employees for the preceding Plan Year when ranked by Statutory Compensation paid for that year excluding, for purposes of determining the number of such employees, such employees as the Retirement Committee may determine on a consistent basis pursuant to Section 414(q) of the Code. The \$80,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Section 414(q) of the Code.

Notwithstanding the foregoing, employees who are nonresident aliens and who receive no earned income from the Employer or an Affiliated Employer which constitutes income from sources within the United States shall be disregarded for all purposes of this Section.

The Employer’s top-paid election as described above, shall be used consistently in determining Highly Compensated Employees for determination years of all employee benefit plans of the Employer and Affiliated Employers for which Section 414(q) of the Code applies (other than a multiemployer plan) that begin with or within the same calendar year, until such election is changed by Plan amendment in accordance with IRS requirements. The \$80,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Section 414(q) of the Code.

The provisions of this Section shall be further subject to such additional requirements as shall be described in Section 414(q) of the Code and its applicable regulations, which shall override any aspects of this Section inconsistent therewith.

(ii) “Highly Compensated Former Employee” means for a Plan Year any former employee of the Employer or an Affiliated Employer who had terminated employment prior to the Plan Year and who was a Highly Compensated Employee for either the year of termination or any Plan Year ending on or after the employee’s 55th birthday.

- (f) When This Section is Ineffective. If it should subsequently be determined by statute, court decision acquiesced in by the Commissioner of the Internal Revenue Service, or ruling by the Commissioner of the Internal Revenue Service, that the provisions of this Section are no longer necessary to qualify the Plan under the Code, this Section shall be ineffective without the necessity of further amendment to the Plan.

ARTICLE 4 . CONTRIBUTIONS

4.1 *Employer Contributions*

It is the intention of the Employer to continue the Plan, make the contributions that are necessary to maintain the Plan on a sound actuarial basis, and meet the minimum funding standards prescribed by law. However, subject to the provisions of Article 8, the Employer may discontinue its contributions for any reason at any time. Any forfeitures shall be used to reduce the Employer's contributions otherwise payable.

4.2 *Return of Contributions*

- (a) Employer contributions to the Plan are conditioned upon their deductibility under Section 404 of the Code. If all or part of the Employer's deductions for contributions to the Plan are disallowed by the Internal Revenue Service, the portion of the contributions to which that disallowance applies shall be returned to the Employer without interest, but reduced by any investment loss attributable to those contributions. The return shall be made within one year after the date of the disallowance of deduction.
- (b) The Employer may recover without interest the amount of its contributions to the Plan made on account of a mistake-of-fact, reduced by any investment loss attributable to those contributions, provided recovery is made within one year after the date of those contributions.

4.3 *Member Contributions*

No contributions shall be accepted from any Member.

ARTICLE 5 . ADMINISTRATION OF PLAN

5.1 *Adoption of Charter*

The Board of Directors may adopt a Charter which sets forth procedures regarding the governance and maintenance of the Retirement Committee and, to the extent not inconsistent with the Plan, the rights, duties, and responsibilities of the Retirement Committee with respect to the Plan.

5.2 *Administration of Retirement Committee*

The Retirement Committee will have all rights, duties and responsibilities as provided in the Charter and the Plan, and will be governed and maintained in accordance with the Charter.

5.3 *Authority of Retirement Committee*

Subject to the limitations of the Plan, the Retirement Committee shall establish rules for the administration of the Plan and the transaction of its business. All actions of the Retirement Committee shall be in accordance with the Charter. The Retirement Committee, in addition to such duties and powers as provided in the Charter, shall maintain accounts reflecting the financial transactions of the Plan, and shall recommend, implement and monitor investment policy guidelines and objectives as approved by the Board of Directors. The Retirement Committee shall submit a report periodically to the Board of Directors giving the status of the Fund regarding the satisfaction of the investment objectives.

The Retirement Committee shall have discretionary authority to determine eligibility for benefits and to construe the terms of the Plan, which shall include, but not be limited to, determination of:

- (a) an individual's eligibility for Plan participation,
- (b) the right to and amount of any benefit payable under the Plan, and
- (c) the date on which any individual ceases to be a Member.

The Retirement Committee shall have discretionary authority to decide disputed claims in accordance with its interpretation of the terms of the Plan. The determination of the Retirement Committee as to any disputed question or claim shall be conclusive and final.

5.4 *Prudent Conduct*

The members of the Retirement Committee shall use that degree of care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of a similar situation.

5.5 *Actuary*

The Retirement Committee shall maintain such data as may be necessary for actuarial valuations of the liabilities of the Plan. At the request of the Board of Directors, the Retirement Committee shall submit a report each year to the Board of Directors, giving a brief account of the operation of the Plan during the past year, and a copy of that report shall be filed in the office of the Plan, where it shall be open to inspection by any Member of the Plan. As an aid to the Retirement Committee in fixing the rate of contributions payable to the Plan, the actuary designated by the Retirement Committee shall prepare annual actuarial valuations of the contingent assets and liabilities of the Plan, and shall submit to the Retirement Committee the recommended Employer contribution.

5.6 *Service in More Than One Fiduciary Capacity*

Any individual, entity or group of persons may serve in more than one fiduciary capacity with respect to the Plan and/or the Funds of the Plan.

5.7 *Limitation of Liability*

The Employer, the Board of Directors, the members of the Retirement Committee, and any officer, employee or agent of the Employer shall not incur any liability individually or on behalf of any other individuals, or on behalf of the Employer for any act, or failure to act, made in good faith in relation to the Plan or the Funds of the Plan. However, this limitation shall not act to relieve any such individual or the Employer from a responsibility or liability for any breach of fiduciary responsibility, obligation or duty under Part 4, Title I of ERISA.

5.8 *Indemnification*

The Employer, the members of the Retirement Committee, the Board of Directors, and the officers, employees and agents of the Employer shall be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the Funds of the Plan, including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan or the Funds of the Plan, and any and all amounts paid in any compromise or settlement relating to the Plan or the Funds of the Plan, except for actions or failures to act made in bad faith. The foregoing indemnification shall be made from the Funds of the Plan to the extent of those Funds and to the extent permitted under applicable law; otherwise, from the assets of the Employer.

5.9 *Expenses of Administration*

All expenses that arise in connection with the administration of the Plan, including but not limited to, the compensation of the Trustee, administrative expenses and proper charges and disbursements of the Trustee and compensation and other expenses and charges of any actuary, counsel, accountant, specialist, or other person who has been retained by the Employer or the Retirement Committee in connection with the administration thereof, shall be paid from the Funds of the Plan held by the Trustee under the trust agreement or insurance or annuity contract adopted for use in implementing the Plan to the extent not paid by the Employer.

ARTICLE 6 . MANAGEMENT OF FUNDS

6.1 *Trustee*

All the Funds of the Plan shall be held by a Trustee, or Trustees, appointed from time to time by the Retirement Committee under a Trust Agreement adopted, or as amended, by the Retirement Committee for use in providing the benefits of the Plan and paying its expenses not paid directly by the Employer. The Employer shall have no liability for the payment of benefits under the Plan or for the administration of the Funds paid over to the Trustee or Trustees.

6.2 *Exclusive Benefit Rule*

Except as otherwise provided in the Plan, no part of the corpus or income of the Funds of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and other persons entitled to benefits under the Plan, before the satisfaction of all liabilities with respect to them. No person shall have any interest in, or right to, any part of the earnings of the Funds of the Plan, or any interest in, or right to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

6.3 *Appointment of Investment Manager*

Except as provided in this Section, the Trustee shall have the power and authority to manage and invest the assets of the trust. The Retirement Committee may, at its discretion, appoint one or more investment managers (within the meaning of Section 3(38) of ERISA) to manage (including the power to acquire and dispose of) all or part of the assets of the Plan, as the Retirement Committee shall designate. In that event, authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that investment manager and shall relieve the Trustee of any responsibility therefor.

ARTICLE 7 . GENERAL PROVISIONS

7.1 *Nonalienation and Qualified Domestic Relations Orders*

- (a) Except as required by any applicable law or paragraphs (b) and (c) below, no benefit under the Plan shall in any manner be anticipated, assigned or alienated, and any attempt to do so shall be void. However, payment shall be made in accordance with the provisions of any judgment, decree, or order which meets the following conditions:
- (i) creates for, or assigns to, an alternate payee the right to receive all or a portion of the Member's benefits under the Plan for the purpose of providing child support, alimony payments or marital property rights to that alternate payee;
 - (ii) is made pursuant to a state domestic relations law;
 - (iii) does not require the Plan to provide any type of benefit, or any option, not otherwise provided under the Plan; and
 - (iv) otherwise meets the requirements of Section 206(d) of ERISA, as amended, as a "qualified domestic relations order (QDRO)," as determined by the Retirement Committee.

In determining the benefit payable to the alternate payee, the portion of the Member's benefit payable to the alternate payee at the date that benefits are scheduled to commence under the QDRO shall be actuarially adjusted to reflect the difference in ages between the Member and the alternate payee. The actuarial adjustment for this purpose, as well as for the purpose of determining the Equivalent Actuarial Value of a benefit commencing prior to the Member's Normal Retirement Date, if applicable, shall be based on the interest rate and mortality table specified in the applicable Appendix for purposes of converting a life annuity to an optional form of annuity (other than a level income option) under the terms of the Plan in effect on the alternate payee's Annuity Starting Date. Notwithstanding anything herein to the contrary, if the present value of any series of payments meeting the criteria set forth in clauses (i) through (iv) above amounts to \$5,000 or less, a lump sum payment of Equivalent Actuarial Value, shall be made in lieu of the series of payments. Such Equivalent Actuarial Value shall be determined on the basis of the IRS Interest Rate and the IRS Mortality Table.

For purposes of the Plan, an "alternate payee" means a spouse, former spouse, child or dependent of a Member who is entitled, pursuant to a qualified domestic relations order and the provisions of this paragraph (a), to receive a payment of all or a portion of a Member's Accrued Benefit under the Plan.

- (b) A Member's Pension under the Plan shall be offset by the amount the Member is required to pay to the Plan under the circumstances set forth in Section 401(a)(13)(C) of the Code.
- (c) A Member's Pension under the Plan shall be distributed as required because of the enforcement of a federal tax levy made pursuant to Section 6331 of the Code or the collection by the United States on a judgment resulting from an unpaid tax assessment.

7.2 Conditions of Employment Not Affected by Plan

The establishment of the Plan shall not confer upon any Employee or other person any legal rights to a continuation of employment, nor shall it interfere with the rights of the Employer to discharge any Employee or to treat him without regard to the effect which that treatment might have upon him as a Member or potential Member of the Plan.

7.3 Facility of Payment

If the Retirement Committee shall find that a Member or other person entitled to a benefit is unable to care for his affairs because of illness or accident, or because he is a minor, the Retirement Committee may direct that any benefit due him (unless claim shall have been made for the benefit by a duly appointed legal representative) be paid to his Spouse, child, parent or other blood relative, or to a person with whom he resides. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

7.4 Information

Each Member or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the Plan, shall file with the Employer the information that it shall require to establish his rights and benefits under the Plan.

7.5 Construction

- (a) The Plan shall be construed, regulated and administered under ERISA, as in effect from time to time, and the laws of Georgia, except where ERISA controls.
- (b) The masculine pronoun shall include the feminine.
- (c) The titles and headings of the articles and sections in the Plan are for convenience only. In case of ambiguity or inconsistency, the text rather than the titles or headings shall control.
- (d) The Retirement Committee shall have full power and authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be issued or adopted by the Board of Directors, to interpret the provisions and supervise the administration of the Plan, including the power to remedy possible ambiguities, inconsistencies or omissions. Such determinations shall be conclusive.

7.6 Prevention of Escheat

If the Retirement Committee cannot ascertain the whereabouts of any person to whom a payment is due under the Plan, the Retirement Committee may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person as shown on the records of the Retirement Committee or the Employer. If such person has not made written claim for payment within three months of the date of the mailing, the Retirement Committee may, if it so elects and upon receiving advice from counsel to the Plan, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the Plan and the amount thereof applied to reduce the contributions of the Employer. Upon such cancellation, the Plan shall have no further liability therefor except that, in the event such person or his beneficiary later notifies the Retirement Committee of his whereabouts and requests the payment or payments due to him under the Plan, the amount so applied shall be paid to him in accordance with the provisions of the Plan.

7.7 Electronic Transmission of Notices to Members

Notwithstanding any provision of the Plan to the contrary, any notice required to be distributed to Members, Beneficiaries, and alternate payees pursuant to the terms of the Plan may, at the direction of the Retirement Committee, be transmitted electronically to the extent permitted by, and in accordance with any procedures set forth in, applicable law and regulations.

7.8 Limitation on Benefits In the Event of a Liquidity Shortfall

Notwithstanding any provisions of the Plan to the contrary, in the event the Plan has a liquidity shortfall within the meaning of Section 401(a)(32) of the Code, the Trustee shall, as directed by the Employer, cease payment during the period of such liquidity shortfall of (a) any payment in excess of the monthly amount payable under a single life annuity (plus any social security supplements described in Section 411(a)(9) of the Code) to any Member or Beneficiary whose Annuity Starting Date occurs during such period, (b) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, or (c) any other payment specified in regulations promulgated under Section 401(a)(32) of the Code.

7.9 Funding-Based Limitations on Benefits under Section 436 of the Code

- (a) Limitations Applicable if the Plan's Adjusted Funding Target Attainment Percentage ("AFTAP") is Less Than 80%, but not Less Than 60%. Notwithstanding any other provisions of the Plan, if the Plan's AFTAP for a Plan Year is less than 80% (or would be less than 80% to the extent described in subparagraph (a)(ii) below) but is not less than 60%, then the limitations set forth in this paragraph (a) apply.
 - (i) 50% Limitation on Single-Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments. A Member or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or

other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (A) 50% of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
- (B) 100% of the PBGC maximum benefit guarantee amount (as defined in Treasury Regulations Section 1.436-1(d)(3)(iii)(C)).

The limitation set forth in this subparagraph (a)(i) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Member. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Member or Beneficiary as of the Annuity Starting Date because of the application of the requirements of this subparagraph (a)(i), the Member or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Treasury Regulations Section 1.436-1(d)(3)(iii)(D)). The Member or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that Annuity Starting Date that would satisfy the 50%/PBGC maximum benefit guarantee amount limitation described in this subparagraph (a)(i), or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan. During a period when the restrictions of this subsection apply to the Plan, Members and Beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in Treasury Regulations Section 1.436-1(d)(3)(iii)(D)), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as Code Sections 411(a)(11) and 401(a)(9)).

- (ii) Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the AFTAP for the Plan Year is:
 - (A) Less than 80%; or
 - (B) 80% or more, but would be less than 80% if the benefits attributable to the amendment were taken into account in determining the AFTAP.

The limitation set forth in this subparagraph (a)(ii) does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Members covered by the amendment.

- (b) Limitations Applicable if the Plan's AFTAP is Less Than 60%. Notwithstanding any other provisions of the Plan, if the Plan's AFTAP for a Plan Year is less than 60% (or would be less than 60% to the extent described in subparagraph (b)(ii) below), then the limitations in this paragraph (b) apply.
- (i) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. A Member or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this subparagraph (b)(i) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Member.
- (ii) Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to be Paid. An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the AFTAP for the Plan Year is:
- (A) Less than 60%; or
- (B) 60% or more, but would be less than 60% if the AFTAP were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100%.
- (iii) Benefit Accruals Frozen. Benefit accruals under the Plan shall cease as of the applicable section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this subparagraph (b)(iii), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.
- (c) Limitations Applicable if the Employer is in Bankruptcy. Notwithstanding any other provisions of the Plan, a Member or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date that occurs during any period in which the Employer is a debtor in a case under title 11, United States Code,

or similar federal or state law, except for payments made within a Plan Year with an Annuity Starting Date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's AFTAP for that Plan Year is not less than 100%. In addition, during such period in which the Employer is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's AFTAP for that Plan Year is not less than 100%. The limitation set forth in this subparagraph (c) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Member.

(d) Provisions Applicable After Limitations Cease to Apply.

- (i) Resumption of Prohibited Payments. If a limitation on prohibited payments under subparagraph (a)(i) or (b)(i), or paragraph (c) applied to the Plan as of a section 436 measurement date, but that limit no longer applies to the Plan as of a later section 436 measurement date, then that limitation does not apply to benefits with Annuity Starting Dates that are on or after that later section 436 measurement date.
- (ii) Resumption of Benefit Accruals. If a limitation on benefit accruals under subparagraph (b)(iii) applied to the Plan as of a section 436 measurement date, but that limitation no longer applies to the Plan as of a later section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later section 436 measurement date, except as otherwise provided under the Plan. In addition, benefit accruals that were not permitted to accrue because of the application of subparagraph (b)(iii) shall be restored when that limitation ceases to apply if the continuous period of the limitation was 12 months or less and the Plan's enrolled actuary certifies that the AFTAP for the Plan Year would not be less than 60 percent taking into account any restored benefit accruals for the prior Plan Year. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor Regulation 29 C.F.R. Sections 2530.204-2(c) and (d).
- (iii) Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of subparagraph (b)(ii), but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the AFTAP for the Plan Year that meets the requirements of Treasury Regulations Section 1.436-1(g)(5)(ii)(B)), then that unpredictable contingent

event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to subparagraph (b)(ii)). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

- (iv) Treatment of Plan Amendments That Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of subparagraph (a)(ii) or (b)(iii), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the AFTAP for the Plan Year that meets the requirements of Treasury Regulations Section 1.436-1(g)(5)(ii)(C)), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.
- (e) Notice Requirement. See ERISA Section 101(j) for rules requiring the plan administrator of a single employer defined benefit pension plan to provide a written notice to participants and beneficiaries within 30 days after certain specified dates if the plan has become subject to a limitation described in subparagraph (a)(i), or paragraph (b) or (c).
- (f) Methods to Avoid or Terminate Benefit Limitations. See Sections 436(b)(2), (c)(2), (e)(2), and (f) of the Code and Treasury Regulations Section 1.436-1(f) for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in subparagraphs (a) through (c) for a plan year. In general, the methods a plan sponsor may use to avoid or terminate one or more of the benefit limitations under subparagraphs (a) through (c) for a plan year include employer contributions and elections to increase the amount of plan assets which are taken into account in determining the AFTAP, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the plan.
- (g) Special Rules.
 - (i) Rules of Operation for Periods Prior to and After Certification of Plan's AFTAP.
 - (A) In General. Code Section 436(h) and Treasury Regulations Section 1.436-1(h) set forth a series of presumptions that apply (x) before the Plan's enrolled actuary issues a certification of the Plan's AFTAP for the Plan Year and (y) if the Plan's enrolled actuary does not issue a certification of the Plan's AFTAP for the Plan Year before the first

day of the tenth month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year pursuant to Treasury Regulations Section 1.436-1(h)(4)(ii) but does not issue a certification of the specific AFTAP for the Plan by the last day of the Plan Year). For any period during which a presumption under Section 436(h) of the Code and Treasury Regulations Section 1.436-1(h) applies to the Plan, the limitations under subparagraphs (a) through (c) are applied to the Plan as if the AFTAP for the Plan Year were the presumed AFTAP determined under the rules of Section 436(h) of the Code and Treasury Regulations Section 1.436-1(h)(1), (2), or (3). These presumptions are set forth in subparagraphs (g)(i)(B) through (D).

- (B) Presumption of Continued Underfunding Beginning First Day of Plan Year. If a limitation under subparagraph (a), (b), or (c) applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the AFTAP for the Plan for the current Plan Year, or, if earlier, the date subparagraph (g)(i)(C) or (D) applies to the Plan:
- (1) The AFTAP of the Plan for the current Plan Year is presumed to be the AFTAP in effect on the last day of the preceding Plan Year; and
 - (2) The first day of the current Plan Year is a section 436 measurement date.
- (C) Presumption of Underfunding Beginning First Day of Fourth Month. If the Plan's enrolled actuary has not issued a certification of the AFTAP for the Plan Year before the first day of the fourth month of the Plan Year and the Plan's AFTAP for the preceding Plan Year was either at least 60% but less than 70% or at least 80% but less than 90%, or is described in Treasury Regulations Section 1.436-1(h)(2)(ii), then, commencing on the first day of the fourth month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the AFTAP for the Plan for the current Plan Year, or, if earlier, the date subparagraph (g)(i)(D) applies to the Plan:
- (1) The AFTAP of the Plan for the current Plan Year is presumed to be the Plan's AFTAP for the preceding Plan Year reduced by 10 percentage points; and
 - (2) The first day of the fourth month of the current Plan Year is a section 436 measurement date.

- (D) Presumption of Underfunding on and After First Day of Tenth Month. If the Plan's enrolled actuary has not issued a certification of the AFTAP for the Plan Year before the first day of the tenth month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to Treasury Regulations Section 1.436-1(h)(4)(ii) but has not issued a certification of the specific AFTAP for the Plan by the last day of the Plan Year), then, commencing on the first day of the tenth month of the current Plan Year and continuing through the end of the Plan Year:
- (1) The AFTAP of the Plan for the current Plan Year is presumed to be less than 60%;
and
 - (2) The first day of the tenth month of the current Plan Year is a section 436 measurement date.
- (ii) New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules.
- (A) First Five Plan Years. The limitations in subparagraphs (a)(ii), (b)(ii), and (b)(iii) do not apply to a new plan for the first five plan years of the plan, determined under the rules of Section 436(i) of the Code and Treasury Regulations Section 1.436-1(a)(3)(i).
 - (B) Plan Termination. The limitations on prohibited payments in subparagraphs (a)(i) and (b)(i), and paragraph (c) do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this section of the Plan do not cease to apply as a result of termination of the Plan.
 - (C) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans. The limitations on prohibited payments set forth in subparagraphs (a)(i) and (b)(i), and paragraph (c) do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005 and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any participants. This subparagraph (g)(ii)(C) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a plan amendment that increases benefits takes effect.
 - (D) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under subparagraph (g)(i) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's AFTAP for the Plan Year, the limitations under subparagraph (a)(ii) and subparagraph (b)(ii) shall be based on

the inclusive presumed AFTAP for the Plan, calculated in accordance with the rules of Treasury Regulations Section 1.436-1(g)(2)(iii).

(iii) Special Rules Under PRA 2010.

(A) Payments Under Social Security Leveling Options. For purposes of determining whether the limitations under subparagraph (a)(i) or (b)(i) apply to payments under a social security leveling option, within the meaning of Section 436(j)(3)(C)(i) of the Code, the AFTAP for a Plan Year shall be determined in accordance with the “Special Rule for Certain Years” under Section 436(j)(3) of the Code and any Treasury Regulation or other published guidance thereunder issued by the Internal Revenue Service.

(B) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under subparagraph (b)(iii) applies to the Plan, the AFTAP for a Plan Year shall be determined in accordance with the “Special Rule for Certain Years” under Section 436(j)(3) of the Code (except as provided under Section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

(iv) Interpretation of Provisions. The limitations imposed by this section of the Plan shall be interpreted and administered in accordance with section 436 and Treasury Regulations Section 1.436-1.

(h) Definitions. The definitions in the following Treasury Regulation Sections apply for purposes of subparagraphs (a) through (g): Section 1.436-1(j)(1) defining AFTAP; Section 1.436-1(j)(2) defining Annuity Starting Date; Section 1.436-1(j)(6) defining prohibited payment; Section 1.436-1(j)(8) defining section 436 measurement date; and Section 1.436-1(j)(9) defining an unpredictable contingent event and an unpredictable contingent event benefit.

(i) Effective Date. The rules in subparagraphs (a) through (h) are effective for Plan Years beginning after December 31, 2009.

7.10 Revision of the Plan and Applicability of Plan Provisions

The provisions of the Plan as set forth herein are effective as of January 1, 2015, except that certain provisions shall have an earlier or later effective date as specifically set forth in the Plan, in the resolution adopting the amendment, or as follows:

1. The amendment of Sections 2.3(b), 2.8(c)(i)(C), 3.3(d) and 8.1 shall be effective as of January 1, 2007.

2. The amendment of Section 2.3 relating to the retroactive Annuity Starting Date shall be effective as of January 1, 2010.
3. The amendment of Section 3.3(a)(viii) shall be effective as of January 1, 2002.
4. The addition of the 75% Joint and Survivor Annuity option shall be effective as of January 1, 2009 with respect to Annuity Starting Dates on and after that date, if applicable.

Any questions concerning eligibility for and the amount of pension and any other right or limitation set forth herein which calls for a determination as to a time on or after January 1, 2015 shall be determined in accordance with the provisions of this Plan as may be amended and in effect from time to time, and any questions concerning such matters which call for a determination under the Plan as to a time prior to January 1, 2015 shall be determined in accordance with the provisions of the Plan effective as of the Member's date of termination and taking into account any amendments effective retroactive to such date in accordance with the provisions of this Section or other provisions of the Plan, except as otherwise specifically provided in the Plan or as otherwise required by law.

ARTICLE 8 . AMENDMENT, MERGER AND TERMINATION

8.1 *Amendment of Plan*

The Board of Directors (or, to the extent provided in the Charter, the Retirement Committee) reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the Plan. However, no amendment shall make it possible for any part of the Funds of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the Plan prior to the satisfaction of all liabilities with respect to such persons. No amendment shall be made which has the effect of decreasing the Accrued Benefit of any Member or of reducing the nonforfeitable percentage of the Accrued Benefit of a Member below the nonforfeitable percentage computed under the Plan as in effect on the date on which the amendment is adopted or, if later, the date on which the amendment becomes effective. For purposes of this Section, a plan amendment that has the effect of (i) eliminating or reducing an early retirement benefit or retirement-type subsidy, or (ii) eliminating an optional form, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Member who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. Notwithstanding the preceding sentences, a Member's accrued benefit, early retirement benefit, retirement-type subsidy, or optional form of payment may be reduced to the extent permitted under Section 412(c)(8) of the Code (for Plan Years beginning on or before December 31, 2007) or Section 412(d)(2) of the Code (for Plan Years beginning after December 31, 2007), or to the extent permitted under Section 1.411(d)-(3) and (4) of the U. S. Treasury Department regulations.

8.2 *Merger or Consolidation*

The Plan may not be merged or consolidated with, and its assets or liabilities may not be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer if the Plan had then terminated. The transactions referenced in this Section shall be carried out under the provisions of Section 414(l) of the Code.

8.3 *Additional Participating Employers*

- (a) If any company is now or becomes a subsidiary or associated company of the Employer, the Board of Directors may, at its discretion and upon appropriate action, include the employees of that company in the membership of the Plan upon appropriate action by that company necessary to adopt the Plan. In that event, or if any persons become Employees of the Employer or an Affiliated Employer as the result of merger or consolidation or as the result of acquisition of all or part of the assets or business of another company, the Board of Directors shall determine to what extent, if any, credit shall be granted for previous service with the subsidiary,

associated or other company, but subject to the continued qualification of the Plan and trust under the Code.

- (b) Any subsidiary or associated company may terminate its participation in the Plan upon appropriate action by it, in which event the Funds of the Plan held on account of Members in the employ of that company shall be determined by the Retirement Committee and shall be applied as provided in Section 8.4 if the Plan should be terminated, or shall be segregated by the Trustee as a separate trust, pursuant to certification to the Trustee by the Retirement Committee, continuing the Plan as a separate plan for the employees of that company, under which the board of directors of that company shall succeed to all the powers and duties of the Board of Directors, including the appointment of the members of the Retirement Committee. Notwithstanding the above, the Board of Directors may refuse to approve such a termination of participation by a subsidiary or associated company if it determines that such action could jeopardize the qualified status of the Plan.

8.4 Termination of Plan

The Board of Directors may terminate the Plan for any reason at any time. In case of termination of the Plan, the rights of Members to the benefits accrued under the Plan to the date of the termination, to the extent then funded (or, if greater, protected by law), shall be nonforfeitable. The Funds of the Plan shall be used for the exclusive benefit of persons entitled to benefits under the Plan as of the date of termination, except as provided in Sections 4.2 and 5.12. However, any Funds not required to satisfy liabilities of the Plan for benefits, that arise out of any variation between actual requirements and expected actuarial requirements, shall be returned to the Employer. The Retirement Committee shall determine, on the basis of actuarial valuation, the share of the Funds of the Plan allocable to each person entitled to benefits under the Plan in accordance with Section 4044 of ERISA or corresponding provision of any applicable law in effect at the time. In the event of a partial termination of the Plan, the provisions of this Section shall be applicable to the Members affected by that partial termination.

IN WITNESS WHEREOF, the Graphic Packaging International, Inc. Retirement Committee has caused this Plan to be duly executed this 21st day of November, 2014.

Graphic Packaging International, Inc.
Retirement Committee Members

By: /s/ Daniel J. Blount
Daniel J. Blount

Brad Ankerholz

By: /s/ Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Brian A. Wilson
Brian A. Wilson

CERTAIN HISTORICAL PROVISIONS

The purpose of this Section is to record, for historical purposes, certain provisions which are no longer applicable to active Members in the Plan as of January 1, 2015, the effective date of the Plan's restatement.

- A. The following was included as part of the preamble to the Plan prior to the Plan's restatement effective as of January 1, 2008:

ACX Technologies, Inc., a Colorado corporation ("ACX"), established the Plan effective December 28, 1992, for its eligible employees and the employees of its subsidiaries who adopt the Plan. At the same time, ACX entered into a related Trust to provide for the investment and management of the assets of the Plan.

Adolph Coors Company, a Colorado corporation ("ACCo"), maintains the Coors Retirement Plan (the "ACC Retirement Plan") for its eligible employees and the eligible employees of its subsidiaries that adopt the ACC Retirement Plan. Any reference to the ACC Retirement Plan shall refer to such plan as in effect on December 27, 1992.

ACX was a wholly-owned subsidiary of ACCo. Pursuant to a Distribution Agreement dated as of October 5, 1992, ACCo distributed (the "Distribution") all of the capital stock of ACX to the holders of the Class A and Class B common stock of ACCo. The Distribution occurred at the opening of business on December 28, 1992 (the "Distribution Date").

In connection with the Distribution, ACX and ACCo entered into the Employee Benefits and Compensation Transition Agreement, dated as of December 18, 1992 (the "Benefits Agreement"), which provides for the transfer of assets and other transitional matters in connection with certain employee benefit plans including this Plan and the ACC Retirement Plan. Pursuant to the Benefits Agreement, ACX agreed that this Plan shall provide generally that, for purposes of credited service for vesting, eligibility for benefits, and benefit calculation, Members in this Plan shall be entitled to all of the credited service and earnings that they had earned under the ACC Retirement Plan as of the day prior to the Distribution Date. Under the terms of the Benefits Agreement, the trustee for the ACC Retirement Plan transferred to the trustee for this Plan assets of the ACC Retirement Plan equal to the portion of the fair market value of the assets in the ACC Retirement Plan determined by the ratio of the actuarial accrued liability for the individuals described in the next sentence as well as any alternate payees (as defined herein) and beneficiaries of the individuals listed in the next sentence on the date of the Distribution to the total actuarial accrued liability of the ACC Retirement Plan as of the Distribution Date. The individuals whose accrued benefits were transferred to this Plan include the following individuals as well as any alternate payees (as defined herein) and beneficiaries of such individuals: (a) individuals employed by ACX, Golden Technologies Company, Inc., Golden Aluminum Company, Graphic Packaging Corporation, MicroLithics Corporation, ZeaGen, Inc., Coors Porcelain Company, Alpha Optical Systems, Inc., Alumina Ceramics, Inc., Coors Ceramicon Design, Ltd., Coors Ceramics GmbH, Coors Technical Ceramics Company, Coors Wear Products, Inc., and

Wilbanks International, Inc. (collectively, the “ACX Companies”) on December 28, 1992, and (b) individuals who were not employed by ACX, its subsidiaries, Adolph Coors Company or its subsidiaries on December 28, 1992, but whose last employer among such companies was an ACX Company.

CoorsTek, Inc. (formerly Coors Ceramics Company) was a participating employer in the Plan. Effective as of August 31, 1999, the Board of Directors of ACX spun off the assets and liabilities of the Plan (in accordance with Code Section 414(l)) attributable to employees, terminated vested employees, and retirees of CoorsTek, Inc. (formerly Coors Porcelain Company), Alumina Ceramics, Inc., Coors Ceramicon Designs, Ltd. d/b/a Coors Tetraflour, Coors Technical Ceramics Company, Coors Wear Products, Inc., and Wilbanks International, Inc. into the Coors Ceramics Company Retirement Plan. ACX transferred sponsorship of the Coors Ceramics Company Retirement Plan to CoorsTek, Inc. effective as of September 1, 1999, and the plan was renamed the CoorsTek, Inc. Retirement Plan.

This restatement takes into account the action by the Board of Directors of the Plan Sponsor to spin off the assets and liabilities of the ACX Technologies, Inc. Retirement Plan attributable to employees, terminated vested employees, and retirees of CoorsTek, Inc. (formerly Coors Porcelain Company), Alumina Ceramics, Inc., Coors Ceramicon Designs, Ltd. d/b/a Coors Tetraflour, Coors Technical Ceramics Company, Coors Wear Products, Inc., Wilbanks International, Inc. into a new plan named the Coors Ceramics Company Retirement Plan effective as of August 31, 1999 (in accordance with Section 414(l) of the Internal Revenue Code of 1986, as amended). Effective as of the date of the transfer of assets and liabilities from the Plan to the CoorsTek, Inc. Retirement Plan (formerly the Coors Ceramics Company Retirement Plan), no benefits will be payable under the Plan to any individual whose Accrued Benefit as of August 31, 1999 was transferred to the CoorsTek, Inc. Retirement Plan.

Effective January 1, 2000, the Universal Packaging Corporation Pension Plan (the “UPC Plan”) was merged into the Plan, and effective December 31, 2000, the Graphic Packaging FJ Retirement Plan was merged into the Plan.

- B. The following reflects a change in the name of the Employer and a change in the Board of Directors:

Employer means Graphic Packaging International Corporation (formerly ACX Technologies, Inc.) prior to August 8, 2003, Graphic Packaging International, Inc. on and after August 8, 2003 and any successor by merger, purchase or otherwise with respect to its employees, or any other company participating in the Plan as provided in Section 8.3 with respect to its employees.

Board of Directors means (a) prior to March 10, 2008, the Board of Directors of the Plan Sponsor, and (b) on and after March 10, 2008, the Board of Directors of Graphic Packaging Holding Company.

Participating Employers. The following entities participated in the Plan:

<u>Graphic Employers</u>	<u>Participation Date</u>
Golden Technologies Company, Inc.	12/28/1992 through 12/31/2000
Golden Equities, Inc.	12/28/1992 through 12/31/1999
Graphic Packaging Folding Carton Sales, Inc.	1/1/1998 through 12/30/1999
Graphic Packaging Michigan, Inc.	8/2/1999 through 12/31/1999
Graphic Packaging Michigan, Inc.	8/2/1999 through 12/31/1999
Recycled Paperboard Mill, Inc.	8/2/1999 through 12/30/1999
Universal Packaging Corporation	1/1/2000 through 12/31/2000
Graphic Packaging Corporation of Virginia	1/1/2000 through 6/30/2000
CLM2, Inc.	12/28/92 through 12/31/1998
Chronopol, Inc.	12/28/92 through 12/31/1998
GTC Nutrition Company	12/28/92 through 6/30/1999
Golden International, Inc. (formerly Photon Energy, Inc.)	12/28/92 through 12/31/1998
Graphic Packaging Corporation of Colorado, Inc.	1/1/98 through 12/31/1998
Graphic Packaging Flexible Sales, Inc.	1/1/98 through 6/30/1999
Graphic Packaging Tennessee, LP	1/1/98 through 6/30/1999
Graphic Packaging Corporation	12/28/1992 through 8/7/2003
Graphic Packaging International Corporation (formerly ACX Technologies, Inc.)	12/28/1992 through 8/7/2003

<u>Golden Aluminum Employers</u>	<u>Participation Date</u>
Golden Aluminum Company	12/28/92 through 3/1/1997
GAC Aluminum Corporation (formerly Golden Aluminum Company)	8/23/99 through 11/5/1999

<u>Ceramics Employers</u>	<u>Participation Date</u>
CoorsTek, Inc. (formerly Coors Porcelain Company)	12/28/92 through 8/31/1999
Alumina Ceramics, Inc.	12/28/92 through 8/31/1999
Coors Technical Ceramics Company	12/28/92 through 8/31/1999
Coors Wear Products, Inc.	12/28/92 through 8/31/1999
Wilbanks International, Inc.	12/28/92 through 8/31/1999
Coors Electronic Package Company	12/28/92 through 12/31/1998

Tetrafluor, Inc. On August 1, 1997, Coors Ceramicon Designs Ltd. (“Ceramicon”), a subsidiary of CoorsTek, Inc. (formerly Coors Porcelain Company), acquired the assets of Tetrafluor, Inc. (“Tetrafluor”). The employees of Tetrafluor who became employees of Ceramicon on August 1, 1997 and individuals who are hired on and after August 1, 1997 to work in the business performed by Tetrafluor shall not be eligible to participate in this Plan. Employees of ACX Technologies, Inc., the Plan Sponsor, or any other Affiliated Entity who

are transferred to the business performed by Tetrafluor on and after August 1, 1997, shall continue to be eligible to participate in this Plan.

Effective August 31, 1999, the assets and liabilities of the ACX Technologies, Inc. Retirement Plan attributable to employees, terminated vested employees, and retirees of Coors Porcelain Company, Alumina Ceramics, Inc., Coors Ceramicon Designs, Ltd. d/b/a Coors Tetrafluor (if any), Coors Technical Ceramics Company, Coors Wear Products, Inc., and Wilbanks International, Inc. were spun off into a new plan named the Coors Ceramics Company Retirement Plan. Effective August 31, 1999, no benefits will be payable to any individual whose Accrued Benefit as of August 31, 1999 was transferred to the CoorsTek, Inc. Retirement Plan (formerly the Coors Ceramics Company Retirement Plan).

- C. The following provision reflects the historical changes to the Plan's definition of Plan Year:

Plan Year means the fiscal year of the Plan, which shall be the calendar year, except that the first Plan Year shall begin December 28, 1992 and end December 31, 1993, and for purposes of Title I of ERISA only, the first Plan Year shall begin December 28, 1992 and end December 31, 1992. Furthermore, the first Plan Year with respect to Appendices 2, 3, 4, 5, 6, 7, 8, and 9 shall be the period commencing August 2, 1999 and ending December 31, 1999.

- D. The following provisions reflect the Plan's requirement for Member contributions under Appendix 1 prior to December 1, 1976:

Member Contributions

No contributions shall be accepted from any Member on and after December 1, 1976. The ACC Retirement Plan provided for contributions by Members, prior to December 1, 1976. Member contributions (Accumulated Contributions) transferred to this Plan from the ACC Retirement Plan shall be held in a separate account for each Member who made such contributions fully vested at all times, shall be used to provide retirement benefits under Appendix 1 of this Plan or shall be payable as a minimum benefit to the Member or his beneficiary.

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**FIRST AMENDMENT TO THE
GRAPHIC PACKAGING RETIREMENT PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, the Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company has delegated to the Retirement Committee (the "Retirement Committee") of Graphic Packaging International, Inc. (the "Company") the responsibility to make certain amendments to the Graphic Packaging Retirement Plan (the "Plan"); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan, in accordance with recent collective bargaining agreements, to exclude from participation in the Plan new hires, rehires, and transfers at the Company's Menasha, Wisconsin Carton Plant and Wausau, Wisconsin Carton Plant represented by Local 2-0148 and Local 2-0224 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union;

NOW, THEREFORE, BE IT RESOLVED, effective as of the date that this amendment is executed, that the Plan be, and it hereby is, amended in the following respects:

1. Section 3.1 of Appendix 3 is amended by adding a new sentence at the end thereof to read as follows:

"Notwithstanding any other provision of the Plan, an Employee who is hired or who would otherwise become an Eligible Employee as a result of a transfer as described in Section 4.1 on or after January ___, 2015 shall not become a Member under this Appendix 3 after January ___, 2015."

2. Section 3.2 of Appendix 3 is amended by adding a new sentence at the end thereof to read as follows:

"Notwithstanding any other provision of the Plan, an Employee who is reemployed on or after January ___, 2015 shall not accrue any additional benefit under the terms of this Appendix 3 on and after his date of reemployment."

[signatures on the following page]

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this First Amendment to the Graphic Packaging Retirement Plan this 6th day of January, 2015.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

By: /s/ Brian A. Wilson
Brian A. Wilson

**SECOND AMENDMENT TO THE
GRAPHIC PACKAGING RETIREMENT PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, the Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company has delegated to the Retirement Committee (the “Retirement Committee”) of Graphic Packaging International, Inc. (the “Company”) the responsibility to make certain amendments to the Graphic Packaging Retirement Plan (the “Plan”); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to reflect recently negotiated benefit changes with respect to employees at the Company’s Menasha, Wisconsin Carton Plant and Wausau, Wisconsin Carton Plant represented by Local 2-0148 and Local 2-0224 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union;

NOW, THEREFORE, BE IT RESOLVED, that the Plan be, and it hereby is, amended in the following respects:

1. Effective as of March 31, 2015, Article 1 of Appendix 3 is amended by adding a new Section 1.8A immediately following Section 1.8 to read as follows:

“1.8A Non-Grandfathered Member means a Member who is in active employment, is on an approved Leave of Absence or Layoff as described in Section 1.7 or is on a military leave as described in Section 2.5, provided the Member’s reemployment rights are protected by law on March 31, 2015, and on March 31, 2015 failed to meet the following requirements:

- (a) is age 55 or older,
and
- (b) whose age measured in years (including fractional years) plus his years (including fractional years) of Benefit Service is equal to at least 70.

A Member other than a Non-Grandfathered Member will be eligible to make a one-time irrevocable election on or before March 31, 2015, to waive participation under this Appendix 3 and by doing so shall become a Non-Grandfathered Member and shall cease to accrue Benefit Service on and after April 1, 2015.”

2. Effective as of March 31, 2015, Section 2.2 of Appendix 3 is amended by adding a paragraph at the end thereof to read as follows:

“A Non-Grandfathered Member shall not be credited with Benefit Service for any period of service or period of absence under this Appendix 3 after March 31, 2015.”

3. Effective as of March 31, 2015, Section 3.1 of Appendix 3 is amended by adding the following new paragraph at the end thereof to read as follows:

“A Member other than a Non-Grandfathered Member will be eligible to make a one-time irrevocable election on or before March 31, 2015 to waive participation under this Appendix 3 and by doing so shall become a Non-Grandfathered Member and shall cease to accrue Benefit Service on and after April 1, 2015.”

4. Effective as of March 31, 2015, Section 5.1 of Appendix 3 is amended by adding the following paragraph at the end thereof:

“Notwithstanding any provision of the Plan to the contrary, benefit accruals shall cease under this Appendix 3 as of March 31, 2015, for all Non-Grandfathered Members.”

5. Effective as of March 31, 2015, Section 5.4(a) of Appendix 3 is amended by the addition of a new paragraph at the end thereof to read as follows:

“Notwithstanding any provision of the Plan to the contrary, a Non-Grandfathered Member who terminates from active employment with the Employer and all Affiliated Employers as an Employee on account of Disability after March 31, 2015, shall not be eligible for a disability retirement Pension.”

6. Effective as of March 31, 2015, Article 5 of Appendix 3 is further amended by adding a new Section 5.8 to read as follows:

“5.8 Cessation of Benefit Accruals for Non-Grandfathered Members

Notwithstanding any provisions of the Plan to the contrary, in calculating the benefit payable to or on behalf of a Non-Grandfathered Member under the Plan after March 31, 2015, the following rules shall apply:

- (a) Benefit Service for benefit accrual purposes and the pension multiplier shall be frozen as of March 31, 2015;
and
- (b) Vesting Service shall continue to be credited under the terms of this Appendix 3 for purpose of determining his eligibility for a pension under this Appendix 3 on and after March 31, 2015.”

[signatures on following page]

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Second Amendment to the Graphic Packaging Retirement Plan this 6th day of March, 2015.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
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By: /s/ Debbie Frank
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By: /s/ Stephen Scherger
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By: /s/ Brian A. Wilson
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**THIRD AMENDMENT TO THE
GRAPHIC PACKAGING RETIREMENT PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, the Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company has delegated to the Retirement Committee (the "Retirement Committee") of Graphic Packaging International, Inc. (the "Company") the responsibility to make certain amendments to the Graphic Packaging Retirement Plan (the "Plan"); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to permit certain vested participants who are no longer employed by the Company or an affiliate to elect to receive lump-sum distributions of their Plan benefits during a limited period of time in 2015;

NOW, THEREFORE, BE IT RESOLVED, that, effective November 1, 2015, the Plan be, and it hereby is, amended in the following respects:

1. Article 2 of the Core Document of the Plan is amended by adding the following new Section 2.10 to the end thereof:

2.10 Special Commencement Right During 2015

Notwithstanding anything in (i) Section 2.3, or (ii) Article 5 or Article 6 of the applicable Appendix to the contrary, certain Members may elect to commence their Pension with an Annuity Starting Date on the Special Annuity Starting Date (as defined below), in accordance with this Section.

- (a) Definitions. For purposes of this Section, each of the following terms when capitalized has the respective meaning set forth below:
 - (i) Eligible Participant. An "Eligible Participant" is a vested Member who meets all of the requirements described in Subsections (A) through (F) below:
 - (A) The Member had a termination of employment with the Employer and all Affiliated Employers with a vested Pension, either:
 - (I) Prior to April 1, 2014, and the Member did not satisfy the eligibility requirement of Section 2.9(a)(i)(G);
 - (II) Prior to April 1, 2014, and satisfied the eligibility requirements of Section 2.9 but did not elect to commence his or her Pension solely because the Member was not sent distribution paperwork; or

- (III) After March 31, 2014 and prior to May 29, 2015 and has not been reemployed by the Employer or an Affiliated Employer on or before the Special Annuity Starting Date, without regard to the Equivalent Actuarial Value of the Member's Accrued Benefit; and
 - (B) The Member is not receiving benefits under a long-term disability plan of the Employer or an Affiliated Employer;
 - (C) The Member has not attained his or her Normal Retirement Date on or before the Special Annuity Starting Date;
 - (D) The Member has not commenced his or her benefit as of an Annuity Starting Date prior to the Special Annuity Starting Date;
 - (E) No portion of the Member's Accrued Benefit is subject to a qualified domestic relations order or other lien that is in effect or pending as of the Special Annuity Starting Date; and
 - (F) As of the Special Annuity Starting Date, the Member had not deceased.
- (ii) Special Annuity Starting Date. The "Special Annuity Starting Date" means November 1, 2015.
 - (iii) Window Election Deadline. The "Window Election Deadline" means the earlier of (i) the date that is 60 days after an Eligible Participant initiates the process of commencing benefits under this Section, or (ii) December 1, 2015.
 - (iv) Window Initiation Period. The "Window Initiation Period" means the period beginning on August 17, 2015 and ending on October 2, 2015.
- (b) Payment Options for Eligible Participants. The following provisions apply to Eligible Participants who commence their Plan benefits under this Section:
 - (i) Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is eligible to commence an early retirement Pension under Section 5.3 of the applicable Appendix or a vested Pension under Section 5.5 of the applicable Appendix as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit in the form of a lump-sum payment pursuant to this

Section or in any form of benefit otherwise available to the Eligible Participant under Section 6.2 of the applicable Appendix.

- (ii) Non-Retirement-Eligible Participant. An Eligible Participant who, as of the Special Annuity Starting Date, is otherwise not eligible to commence his benefit as of the Special Annuity Starting Date, may elect to receive his or her Pension benefit in the form of a:
 - (A) lump-sum payment pursuant to this Section,
 - (B) single life annuity under Section 6.2(a) of the applicable Appendix,
 - (C) if the Eligible Participant is married on the Special Annuity Starting Date, a Qualified Joint and Survivor Annuity, or
 - (D) if the Eligible Participant is married on the Special Annuity Starting Date, a 75% joint and survivor annuity under Section 6.2(c) of the applicable Appendix with the Eligible Participant's Spouse as his Beneficiary.
 - (iii) Spousal Consent Requirements. An Eligible Participant's election to waive the normal form of benefit under Section 6.1(b) of the applicable Appendix is subject to Spousal Consent, as described in Section 2.3(a)(ii).
- (c) Calculation of Benefits.
- (i) Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(i) hereof, the benefit payable under this Section shall be calculated under the provisions of the Plan that generally apply to the calculation of such benefit, but disregarding any limitation on the amount of lump sums otherwise payable under the terms of the Plan.
 - (ii) Non-Retirement-Eligible Participant. With respect to an Eligible Participant described in subsection (b)(ii) hereof, the benefit payable under this Section shall be of Equivalent Actuarial Value to the Eligible Participant's Accrued Benefit using the actuarial assumptions for calculating lump sums.
- (d) Election Procedures. An Eligible Participant's election to commence benefits under this Section must be made in accordance with procedures established by the Retirement Committee. An Eligible Participant's election to receive payment under this Section must be (i) initiated by the Eligible Participant no later than the last day of the Window Initiation Period and (ii) completed

by returning an election form postmarked on or before the Window Election Deadline, unless a later date is required by law due to a delay in the delivery of the election notice to the Eligible Participant. An Eligible Participant who does not notify the Retirement Committee of a change in his or her address by the date established by the Retirement Committee in order for the Eligible Participant to commence a benefit with an Annuity Starting Date on the Special Annuity Starting Date, shall not be eligible to commence his or her benefit under this Section. An Eligible Participant who does not submit a completed election form (including any applicable Spousal Consent) in accordance with this subsection (d) may commence benefits only at the time and in the form determined under the Plan without regard to this Section.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Third Amendment to the Graphic Packaging Retirement Plan this 3rd day of September, 2015.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
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By: /s/ Brian A. Wilson
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GPI Savings Plan

Amendment and Restatement

GPI Savings Plan

The Retirement Committee of Graphic Packaging International, Inc. (the "Retirement Committee") on behalf of Graphic Packaging International, Inc. (the "Controlling Company") hereby amends and restates the GPI Savings Plan.

STATEMENT OF PURPOSE

A. Effective August 1, 1972, the Manville Corporation established a profit-sharing thrift plan for certain of its employees known at various times as the Manville Employees Thrift Plan, the Johns-Manville Corporation Employees Thrift Stock Purchase Plan and the Manville Salaried Employees Thrift Plan (the "Predecessor Plan").

B. Effective January 1, 1984, certain employees of Riverwood International Corporation, a subsidiary of Manville Corporation ("Riverwood"), became covered by the Predecessor Plan. Effective January 1, 1989, the Predecessor Plan was amended and restated and the name of the Predecessor Plan was changed to the Manville Employees Thrift Plan.

C. Effective January 1, 1993, Riverwood established the Riverwood International Employees Thrift Plan (the "Plan") and the assets from the Predecessor Plan that were attributable to the account balances of Riverwood employees was spun-off into the Plan. Effective June 1, 1994, the name of the Plan was changed to the Riverwood International Savings Plan.

D. Effective August 8, 2003, Graphic Packaging Corporation was created as a result of the merger of Graphic Packaging International Corporation into Riverwood Holding, Inc. and the name of Riverwood International Corporation was changed to Graphic Packaging International, Inc. (the "Controlling Company"). Prior to such merger, Graphic Packaging International Corporation sponsored the Graphic Packaging Savings and Investment Plan for the eligible employees of Graphic Packaging Corporation and other participating companies (the "Graphic Plan"). Following the merger, the Controlling Company succeeded Graphic Packaging International Corporation as plan sponsor of the Graphic Plan for the eligible employees whose payroll was processed by Ceridian Corporation.

E. Effective January 1, 2004, that portion of the Graphic Plan covering employees represented by a collective bargaining agreement was merged into the Plan and the Controlling C

ompany amended and restated the Plan to (i) reflect the participation in the Plan of the transferred employees, (ii) change the name of the Plan, to the GPI Savings Plan, and (iii) adopt certain plan design changes including, but not limited to, a safe harbor matching formula and new investment options.

E. Effective March 10, 2008, Altivity Packaging LLC merged with Graphic Packaging Corporation. Altivity Packaging LLC maintained the Altivity Packaging Savings Plan (the "Altivity Plan") for its eligible salaried and non-union employees. In conjunction with the merger and pursuant to a corporate realignment, Graphic Packaging Holding Company became the sole corporate entity with the power to amend and terminate the benefit plans maintained by Graphic Packaging Holding Company and any subsidiary thereof, including the Plan.

F. Effective January 1, 2009, the Altivity Plan was merged into the Plan and the Controlling Company amended and restated the Plan to (i) reflect the merger of the Altivity Plan, (ii) reflect the change in the corporate entity authorized to amend and terminate the Plan, and (iii) adopt certain design plan changes, including but not limited to, the addition of an automatic enrollment feature for new hires on and after January 1, 2009, an increase in the maximum deferral rate to 75%, the expansion of the definition of eligible compensation from which elective deferrals made be elected, and the addition of an installment payment option for non-spouse beneficiaries.

I. Generally effective January 1, 2015, the Plan, as set forth in this document, is intended and should be construed as a restatement and continuation of the Plan as previously in effect, as amended. This restatement of the Plan is intended to bring the Plan into compliance with the requirements of current laws, regulations and guidance listed in IRS Notice 2013-84.

J. The primary purpose of the Plan is to recognize the contributions made to the Controlling Company and its participating affiliates by employees and to reward those contributions by providing eligible employees with an opportunity to accumulate savings for their future security.

K. The Controlling Company intends that the Plan be a profit sharing plan qualified under Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended. The Controlling Company also intends that the Plan satisfy the safe harbor requirements of Sections 401(k)(12) and 401(m)(11) of the Code.

STATEMENT OF AGREEMENT

To amend and restate the Plan with the purposes and goals as described above, the Controlling Company hereby sets forth the terms and provisions as follows:

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 1

1.1	Account	1
1.2	Active Participant	1
1.3	Affiliate	1
1.4	After-Tax Altivity Account	1
1.5	After-Tax Pre-2002 Account	1
1.6	After-Tax Post-2001 Account	1
1.7	After-Tax Contributions	1
1.8	Altivity Plan	2
1.9	Annual Addition	2
1.10	Before-Tax Account	2
1.11	Before-Tax Contributions	2
1.12	Beneficiary	2
1.13	Board	2
1.14	Break in Service	2
1.15	Catch-Up Contributions	3
1.16	Charter	3
1.17	Code	3
1.18	Company Contribution Account	3
1.19	Company Stock	3
1.20	Company Stock Fund	3

1.21	Compensation	3
1.22	Contributions	6
1.23	Controlling Company	6
1.24	Covered Employee	6
1.25	Deferral Election	6
1.26	Defined Benefit Minimum	6
1.27	Defined Benefit Plan	6
1.28	Defined Contribution Minimum	6
1.29	Defined Contribution Plan	6
1.30	Determination Date	7
1.31	Disability or Disabled	7
1.32	Divestiture Termination	7
1.33	Effective Date	7
1.34	Elective Deferrals	7
1.35	Eligible Nonhighly Compensated Participant	7
1.36	Eligible Retirement Plan	7
1.37	Eligible Rollover Distribution	8
1.38	Employee	8
1.39	Employment Date	8
1.40	Entry Date	8
1.41	ERISA	8
1.42	Forfeiture	9

- 1.43 Graphic Employer
Account 9
- 1.44 Graphic
Plan 9
- 1.45 GPI Employer Match
Account 9
- 1.46 GPI Hourly Savings
Plan 9
- 1.47 Full-Time
Employee 9
- 1.48 Highly Compensated
Employee 9
- 1.49 Hour of
Service 10
- 1.50 Hourly Field Automatic Contribution
Account 11
- 1.51 Hourly Field Employer Match
Account 11
- 1.52 Investment
Committee 11
- 1.53 Investment Fund or
Funds 11
- 1.54 Key
Employee 11
- 1.55 Leave of
Absence 11
- 1.56 Limitation
Year 11
- 1.57 Loan
Rules 12
- 1.58 Match Direct - Graded (Pre-2008 Smurfit Match)
Account 12
- 1.59 Matching
Account 12
- 1.60 Matching
Contributions 12
- 1.61 Maternity or Paternity
Leave 12
- 1.62 Maximum Deferral
Amount 12
- 1.63 Named
Fiduciary 12
- 1.64 Non-Key
Employee 12

- 1.65 Normal Retirement
Age 12
- 1.66 Participant 12
- 1.67 Participating
Company 13
- 1.68 Part-Time
Employee 13
- 1.69 Pension Plan Ineligible
Employee 13
- 1.70 Permissive Aggregation
Group 13
- 1.71 Plan 13
- 1.72 Pre-1987 Graphic Employer
Account 13
- 1.73 Plan
Year 13
- 1.74 Pre-2004 RIC Match
Account 13
- 1.75 Prior
Plan 13
- 1.76 QNEC
Account 13
- 1.77 Qualified Military
Service 13
- 1.78 Qualified Spousal
Waiver 13
- 1.79 Required Aggregation
Group 14
- 1.80 Retirement
Committee 14
- 1.81 Rollover
Account 14
- 1.82 Rollover
Contribution 14
- 1.83 Roth
Account 14
- 1.84 Roth
Contributions 14
- 1.85 Salaried Field Employer Non-Safe Harbor Match
Account 14
- 1.86 Salaried Field Profit-Sharing
Account 14

- 1.87 Salaried Smurfit DB Replacement
Account 14
- 1.88 Severance
Date 14
- 1.89 Spouse or Surviving
Spouse 15
- 1.90 Supplemental Employer Contribution
Account 15
- 1.91 Supplemental Employer
Contributions 15
- 1.92 Tax-Deferred
Contributions 15
- 1.93 Top-Heavy
Group 15
- 1.94 Top-Heavy
Plan 15
- 1.95 Transfer
Account 15
- 1.96 Transfer
Contributions 17
- 1.97 Trust
Fund 17
- 1.98 Trust or Trust
Agreement 17
- 1.99 Trustee 17
- 1.100 Valuation
Date 17
- 1.101 Year of Eligibility
Service 17
- 1.102 Years of Vesting
Service 18

ARTICLE II ELIGIBILITY 20

- 2.1 Initial Eligibility
Requirements 20
- 2.2 Interruptions of Service or Change in
Status 21
- 2.3 Participant
Information 21

ARTICLE III CONTRIBUTIONS 22

3.1	Tax-Deferred Contributions	22
3.2	Matching Contributions	24
3.3	Supplemental Employer Contributions	24
3.4	Form of Contributions	25
3.5	Timing of Contributions	25
3.6	Contingent Nature of Company Contributions	25
3.7	Restoration Contributions	26
3.8	Military Service	26

ARTICLE IV ROLLOVERS AND TRANSFERS BETWEEN PLANS 27

4.1	Rollover Contributions	27
4.2	Transfer Contributions	27
4.3	Spin-Offs to Other Plans	28

ARTICLE V PARTICIPANTS' ACCOUNTS; CREDITING AND ALLOCATIONS 29

5.1	Establishment of Participants' Accounts	29
5.2	Allocation and Crediting of Before-Tax, Roth, Matching, Rollover and Transfer Contributions	29
5.3	Allocation and Crediting of Supplemental Employer Contributions	29
5.4	Crediting of Restoration Contributions	29
5.5	Allocation of Forfeitures	30
5.6	Allocation and Crediting of Investment Experience	30
5.7	Good Faith Valuation Binding	30

ARTICLE VI CONTRIBUTION AND SECTION 415 LIMITATIONS AND NONDISCRIMINATION REQUIREMENTS 31

- 6.1 Maximum Limitation on Elective Deferrals 31
- 6.2 Nondiscrimination Requirements for Tax-Deferred Contributions 32
- 6.3 Nondiscrimination Requirements for Matching Contributions 32
- 6.4 Code Section 415 Limitations on Maximum Contributions 32
- 6.5 Construction of Limitations and Requirements 33

ARTICLE VII INVESTMENTS 34

- 7.1 Establishment of Trust Account 34
- 7.2 Investment Funds 34
- 7.3 Participant Direction of Investments 34
- 7.4 Valuation 36
- 7.5 Purchase of Life Insurance 36
- 7.6 Voting and Tender Offer Rights with Respect to Investment Funds 36
- 7.7 Fiduciary Responsibilities for Investment Directions 36
- 7.8 Appointment of Investment Manager; Authorization to Invest in Collective Trust 36
- 7.9 Voting and Tender Offer Rights With Respect to Company Stock 37

ARTICLE VIII VESTING IN ACCOUNTS 38

- 8.1 General Vesting Rule 38
- 8.2 Vesting Upon Attainment of Normal Retirement Age, Death, Disability, or Certain Involuntary Terminations 39
- 8.3 Vesting Upon Divestiture Termination 39

- 8.4 Special Vesting
Rules 39
- 8.5 Timing of Forfeitures and Vesting after
Reemployment 40
- 8.6 Vesting Following Partial
Distributions 40
- 8.7 Amendment to Vesting
Schedule 41
- 8.8 Military
Service 41

ARTICLE IX IN-SERVICE WITHDRAWALS AND LOANS 42

- 9.1 Hardship
Withdrawals 42
- 9.2 Rollover Accounts
Withdrawals 43
- 9.3 After-Tax Pre-2002 and After-Tax Activity Account
Withdrawals 43
- 9.4 Pre-Age 59½
Withdrawals 43
- 9.5 Age 59½
Withdrawals 44
- 9.6 Age 65
Withdrawals 45
- 9.7 Qualified Reservist
Distributions 46
- 9.8 Distributions and Withdrawals from Transfer
Accounts 46
- 9.9 Loans to
Participants 46
- 9.10 Recordkeeper Transition
Rule 48
- 9.11 General
Rules 48

ARTICLE X PAYMENT OF BENEFITS FROM ACCOUNTS 49

- 10.1 Benefits Payable for Reasons Other Than
Death 49
- 10.2 Death
Benefits 51
- 10.3 Restrictions on Distributions from Before-Tax, Roth, and GPI Employer Match
Accounts 51

- 10.4 Forms of Distribution 52
- 10.5 Qualified Domestic Relations Orders 53
- 10.6 Beneficiary Designation 53
- 10.7 Forfeiture of Benefits by Certain Individuals 54
- 10.8 Claims 54
- 10.9 Explanation of Rollover Distributions 56
- 10.10 Unclaimed Benefits 56
- 10.11 Recovery of Mistaken Payments 56
- 10.12 Recordkeeper Transition Rule 56

ARTICLE XI ADMINISTRATION 57

- 11.1 Retirement Committee 57
- 11.2 Powers and Responsibility 57
- 11.3 Construction of the Plan 58
- 11.4 Assistants and Advisors 58
- 11.5 Investment Committee 59
- 11.6 Direction of Trustee 59
- 11.7 Indemnification 60

ARTICLE XII ALLOCATION OF AUTHORITY AND RESPONSIBILITIES 61

- 12.1 Controlling Company 61
- 12.2 Retirement Committee 61
- 12.3 Investment Committee 62

- 12.4 Trustee 62
- 12.5 Limitations on Obligations of
Fiduciaries 62
- 12.6 Delegation 62
- 12.7 Multiple Fiduciary
Roles 62

ARTICLE XIII AMENDMENT, TERMINATION AND ADOPTION 63

- 13.1 Amendment 63
- 13.2 Termination 63
- 13.3 Adoption of the Plan by a Participating
Company 64
- 13.4 Merger, Consolidation and Transfer of Assets or
Liabilities 65

ARTICLE XIV TOP-HEAVY PROVISIONS 66

- 14.1 Top-Heavy Plan
Years 66
- 14.2 Determination of Top-Heavy
Status 66
- 14.3 Top-Heavy Minimum
Contribution 67
- 14.4 Top-Heavy Minimum
Vesting 69
- 14.5 Construction of Limitations and
Requirements 69

ARTICLE XV TRANSFERS 70

- 15.1 Transfers with the GPI Hourly Savings
Plan 70

ARTICLE XVI MISCELLANEOUS 71

- 16.1 Nonalienation of Benefits and Spendthrift
Clause 71
- 16.2 Headings 72

- 16.3 Construction, Controlling
Law 72
- 16.4 Legally
Incompetent 72
- 16.5 Title to Assets, Benefits Supported Only By Trust
Fund 72
- 16.6 Legal
Action 73
- 16.7 Exclusive Benefit; Refund of
Contributions 73
- 16.8 Plan
Expenses 74
- 16.9 Satisfaction of Writing Requirement By Other
Means 74
- 16.10 Powers of
Attorney 74
- 16.11 Special Effective
Dates 74

SCHEDULE A – SPECIAL VESTING RULES

SCHEDULE B – HISTORICAL PROVISIONS

SCHEDULE C – LOAN RULES

Article I
DEFINITIONS

For purposes of the Plan, the following terms, when used with an initial capital letter, will have the meanings set forth below unless a different meaning plainly is required by the context.

1.1 Account means, with respect to a Participant or Beneficiary, the amount of money or other property in the Trust Fund, as is evidenced by the last balance posted in accordance with the terms of the Plan to the account record established for such Participant or Beneficiary. The Retirement Committee, as required by the terms of the Plan and otherwise as it deems necessary or desirable in its sole discretion, may establish and maintain separate subaccounts for each Participant and Beneficiary. "Account" refers to the aggregate of all separate subaccounts or to individual, separate subaccounts, as may be appropriate in context.

1.2 Active Participant means, for any Plan Year (or any portion thereof), any Covered Employee who, pursuant to the terms of Article II, has been admitted to, and not removed from, active participation in the Plan since the last date his employment commenced or recommenced; provided, to the extent applicable, "Active Participant" will apply separately to each type of Contribution which has a different eligibility requirement under Section 2.1.

1.3 Affiliate means, as of any date (i) a Participating Company, and (ii) any company, person or organization which, on such date, (A) is a member of the same controlled group of corporations [within the meaning of Code Section 414(b)] as is a Participating Company; (B) is a trade or business (whether or not incorporated) which controls, is controlled by or is under common control [within the meaning of Code Section 414(c)] with a Participating Company; (C) is a member of an affiliated service group [as defined in Code Section 414(m)] which includes a Participating Company; or (D) is required to be aggregated with a Participating Company pursuant to regulations under Code Section 414(o). Solely for purposes of Sections 1.21(b) and 6.4, the term "Affiliate" as defined in this Section will be deemed to include any entity that would be an Affiliate if the phrase "more than 50 percent" were substituted for the phrase "at least 80 percent" in each place the latter phrase appears in Code Section 1563(a)(1).

1.4 After-Tax Altivity Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to amounts directly transferred from the Altivity Plan attributable to After-Tax Contributions.

1.5 After-Tax Pre-2002 Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to After-Tax Contributions made before January 1, 2002.

1.6 After-Tax Post-2001 Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to After-Tax Contributions made after December 31, 2001.

1.7 After-Tax Contributions means the amounts paid by a Participating Company to the Trust Fund on an after-tax basis at the election of Participants prior to January 1, 2004, under the terms of the Plan then in effect.

1.8 Altivity Plan means the Altivity Packaging Savings Plan as in effect on December 31, 2008.

1.9 Annual Addition means the sum of the amounts described in Code Section 415(c)(2).

1.10 Before-Tax Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to his Before-Tax Contributions.

1.11 Before-Tax Contributions means the amount paid by each Participating Company to the Trust Fund at the election of Participants pursuant to the terms of Section 3.1(a).

1.12 Beneficiary means the person(s) designated in accordance with Section 10.6 to receive any death benefits that may be payable under the Plan upon the death of a Participant.

1.13 Board means the Board of Directors of Graphic Packaging Holding Company or its delegate. To the extent any committee of the Board has the authority to act on behalf of the Board, an action taken by such committee will be treated as an action by the Board. A reference to the board of directors of any other Participating Company will specify it as such.

1.14 Break in Service subject to the terms of subsections (a), (b), (c), and (d) hereof, "Break in Service" means, generally, a period of 12 consecutive months beginning on a Severance Date or anniversary of such date, during which an Employee does not complete an Hour of Service.

(a) Maternity or Paternity Leave. For purposes of determining whether or not the Employee has incurred a Break in Service, and solely for the purpose of avoiding a Break in Service, an Employee absent from work due to a Maternity or Paternity Leave (and that absence from work began on or after the first day of the Plan Year which began in 1985) will not have a Break in Service until the second anniversary of the first day of such absence from employment; provided, the period between the first and second anniversary of such first day of absence is not a period of service for any other purpose.

(b) Approved Leave of Absence. For purposes of determining whether or not an Employee has incurred a Break in Service, and solely for the purpose of avoiding a Break in Service, an Employee absent from work due to an approved Leave of Absence will not incur a Break in Service during such period.

(c) Uniformed Service Leave. For purposes of determining whether or not an Employee has incurred a Break in Service, and solely for the purpose of avoiding a Break in Service, an Employee absent from work during a period of uniformed service duty who returns to the service

of an Affiliate while his reemployment rights are protected by law will not incur a Break in Service during such period.

(d) Effect of Family and Medical Leave Act. For purposes of determining whether or not an Employee has incurred a Break in Service, and solely for the purpose of avoiding a Break in Service, to the extent required under the Family and Medical Leave Act of 1993 and the regulations thereunder, an Employee will be deemed to be performing services for an Affiliate during any period the Employee is granted leave under such Act.

1.15 Catch-Up Contributions means the additional Tax-Deferred Contributions that may be made pursuant to the terms of Section 3.1(c) by Participants who have attained age 50 by the last day of a calendar year.

1.16 Charter means the Charter of the Retirement Committee of Graphic Packaging International, Inc., as amended from time to time or such other charter or operating procedures adopted by the Board which defines the scope of the Retirement Committee's authorities and responsibilities with respect to the Plan.

1.17 Code means the Internal Revenue Code of 1986, as amended, and any succeeding federal tax provisions.

1.18 Company Contribution Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to company contributions, which is comprised of his:

(a) Graphic Employer

Account;

(b) Hourly Field Automatic Contribution

Account;

(c) Pre-1987 Graphic Employer

Account;

(d) Salaried Field Profit-Sharing

Account;

(e) Salaried Smurfit DB Replacement Account;

and

(f) Supplemental Employer Contribution

Account.

1.19 Company Stock means the \$.01 par value per share common stock of Graphic Packaging Holding Company.

1.20 Company Stock Fund means the Investment Fund invested primarily in shares of Company Stock; provided, however, that solely as necessary to provide funds for exchanges or redemptions or to pay Plan expenses, the Company Stock Fund may also include a level of short-term liquid investments as may be established by the Trustee and the Controlling Company from time to time.

1.21 Compensation has the meaning set forth in subsection (a), (b), (c), or (d) hereof, whichever is applicable:

(a) Benefit Compensation. For purposes of determining the amount of Tax-Deferred Contributions pursuant to Section 3.1, determining the amount of Matching Contributions pursuant to Section 3.2, determining the amount of Supplemental Employer Contributions pursuant to Section 3.3, and for all other purposes except those set forth in subsections (b), (c), and (d) hereof, "Compensation" means, for any Plan Year, cash remuneration paid to an Employee for services rendered to a Participating Company required to be reported to the Employee on Form W-2, determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed, and increased by elective deferrals as defined in Code Section 402(g)(3), amounts contributed by the Affiliate pursuant to a salary reduction agreement which are not includible in the gross income of the Employee under Code Section 125 or 132(f)(4). Compensation shall include differential wage payments [as defined in Code Section 3401(h)(2)] in accordance with the provisions of Code Section 414(u)(12). Notwithstanding the foregoing, Compensation shall exclude reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits. Compensation shall also exclude amounts received by the Employee following his severance from employment with the Controlling Company and all Affiliates, except (a) amounts paid before the close of the Plan Year of his severance from employment (or, if later, within 2½ months of such severance), if such amounts (i) would otherwise have been paid to him in the course of his employment and are regular compensation for services during his regular working hours, compensation for services outside his regular working hours (such as overtime), commissions, bonuses or other similar payments or (ii) are payments for accrued bona fide sick, vacation or other leave, but only if he would have been able to use such leave if his employment had continued and only if the amount is not otherwise excluded under the immediately preceding sentence, and (b) salary continuation payments for military service as described in Treasury Regulation Section 1.415(c)-2(e)(4). Compensation shall also exclude any other amounts that are required to be excluded from compensation within the meaning of Code Section 415(c)(3) and U.S. Treasury Department Regulation Section 1.415(c)-2. Compensation for a Plan Year shall not exceed \$245,000 [or such other limit as is applicable for the Plan Year under Code Section 401(a)(17)].

(b) Section 415 Compensation. Solely for purposes of Section 6.4 (relating to maximum contribution and benefit limitations under Code Section 415), "Compensation" means, with respect to a Participant for a Limitation Year, the total of the amounts from all Affiliates referred to in subsections (b)(1) and (b)(2) hereof excluding the amounts described in subsections (b)(3) and (b)(4) hereof if "Limitation Year" were substituted for "Plan Year."

(1) All amounts that are wages within the meaning of Code Section 3401(a) and all other payments of compensation to an Employee by an Affiliate (in the course of the Affiliate's trade or business) for which the Affiliate is required to furnish the Employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 (*i.e.*, all amounts reportable by Affiliates on IRS Form W-2); provided, such amounts will be determined without regard to any rules that limit the remuneration included in wages based on the nature

or location of employment or the services performed [such as the exception for agricultural labor in Code Section 3401(a)(2)]; plus

(2) Any elective deferral [as defined in Code Section 402(g)(3)], and any amount which is contributed or deferred by an Affiliate at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 457 or 132(f)(4), including any amounts not available to an Employee in cash in lieu of group health coverage because the Employee is unable to certify that he has other health coverage; excluding

(3) All amounts included in subsection (b)(1) or (b)(2) hereof that are paid after the Employee's severance from employment with all Affiliates, except to the extent that (A) the Compensation is paid by the later of 2½ months after severance from employment or the end of the Plan Year that includes the date of severance from employment, and (B) (i) the Compensation is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differentials), commissions, bonuses or other similar payments, and the Compensation would have been paid to the Employee prior to severance from employment if the Employee had continued in employment with an Affiliate; (ii) the Compensation is payment for unused accrued bona fide sick, vacation or other leave that the Employee would have been able to use if employment had continued and the Compensation would have been included in Compensation under the Plan if paid prior to severance from employment; or (iii) the Compensation is a payment from a nonqualified deferred compensation plan that is includible in gross income, and that would have been paid to the Employee at the same time if the Employee had continued in employment and would have been included in Compensation under the Plan if paid prior to severance from employment. The exclusion under this subsection (b) (3) does not apply to payments to an individual who does not currently perform services for an Affiliate because of Qualified Military Service, to the extent the payments do not exceed the amounts the individual would have received if the individual had continued to perform services for an Affiliate rather than entering Qualified Military Service. The exclusion in this subsection (b)(3) does not apply to payments to an Employee who is permanently and totally disabled as defined in Code Section 22(e)(3), but only if the Employee is not a Highly Compensated Employee immediately before becoming disabled or the Plan provides for the continuation of contributions on behalf of all Employees who are permanently and totally disabled for a fixed or determinable period. For purposes of this subsection (b) (3), an Employee will not be considered to have a severance from employment if, in connection with a change of employment, the Employee's new employer maintains the Plan with respect to the Employee; excluding

(4) All Compensation in excess of \$265,000 [or such other limit as is applicable for the Plan Year under Code Section 401(a)(17)].

(c) Top-Heavy Compensation. Solely for purposes of Section 14.3 (relating to minimum Contributions under a Top-Heavy Plan), "Compensation" means, with respect to a

Participant for a specified period, the amounts from all Affiliates referred to in subsections (b)(1) and (b)(2) hereof excluding the amounts described in subsections (b)(3) and (a)(4) hereof.

(d) Key Employee and Highly Compensated Employee Compensation. Solely for purposes of determining which Employees are Key Employees and which Employees are Highly Compensated Employees for any applicable Plan Year, "Compensation" means, with respect to an Employee for a specified Plan Year, the total of the amounts from all Affiliates referred to in subsections (b)(1) and (b)(2) hereof excluding the amount described in subsection (b)(3) hereof.

1.22 Contributions means, individually or collectively, the Before-Tax, Roth, Matching, Supplemental Employer, Rollover and Transfer Contributions permitted under the Plan.

1.23 Controlling Company means Graphic Packaging International, Inc. and its successors that adopt the Plan.

1.24 Covered Employee means an Employee of a Participating Company who (i) is classified as a salaried or hourly employee by his Participating Company, (ii) is paid from the U.S. payrolls of the Participating Company, and (iii) receives stated Compensation other than a pension, separation pay, retainer, or fee under contract, other than:

(I) An Employee who is a leased employee within the meaning of Code Section 414(n);

(I) An individual classified as an independent contractor, a leased employee, co-op student, or an Employee of a company that is not a Participating Company under a Participating Company's customary worker classification practices (whether or not such individual is actually an Employee of a Participating Company);

(I) An Employee who is included in a unit of Employees covered by a collective bargaining agreement between employee representatives and one or more Participating Companies, provided that retirement benefits were the subject of good faith bargaining between employee representatives and the Participating Company or Participating Companies, unless the terms of the collective bargaining agreement require that such Employee be eligible to participate in the Plan; or

(I) An Employee who is a nonresident alien who receives no earned income from an Affiliate which constitutes income from sources within the United States.

1.25 Deferral Election means an election by an Active Participant directing the Participating Company of which he is an Employee to withhold a percentage of his current Compensation from his paychecks and to contribute such withheld amount to the Plan as Tax-Deferred Contributions, pursuant to the terms of Section 3.1.

1.26 Defined Benefit Minimum means the minimum benefit level as described in Section 14.3(d).

1.27 Defined Benefit Plan means any qualified retirement plan maintained by an Affiliate which is not a Defined Contribution Plan.

1.28 Defined Contribution Minimum means the minimum contribution level as described in Section 14.3(c).

1.29 Defined Contribution Plan means any qualified retirement plan maintained by an Affiliate which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant's account and any income, expenses, gains, losses and forfeitures of accounts of other participants, which may be allocated to such participant's account.

1.30 Determination Date means the date described in Section 14.2(b)(1).

1.31 Disability or Disabled means the total and permanent physical or mental disability, as evidenced by:

(1) receipt of disability payments under a group long-term disability program maintained by the Participating Company that employs the Participant; or

(2) effective January 1, 2015, eligibility to receive disability insurance benefits under the Social Security Act.

1.32 Divestiture Termination means, with respect to a Participant, such Participant's termination of employment all Participating Employers as part of the Controlling Company's agreement to sell a division, group, facility or other segment of the Controlling Company's business to the extent designated by the Retirement Committee (as set forth in the records of the Retirement Committee).

1.33 Effective Date means January 1, 2015, the date that this restatement of the Plan generally will be effective; provided, any effective date specified herein for any provision, if different from the "Effective Date," will control (see also Section 16.11).

1.34 Elective Deferrals means, with respect to a Participant for any calendar year, the total amount of his Tax-Deferred Contributions plus such other amounts determined pursuant to the terms of Code Section 402(g)(3).

1.35 Eligible Nonhighly Compensated Participant means, for a Plan Year, a Participant who is not a Highly Compensated Employee.

1.36 Eligible Retirement Plan means (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), (iii) a qualified trust described in Code Section 401(a), the terms of which permit the acceptance of rollover distributions, (iv) an annuity plan described in Code Section 403(a), (v) an annuity contract described in Code Section 403(b), (vi) an eligible plan under Code Section 457(b), which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred from the Plan, or (vii) a Roth IRA described in Code Section 408A. This

definition will also apply in the case of a distribution to a Surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p). In the case of a distribution to a non-spouse Beneficiary, “Eligible Retirement Plan” means (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), or (iii) a Roth IRA described in Code Section 408A, in each case established for the purpose of receiving the distribution on behalf of the Beneficiary.

1.37 Eligible Rollover Distribution means any distribution to (i) a Participant, (ii) his Surviving Spouse (after his death), (iii) his Spouse or former Spouse who is his alternate payee under a qualified domestic relations order (see Sections 10.5 and 16.1), or (iv) his Beneficiary, of all or any portion of his Account; provided, an “Eligible Rollover Distribution” will not include (A) any distribution which is one of a series of substantially equal periodic payments made, not less frequently than annually, (x) for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and his Beneficiary, or (y) for a specified period of 10 years or more, (B) any distribution to the extent such distribution is required under Code Section 401(a)(9), (C) any distribution which is made upon hardship of the Participant, (D) the portion of the distribution that is not includible in gross income, except to the extent that it is transferred (x) in a direct trustee-to-trustee transfer to a qualified trust or to an annuity contract described in Code Section 403(b), and such trust or contract provides for separate accounting for amounts so transferred and earnings thereon, including separately accounting for the portion of such distribution that is includible in gross income and the portion of the distribution which is not so includible, or (y) to an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), and (E) any distribution from the Roth Account and Catch-Up Account (the portion that relates to Roth contributions), except to the extent that it is transferred to a Roth IRA [as defined in Section 408A(b)], or transferred to a defined contribution plan qualified under Code Section 401(a) that agrees to separately account for such amount, or, solely with respect to the amount that would otherwise be included in gross income, is rolled over to a defined contribution plan qualified under Code Section 401(a) that agrees to separately account for such amount. For purposes of this definition, a Beneficiary does not include a Beneficiary that is not an individual, except a Beneficiary that is a trust, of which the beneficiaries are individuals or otherwise meet the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E).

1.38 Employee means any individual who is employed by an Affiliate (including officers, but excluding independent contractors and directors who are not officers or otherwise employees), including leased employees of an Affiliate within the meaning of Code Section 414(n). The term “leased employee” includes any person who is not a common-law employee of an Affiliate and who, pursuant to an agreement between an Affiliate and any other person, has performed services for an Affiliate on a substantially full-time basis for a period of at least 1 year under the primary direction or control of the Affiliate. Notwithstanding the foregoing, if leased employees constitute 20 percent or less of an Affiliate’s nonhighly compensated work force within the meaning of Code Section 414(n)(5)(C)(ii), the term “Employee” does not include those leased employees covered by a plan described in Code Section 414(n)(5)(B).

1.39 Employment Date means, with respect to any Employee, the date on which he first completes an Hour of Service.

1.40 Entry Date means the first day of any payroll period during the period in which the Plan remains in effect.

1.41 ERISA means the Employee Retirement Income Security Act of 1974, as amended.

1.42 Forfeiture means, for any Plan Year, the dollar amount that is removed from an Account during such Plan Year other than due to a distribution, transfer of the benefit to a Beneficiary's Account, or segregation of a benefit for an alternate payee under a qualified domestic relations order.

1.43 Graphic Employer Account means the portion of a Participant's Company Contribution Account attributable to amounts directly transferred from the Post-86 Employer Contribution Account, the Fort James Account, and the Universal Packaging Corporation of Virginia Account maintained under the Graphic Plan.

1.44 Graphic Plan means the Graphic Packaging Savings and Investment Plan as in effect on December 31, 2003.

1.45 GPI Employer Match Account means the portion of a Participant's Matching Account attributable to Matching Contributions and amounts directly transferred to this Plan that consist of Safe Harbor Matching Contributions maintained under the Altivity Plan.

1.46 GPI Hourly Savings Plan means the GPI Hourly Savings Plan (For Represented Employees), as amended from time to time.

1.47 Full-Time Employee means, any Employee who, on the basis of his regular work schedule, is classified as full-time by his Participating Company.

1.48 Highly Compensated Employee means an Employee who is described either in subsection (a)(1) or (a)(2) hereof, as modified by subsection (b) hereof.

(a) General Rule.

(1) An Employee who at any time during the current Plan Year or the immediately preceding Plan Year owned [or was considered as owning within the constructive ownership rules of Code Section 318 as modified by Code Section 416(i)(1)(B)(iii)] more than 5 percent of the outstanding stock of a corporate Affiliate or stock possessing more than 5 percent of the total combined voting power of all stock of a corporate Affiliate or more than 5 percent of the capital or profits interest in a noncorporate Affiliate; or

(2) An Employee who at any time during the immediately preceding Plan Year:

(A) received Compensation in excess of \$120,000 [or such other amount as is applicable for the Plan Year under Code Section 414(q)]; and

(B) was within the group consisting of the most highly compensated 20 percent of all Employees.

(b) Compliance with Code Section 414(q). The determination of who is a Highly Compensated Employee will be made in accordance with Code Section 414(q) and the regulations thereunder.

1.49 Hour of Service means, with respect to Full-Time Employees, an hour for which an Employee is paid or entitled to payment for the performance of duties for an Affiliate. With respect to Part-Time Employees, "Hour of Service" means the increments of time described in subsection (a) hereof, as modified by subsections (b), (c), (d) and (e) hereof:

(a) General Rule for Part-Time Employees.

(1) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for an Affiliate during the applicable computation period;

(2) Each hour for which an Employee is paid, or entitled to payment, by an Affiliate on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or Leave of Absence; provided:

(a) No more than 501 Hours of Service will be credited under this subsection (a)(2) to an Employee for any single continuous period during which he performs no duties as an Employee (whether or not such period occurs in a single computation period);

(b) An hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which he performs no duties as an Employee will not be credited as an Hour of Service if such payment is made or due under a plan maintained solely to comply with applicable workers' compensation, unemployment compensation or disability insurance laws; and

(c) Hours of Service will not be credited to an Employee for a payment which solely reimburses such Employee for medical or medically related expenses incurred by him.

For purposes of this subsection (a)(2), a payment will be deemed to be made by or due from an Affiliate regardless of whether such payment is made by or due from an Affiliate directly, or indirectly through, among others, a trust fund or insurer, to which the Affiliate contributes or pays premiums and regardless of whether contributions made or due to the trust fund,

insurer or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate;

(3) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Affiliate; provided, the same Hours of Service will not be credited both under subsection (a)(1) or subsection (a)(2) hereof, as the case may be, and under this subsection (a)(3); and, provided further, crediting of Hours of Service for back pay awarded or agreed to with respect to periods described in subsection (a)(2) hereof will be subject to the limitations set forth in that subsection; and

(4) Each hour for which an Employee is required to be granted leave under the Uniformed Services Employment and Reemployment Rights Act of 1994; provided, the same Hours of Service will not be credited under subsection (a)(1), (a)(2) or (a)(3) hereof, as the case may be, and under this subsection (a)(4).

(b) Special Vesting Provisions. Notwithstanding subsection (a) hereof, Hours of Service also shall be credited in accordance with the special vesting provisions in Supplement B; provided, the same Hours of Service will not be credited both under subsection (a) hereof and under this subsection (b).

(c) Changes by Retirement Committee. The rate or manner used for crediting Hours of Service may be changed at the direction of the Retirement Committee from time to time so as to facilitate administration and to equitably reflect the purposes of the Plan; provided, no change will be effective as to any Plan Year for which allocations have been made pursuant to Article V at the time such change is made. Hours of Service will be credited and determined in compliance with Department of Labor Regulation Sections 2530.200b-2(b) and (c), 29 CFR Part 2530, as may be amended from time to time, or such other federal regulations as may from time to time be applicable.

(d) Computation Period. For purposes of this Section, a “computation period” means the 12-month period that forms the basis for determining an Employee’s Year of Eligibility Service or Years of Vesting Service, as applicable.

1.50 Hourly Field Automatic Contribution Account means the portion of a Participant’s Company Contribution Account attributable to amounts directly transferred to this Plan that consist of Prior Field Employer Retirement Contribution (Nonunion Hourly) maintained under the Altivity Plan.

1.51 Hourly Field Employer Match Account means the portion of a Participant’s Matching Account attributable to amounts directly transferred to this Plan that consist of Prior Field Non-Safe Harbor Matching Contributions (Nonunion Hourly) maintained under the Altivity Plan.

1.52 Investment Committee means the committee which is maintained and governed in accordance with the Charter and will make and effect investment decisions, as provided in Article XI. To the extent that neither a Retirement Committee nor an Investment Committee is appointed, the Controlling Company may act in lieu of the Investment Committee.

1.53 Investment Fund or Funds means one or all of the investment funds established from time to time pursuant to the terms of Section 7.2.

1.54 Key Employee means the persons described in Section 14.2(b)(2).

1.55 Leave of Absence means an excused leave of absence granted to an Employee by an Affiliate in accordance with applicable federal or state law or the Affiliate's personnel policy.

1.56 Limitation Year means the 12-month period ending on each December 31, which will be the "limitation year" for purposes of Code Section 415 and the regulations thereunder.

1.57 Loan Rules means the rules and procedures, as provided in Schedule C and as amended from time to time, that apply to all loans made under the Plan.

1.58 Match Direct - Graded (Pre-2008 Smurfit Match) Account means the portion of a Participant's Matching Account attributable to amounts directly transferred to this Plan that consist of Prior Altivity Non-Safe Harbor Matching Contributions maintained under the Altivity Plan.

1.59 Matching Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to matching contributions, which is comprised of his:

(a) GPI Employer Match

Account;

(b) Hourly Field Employer Match

Account;

(c) Match Direct - Graded (Pre-2008 Smurfit Match)

Account;

(d) Pre-2004 RIC Match Account;

and

(e) Salaried Field Employer Non-Safe Harbor Match

Account.

1.60 Matching Contributions means the amounts paid under the Plan by each Participating Company to the Trust Fund as a match on Participants' Tax-Deferred Contributions, pursuant to the terms of Section 3.2.

1.61 Maternity or Paternity Leave means any period during which an Employee is absent from work as an Employee (i) because of the pregnancy of such Employee, (ii) because of the birth of a child of such Employee, (iii) because of the placement of a child with such Employee in connection with the adoption of such child by such Employee, or (iv) for purposes of such Employee caring for a child immediately after the birth or placement of such child.

1.62 Maximum Deferral Amount means \$18,000 [or such other limit as is applicable for a Plan Year under Code Section 402(g)], as adjusted by the Secretary of the Treasury under Code Section 402(g)(4) for cost-of-living increases. For Participants who have attained age 50 by the

last day of a Plan Year, the Maximum Deferral Amount will be increased by \$6,000, as adjusted by the Secretary of the Treasury under Code Section 414(v)(2)(C) for cost-of-living increases.

1.63 Named Fiduciary means the Retirement Committee and the Investment Committee.

1.64 Non-Key Employee means the persons described in Section 14.2(b)(3).

1.65 Normal Retirement Age means age 65.

1.66 Participant means any person who has been admitted to, and has not been removed from, participation in the Plan pursuant to the provisions of Article II. "Participant" will include an Active Participant and a former Employee who has an Account under the Plan.

1.67 Participating Company means a company that has been designated as participating in the Plan for the benefit of its Employees and that continues to participate in the Plan, all as provided in Section 13.3.

1.68 Part-Time Employee means, any Employee who, on the basis of his regular work schedule, is classified as a part-time, temporary or seasonal employee or as an intern by his Participating Company.

1.69 Pension Plan Ineligible Employee means an Employee who is ineligible to accrue benefit service under the Riverwood International Employees' Retirement Plan and under Appendix 1 of the Graphic Packaging Retirement Plan. A Pension Plan Ineligible Employee shall not include an Employee who is entitled to become a member of either plan referred to in the preceding sentence upon completion of the one year of service eligibility requirement.

1.70 Permissive Aggregation Group means the group of plans described in Section 14.2(b)(4).

1.71 Plan means the GPI Savings Plan as contained herein and all amendments hereto. The Plan is intended to be a profit sharing plan qualified under Code Sections 401(a) and 401(k).

1.72 Pre-1987 Graphic Employer Account means the portion of a Participant's Company Contribution Account attributable to amounts directly transferred to this Plan from the Pre-87 Employer Contribution Account maintained under the Graphic Plan.

1.73 Plan Year means the 12-month period ending on each December 31.

1.74 Pre-2004 RIC Match Account means the portion of a Participant's Matching Account attributable to certain Employer contributions contributed to the Plan for Plan Years commencing prior to January 1, 2004.

1.75 Prior Plan means the Altivity Plan, Graphic Plan, or any other qualified retirement plan from which the Plan accepts Transfer Contributions.

1.76 QNEC Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to amounts directly transferred to this Plan from the QNEC Account maintained under the Graphic Plan.

1.77 Qualified Military Service means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) by any individual if such individual is entitled to reemployment rights under such Chapter with respect to such service.

1.78 Qualified Spousal Waiver means a written election executed by a Spouse, delivered to the Retirement Committee and witnessed by a notary public or a Plan representative, which consents to the payment of all or a specified portion of a Participant's death benefit to a primary Beneficiary other than such Spouse and which acknowledges that such Spouse has waived his right to be the Participant's primary Beneficiary under the Plan. A Qualified Spousal Waiver will be valid only with respect to the Spouse who signs it and will apply only to the alternative Beneficiary designated therein, unless the written election expressly permits other designations without further consent of the Spouse. A Qualified Spousal Waiver will be irrevocable unless revoked by the Participant by way of a written statement delivered to the Retirement Committee prior to the Participant's date of death.

1.79 Required Aggregation Group means the group of plans described in Section 14.2(b)(5).

1.80 Retirement Committee means the committee which is maintained and governed in accordance with the Charter and will act to administer the Plan as provided in Article XI. The Retirement Committee will be the plan administrator, as that term is defined in Code Section 414(g), and the administrator, as that term is defined in ERISA Section 3(16)(A). To the extent that a Retirement Committee is not appointed, the Controlling Company may act in lieu of the Retirement Committee.

1.81 Rollover Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to Rollover Contributions.

1.82 Rollover Contribution means any eligible rollover distribution, as defined in Code Section 402(c)(4), to a Participant from an Eligible Retirement Plan, which is contributed as a rollover contribution to the Plan.

1.83 Roth Account means the separate subaccount established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to his Roth Contributions.

1.84 Roth Contributions means the portion of a Participant's Contributions that the Participant irrevocably designates as Roth Contributions pursuant to Section 3.1(b).

1.85 Salaried Field Employer Non-Safe Harbor Match Account means the portion of a Participant's Matching Account attributable to amounts directly transferred to this Plan that consist of Prior Field Non-Safe Harbor Matching Contributions maintained under the Altivity Plan.

1.86 Salaried Field Profit-Sharing Account means the portion of a Participant's Company Contribution Account attributable to amounts directly transferred to this Plan that consist of Prior Field Profit Sharing Contributions and Prior Field Profit Sharing Contributions (FHI/FCA) maintained under the Altivity Plan.

1.87 Salaried Smurfit DB Replacement Account means the portion of a Participant's Company Contribution Account attributable to amounts directly transferred to this Plan that consist of Prior Altivity Non-Safe Harbor Nonelective Contributions (DB Replacement) maintained under the Altivity Plan.

1.88 Severance Date means, with respect to an Employee, the earlier of (i) the date his employment with all Affiliates terminates, or (ii) the last day of an authorized leave of absence, or, if later, the first anniversary of the first date such Employee is absent from employment with all Affiliates (with or without pay) for any reason other than his termination of employment (for example, vacation, disability, Leave of Absence or layoff).

1.89 Spouse or Surviving Spouse means, effective June 26, 2013, with respect to a Participant, the person who is treated as married to such Participant under the laws of the U.S. jurisdiction or foreign jurisdiction that sanctioned such marriage. The determination of a Participant's Spouse or Surviving Spouse will be made as of the date of such Participant's death. In addition, a Participant's former Spouse will be treated as his Spouse or Surviving Spouse to the extent provided under a qualified domestic relations order, as defined in Code Section 414(p).

1.90 Supplemental Employer Contribution Account means the portion of a Participant's Company Contribution Account attributable to Supplemental Employer Contributions and amounts directly transferred to this Plan that consist of Employer Automatic Contributions maintained under the Altivity Plan.

1.91 Supplemental Employer Contributions means the amounts paid to the Trust Fund by each Participating Company pursuant to the terms of Section 3.3.

1.92 Tax-Deferred Contributions mean the total amount of a Participant's Before-Tax Contributions and Roth Contributions.

1.93 Top-Heavy Group means the group of plans described in Section 14.2(b)(6).

1.94 Top-Heavy Plan means a plan to which the conditions set forth in Article XIV apply.

1.95 Transfer Account means one or more separate subaccounts established and maintained on behalf of a Participant or Beneficiary to reflect his interest in the Trust Fund attributable to Transfer Contributions; provided, to the extent that the Retirement Committee (in conjunction with the Plan's recordkeeper) deems appropriate, other subaccounts may be used to

reflect Participant's interests attributable to Transfer Contributions. "Transfer Account" will refer to the aggregate of all separate subaccounts established for Transfer Contributions or to individual, separate subaccounts appropriately described, as may be appropriate in context. "Transfer Account" includes the following Transfer Contributions received from the Altivity and Graphic Plan (and as defined therein), which will be treated in the same manner as the corresponding Accounts under the Plan below:

<u>Prior Plan</u>	<u>Prior Plan Account/Contribution</u>	<u>Plan Account</u>
Altivity Plan	After-Tax Contributions	After-Tax Altivity Account
Altivity Plan	After-Tax Rollover Contributions	Rollover Account (portion that relates to after-tax contributions)
Altivity Plan	Employer Automatic Contributions	Supplemental Employer Contribution Account
Altivity Plan	Prior Altivity Non-Safe Harbor Matching Contributions	Match Direct - Graded (Pre-2008 Smurfit Match) Account
Altivity Plan	Prior Altivity Non-Safe Harbor Nonelective Contributions (DB Replacement)	Salaried Smurfit DB Replacement Account
Altivity Plan	Prior Field Employer Retirement Contribution	Hourly Field Automatic Contribution Account
Altivity Plan	Prior Field Non Safe Harbor Matching Contributions	Salaried Field Employer Non-Safe Harbor Match Account
Altivity Plan	Prior Field Non-Safe Harbor Matching Contributions (Nonunion Hourly)	Hourly Field Employer Match Account
Altivity Plan	Prior Field Profit Sharing Contributions	Salaried Field Profit-Sharing Account
Altivity Plan	Prior Field Profit Sharing Contributions (FHI\FCA)	Salaried Field Profit-Sharing Account
Altivity Plan	Rollover Contributions, excluding after-tax amounts	Rollover Account (portion that relates to before-tax contributions)
Altivity Plan	Safe Harbor Matching Contributions	GPI Employer Match Account
Altivity Plan	Tax-Deferred Contributions	Before-Tax Account
Graphic Plan	401(k) Contribution Account	Before-Tax Account
Graphic Plan	After-Tax Rollover Contribution Account	Rollover Account (portion that relates to after-tax contributions)
Graphic Plan	Catch-Up Account	Before-Tax Account
Graphic Plan	Fort James Account	Graphic Employer Account

<u>Prior Plan</u>	<u>Prior Plan Account/Contribution</u>	<u>Plan Account</u>
Graphic Plan	Post-1986 Employer Contribution Account	Graphic Employer Account
Graphic Plan	Pre-1987 Employer Contribution Account	Pre-1987 Graphic Employer Account
Graphic Plan	QNEC Account	QNEC Account
Graphic Plan	Rollover Contribution Account	Rollover Account (portion that relates to before-tax contributions)
Graphic Plan	Savings and Investment Account	After-Tax Pre-2002 Account (portion that relates to After-Tax Contributions made after December 31, 1986, and the earnings thereon)
Graphic Plan	Universal Packaging Corporation of Virginia Account	Graphic Employer Account

1.96 Transfer Contributions means amounts which are received either (i) by a direct trustee-to-trustee transfer or (ii) as part of a spin-off, merger or other similar event by the Trustee from the trustee or custodian of the Prior Plan and held in the Trust Fund on behalf of a Participant or beneficiary. Transfer Contributions will retain the character that those contributions had under the Prior Plan; for example, after-tax contributions under the Prior Plan will continue to be treated as after-tax contributions when held in the Transfer Account.

1.97 Trust Fund means the total amount of cash and other property held by a Trustee (or any nominee thereof) at any time under a Trust Agreement. To the extent indicated by context, "Trust Fund" may refer to all of the Trust Funds under the Plan.

1.98 Trust or Trust Agreement means each agreement entered into between the Controlling Company and a Trustee governing the creation of a Trust Fund, and all amendments thereto. If more than one Trust Fund is used to hold Plan assets, there will be a separate and distinct Trust and Trust Agreement for each such Trust Fund. To the extent indicated by the context, "Trust" or "Trust Agreement" may refer collectively to all Trusts and Trust Agreements creating Trust Funds.

1.99 Trustee means the party or parties so designated from time to time pursuant to a Trust Agreement. If more than one Trust Fund is used to hold Plan assets, there may be a separate and distinct Trustee for each such Trust Fund. To the extent indicated by the context, "Trustee" may refer to all of the Trustees or Trustee groups for the Trust Funds.

1.100 Valuation Date means each day the New York Stock Exchange is open for trading; provided, the value of an Account or the Trust Fund on any other date will be the value determined as of the immediately preceding date on which the New York Stock Exchange was open for trading.

1.101 Year of Eligibility Service means a 12-consecutive-month period during which an Employee completes no less than 1,000 Hours of Service. For this purpose, the computation period initially will be the 12-consecutive-month period beginning on the Employee's Employment Date and thereafter will be each Plan Year, beginning with the Plan Year which includes the first anniversary of the Employee's Employment Date. To the extent determined by the Retirement Committee (set forth in the records of the Retirement Committee) and not otherwise counted hereunder, an Employee's periods of employment with one or more companies or enterprises acquired by or merged into, or all or a portion of the assets or business of which are acquired by, an Affiliate will be taken into account in determining his Year of Eligibility Service, provided that such Employee was employed by such company or enterprise on the effective date of the transaction and became an Employee as a result of such transaction. Notwithstanding any provision to the contrary, Year of Eligibility Service will include any period of Qualified Military Service in accordance with the requirements of Code Section 414(u).

1.102 Years of Vesting Service means, with respect to an Employee, the number of whole 12-month periods of service commencing on the Employee's Employment Date and ending on his Severance Date, subject to the following provisions:

(a) Aggregation Rule. In determining an Employee's number of whole 12-month periods of service for purposes of this Section, nonsuccessive periods of service will be aggregated on the basis of days of service, with 365 days of service equal to one Year of Service. Periods of service of less than 365 days will be disregarded.

(b) Counting Periods of Severance. In determining an Employee's periods of service for purposes of this Section, the following periods of severance will be taken into account and treated as periods of service.

(1) If an Employee's employment with all Affiliates terminates and the Employee then performs an Hour of Service within 12 months of his Severance Date, the period between his Severance Date and the date he performs such Hour of Service; and

(2) If an Employee's employment with all Affiliates terminates before the end of the initial 12-month period that begins on the first date such Employee is absent from employment with all Affiliates for any reason other than termination of his employment (for example, vacation, Disability, Leave of Absence or layoff), and if such Employee then performs an Hour of Service before the end of said initial 12-month period, the period from his initial date of absence to the date he performs such Hour of Service will be treated as a period of service.

(c) Predecessor Plan. To the extent required by Code Section 414(a)(1) and not otherwise counted hereunder, if an Affiliate maintains a plan that is or was the qualified retirement plan of a predecessor employer, an Employee's service with such predecessor employer will be taken into account in determining his Years of Vesting Service.

(d) Predecessor Employer. An Employee's periods of employment credited for vesting purposes under the Altivity Plan as of December 31, 2008 will be taken into account in determining his Years of Vesting Service.

(e) Reemployed Veterans. Notwithstanding any provision to the contrary, Years of Vesting Service will include any period of Qualified Military Service in accordance with the requirements of Code Section 414(u).

(f) Death During Military Service. If a Participant dies who dies on or after January 1, 2007 while performing Qualified Military Service while his reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994, his period of time in Qualified Military Service through the date of his death will be included in his Vesting Service.

(g) Leaves of Absence. Under rules uniformly applicable to all similarly situated Employees, the Retirement Committee may authorize the inclusion in his Vesting Service of any portion of an approved Leave of Absence which is not included in his Vesting Service under any subsections (a) through (f) above.

ARTICLE II
ELIGIBILITY

2.1 Initial Eligibility Requirements.

(a) General Rule. Except as provided in subsection (b), (c), or (d) hereof, every Covered Employee will become an Active Participant for all purposes other than determining the amount and allocation of Supplemental Employer Contributions (see subsection (b) hereof) as follows:

(1) A Covered Employee who is a Full-Time Employee will become an Active Participant on the Entry Date coincident with or next following his Employment Date.

(2) A Covered Employee who is a Part-Time Employee will become an Active Participant on the Entry Date coincident with or next following the earlier of:

(A) the date he completes 1 Year of Eligibility Service, provided he is a Covered Employee on such date; or

(B) The date he is permanently transferred to a position in which he is classified as a Full-Time Employee.

(b) Supplemental Employer Contributions. Except as provided in subsections (c) and (d) hereof, and solely for purposes of determining the amount and allocation of Supplemental Employer Contributions, every Covered Employee will become an Active Participant on the Entry Date coincident with or next following his completion of 1 Year of Vesting Service.

(c) Participation on Effective Date. Each Covered Employee who is an Active Participant in the Plan for any purpose on the day immediately preceding the Effective Date will continue as an Active Participant in the Plan for such purpose in accordance with the terms of the Plan.

(d) New Participating Companies. For Employees of companies that become Participating Companies after the Effective Date, each Covered Employee employed by a Participating Company on the date such Participating Company first becomes a Participating Company will become an Active Participant as of such Participating Company's effective date under the Plan, if, as of the Participating Company's effective date, the Covered Employee has met the eligibility requirements set forth in this Section.

(e) Predecessor Employer. To the extent determined by the Retirement Committee (and set forth in the records of the Retirement Committee) and not otherwise counted hereunder, an Employee's periods of employment with one or more companies or enterprises acquired by or merged into, or all or a portion of the assets or business of which are acquired by, an Affiliate will be taken into account in determining whether the Employee has completed the eligibility requirements set forth herein, provided the Employee was employed by such company

or enterprise on the effective date of the transaction and became an Employee as a result of such transaction.

2.2 Interruptions of Service or Change in Status.

(a) Leave of Absence or Layoff. If a Covered Employee is on a Leave of Absence or layoff on the Entry Date on which he otherwise would have become an Active Participant, he will become an Active Participant on the date he subsequently resumes the performance of duties as a Covered Employee in accordance with the terms of his Leave of Absence or layoff.

(b) Termination or Status Change before Participation. Except as otherwise provided in the following sentence, if a Covered Employee ceases to be a Covered Employee before the Entry Date on which he otherwise would become an Active Participant and then again becomes a Covered Employee, he will become an Active Participant as of the later of (i) the Entry Date on which he otherwise would have become an Active Participant if he had not ceased to be a Covered Employee or (ii) the date he again becomes a Covered Employee.

(c) Termination or Status Change after Participation. Except as otherwise provided in the following sentence, if an Active Participant ceases to be a Covered Employee, his active participation in the Plan will cease immediately, and he again will become an Active Participant as of the date he again becomes a Covered Employee.

(d) Change to Covered Employee Status. If an Employee who first satisfies the eligibility requirements of Section 2.1 while he is not a Covered Employee subsequently changes his employment status so that he becomes a Covered Employee, he will become an Active Participant as of the later of (i) the date that would have been his Entry Date, or (ii) the date of his change in status.

2.3 Participant Information.

Each Covered Employee who becomes a Participant will, as soon as practicable thereafter, execute and file with the Retirement Committee such personal information and data as the Retirement Committee deems necessary for the orderly administration of the Plan. In addition, each Participant will keep the Retirement Committee or its delegate or agent informed of any changes in such information, including changes to his address and the address(es) of his Beneficiary(ies).

**ARTICLE III
CONTRIBUTIONS**

3.1 Tax-Deferred Contributions.

(e) Generally. Each Participating Company will contribute to the Plan, on behalf of each Active Participant employed by such Participating Company and for each regular payroll period and for each other payment of Compensation (such as the payment of a bonus) for which such Active Participant has a Deferral Election in effect with such Participating Company, a Tax-Deferred Contribution in an amount equal to the amount by which such Active Participant's Compensation has been reduced for such period pursuant to his Deferral Election.

(f) Deferral Elections. Each Active Participant who desires that his Participating Company make a Tax-Deferred Contribution on his behalf may make a Deferral Election. Such Deferral Election will be on a form provided by the Retirement Committee, through an interactive telephone or internet-based system, or in such other manner as the Retirement Committee may prescribe and will provide for the reduction of the Active Participant's Compensation from each payment of eligible Compensation made while he is an Active Participant. Each Deferral Election shall separately designate the amount of the deferral that is a Roth Contribution. The Retirement Committee, in its sole discretion, may prescribe such nondiscriminatory terms and conditions governing Deferral Elections as it deems appropriate. Subject to any modifications, additions or exceptions which the Retirement Committee, in its sole discretion, deems necessary, appropriate or helpful, the following terms will apply to Deferral Elections:

(1) Automatic Enrollment. With respect to a Covered Employee with an Employment Date on or after January 1, 2009 (on or after January 1, 2008 for employees of Altivity Packaging, LLC), absent an affirmative election to the contrary, upon or as soon as practicable after the 30th day following the date on which such Covered Employee becomes an Active Participant, such Active Participant will be deemed to have made an initial Deferral Election at a rate equal to 3% of his Compensation (or such other percentage as the Administrative Committee will determine, in its sole discretion), provided that such deemed deferral Election will become effective only if, within a reasonable period of time before such deemed Deferral Election is to become effective (and subject to any specific legal notice requirements), the Administrative Committee has provided the Active Participant with a notice explaining the deemed Deferral Election and his right to affirmatively elect either a different reduction amount or no reduction.

(1) Effective Date

(2) Amount of Tax-Deferred Contributions.

(A) The Active Participant may elect to reduce his Compensation in increments of 1 percent and make a Tax-Deferred Contribution for any period by a minimum of 1 percent and a maximum of 75 percent (or such other minimum or maximum percentages and/or amounts established by the Retirement Committee from time to time); provided, the maximum limitations in Article VI will apply. The

Retirement Committee, in its discretion, may from time to time establish a separate limitation on the amount of Tax-Deferred Contributions that may be made by Active Participants who are Highly Compensated Employee

(B) Additionally, the Active Participant may also elect to have such designated percentage of his Compensation under subsection (A) hereof increased by 1 percent to a maximum of 10 percent annually effective as of such date as the Active Participant shall designate, subject to the limitations of subsection (A) hereof.

(3) Term. Each Active Participant's Deferral Election will remain in effect in accordance with its original terms until the earliest of (i) the date the Active Participant ceases to be a Covered Employee, (ii) the date the Active Participant revokes such Deferral Election, or (iii) the date the Active Participant or the Retirement Committee modifies such Deferral Election.

(4) Revocation. An Active Participant's Deferral Election will terminate upon his ceasing to be a Covered Employee. In addition, an Active Participant may revoke his Deferral Election with a Participating Company in the manner prescribed by the Retirement Committee, and such revocation will be effective as soon as administratively practicable after being submitted in accordance with procedures established for the Plan. An Active Participant who revokes a Deferral Election may enter into a new Deferral Election in the manner prescribed by the Retirement Committee, effective as soon as administratively practicable after being submitted in accordance with procedures established under the Plan.

(5) Modification by Participant. Effective as soon as administratively practicable after being submitted in accordance with procedures established under the Plan, an Active Participant may modify his existing Deferral Election to increase or decrease the percentage of his Tax-Deferred Contribution by making a new Deferral Election in the manner prescribed by the Retirement Committee.

(6) Modification by Retirement Committee. Notwithstanding anything herein to the contrary, the Retirement Committee may modify any Deferral Election of any Active Participant at any time to any extent the Retirement Committee believes necessary to comply with the limitations described in Article VI.

(g) Catch-Up Contributions. All Active Participants who have attained or will attain age 50 on or before the last day of a Plan Year will be eligible to make Catch-Up Contributions in accordance with, and subject to, the limitations of Code Section 414(v); provided, the total of Catch-Up Contributions and Tax-Deferred Contributions will not exceed 75 percent of Compensation for any payroll period (or other maximum limit established by the Retirement Committee). Subject to the foregoing limitations and except as otherwise provided herein, such Catch-Up Contributions will be treated as Before-Tax and/or Roth Contributions, as elected by the Participant, for all purposes under the Plan. Catch-Up Contributions will be made in accordance with procedures that the Retirement Committee may adopt from time to time.

3.2 Matching Contributions.

(a) Payroll Period Match. For each Active Participant on whose behalf a Participating Company has made with respect to a payroll period or any other payment of Compensation, any Tax-Deferred Contributions such Participating Company will make, with respect to such payroll period or other payment of Compensation, a Matching Contribution into such Active Participant's GPI Employer Match Account equal to 100 percent of the first 3 percent of Compensation and 50 percent of the next 2 percent of Compensation contributed on behalf of the Active Participant to the Plan as Tax-Deferred Contributions and/or Catch-Up Contributions; provided, the total amount of the Matching Contributions which a Participating Company will make for any Active Participant will not exceed (or cause the Contributions to exceed) any of the maximum limitations described in Article VI.

(b) True-Up Match. If as of the last day of the Plan Year, the amount of Matching Contributions allocated to an Active Participant's GPI Employer Match Account for such Plan Year is less than an amount equal to 100 percent of the first 3 percent of Compensation and 50 percent of the next 2 percent of Compensation contributed on behalf of the Active Participant to the Plan as Tax-Deferred Contributions and/or Catch-Up Contributions for that Plan Year, the Employer shall make a Matching Employer Contribution on behalf of such Active Participant in an amount equal to the difference. For purposes of this calculation, Compensation does not include any wages paid during a suspension period pursuant to Section 9.1(c).

3.3 Supplemental Employer Contributions.

(a) Generally. For each Active Participant who satisfies the eligibility requirements of subsection (b) hereof a Supplemental Employer Contribution will be made with respect to each Plan Year on and after January 1, 2012. The Supplemental Employer Contribution will equal 3 percent of an Active Participant's Compensation for the Plan Year and will be based solely on Compensation payable for the portion of the Plan Year during which the Active Participant is both (i) an Active Participant with respect to Supplemental Employer Contributions and (ii) a Pension Plan Ineligible Employee.

(b) Eligibility. An Active Participant will be eligible for a Supplemental Employer Contribution for a Plan Year if he:

(1) is a Pension Plan Ineligible Employee during that Plan Year; and

(2) satisfies one of the following requirements for the Plan Year:

(A) is a Covered Employee of a Participating Company on the last day of the Plan Year (including Covered Employees who are on a Leave of Absence on the last day of the Plan Year);

(B) terminates employment during the Plan Year after reaching age 55 and the sum of his age plus Years of Vesting Service equals at least 65;

- (C) becomes Disabled during the Plan Year while in active employment;
- (D) dies during the Plan Year while in active employment;
- (E) is involuntarily terminated without cause during the Plan Year and who has entered into the appropriate release agreement with his Participating Company; or
- (F) experiences a Divestiture Termination.

3.4 Form of Contributions.

All Contributions made under this Article III will be paid to the Trustee in the form of cash and/or Company Stock.

3.5 Timing of Contributions.

(a) Tax-Deferred Contributions. Each Participating Company will pay Tax-Deferred Contributions to the Trustee no sooner than immediately following the Participant's performance of services with respect to which the Tax-Deferred Contributions were made (or when the cash or other taxable benefit would be currently available, if earlier); provided, in accordance with Treasury Regulation Section 1.401(k)-1(a)(3)(iii)(C)(2), earlier payment may be made in order to accommodate bona fide administrative considerations.

(b) Supplemental Employer Contributions. Each Participating Company will pay its Supplemental Employer Contributions for any Plan Year to the Trustee on or before the last day of the Plan Year; provided that an Supplemental Employer Contribution for a Participant who meets the requirements of Section 3.3(b)(3)(C), (D), (E) or (F) will be made as soon as practicable following the Participant's termination of employment.

(c) Matching Contributions. Each Participating Company will pay its Matching Contributions to the Trustee no soon than the earliest date on which the Tax-Deferred Contributions to which such Matching Contributions relate could have been paid to the Trustee pursuant to subsection (a) hereof; provided, the foregoing will not apply to (i) Forfeitures that are reallocated as Matching Contributions pursuant to Section 5.5, or (ii) a Matching Contribution made in order to accommodate bona fide administrative considerations in accordance with Treasury Regulation Section 1.401(m)-1(a)(2)(iii)(C).

3.6 Contingent Nature of Company Contributions.

Notwithstanding any other provision of this Article III and subject to the terms of Section 16.7, Contributions made to the Plan by a Participating Company are made expressly contingent upon the deductibility thereof for federal income tax purposes for the taxable year of the Participating Company with respect to which such Contributions are made.

3.7 Restoration Contributions.

(a) Restoration of Forfeitures. If a Participant who is not 100 percent vested in his Account has received a distribution of his entire vested Account in a manner described in Section 8.5, such that he forfeits the nonvested portion of his Account, and such Participant subsequently is rehired as a Covered Employee on or after January 1, 2009 and prior to the occurrence of 5 consecutive Breaks in Service, his Account will be credited with all of the benefits (unadjusted for gains or losses) which were forfeited, if any, without regard to whether he makes a repayment described in subsection (b) hereof.

(b) Optional Repayment. A Participant described in subsection (a) hereof may, prior to 5 years after the first date on which he is rehired, repay the full amount of the distribution to the Trustee (unadjusted for gains or losses) in a single-sum payment.

(c) Restoration Contribution. The assets necessary to fund forfeited amounts under subsection (a) above will be provided no later than as of the end of the Plan Year following the Plan Year in which the individual is rehired, and will be provided in the discretion of the Retirement Committee from (i) income or gain to the Trust Fund, (ii) Forfeitures arising from the Accounts of Participants employed or formerly employed by the Participating Companies, or (iii) contributions by the Participating Companies.

3.8 Military Service.

Notwithstanding any provision in this Plan to the contrary, contributions and benefits with respect to Qualified Military Service will be provided in accordance with Code Section 414(u).

ARTICLE IV
ROLLOVERS AND TRANSFERS BETWEEN PLANS

4.1 Rollover Contributions.

(c) Request by Active Participant. An Active Participant may make a request (in writing or in such other format as permitted by the Retirement Committee) to the Retirement Committee that he be permitted to contribute, or cause to be contributed, to the Trust Fund a Rollover Contribution which is received by such Active Participant or to which such Active Participant is entitled. Such written request will contain information concerning the type of property constituting the Rollover Contribution and a statement, satisfactory to the Retirement Committee, that the property constitutes a Rollover Contribution.

(d) Acceptance of Rollover. Subject to the terms of the Plan and the Code (including regulations and rulings thereunder), the Retirement Committee, in its sole discretion, will determine whether (and if so, under what conditions and in what form) a Rollover Contribution will be accepted by the Trustee. For example, the Retirement Committee, in its sole discretion, may decide to allow Rollover Contributions from an Active Participant and/or direct Rollover Contributions from another qualified retirement plan [as described in Code Section 401(a)(31)] and may decide to pass through to the Active Participant making the Rollover Contribution any recordkeeping fees directly attributable to his Rollover Contribution. In the event the Retirement Committee permits an Active Participant to make a Rollover Contribution, the amount of the Rollover Contribution will be transferred to the Trustee and allocated as soon as practicable thereafter to a Rollover Account for the Active Participant. Unless the Retirement Committee permits otherwise, all Rollover Contributions will be made in cash.

(e) Separate Accounting for After-Tax Rollovers. To the extent that the Plan accepts a Rollover Contribution that includes amounts that would not be includible in the Participant's gross income [determined without regard to Code Section 402(c)(1)], the Plan will separately account for the portion of such Rollover Contribution that would be includible in gross income and the portion of the Rollover Contribution which is not so includible.

4.2 Transfer Contributions.

(c) Direct Transfers Permitted. The Retirement Committee, in its sole discretion, may permit direct trustee-to-trustee transfers of assets and liabilities to the Plan [which will be distinguished from direct Rollover Contributions as described in Code Section 401(a)(31)] as a Transfer Contribution on behalf of a Participant.

(d) Mergers and Spin-Offs Permitted. The Retirement Committee, in its sole discretion, may permit other qualified retirement plans to transfer assets and liabilities to the Plan as part of a merger, spin-off or similar transaction. Any such transfer will be made in accordance with the terms of the Code and subject to such rules and requirements as the Retirement Committee may deem appropriate. Without limitation, the Retirement Committee will determine the schedule under which such Transfer Contributions will vest.

(e) Establishment of Transfer Accounts. As soon as practicable after the date the Trustee receives a Transfer Contribution, there will be credited to one or more Transfer Accounts of each Participant the total amount received from the respective accounts of such Participant in the transferring qualified retirement plan. Any amounts so credited as a result of any such merger or spin-off or other transfer will be subject to all of the terms and conditions of the Plan from and after the date of such transfer.

4.3 Spin-Offs to Other Plans.

The Retirement Committee, in its sole discretion, may cause the Plan to transfer to another qualified retirement plan (as part of a spin-off, change in control or similar transaction) all or part of the assets and liabilities maintained under the Plan. Any such transfer will be made in accordance with the terms of the Code and subject to such rules and requirements as the Retirement Committee may deem appropriate. Upon the effectiveness of any such transfer, the Plan and Trust will have no further responsibility or liability with respect to the transferred assets and liabilities.

ARTICLE V
PARTICIPANTS' ACCOUNTS; CREDITING AND ALLOCATIONS

5.1 Establishment of Participants' Accounts.

To the extent appropriate, the Retirement Committee will establish and maintain, on behalf of each Participant and Beneficiary, an Account which will be divided into segregated subaccounts. The subaccounts will include (to the extent applicable) Before-Tax, Roth, Matching, Company, Rollover and Transfer Accounts and such other subaccounts as the Retirement Committee deems appropriate or helpful. Each Account will be credited with Contributions allocated to such Account and generally will be credited with income on investments derived from the assets of such Accounts. Notwithstanding anything herein to the contrary, while Contributions may be allocated to a Participant's Account as of a particular date (as specified in the Plan), such Contributions will actually be added to a Participant's Account and will be credited with investment experience only from the date such Contributions are received and credited to the Participant's Account by the Trustee. Each Account of a Participant or Beneficiary will be maintained until the value thereof has been distributed to or on behalf of such Participant or Beneficiary.

5.2 Allocation and Crediting of Before-Tax, Roth, Matching, Rollover and Transfer Contributions.

On each Valuation Date coinciding with or occurring as soon as practicable after the date on which Before-Tax, Roth, Matching, Rollover and Transfer Contributions are received on behalf of an Active Participant, such Contributions will be allocated and credited to the appropriate Before-Tax Account, Roth Account, GPI Employer Match Account, Rollover Account and Transfer Accounts, respectively, of such Active Participant. Notwithstanding the foregoing, the allocation of Before-Tax Contributions, Roth Contributions and the Matching Contributions which relate to such Before-Tax Contributions and Roth Contributions, will be effective no later than the last day of the Plan Year during which such Before-Tax Contributions and Roth Contributions are withheld from Active Participant's Compensation.

5.3 Allocation and Crediting of Supplemental Employer Contributions.

As of the last day of each Plan Year for which the Participating Companies make (or are deemed to have made) Supplemental Employer Contributions, each Participant for such Plan Year in accordance with Section 3.3(b) will have allocated and credited to his Supplemental Employer Contribution Account a portion of such Supplemental Employer Contributions. Such Contributions will be allocated to the Supplemental Employer Contribution Account of each such Participant in the same proportion that (i) the Compensation of such Participant for such Plan Year bears to (ii) the total Compensation of all such Participants for such Plan Year.

5.4 Crediting of Restoration Contributions.

As of the Valuation Date coinciding with or immediately following the date on which the Plan restores the forfeitable portion of a Participant's Account pursuant to Section 3.7, such amount will be credited to the Account of the Participant.

5.5 Allocation of Forfeitures.

To the extent Forfeitures are not used to pay restoration contributions pursuant to Section 3.7 or to replace abandoned Accounts as provided in Section 10.10, the Retirement Committee, in its sole discretion, may use such Forfeitures to pay the reasonable administrative expenses of the Plan or to reduce the Participating Companies' obligation, if any, to make Contributions (i) pursuant to the terms of the Plan for the Plan Year in which such Forfeitures occurred or any subsequent Plan Year(s), or (ii) pursuant to any voluntary corrective action taken under any correction program available through the Internal Revenue Service, the Department of Labor or other administrative agency.

5.6 Allocation and Crediting of Investment Experience.

As of each Valuation Date, the Trustee will determine the fair market value of the Trust Fund which will be the sum of the fair market values of the Investment Funds, as determined by the institutions maintaining the Investment Funds. Each Participant's or Beneficiary's Account will be allocated and credited with a portion of such earnings or debited with a portion of such losses in each Investment Fund, in the proportion that the amount credited to such Account is invested in each Investment Fund. Each Account will also be appropriately adjusted to reflect any Contributions, distributions, withdrawals or transfers between Investment Funds and other disbursements from such Account.

5.7 Good Faith Valuation Binding.

In determining the value of the Trust Fund and the Accounts, the Trustee and the Retirement Committee will exercise their best judgment, and all such determinations of value (in the absence of bad faith) will be binding upon all Participants and Beneficiaries.

ARTICLE VI
CONTRIBUTION AND SECTION 415 LIMITATIONS
AND NONDISCRIMINATION REQUIREMENTS

6.1 Maximum Limitation on Elective Deferrals.

(a) Maximum Elective Deferrals Under Participating Company Plans. The aggregate amount of a Participant's Elective Deferrals made for any calendar year under the Plan and any other plans, contracts or arrangements with the Participating Companies will not exceed the Maximum Deferral Amount.

(b) Return of Excess Tax-Deferred Contributions. If the aggregate amount of a Participant's Tax-Deferred Contributions made for any calendar year exceeds the Maximum Deferral Amount, the Participant will be deemed to have notified the Retirement Committee of such excess, and the Retirement Committee will cause the Trustee to distribute to such Participant, on or before April 15 of the next succeeding calendar year, the total of (i) the amount by which such Tax-Deferred Contributions exceed the Maximum Deferral Amount, plus (ii) any allocable income or loss up to the last day of such calendar year. The allocable income or loss will be the income or loss allocable to the Participant's Tax-Deferred Account for the calendar year multiplied by a fraction, the numerator of which is the amount by which the Participant's Tax-Deferred Contributions for such calendar year exceed the Maximum Deferral Amount and the denominator is the Participant's total Tax-Deferred Account without regard to any income or loss occurring during such calendar year. If a Participant made both Before-Tax and Roth Contributions for the calendar year, the Roth Contributions will be distributed before any Before-Tax Contributions are distributed. In addition, Matching Contributions made on behalf of the Participant which are attributable to the distributed Tax-Deferred Contributions will be forfeited.

(c) Return of Excess Elective Deferrals Provided by Other Participating Company Arrangements. If after the reduction described in subsection (b) hereof, a Participant's aggregate Elective Deferrals under plans, contracts and arrangements with the Controlling Company and all Affiliates still exceed the Maximum Deferral Amount, then the Participant will be deemed to have notified the Retirement Committee of such excess, and, unless the Retirement Committee directs otherwise, such excess will be reduced by distributing to the Participant Elective Deferrals that were made for the calendar year under such plans, contracts and/or arrangements with the Controlling Company and all Affiliates other than the Plan in the manner described in subsection (b) hereof.

(d) Discretionary Return of Elective Deferrals. If after the reductions described in subsections (b) and (c) hereof, (i) a Participant's aggregate Elective Deferrals made for any calendar year under the Plan and any other plans, contracts or arrangements with Participating Companies and any other employers still exceed the Maximum Deferral Amount, and (ii) such Participant submits to the Retirement Committee, on or before the April 15 following the end of such calendar year or such earlier date as established by the Retirement Committee, a written request that the Retirement Committee distribute to such Participant all or a portion of his remaining Tax-Deferred Contributions made for such calendar year, then the Retirement Committee may, but will not be required to, cause the Trustee to distribute such amount, plus any allocable income or loss

up to the last day of such calendar year, to such Participant in the manner described in subsection (b) hereof on or before the April 15 following the end of the year in which the Maximum Deferral Amount was exceeded.

(e) Return of Excess Annual Additions. Any Tax-Deferred Contributions returned to a Participant to correct excess Annual Additions will be disregarded for purposes of determining whether the Maximum Deferral Amount has been exceeded.

6.2 Nondiscrimination Requirements for Tax-Deferred Contributions.

The Plan is intended to satisfy the actual deferral percentage safe-harbor requirements under Code Section 401(k)(12) by means of safe-harbor matching contributions as described in Code Section 401(k)(12)(B), such that the Plan will be deemed to have satisfied the actual deferral percentage tests for each Plan Year.

6.3 Nondiscrimination Requirements for Matching Contributions.

The Plan is intended to satisfy the actual contribution percentage safe-harbor requirements under Code Section 401(m)(11) with respect to Matching Contributions made under the Plan, such that the Plan will be deemed to have satisfied the actual contribution percentage tests for each Plan Year.

6.4 Code Section 415 Limitations on Maximum Contributions.

(d) General Limit on Annual Additions. In no event will the Annual Addition to a Participant's Account for any Limitation Year, under the Plan and any other Defined Contribution Plan maintained by an Affiliate, exceed the lesser of:

(2) \$53,000 (as adjusted by the Secretary of the Treasury under Code Section 415(d) to reflect cost-of-living increases);

or

(3) 100 percent of such Participant's Compensation.

(e) Combined Plan Limit. If an Employee is a participant in the Plan and any other Defined Contribution Plan maintained by an Affiliate, including but not limited to the GPI Hourly Savings Plan, and a corrective adjustment in such Employee's benefits is required to comply with this Section, such adjustment will be made first under this Plan and then the GPI Hourly Savings Plan or such other plan(s).

(f) Compliance with Code Section 415. The limitations in this Section are intended to comply with the provisions of Code Section 415 and, to the extent not included herein, Code Section 415 and the applicable regulations, including but not limited to the regulations that were published in the Federal Register on April 5, 2007, are hereby incorporated by reference, so that the maximum benefits permitted under plans of the Affiliates will be exactly equal to the maximum amounts allowed under Code Section 415 and the regulations thereunder.

6.5 Construction of Limitations and Requirements.

The descriptions of the limitations and requirements set forth in this Article VI are intended to serve as general statements of the legal requirements necessary for the Plan to remain qualified under the applicable terms of the Code. The Participating Companies do not desire or intend, and the terms of this Article VI will not be construed, to impose any more restrictions on the operation of the Plan than required by law. Therefore, the terms of this Article VI and any related terms and definitions in the Plan will be interpreted and operated in a manner which imposes the least restrictions on the Plan.

ARTICLE VII INVESTMENTS

7.1 Establishment of Trust Account.

All Contributions are to be paid over to the Trustee, to be held in the Trust Fund and invested in accordance with the terms of the Plan and the Trust.

7.2 Investment Funds.

(a) Establishment of Investment Funds. In accordance with instructions from the Investment Committee and the terms of the Plan and the Trust, the Trustee will establish and maintain Investment Funds for the investment of the assets of the Trust Fund. Such Investment Funds will be established and modified from time to time without necessity of amendment to the Plan and will have the investment objectives prescribed by the Investment Committee. Investment Funds also may be established and maintained for any limited purpose(s) the Investment Committee may properly direct (for example, for the investment of certain specified Accounts transferred from a Prior Plan). Similarly, at the authorized direction of the Investment Committee, the Trustee may eliminate one or more of the then existing Investment Funds, except as otherwise provided in Section 7.3(e). The Trustee may invest Contributions it receives in interest bearing accounts until such time as a Participant's investment directions can be effected.

(b) Reinvestment of Cash Earnings. Any investment earnings received in the form of cash with respect to any Investment Fund (in excess of the amounts necessary to make cash distributions or to pay Plan or Trust expenses) will be reinvested in such Investment Fund.

7.3 Participant Direction of Investments.

Each Participant or Beneficiary generally may direct the manner in which his Accounts and Contributions will be invested in and among the Investment Funds described in Section 7.2. Participant investment directions will be made in accordance with the following terms:

(g) Investment of Contributions. Except as otherwise provided in this Section, each Participant may elect, on a form provided by the Retirement Committee, through an interactive telephone or internet-based system, or in such other manner as the Retirement Committee may prescribe, the percentage of his future Contributions that will be invested in each Investment Fund. An initial election of a Participant will be made as of the Entry Date on which the Participant commences or recommences participation in the Plan and will apply to Contributions credited to such Participant's Account after such Entry Date. Such Participant may make subsequent elections as of any Valuation Date, and such elections will apply to Contributions credited to such Participant's Accounts following such date; for purposes hereof, Contributions and/or Forfeitures that are credited to a Participant's or Beneficiary's Account will be subject to the investment election in effect on the date on which such amounts are actually received and credited, regardless of any prior date "as of" which such Contributions may have been allocated to his Account. Any election made pursuant to this subsection (a) with respect to future Contributions will remain effective until changed by the Participant. In the event a Participant never makes an investment election or makes an incomplete

or insufficient election in some manner, the Trustee, based on authorized directions from the Retirement Committee, will direct the investment of the Participant's future Contributions.

(h) Investment of Existing Account Balances. Except as otherwise provided in this Section, each Participant or Beneficiary may elect, on a form provided by the Retirement Committee, through an interactive telephone or internet-based system, or in such other manner as the Retirement Committee may prescribe, the percentage of his existing Accounts that will be invested in each Investment Fund. Such Participant or Beneficiary may make such elections effective as of any Valuation Date following his Entry Date into the Plan (or the crediting of his Rollover Contribution); provided, however that (i) the minimum amount that may be transferred from one Investment Fund to another will be two hundred fifty dollars (\$250.00) or the entire balance in the Investment Fund, if less, and (ii) on or after January 1, 2004, no assets may be transferred from other Investment Funds to the Company Stock Fund. Each such election will remain in effect until changed by such Participant or Beneficiary. In the event a Participant or Beneficiary fails to make an election for his existing Account balance pursuant to the terms of this subsection (b) which is separate from his election made for his Contributions pursuant to the terms of subsection (a) hereof, or if a Participant's or Beneficiary's investment election form is incomplete or insufficient in some manner, the Participant's or Beneficiary's existing Account balance will continue to be invested in the same manner provided under the terms of the most recent election affecting that portion of his Account; provided, if no such election exists, the Trustee, based on authorized directions from the Retirement Committee, will direct the investment of the Participant's or Beneficiary's existing Account balance.

(i) Conditions Applicable to Elections. The Retirement Committee will have complete discretion to adopt and revise procedures to be followed in making such investment elections. Such procedures may include, but are not limited to, the process of the election, the permitted frequency of making elections, the deadline for making elections, the effective date of such elections and the conditions, if any, under which individual Investment Funds may be elected. Any procedures adopted by the Retirement Committee that are inconsistent with the deadlines or procedures specified in this Section will supersede such provisions of this Section without the necessity of a Plan amendment.

(j) Restrictions on Investments. To the extent any investment or reinvestment restrictions apply with respect to any Investment Funds (for example, restrictions on changes of investments between competing funds) or as a result of depletion of cash liquidity within an Investment Fund, a Participant's or Beneficiary's ability to direct investments hereunder may be limited.

(k) Sales and Purchases of Company Stock. The Investment Funds of the Plan will include a Company Stock Fund; provided however, on or after January 1, 2004, no future contributions may be invested in the Company Stock Fund and no assets may be transferred from other Investment Funds to the Company Stock Fund. Any dividends paid on Company Stock will increase the unit value of the Company Stock Fund, but will not be used to purchase additional shares of Company Stock. The fiduciary responsible for determining the suitability of Investment Funds will not take any action with respect to the Company Stock Fund that is inconsistent with

the Controlling Company's intent as set forth in the first sentence of this subsection, unless it is clearly determined by the fiduciary that such action is required under the prudence requirement of ERISA Section 404(a)(1)(B), disregarding any elements of such prudence requirement that relate to diversification.

7.4 Valuation.

As of each Valuation Date, the Trustee will determine the fair market value of each of the Investment Funds after first deducting any expenses which have not been paid by the Participating Companies. All costs and expenses directly identifiable to one Investment Fund will be allocated to that Investment Fund.

7.5 Purchase of Life Insurance.

Life insurance contracts will not be purchased.

7.6 Voting and Tender Offer Rights with Respect to Investment Funds.

Subject to Section 7.9, to the extent and in the manner permitted by the Trust and/or any documents establishing or controlling any of the Investment Funds, Participants and Beneficiaries will be given the opportunity to vote and tender their interests in each such Investment Fund. Otherwise, such interests will be voted and/or tendered as may be provided in the controlling documents or as otherwise specified by the Investment Committee.

7.7 Fiduciary Responsibilities for Investment Directions.

All fiduciary responsibility with respect to the selection of Investment Funds for the investment of a Participant's or beneficiary's Accounts will be allocated to the Participant or beneficiary who directs the investment. Neither the Controlling Company, the Board, the Retirement Committee, the Investment Committee, the Trustee nor any Participating Company will be accountable for any loss sustained by reason of any action taken, or investment made, pursuant to an investment direction.

7.8 Appointment of Investment Manager; Authorization to Invest in Collective Trust.

(e) Investment Manager. The Investment Committee may appoint any one or more individuals or entities to serve as the investment manager or managers of the entire Trust or of all or any designated portion of a particular Investment Fund or Investment Funds. The investment manager will certify that it is qualified to act as an "investment manager" within the meaning of ERISA Section 3(38) and will acknowledge in writing its fiduciary status with respect to the assets placed under its control. The appointment of the investment manager will be effective as of the date specified by the Investment Committee, and the appointment will continue in effect until such date as the Investment Committee may specify. If an investment manager is appointed, the investment manager will have the power to manage, acquire and dispose of any and all assets of the Trust Fund, as the case may be, which have been placed under its control, except to the extent that such power is reserved to the Trustee by the Controlling Company. If an investment manager

is appointed, the Trustee will be relieved of any and all liability for the acts or omissions of the investment manager, and the Trustee will not be under any obligation to invest or otherwise manage any assets which are subject to the management of the investment manager.

(f) Collective Trust. The Investment Committee may designate that all or any portion of the Trust Fund will be invested in a collective trust fund, in accordance with the provisions of Revenue Ruling 81-100 or any successor ruling, which collective trust fund will be deemed to have been adopted as a part of the Plan. Such designation or direction will be in addition to the powers to invest in commingled funds maintained by the Trustee provided for in the Trust.

7.9 Voting and Tender Offer Rights With Respect to Company Stock.

(a) Voting Rights. Each Participant or Beneficiary will have the right to direct the Trustee as to the exercise of all voting rights with respect to the whole shares of Company Stock in his Account. To the extent possible, the Trustee will combine fractional shares of Company Stock in the Accounts of Participants or Beneficiaries and will vote such fractional shares, and any shares of Company Stock for which no direction is received, in the same proportion as the whole shares of such Company Stock are voted by the voting Participants or Beneficiaries thereof by the Trustee.

(b) Tender Offer Rights. Each Participant or Beneficiary will have the right to direct the Trustee as to whether, in accordance with the terms of any tender offer for shares of Company Stock, to tender the whole shares of Company Stock in his Account, and the Trustee will follow such directions. To the extent possible, the Trustee will combine fractional shares of Company Stock in the Accounts of Participants or Beneficiaries and will tender such fractional shares of Company Stock in the same proportion as the whole shares of such Company Stock are tendered by the tendering Participants or Beneficiaries. Unless otherwise required by ERISA, the Trustee will not tender whole shares of Company Stock credited to a Participant's or Beneficiary's Account for which it has received no directions.

**ARTICLE VIII
VESTING IN ACCOUNTS**

8.1 General Vesting Rule. Participants who have completed 1 Hour of Service on or after January 1, 2009 will vest in their Account in accordance with this Article VIII. Participants who terminated employment prior to January 1, 2009 will vest in their Account in accordance with the Plan or the Altivity Plan, as applicable, as in effect on the date he terminated employment.

(c) Fully Vested Accounts. Participants will at all times be fully vested in the subaccounts identified below.

- (1) After-Tax Altivity Account
- (2) After-Tax Post-2001 Account
- (3) After-Tax Pre-2002 Account
- (4) Before-Tax Account
- (5) GPI Employer Match Account
- (6) Graphic Employer Account
- (7) Pre-1987 Graphic Employer Account
- (8) Pre-2004 RIC Match Account
- (9) QNEC Account
- (10) Rollover Account
- (11) Roth Account
- (12) Salaried Field Employer Non-Safe Harbor Match Account
- (13) Salaried Field Profit-Sharing Account
- (14) Salaried Smurfit DB Replacement Account

(d) Supplemental Employer Contribution and Match Direct - Graded (Pre-2008 Smurfit Match) Accounts. Except as provided in Sections 8.2, 8.3 and 8.4, the Supplemental Employer Contribution Account and Match Direct - Graded (Pre-2008 Smurfit Match) Account of each Participant will vest in accordance with the following vesting schedule, based on the total of the Participant's Years of Vesting Service:

<u>Years of Vesting Service Completed by Participant</u>	<u>Vested Percentage of Participant's Account</u>
Less than 1 Year	0%
1 Year, but less than 2	20%
2 Years, but less than 3	40%
3 Years, but less than 4	60%
4 Years but less than 5	80%
5 Years or more	100%

(e) Hourly Field Automatic Contribution and Hourly Field Employer Match Accounts. Except as provided in Sections 8.2, 8.3, and 8.4, the Hourly Field Automatic Contribution Account and Hourly Field Employer Match Account of each Participant will vest in accordance with the following vesting schedule, based on the total of the Participant's Years of Vesting Service:

<u>Years of Vesting Service Completed by Participant</u>	<u>Vested Percentage of Participant's Account</u>
Less than 3 Years	0%
3 Years or more	100%

8.2 Vesting Upon Attainment of Normal Retirement Age, Death, Disability, or Certain Involuntary Terminations.

Notwithstanding Section 8.1, a Participant's Account will become 100 percent vested and nonforfeitable upon the occurrence of any of the following events:

- (I) The Participant's attainment of Normal Retirement Age while still employed as an Employee;
- (I) The Participant's death while still employed as an Employee (or as provided in Section 8.8);
- (I) The Participant's becoming Disabled while still employed as an Employee; or

(I) The Participant's employment with all Participating Companies becoming involuntarily terminated without cause on or after March 1, 2008; provided that such Participant has entered into the appropriate release agreement with the Participating Company.

8.3 Vesting Upon Divestiture Termination. Notwithstanding Section 8.1, to the extent that a Participant experiences a Divestiture Termination, such Participant shall be 100 percent vested in his Accounts as determined by the Retirement Committee.

8.4 Special Vesting Rules. Notwithstanding Section 8.1, a Participant's Account will become 100 percent vested and nonforfeitable to the extent provided in Schedule A.

8.5 Timing of Forfeitures and Vesting after Reemployment.

(a) Timing of Forfeitures. If a Participant who is not yet 100 percent vested in his Account severs from employment with all Affiliates, the nonvested amount in his Account will be removed from his Account and will become available for allocation (in the manner set forth in Section 5.5) on the earlier of (i) the date the Participant receives a total distribution of the vested portion of his Account, or (ii) the Plan Year after such Participant incurs 5 consecutive Breaks in Service and will be subject to the restoration rules set forth herein. If a Participant has no vested interest in his Account at the time he severs from employment, he will be deemed to have received a cash-out distribution at the time he severs from employment, and the forfeiture provisions of this Section will apply. If such Participant does not resume employment with an Affiliate before he has incurred 5 or more consecutive Breaks in Service, the nonvested portion of his Account will be forfeited and will not be restored. If such a Participant resumes employment with an Affiliate before he has incurred 5 consecutive Breaks in Service, the nonvested amount will be restored pursuant to the terms of subsection (b) or (c) hereof, as applicable].

(b) Reemployment and Vesting After Distribution. If by the date of reemployment such a Participant has received a distribution of the entire vested interest in his Account, the provisions of Section 3.7(a) will be applicable. Upon reemployment, the rehired individual immediately will be credited with all previously earned Years of Vesting Service for purposes of determining his vested interest in his Account in accordance with Section 8.1.

(c) Reemployment and Vesting Before Any Distribution. If such a Participant has no vested interest in his Account (such that he had a deemed cashout of his Account), his Account will be restored pursuant to the terms of Section 3.7 and then will be subject to all of the vesting rules in this Article VIII as if no forfeiture had occurred.

8.6 Vesting Following Partial Distributions.

In the event that a Participant receives a distribution from an Account subject to vesting under Section 8.1(b) in which he is less than fully vested and is subsequently credited with one or more additional Years of Vesting Service, the vested interest of the Participant in such Account prior to the date such Participant (i) severs from employment with all Affiliates, (ii) incurs 5 consecutive Breaks in Service (such that the nonvested portions of such Account are forfeited), or (iii) becomes 100 percent vested pursuant to the terms of Sections 8.1, 8.2, 8.3, or 8.4 hereof (whichever is earliest), will be determined pursuant to the following formula:

$$X = P (AB + D) - D,$$

where X is the vested interest at the relevant time (that is, the time at which the vested percentage in such Account can no longer increase); P is the vested percentage at the relevant time; AB is the balance of his Account at the relevant time; and D is the amount of the distribution.

8.7 Amendment to Vesting Schedule.

Notwithstanding anything herein to the contrary, in no event will the terms of any amendment to the Plan reduce the vested percentage that any Participant has earned under the Plan. Any amendments to the Plan that affect the vesting provisions will be subject to the rules of this Section.

(g) Changes to Vesting of Future Contributions. In the event that an amendment to the Plan will directly have an adverse effect on Participants' vested percentage for future Contributions, any Participant who has 3 or more Years of Vesting Service may elect to have his vested percentage for his Account calculated under the schedule in the Plan before any such change, and the Retirement Committee will give each such Participant notice of his rights to make such an election. The period during which the election may be made will commence with the date the amendment is adopted or deemed to be made and will end on the latest of: (i) 60 days after the amendment is adopted; (ii) 60 days after the amendment becomes effective; or (iii) 60 days after the Participant is issued written notice of the amendment by a Participating Company or the Retirement Committee.

(h) Changes to Vesting of Existing Accounts. The vesting of each Participant's Account balance attributable to Contributions accrued on or before the later of the date of adoption or the effective date of any amendment to the Plan will be equal to the greater of: (i) the vesting percentage that would apply under the terms of the Plan prior to such amendment, or (ii) the vesting percentage that applies under the terms of the Plan as so amended.

8.8 Military Service.

In the case of a Participant who dies on or after January 1, 2007, and while performing Qualified Military Service, the survivors of the Participant will be entitled to any additional benefits (other than contributions relating to the period of Qualified Military Service) provided under the Plan had the Participant resumed and then terminated employment on account of death.

**ARTICLE IX
IN-SERVICE WITHDRAWALS AND LOANS**

9.1 Hardship Withdrawals.

(l) Parameters of Hardship Withdrawals. Subject to the provisions of Section 9.11, a Participant may make, on account of hardship, a withdrawal from such subaccounts (and in the order of priority) identified below.

- (1) After-Tax Post-2001 Account
- (2) Graphic Employer Account
- (3) Before-Tax Account (other than any investment earnings earned after December 31, 1988 and the portion that relates to catch-up contributions and investment earnings thereon)
- (4) Before-Tax Account (the portion that relates to catch-up contributions, other than investment earnings)
- (5) Salaried Smurfit DB Replacement Account
- (6) Salaried Field Profit-Sharing Account
- (7) Roth Account (other than the portion that relates to catch-up contributions)
- (8) Roth Account (the portion that relates to catch-up contributions)

For purposes of this subsection (a), a withdrawal will be on account of “hardship” if it is necessary to satisfy an immediate and heavy financial need of the Participant. A withdrawal based on financial hardship cannot exceed the amount necessary to meet the immediate financial need created by the hardship and not reasonably available from other resources of the Participant. The Retirement Committee will make its determination as to whether a Participant has suffered an immediate and heavy financial need and whether it is necessary to use a hardship withdrawal from the Plan to satisfy that need on the basis of all relevant facts and circumstances.

(m) Immediate and Heavy Financial Need. For purposes of the Plan, an immediate and heavy financial need exists only if the withdrawal is on account of (i) expenses for medical care described in Code Section 213(d) (determined without regard to whether the expenses exceed 7.5 percent of adjusted gross income) for the Participant, his Spouse, or dependents (as defined in Code Section 152 without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof); (ii) the purchase (excluding mortgage payments) of a principal residence for the Participant; (iii) the payment of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education for the Participant, his Spouse, or dependents (as defined in Code Section 152 without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof); (iv) the need to prevent eviction of the Participant from his principal residence or foreclosure on the mortgage of

the Participant's principal residence; (v) the payment of burial or funeral expenses for the Participant's deceased parent, Spouse, children, or dependents (as defined in Code Section 152 without regard to subsection (d)(1)(B) thereof); or (vi) expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code Section 165 (determined without regard to whether the loss exceeds 10 percent of adjusted gross income).

(n) Necessary to Satisfy a Financial Need. A withdrawal will be considered as necessary to satisfy an immediate and heavy financial need of a Participant because (i) the Participant is required to obtain all distributions [including distributions of employee stock ownership plan dividends under Code Section 404(k)], other than hardship withdrawals, and all nontaxable loans under all plans maintained by the Controlling Company and its Affiliates; (ii) the Participant is prohibited, under the terms of all plans maintained by the Controlling Company and its Affiliates or an otherwise legally enforceable agreement, from making before-tax contributions and after-tax contributions to such plans for a 6-month period following the hardship withdrawal; and (iii) the withdrawal will not exceed the amount of the Participant's immediate and heavy financial need. The amount of an immediate and heavy financial need may include amounts necessary for the Participant to pay any federal, state or local taxes which are reasonably anticipated to result from the hardship withdrawal.

9.2 Rollover Accounts Withdrawals.

Subject to the provisions of Section 9.11, a Participant may request a withdrawal of all or a part of his Rollover Accounts.

9.3 After-Tax Pre-2002 and After-Tax Altivity Account Withdrawals.

Subject to the provisions of Section 9.11, a Participant may request a withdrawal of all or a part of the subaccounts (and in the order of priority) identified below.

- (1) After-Tax Pre-2002 Account (the portion that relates to after-tax contributions made prior to January 1, 1987, excluding investment earnings)
- (2) After-Tax Pre-2002 Account (the portion that relates to after-tax contributions made after to December 31, 1986 and investment earnings thereon)
- (3) After-Tax Pre-2002 Account (the portion that relates to investment earnings on after-tax contributions made prior to January 1, 1987)
- (4) After-Tax Altivity Account

9.4 Pre-Age 59½ Withdrawals.

Subject to the provisions of Section 9.11, a Participant who has not yet attained age 59½ may request a withdrawal of all or part of his vested subaccounts (and in the order of priority) identified below.

- (1) After-Tax Pre-2002 Account

- (2) Rollover Account (portion that relates to after-tax contributions)
- (3) Rollover Account (portion that relates to before-tax contributions)
- (4) Pre-2004 RIC Match Account
- (5) Pre-1987 Graphic Employer Account

9.5 Age 59½ Withdrawals.

Subject to the provisions of Section 9.11, a Participant who has attained age 59½ may request a withdrawal of all or part of his vested subaccounts (and in the order of priority) identified below.

- (1) After-Tax Pre-2002 Account
- (2) Rollover Account (portion that relates to after-tax contributions)
- (3) After-Tax Altivity Account
- (4) Match Direct - Graded (Pre-2008 Smurfit Match) Account
- (5) Salaried Smurfit DB Replacement Account
- (6) Salaried Field Profit-Sharing Account
- (7) Hourly Field Employer Match Account
- (8) Salaried Field Employer Non-Safe Harbor Match Account
- (9) Rollover Account (portion that relates to Roth contributions)
- (10) Rollover Account (portion that relates to before-tax contributions)
- (11) Pre-2004 RIC Match Account
- (12) Pre-1987 Graphic Employer Account
- (13) After-Tax Post-2001 Account
- (14) Graphic Employer Account
- (15) Before-Tax Account (portion that does not relate to catch-up contributions)
- (16) Before-Tax Account (portion that relates to catch-up contributions)
- (17) GPI Employer Match Account
- (18) QNEC Account

(19) Roth Account (portion that does not relate to catch-up contributions)

(20) Roth Account (portion that relates to catch-up contributions)

9.6 Age 65 Withdrawals.

Subject to the provisions of Section 9.11, a Participant who has attained Normal Retirement Age may request a withdrawal of all or part of his Account in the order of priority identified below.

(1) After-Tax Pre-2002 Account

(2) Rollover Account (portion that relates to after-tax contributions)

(3) After-Tax Altivity Account

(4) Match Direct - Graded (Pre-2008 Smurfit Match) Account

(5) Salaried Smurfit DB Replacement Account

(6) Salaried Field Profit-Sharing Account

(7) Hourly Field Employer Match Account

(8) Salaried Field Employer Non-Safe Harbor Match Account

(9) Rollover Account (portion that relates to Roth contributions)

(10) Supplemental Employer Contribution Account

(11) Hourly Field Automatic Contribution Account

(12) Rollover Account (portion that relates to before-tax contributions)

(13) Pre-2004 RIC Match Account

(14) Pre-1987 Graphic Employer Account

(15) After-Tax Post-2001 Account

(16) Graphic Employer Account

(17) Before-Tax Account (portion that does not relate to catch-up contributions)

(18) Before-Tax Account (portion that relates to catch-up contributions)

(19) GPI Employer Match Account

(20) QNEC Account

(21) Roth Account (portion that does not relate to catch-up contributions)

(22) Roth Account (portion that relates to catch-up contributions)

9.7 Qualified Reservist Distributions.

Subject to the provisions of Section 9.11, a Participant who was ordered or called to active duty for a period in excess of 179 days or for an indefinite period by reason of being a member of a reserve component (as defined in Section 101 of Title 37 of the United States Code) may request a withdrawal of all or part of his Before-Tax and Roth Accounts during the period beginning on the date of such order or call and ending at the close of the active duty period.

9.8 Distributions and Withdrawals from Transfer Accounts.

If a Prior Plan (i) allows Code Section 411(d)(6) protected in-service withdrawals (other than those permitted in Sections 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, and 9.7) and/or (ii) allows one or more Code Section 411(d)(6) protected forms of distribution not generally permitted under the Plan, the Participants who have Transfer Accounts reflecting the accrued benefits subject to such protected withdrawals and forms of distribution under that Prior Plan will be permitted to withdraw, and/or receive distributions of, all or a portion of the amounts from the subject Transfer Accounts in a manner and subject to rules and restrictions similar to those provided under the Prior Plan such that the Plan will comply with the requirements of Code Section 411(d)(6).

9.9 Loans to Participants.

(a) Grant of Authority. Loans to Participants, Beneficiaries and alternate payees [who are parties-in-interest as defined in ERISA Section 3(14)] generally will be allowed during such period(s) of time that the Retirement Committee determines, in its sole discretion, it is desirable and administratively feasible to make such loans. Subject to the limitations set forth in this Section and to such uniform and nondiscriminatory rules contained in the Loan Rules, the Trustee, upon proper application by an eligible Participant, Beneficiary or alternate payee on forms approved by the Retirement Committee, may make a loan or loans to the borrower.

(b) Nondiscriminatory Policy. Loans will be available to all Participants, Beneficiaries and alternate payees [who are parties-in-interest as defined in ERISA Section 3(14)] as provided in the Loan Rules on a reasonably equivalent basis, without regard to an individual's race, color, religion, age, sex or national origin. Loans will not be made available to borrowers who are Highly Compensated Employees in an amount greater than the amount available to other borrowers; provided, this limitation will be interpreted to mean that, subject to the other limitations in this Section, the same percentage of each borrower's vested Account balance may be loaned to each such borrower regardless of the actual amount of his vested Account balance. Eligible individuals may apply for loans by submitting an application in written, electronic or other form established by the Retirement Committee, pursuant to nondiscriminatory procedures established by the Retirement Committee from time to time.

(c) Minimum Loan Amount. The minimum amount of any loan will be \$1,000 or such lesser amount established by the Retirement Committee from time to time.

(d) Maximum Loan Amount. The maximum number of loans that may be outstanding at any time is the number provided in the Loan Rules. In addition, no loan may be made to any borrower from the Plan if the amount of such loan exceeds such amount as provided in the Loan Rules.

(e) Adequacy of Security. All loans will be secured by the pledge of a dollar amount of the borrower's Account balance (i) which is not less than the principal amount of the loan plus an additional amount, if any, which the Retirement Committee deems desirable to secure payment of interest accruing on the loan, and (ii) which in no event (when aggregated for all outstanding loans) is greater than 50 percent of the borrower's vested Account balance immediately after the origination of the loan. Notwithstanding anything herein to the contrary, the pledge of such security will be made in such manner and amount as the Retirement Committee may require for the loan to be considered adequately secured. A loan will be considered to be "adequately secured" if the security posted for such loan is in addition to and supporting a promise to pay, if it is pledged in a manner such that it may be sold, foreclosed upon, or otherwise disposed of upon default of repayment of the loan, and if the value and liquidity of that security is such that it may reasonably be anticipated that loss of principal or interest will not result from the loan. The adequacy of such security will be determined in light of the type and amount of security which would be required in the case of an otherwise identical transaction in a normal commercial setting between unrelated parties on arm's-length terms. During the period that a loan is outstanding, if a Participant becomes eligible to receive a withdrawal or a distribution, the amount of such Participant's Account which he will be eligible to receive through withdrawal or distribution will not exceed that amount which will reduce such Participant's Account balance below the principal amount then outstanding on such loan.

(f) Rate of Interest. A loan from the Plan must bear a reasonable rate of interest, as provided in the Loan Rules. A loan will be considered to bear "a reasonable rate of interest" if such loan provides the Plan with a return commensurate with interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. In general, the Retirement Committee's decision as to the rate of interest for any Plan loan will be based primarily on the rate of interest that one or more local banks or other lending institutions would charge on a similar loan, taking into account, among other things, the collateral pledged to secure the loan.

(g) Crediting Loan Payments to Accounts. The loan will be considered a directed investment of the borrower, and any principal and interest paid on the loan will be considered a part of his total Account. Each payment of principal and interest will be credited to the Investment Funds of the Participant's Account as provided in the Loan Rules.

(h) Remedies in the Event of Default. If any loan payments are not paid as and when due or within such period provided in the Loan Rules, the Retirement Committee may declare the loan to be in default. The Retirement Committee may take such actions, as it deems appropriate in accordance with the Loan Rules, to allow the borrower to cure such default or to otherwise collect

such overdue payments or, as the case may be, the outstanding balance of the loan. Among other things, the Retirement Committee's actions may include causing all or any portion of the borrower's Account which has been pledged to secure the loan to be used to repay such loan; provided, although the Retirement Committee may treat any portion of the loan balance that remains outstanding after a default as taxable income to the borrower in accordance with the terms of Code Section 72(p), no portion of such outstanding loan balance may be treated as a reduction of a Participant's Account balance until such time as such reduction, if treated as a distribution, will not breach the special distribution restrictions of Code Section 401(k)(2)(B).

(i) Suspension of Repayments for Leaves. Loan repayments may be suspended under this Plan as provided in the Loan Rules. In addition, during a period of military leave, the interest rate under an outstanding loan will be reduced to the extent necessary to comply with the Servicemembers Civil Relief Act of 2003.

9.10 Recordkeeper Transition Rule.

For purposes of effectuating a change in the Plan's recordkeeper, and notwithstanding anything contained in this Article IX to the contrary, the Retirement Committee may designate a period during which no withdrawals or loans will be permitted.

9.11 General Rules.

(a) Election to Withdraw. All applications to withdraw will be made at such time as the Retirement Committee may reasonably request, and will be on a form provided by the Retirement Committee, through an interactive telephone or internet-based system, or in such manner as the Retirement Committee may prescribe.

(b) Payment of Withdrawal. The amount of any withdrawal will be paid to a Participant in a single-sum cash payment as soon as practicable after the Retirement Committee receives and approves a properly completed withdrawal application; provided, to the extent such amounts are invested in the Company Stock Fund and the withdrawal is not on a hardship withdrawal made under Section 9.1, the Participant may elect to receive the withdrawn portion in whole shares of Company Stock, with any fractional shares converted to cash. At the time of making any withdrawals for a Participant, his Account may be charged with any administrative expenses (such as check processing fees) specifically allocable against his Account pursuant to the policies of the Retirement Committee. Any withdrawal will be treated as a payment of benefits under Article X and all of the requirements of that Article.

ARTICLE X
PAYMENT OF BENEFITS FROM ACCOUNTS

10.1 Benefits Payable for Reasons Other Than Death.

(a) General Rule Concerning Benefits Payable. In accordance with the terms of subsection (b) hereof and subject to the restrictions set forth in subsection (c) hereof and Section 10.3, if a Participant severs from employment with all Affiliates for any reason other than death, he (or his Beneficiary, if he dies after such severance from employment) will be entitled to receive or begin receiving a distribution of the vested amount credited to his Account, determined as of the Valuation Date on which such distribution is processed. For purposes of this Article X, the “date on which such distribution is processed” refers to the date established for such purpose by administrative practice, even if actual payment and/or processing is made at a later date due to delays in the valuation, administrative or any other procedure.

(b) Timing of Distribution.

(1) Generally. Except as otherwise provided in this subsection (b), benefits payable to a Participant under this Section will be distributed or commence to be distributed as soon as administratively practicable after the later of (i) the date the Participant severs from employment with all Affiliates for any reason other than death, or (ii) the date such Participant submits a written election (or an election through an electronic medium) to receive or begin receiving such benefits in such manner as provided by the Retirement Committee. In order for such Participant’s election to be valid, his election must be filed with the Retirement Committee within the 180-day period ending on such distribution date or distribution commencement date, and the Retirement Committee (at least 30 days before, and no more than 180 days before, such distribution date) must have presented him with a notice informing him of his right to defer his distribution; provided, the Participant may elect to waive the minimum 30-day notice period and to receive or begin receiving his distribution before the end of such period.

(2) Cashout of Small Accounts. Notwithstanding the foregoing provisions of this subsection (b), in the event that the vested portion of the Account of any Participant who severs from the employment of all Affiliates is less than or equal to \$1,000, the full vested amount of such benefit automatically will be paid to such Participant in one single-sum, cash-out distribution as soon as practicable after the date the Participant severs from employment. In addition, in the event that the vested portion of the Account of any Participant who has previously severed from the employment of all Affiliates is less than or equal to \$1,000, the Retirement Committee may, in its sole discretion and at such time(s) as it may determine, provide that the full vested amount of such benefit will automatically be paid to such Participant in one single-sum, cash-out distribution. In the event a Participant has no vested interest in his Account at the time of his severance from employment, he will be deemed to have received a cash-out distribution of his Account at the time of his severance from employment, and the forfeiture provisions of Section 8.5 will apply.

(3) Participant's Right to Payment. Notwithstanding anything in the Plan to the contrary, unless a Participant elects to further defer the distribution of his benefit or fails to submit a claim for such distribution, in no event will payment of the Participant's benefit be made or commence later than 60 days after the end of the Plan Year which includes the latest of (i) the date on which the Participant attained Normal Retirement Age, (ii) the date which is the 10th anniversary of the date he commenced participation in the Plan, or (iii) the date he actually severs from employment with all Affiliates; provided, if the amount of the payment cannot be ascertained by the date as of which payments are scheduled to be made or commence hereunder, payment will be made or commence no later than 60 days after the earliest date on which such payment can be ascertained under the Plan.

(4) Required Minimum Distributions. Notwithstanding anything in the Plan to the contrary, the Participant's Account will be distributed or commence to be distributed no later than the April 1 following the later of (i) the calendar year in which the Participant attains age 70½, or (ii) the calendar year in which the Participant terminates employment with all Affiliates; provided, if such Participant is a 5 percent owner (as defined in Code Section 416), benefit payments will be made or commence no later than the April 1 following the calendar year in which the Participant attains age 70½. All distributions will be made in accordance with Code Section 401(a)(9), including the incidental benefit rules of Code Section 401(a)(9)(G), Treasury Regulation Sections 1.401(a)(9)-1 through 1.401(a)(9)-9 and any other provisions reflecting Code Section 401(a)(9) that are prescribed by regulation, revenue ruling, notices and other IRS guidance. Any distribution made pursuant to this subsection (b)(4) will be the minimum amount required to satisfy the provisions of Code Section 401(a)(9), unless such Participant elects a distribution in a form permitted under Section 10.4.

(c) Delay Upon Reemployment. If a Participant becomes eligible to receive or begins receiving a benefit payment in accordance with the terms of subsection (a) and subsequently is reemployed by an Affiliate prior to the time his Account has been distributed in full, the distribution to such Participant will be delayed until such Participant again becomes eligible to receive a distribution from the Plan. Notwithstanding the foregoing, if a Participant's benefit payments have commenced in the form of installment payments, payments under such installment payments will not cease but will continue during the period of his reemployment.

(d) Distributions in Military Service. With respect to distributions of his Before-Tax and Roth Accounts, a Participant will be treated as having been severed from employment during any period the Participant is performing Qualified Military Service while on active duty for a period of more than 30 days. If a Participant elects to receive a distribution that would not have been available in the absence of this subsection (d), his Deferral Elections will be suspended during the 6-month period beginning on the date of such distribution; provided however, a Participant who is eligible for a qualified reservist distribution as described in Section 9.7 as well as a distribution under this subsection (d) will be deemed to have elected to receive a qualified reservist distribution under Section 9.7 and his Deferral Elections will not be suspended.

10.2 Death Benefits.

If a Participant dies before payment of his benefits from the Plan is made or commences to be made, the Beneficiary or Beneficiaries designated by such Participant in his latest beneficiary designation form filed with the Retirement Committee in accordance with the terms of Section 10.6 will be entitled to receive a distribution of the total of the entire vested amount credited to such Participant's Account, determined as of the Valuation Date on which the distribution is processed. Benefits will be distributed to such Beneficiary or Beneficiaries in one single-sum distribution (or in the case of a Surviving Spouse who is the Participant's sole primary Beneficiary, the Surviving Spouse may elect to receive partial withdrawals) as soon as administratively feasible after the date of the Participant's death (or, if later, after timing restrictions and requirements under the Code are satisfied); provided however, if the vested portion of the Participant's Account is greater than \$1,000, the Beneficiary or Beneficiaries may request a later distribution in any payment form provided under Section 10.4. In no event will any such distribution be made later than required under Code Section 401(a)(9). The Retirement Committee may direct the Trustee to distribute a Participant's Account to a Beneficiary without the written consent of such Beneficiary.

10.3 Restrictions on Distributions from Before-Tax, Roth, and GPI Employer Match Accounts.

Notwithstanding anything in the Plan to the contrary, (i) amounts in a Participant's Before-Tax, Roth and GPI Employer Match Accounts and (ii) amounts in a Participant's Transfer Accounts relating to (A) before-tax contributions, (B) company contributions used to satisfy the Code Section 401(k) actual deferral percentage test, or (C) company contributions used to satisfy the Code Section 401(m) actual contribution percentage test will not be distributable to such Participant earlier than the earliest of the following to occur:

- (I) The Participant's death or disability;
- (I) The Participant's severance from employment within the meaning of Treasury Regulation Section 1.401(k)-1(d)(2);
- (I) The termination of the Plan, provided that the requirements of Treasury Regulation Section 1.401(k)-1(d)(4) are satisfied;
- (I) The attainment by such Participant of age 59½;
- (I) The Participant's incurrence of a financial hardship; or
- (I) The Participant qualifying for a "qualified reservist distribution" as defined in Code Section 72(t)(2)(G)(iii).

10.4 Forms of Distribution.

(a) Method.

(1) Single-Sum Payment. Except as provided in subsection (a)(2) or (a)(3), the payment of any distribution from the Plan to a Participant or Beneficiary will be in the form of a single-sum payment.

(2) Installments. The Participant or Beneficiary may elect on a form provided by the Retirement Committee, periodic installments made in equal (as adjusted for investment earnings and losses between payments) monthly, quarterly, semiannual, or annual installments over a period certain, subject to the following:

(A) If a Participant selects payment in the form of installments over a period certain, the maximum length thereof will be the joint life expectancy of such Participant and his designated Beneficiary.

(B) If installment payments of a Participant's benefit from the Plan have begun, then at any time thereafter the Participant may elect to receive the remaining Account balance in the form of a single-sum payment.

(C) If a Participant dies after the payment of benefits from the Plan has begun but before his entire benefit has been distributed, his Beneficiary may elect at any time thereafter to receive the remainder of the deceased Participant's vested Account in the form of a single-sum payment or to continue to receive the same installment payments which would have been paid to the deceased Participant if he had survived.

(D) If a Beneficiary who has begun receiving installment payments pursuant to the terms of subsection (a)(2) hereof dies prior to the full payment thereof, the remaining vested amount of the Account balance will be distributed to the estate of such Beneficiary.

(3) Partial Withdrawals. Following his termination of employment, a Participant may elect to receive partial withdrawals of any portion of his vested Account at any time prior to the date payment of the remainder of his Account otherwise commences under Section 10.1.

(b) Direct Rollover Distributions. If a Participant, Surviving Spouse, a spousal alternate payee under a qualified domestic relations order, or Beneficiary who is the recipient of any Eligible Rollover Distribution elects to have such Eligible Rollover Distribution paid directly to an Eligible Retirement Plan and specifies (in such form and at such time as the Retirement Committee may prescribe) the Eligible Retirement Plan to which such distribution is to be paid, such distribution will be made in the form of a direct trustee-to-trustee transfer to the specified Eligible Retirement Plan. For purposes of this provision, a Beneficiary does not include a Beneficiary that is not an individual, except a Beneficiary that is a trust, of which the beneficiaries

are individuals or otherwise meet the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E).

(c) Assets Distributed. Any distribution made to a Participant or Beneficiary will be made in the form of cash; provided, however, to the extent a Participant's or Beneficiary's Account is invested in the Company Stock Fund, the Participant or Beneficiary may elect to receive whole shares of Company Stock, with any fractional shares converted to cash. This subsection (c) shall not preclude a Participant from electing, to the extent permitted by the Loan Rules, a direct rollover of the promissory note for such Participant's loan under the Plan.

10.5 Qualified Domestic Relations Orders.

In the event the Retirement Committee receives a domestic relations order which it determines to be a qualified domestic relations order, the Plan will pay the benefit subject to the qualified domestic relations order to the prescribed alternate payee(s) at such time and in such form as will be described in the qualified domestic relations order and permitted under Section 16.1(b). If the qualified domestic relations order requires immediate payment, the specified benefit will be paid to the alternate payee as soon as practicable after the Retirement Committee determines that the order is qualified or, if later, after timing restrictions and requirements under the Code are satisfied. To the extent consistent with the qualified domestic relations order, the amount of the payment to an alternate payee will include earnings, interest and other investment proceeds through (but not after) the Valuation Date as of which the Trustee processes the distribution. If a Participant's Account is partially paid or payable to an alternate payee, the Participant's remaining portion of his Account will be reduced accordingly and will be subject to the distribution provisions in this Article X. To the extent necessary or appropriate under a qualified domestic relations order, the Retirement Committee will establish a separate account (and any appropriate subaccount) for the benefit of the alternate payee.

10.6 Beneficiary Designation.

(c) General. In accordance with the terms of this Section, Participants will designate and from time to time may redesignate their Beneficiary or Beneficiaries of the benefits described in this Article X in such form and manner as the Retirement Committee may determine. A Participant will be deemed to have named his Surviving Spouse, if any, as his sole primary Beneficiary unless his Spouse consents to the payment of all or a specified portion of the Participant's benefit to a primary Beneficiary other than or in addition to the Surviving Spouse in a manner satisfying the requirements of a Qualified Spousal Waiver and such other procedures as the Retirement Committee may establish. Notwithstanding the foregoing, a married Participant may designate a non-Spouse primary Beneficiary without a Qualified Spousal Waiver (unless otherwise required by a qualified domestic relations order) if the Participant establishes to the satisfaction of the Retirement Committee: (i) that he has no Spouse or that his Spouse cannot be located; (ii) that he is legally separated from his Spouse or that he has been abandoned by his Spouse (within the meaning of local law) and he has a court order to such effect; or (iii) that such other permissible circumstances exist as the Secretary of the Treasury may by regulations prescribe.

(d) No Designation or Designee Dead or Missing. In the event that:

(4) A Participant dies without designating a Beneficiary;

(5) The Beneficiary designated by a Participant is not surviving when a payment is to be made to such person under the Plan, and no contingent Beneficiary has been designated; or

(6) The Beneficiary designated by a Participant cannot be located by the Retirement Committee within the maximum time limit for payment of benefits to such person;

then, in any of such events, the Beneficiary of such Participant will be the Participant's Surviving Spouse, if any, and if not, then the estate of the Participant; provided, if the Participant does not have a Surviving Spouse (or the Surviving Spouse cannot be located within a reasonable period after the Participant's death), and no claim has been made on behalf of the Participant's estate within a reasonable period of time after the Participant's death, then, to the extent any individual(s), whom the Retirement Committee in its sole discretion determines to be heirs and/or relatives of the deceased Participant, make an affirmative claim for payment of the deceased Participant's Account, the Retirement Committee in its sole discretion may determine that the Beneficiary will be some or all of such heirs and/or relatives of the Participant, and payment to such Beneficiary will be deemed in full satisfaction of the Participant's benefits under the Plan, without further liability with respect to such Participant's benefits on the part of the Plan, any Participating Company, the Retirement Committee or the Trustee. Notwithstanding the foregoing, in no event will the Retirement Committee have any obligation to search for any heirs or relatives of the deceased Participant, whether by publication or otherwise.

10.7 Forfeiture of Benefits by Certain Individuals.

Notwithstanding anything to the contrary in the Plan, no payment of benefits will be made under any provision of the Plan to any individual with respect to whom such amount would otherwise be payable if, by virtue of such individual's involvement in the death of the Participant or Beneficiary, such individual's entitlement to any interest in assets of the deceased could be denied (whether or not there is in fact any such entitlement) under any applicable law, state or federal, including without limitation laws governing intestate succession, wills, jointly-owned property, bonds, and life insurance. For purposes of the Plan, any such individual will be deemed to have predeceased the Participant or Beneficiary, as applicable. The Retirement Committee may withhold distribution of benefits otherwise payable under the Plan for such period of time as is necessary or appropriate under the circumstances to make a determination with regard to the application of this Section.

10.8 Claims.

(j) Rights. If a Participant or beneficiary has any grievance, complaint or claim concerning any aspect of the operation or administration of the Plan or Trust, including but not limited to claims for benefits and complaints concerning the investments of Plan assets (collectively

referred to herein as “claim” or “claims”), the Participant or beneficiary will submit the claim in accordance with the procedures set forth in this Section. All such claims must be submitted within the “applicable limitations period.” The “applicable limitations period” will be 18 months, beginning on (i) in the case of any lump-sum payment, the date on which the payment was made, (ii) in the case of a periodic payment, the date of the first in the series of payments, or (iii) for all other claims, the date on which the action complained of occurred. Additionally, upon denial of an appeal pursuant to subsection (c) hereof, a Participant or beneficiary will have 90 days within which to bring suit against the Plan for any claim related to such denied appeal; any such suit initiated after such 90-day period will be precluded.

(k) Procedure. Claims for benefits under the Plan may be filed with the Retirement Committee on forms supplied by the Retirement Committee or in any other format acceptable to the Retirement Committee in its discretion. The Retirement Committee will furnish to the claimant written notice of the disposition of a claim within 90 days after the application therefor is filed; provided, if special circumstances require an extension of time for processing the claim, the Retirement Committee will furnish written notice of the extension to the claimant prior to the end of the initial 90-day period, and such extension will not exceed one additional, consecutive 90-day period. In the event the claim is denied, the notice of the disposition of the claim will provide the specific reasons for the denial, cite the pertinent provisions of the Plan, an explanation as to how the claimant can perfect the claim and/or submit the claim for review (where appropriate), and a statement of the claimant’s right to bring a civil action under ERISA Section 502(a) following an adverse determination on review.

(l) Review Procedure. Any Participant or beneficiary who has been denied a benefit, or his duly authorized representative, will be entitled, upon request to the Retirement Committee, to appeal the denial of his claim in accordance with this subsection. The claimant or his duly authorized representative may review pertinent documents related to the Plan and in the Retirement Committee’s possession, free of charge, in order to prepare the appeal. The form containing the request for review, together with a written statement of the claimant’s position, must be filed with the Retirement Committee no later than 60 days after receipt of the written notification of denial of a claim provided for in subsection (b) hereof. The Retirement Committee’s decision will be made within 60 days following the filing of the request for review and will be communicated in writing to the claimant; provided, if special circumstances require an extension of time for processing the appeal, the Retirement Committee will furnish written notice to the claimant prior to the end of the initial 60-day period, and such an extension will not exceed one additional 60-day period. If unfavorable, the notice of decision will explain the reason or reasons for denial, indicate the provisions of the Plan or other documents used to arrive at the decision, and state the claimant’s right to bring a civil action under ERISA Section 502(a).

(m) Satisfaction of Claims. Any payment to a Participant or beneficiary, or to his legal representative or heirs at law, all in accordance with the provisions of the Plan, will to the extent thereof be in full satisfaction of all claims hereunder against the Trustee, the Retirement Committee, and the Participating Companies, any of whom may require such Participant, beneficiary, legal representative or heirs at law, as a condition to such payment, to execute a receipt and release therefor in such form as will be determined by the Trustee, the Retirement Committee

or the Participating Companies, as the case may be. If receipt and release are required but execution by such Participant, beneficiary, legal representative or heirs at law is not accomplished so that the terms of Section 10.1(b) (dealing with the timing of distributions) may be fulfilled, such benefits may be distributed or paid into any appropriate court or to such other place as such court directs, for disposition in accordance with the order of such court, and such distribution will be deemed to comply with the requirements of Section 10.1(b).

10.9 Explanation of Rollover Distributions.

Within a reasonable period of time [as defined for purposes of Code Section 402(f)] before making an Eligible Rollover Distribution (which may include certain withdrawals permitted under Article IX) from the Plan to a Participant or beneficiary, the Retirement Committee will provide such Participant or beneficiary with a written explanation of (i) the provisions under which the distributee may have the distribution directly transferred to another Eligible Retirement Plan, (ii) the provisions which require the withholding of tax on the distribution if it is not directly transferred to another Eligible Retirement Plan, (iii) the provisions under which the distribution will not be subject to tax if transferred to an Eligible Retirement Plan within 60 days after the date on which the distributee receives the distribution, and (iv) such other terms and provisions as may be required under Code Section 402(f) and the regulations thereunder. In addition, effective for Plan Years beginning after December 31, 2006, such written explanation will also describe the consequences of the Participant's failing to defer the receipt of such distribution.

10.10 Unclaimed Benefits.

In the event a Participant or beneficiary becomes entitled to benefits under this Article X and the Retirement Committee is unable to locate such Participant or beneficiary after such diligent efforts as the Retirement Committee in its sole discretion deems appropriate and within 3 years of the date upon which he became so entitled, the full Account of such Participant or beneficiary will be deemed abandoned and treated as a Forfeiture; provided, in the event such Participant or beneficiary is located or makes a claim subsequent to the allocation of the abandoned Account, the amount of such abandoned Account (unadjusted for any investment gains or losses from the time of abandonment) will be restored (from abandoned Accounts, Forfeitures, Trust earnings or Contributions made by the Participating Companies) to such Participant or beneficiary, as appropriate; provided further, the Retirement Committee, in its sole discretion, may delay the deemed date of abandonment of any such Account for a period longer than the prescribed 3 years if it believes that it is in the best interest of the Plan to do so; and, provided further, if the distribution is payable upon termination of the Plan, the Retirement Committee will not be required to wait until the end of such 3 year period.

10.11 Recovery of Mistaken Payments.

If any benefit is paid to a Participant or beneficiary in an amount that is greater than the amount payable under the terms of the Plan, the Plan will recover the excess benefit amount by eliminating or reducing the Participant's or beneficiary's future benefit payments. If no further benefits are payable to the Participant or beneficiary under the Plan, the Retirement Committee, in

its discretion, may employ such means as are available under applicable law to recover the excess benefit amount from the Participant or beneficiary.

10.12 Recordkeeper Transition Rule.

For purposes of effectuating a change in the Plan's recordkeeper, and notwithstanding anything contained in this Article X to the contrary, the Retirement Committee may designate a period during which no distributions will be permitted.

**ARTICLE XI
ADMINISTRATION**

11.1 Retirement Committee.

(a) Adoption of Charter. The Board may adopt a Charter which sets forth procedures regarding the governance and maintenance of the Retirement Committee and, to the extent not inconsistent with the Plan, the rights, duties, responsibilities of the Retirement Committee with respect to the Plan.

(b) Retirement Committee. The Retirement Committee will have all rights, duties, and responsibilities as provided in the Charter and the Plan, and will be governed and maintained in accordance with, the Charter.

11.2 Powers and Responsibility.

(d) Fiduciary Responsibilities. The Retirement Committee will fulfill the duties of “administrator” as set forth in ERISA Section 3(16) and will have complete control of the administration of the Plan hereunder, with all powers necessary to enable it properly to carry out its duties as set forth in the Charter, the Plan, and the Trust Agreement. The Retirement Committee, acting in its role as a Named Fiduciary, will have the following duties and responsibilities:

- (7) To construe the Plan and to determine all questions that arise hereunder;
- (8) To have all administrative powers elsewhere herein conferred upon it;
- (9) To decide all questions relating to the eligibility of Employees to participate in the benefits of the Plan;
- (10) To determine the benefits of the Plan to which any Participant or Beneficiary may be entitled;
- (11) To make factual findings with respect to claims for benefits;
- (12) To maintain and retain records relating to Participants and Beneficiaries;
- (13) To prepare and furnish to Participants all information required under federal law or provisions of the Plan to be furnished to them;
- (14) To prepare and furnish to the Trustee sufficient employee data and the amount of Contributions received from all sources so that the Trustee may maintain separate accounts for Participants and Beneficiaries and make required payments of benefits;

(15) To prepare and file or publish with the Secretary of Labor, the Secretary of the Treasury, their delegates and all other appropriate government officials all reports and other information required under law to be so filed or published;

(16) As permitted in the Trust Agreement, to provide directions to the Trustee with respect to methods of benefit payment, and all other matters where called for in the Plan or requested by the Trustee;

(17) To engage assistants and professional advisers;

(18) To arrange for fiduciary bonding;

(19) To provide procedures for determination of claims for benefits;

(20) To designate, from time to time, the Trustee; and

(21) To delegate any recordkeeping or other administrative duties hereunder to any other person or third-party;

all as further set forth herein.

(e) Other Powers. In addition to serving as administrator of the Plan, the Retirement Committee has been vested with the authority to take certain actions on behalf of the Controlling Company as settlor of the Plan, including the authority to grant service with predecessor employers, and to establish special eligibility rules. In exercising such authority and in taking any other action on behalf of the Controlling Company as settlor of the Plan, the Retirement Committee will not be deemed to be acting as a Plan fiduciary.

11.3 Construction of the Plan.

The Retirement Committee will take such steps as are considered necessary and appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as the consequence of an administrative error. Such remedial steps may include, but are not limited to, taking any voluntary corrective action under any correction program available through the Internal Revenue Service, the Department of Labor or other administrative agency. The Retirement Committee, in its sole and full discretion, will interpret the Plan and will determine the questions arising in the administration, interpretation and application of the Plan. The Retirement Committee will endeavor to act, whether by general rules or by particular decisions, so as not to discriminate in favor of or against any person and so as to treat all persons in similar circumstances uniformly. The Retirement Committee will correct any defect, reconcile any inconsistency or supply any omission with respect to the Plan.

11.4 Assistants and Advisors.

(i) Engaging Advisors. The Retirement Committee will have the right to hire, at the expense of the Controlling Company (to be divided equitably among the Participating Companies), such professional assistants and consultants as it, in its sole discretion, deems necessary

or advisable. To the extent that the costs for such assistants and advisors are not so paid by the Controlling Company, they will be paid at the direction of the Retirement Committee from the Trust Fund as an expense of the Trust Fund.

(j) Reliance on Advisors. The Retirement Committee and the Participating Companies will be entitled to rely upon all certificates and reports made by an accountant, attorney or other professional adviser selected pursuant to this Section; the Retirement Committee, the Participating Companies, and the Trustee will be fully protected in respect to any action taken by them in good faith in reliance upon the advice or opinion of any such accountant, attorney or other professional adviser; and any action so taken will be conclusive upon each of them and upon all other persons interested in the Plan.

11.5 Investment Committee.

(e) Adoption of Charter. The Board may adopt a Charter which sets forth procedures regarding the governance and maintenance of the Investment Committee and, to the extent not inconsistent with the Plan, the rights, duties, responsibilities of the Investment Committee with respect to the Plan.

(f) Duties. The Investment Committee will have the following responsibility and authority, in addition to that contained in the Charter:

(22) To appoint one or more persons to serve as investment manager with respect to all or part of the Plan assets, including assets maintained under separate accounts of an insurance company;

(23) To allocate the responsibility and authority being carried out by the Investment Committee among the members of the Investment Committee;

(I) To take any action appropriate to ensure that the Plan assets are invested for the exclusive purpose of providing benefits to Participants and beneficiaries in accordance with the Plan and defraying reasonable expenses of administering the Plan, subject to the requirements of any applicable law; and

(I) To employ one or more persons to render advice with respect to any responsibility or authority being carried out by the Investment Committee. To the extent that the costs for such assistants and advisors are not paid by a Participating Company, they will be paid at the direction of the Investment Committee from the Trust Fund as an expense of the Trust Fund.

11.6 Direction of Trustee.

The Investment Committee will have the power to provide the Trustee with general investment policy guidelines and directions to assist the Trustee respecting investments made in compliance with, and pursuant to, the terms of the Plan.

11.7 Indemnification.

The Retirement Committee and the Investment Committee and each member of those committees will be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the Trust, including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan or the Trust, and any and all amounts paid in any compromise or settlement relating to the Plan or the Trust, except for actions or failures to act made in bad faith. The foregoing indemnification shall be made from the assets of the Plan, to the extent permitted under applicable law, otherwise from the assets of the Controlling Company.

ARTICLE XII
ALLOCATION OF AUTHORITY AND RESPONSIBILITIES

12.1 Controlling Company.

(f) General Responsibilities. The Controlling Company, as Plan sponsor, will have the following authority and responsibilities:

(24) To appoint the Trustee, the Retirement Committee and the Investment Committee and to monitor each of their performances;

(25) To communicate such information to the Trustee, the Retirement Committee and/or the Investment Committee as each needs for the proper performance of its duties;

(26) To provide channels and mechanisms through which the Retirement Committee and/or the Trustee can communicate with Participants and Beneficiaries; and

(27) To terminate the Plan.

In addition, the Controlling Company will perform such duties as are imposed by law or by regulation and will serve as plan administrator in the absence of an appointed Retirement Committee.

(g) Authority of Participating Companies. Notwithstanding anything herein to the contrary, and in addition to the authority and responsibilities specifically given to the Participating Companies in the Plan, the Controlling Company, in its sole discretion, may grant the Participating Companies such authority and charge them with such responsibilities as the Controlling Company deems appropriate.

12.2 Retirement Committee.

(d) General Responsibilities. The Retirement Committee will have the authority and responsibilities imposed by Article XI and the Charter. With respect to its authority and responsibilities described in Section 11.2(a), the Retirement Committee will be a Named Fiduciary. The Retirement Committee will have no authority or responsibilities other than as granted in the Charter, the Plan, or as imposed as a matter of law.

(e) Allocation of Authority. In the event any of the areas of authority and responsibilities of the Retirement Committee overlap with that of any other Plan fiduciary, the Retirement Committee will coordinate with such other fiduciaries the execution of such authority and responsibilities; provided, the decision of the Retirement Committee with respect to such authority and responsibilities ultimately will be controlling.

12.3 Investment Committee.

The Investment Committee will be a Named Fiduciary with respect to its authority and responsibilities, as imposed by Article XI and the Charter. The Investment Committee will have no authority or responsibilities other than those granted in the Charter, the Plan, and the Trust.

12.4 Trustee.

The Trustee will be a fiduciary with respect to investment of Trust Fund assets and will have the powers and duties set forth in the Trust Agreement.

12.5 Limitations on Obligations of Fiduciaries.

No fiduciary will have authority or responsibility to deal with matters other than as delegated to it under the Plan, under the Trust Agreement or by operation of law. A fiduciary will not in any event be liable for breach of fiduciary responsibility or obligation by another fiduciary (including Named Fiduciaries) if the responsibility or authority for the act or omission deemed to be a breach was not within the scope of such fiduciary's authority or delegated responsibility.

12.6 Delegation.

Named Fiduciaries will have the power to delegate specific fiduciary responsibilities (other than Trustee responsibilities). Such delegations may be to officers or Employees of a Participating Company or to other persons, all of whom will serve at the pleasure of the Named Fiduciary making such delegation. Any such person may resign by delivering a written resignation to the delegating Named Fiduciary. Vacancies created by any reason may be filled by the appropriate Named Fiduciary or the assigned responsibilities may be assumed or redelegated by the Named Fiduciary.

12.7 Multiple Fiduciary Roles.

Any person may hold more than one position of fiduciary responsibility and will be liable for each such responsibility separately.

**ARTICLE XIII
AMENDMENT, TERMINATION AND ADOPTION**

13.1 Amendment.

The provisions of the Plan may be amended at any time and from time to time by the Board (or, to the extent provided in the Charter, the Retirement Committee); provided:

(I) No amendment will increase the duties or liabilities of the Trustee without the consent of such party;

(I) Except as permitted by applicable laws, no amendment will decrease the balance or vested percentage of an Account or eliminate an optional form of benefit; and

(I) The Board reserves the right to delegate its amendment authority under this Section to an officer or officers of Graphic Packaging Holding Company or the Controlling Company, or to the Retirement Committee or a member of the Retirement Committee.

13.2 Termination.

(k) Right to Terminate. The Controlling Company expects the Plan to be continued indefinitely, but it reserves the right to terminate the Plan or to completely discontinue Contributions to the Plan at any time by action of the Board. In either event, the Retirement Committee, Investment Committee, each Participating Company and the Trustee will be promptly advised of such decision in writing. [For termination of the Plan by a Participating Company as to itself (rather than the termination of the entire Plan) refer to Section 13.3(e).]

(l) Vesting Upon Complete Termination. If the Plan is terminated by the Controlling Company or Contributions to the Plan are completely discontinued, the Accounts of all Participants, Beneficiaries or other successors in interest as of such date will become 100 percent vested and nonforfeitable. Upon termination of the Plan, the Retirement Committee, in its sole discretion, will instruct the Trustee either (i) to continue to manage and administer the assets of the Trust for the benefit of the Participants and their Beneficiaries pursuant to the terms and provisions of the Trust Agreement, or (ii) to the extent permissible under applicable law, pay over to each Participant the value of his interest in a single-sum payment and to thereupon dissolve the Trust.

(m) Dissolution of Trust. In the event that the Retirement Committee decides to dissolve the Trust, as soon as practicable following the termination of the Plan or the Retirement Committee's decision, whichever is later, the assets under the Plan will be converted to cash or other distributable assets, to the extent necessary to effect a complete distribution of the Trust assets as described hereinbelow. Following completion of the conversion, on a date selected by the Retirement Committee, each individual with an Account under the Plan on such date will receive a distribution of the total amount then credited to his Account. The amount of cash and other property distributable to each such individual will be determined as of the date of distribution (treating, for this purpose, such distribution date as the Valuation Date as of which the distributable amount is determined). In the case of a termination distribution as provided herein, the Retirement

Committee may direct the Trustee to take any action provided in Section 10.10 (dealing with unclaimed benefits), except that it will not be necessary to hold funds for any period of time stated in such Section. Within the expense limitations set forth in the Plan, the Retirement Committee may direct the Trustee to use assets of the Trust Fund to pay any due and accrued expenses and liabilities of the Trust and any expenses involved in termination of the Plan (other than expenses incurred for the benefit of the Participating Companies). Notwithstanding anything in the Plan to the contrary, upon termination of the Plan, the Retirement Committee may elect to transfer a missing Participant's or beneficiary's Account to the Pension Benefit Guaranty Corporation established by ERISA Section 4002, as permitted under ERISA Section 4050(d).

(n) Vesting Upon Partial Termination. In the event of a partial termination of the Plan [as provided in Code Section 411(d)(3)], the Accounts of those Participants and Beneficiaries affected will become 100 percent vested and nonforfeitable and, unless transferred to another qualified plan, will be distributed in a manner and at a time consistent with the terms of Article X.

13.3 Adoption of the Plan by a Participating Company.

(g) Procedures for Participation. As of the Effective Date, the Controlling Company will be a Participating Company in the Plan. The Retirement Committee may designate any other Affiliate as a Participating Company. The name of each Participating Company, along with the effective date of its participation, may be recorded in the records of the Retirement Committee.

(h) Single Plan. The Plan will be considered a single plan for purposes of Treasury Regulation Section 1.414(l)-1(b)(1). All assets contributed to the Plan by the Participating Companies will be available to pay benefits to all Participants and Beneficiaries. Nothing contained herein will be construed to prohibit the separate accounting of assets contributed by the Participating Companies for purposes of cost allocation, Contributions, Forfeitures and other purposes, pursuant to the terms of the Plan and as directed by the Retirement Committee.

(i) Authority under Plan. As long as a Participating Company's designation as such remains in effect, such Participating Company will be bound by, and subject to, all provisions of the Plan and the Trust. The exclusive authority to amend the Plan and the Trust will be vested in the Board or its designee under Section 13.1(c), and no other Participating Company will have any right to amend the Plan or the Trust. Any amendment to the Plan or the Trust adopted by the Board or its designee will be binding upon every Participating Company without further action by such Participating Company.

(j) Contributions to Plan. A Participating Company will be required to make Contributions to the Plan at such times and in such amounts as specified in Articles III and VI. The Contributions made (or to be made) to the Plan by the Participating Companies will be allocated between and among such companies in whatever equitable manner or amounts as the Retirement Committee will determine.

(k) Withdrawal from Plan. The Retirement Committee may terminate the designation of a Participating Company, effective as of any date. A company's status as a Participating Company automatically will cease as of the date it ceases to be an Affiliate. Any such Participating Company which ceases to be a Participating Company will be liable for all costs and liabilities (whether imposed under the terms of the Plan, the Code or ERISA) accrued, with respect to its Employees, through the effective date of its withdrawal or termination. The withdrawing or terminating Participating Company will have no right to direct that assets of the Plan be transferred to a successor plan for its Employees unless such transfer is approved by the Controlling Company or Retirement Committee in its sole discretion.

13.4 Merger, Consolidation and Transfer of Assets or Liabilities.

In the event of any merger or consolidation of the Plan with, or transfer of assets or liabilities of the Plan to, any other plan, each Participant and beneficiary will have a plan benefit in the surviving or transferee plan (determined as if such plan were then terminated immediately after such merger, consolidation or transfer of assets or liabilities) that is equal to or greater than the benefit he would have been entitled to receive under the Plan immediately before such merger, consolidation or transfer of assets or liabilities, if the Plan had terminated at that time.

ARTICLE XIV
TOP-HEAVY PROVISIONS

14.1 Top-Heavy Plan Years.

The provisions set forth in this Article XIV will become effective for any Plan Years with respect to which the Plan is determined to be a Top-Heavy Plan and will supersede any other provisions of the Plan which are inconsistent with these provisions; provided, if the Plan is determined not to be a Top-Heavy Plan in any Plan Year subsequent to a Plan Year in which the Plan was a Top-Heavy Plan, the provisions of this Article XIV will not apply with respect to such subsequent Plan Year; provided further, the provisions of this Article XIV will not apply with respect to any Plan Year, in which the Plan consists solely of a cash or deferred arrangement which meets the requirements of Code Section 401(k)(12) or 401(k)(13) and matching contributions with respect to which the requirements of Code Section 401(m)(11) or 401(m)(12) are met; and, provided further, to the extent that any of the requirements of this Article XIV are no longer be required under Code Section 416 or any other Section of the Code, such requirements will be of no force or effect.

14.2 Determination of Top-Heavy Status.

(l) Application. The Plan will be considered a Top-Heavy Plan for a Plan Year if either:

(I) The Plan is not part of a Required Aggregation Group or a Permissive Aggregation Group and, as of the Determination Date of such Plan Year, the value of the Accounts of the Participants who are Key Employees under the Plan exceeds 60 percent of the value of the Accounts of all Participants (as determined in accordance with Code Section 416 and the regulations thereunder); or

(I) The Plan is part of a Required Aggregation Group which, as of the Determination Date of such Plan Year, is a Top-Heavy Group;

provided, the Plan will not be considered a Top-Heavy Plan for a Plan Year under subsection (a)(2) hereof if the Plan also is part of a Permissive Aggregation Group which is not a Top-Heavy Group for such Plan Year.

(m) Special Definitions.

(1) Determination Date. The term "Determination Date" means (i) in the case of the Plan Year that includes the original effective date of the Plan, the last day of such Plan Year (ii) with respect to any other Plan Year of the Plan, the last day of the immediately preceding Plan Year, and (iii) for any plan year of each other qualified plan maintained by a Participating Company or Affiliate which is part of a Required or Permissive Aggregation Group, the date determined under clause (i) or (ii) above as if the term "Plan Year" means the plan year for each such other qualified plan. The value of any account balance under any Defined Contribution Plan will be determined as of the most recent valuation date that falls within, or ends with, the 12-month period ending on the

Determination Date or, if plans are aggregated, the Determination Dates that fall within the same calendar year.

(2) Key Employee. The term “Key Employee” means an Employee defined in Code Section 416(i) and the regulations thereunder.

(3) Non-Key Employee. The term “Non-Key Employee” means any Employee who is not a Key Employee. For purposes hereof, former Key Employees will be treated as Non-Key Employees.

(4) Permissive Aggregation Group. The term “Permissive Aggregation Group” means a Required Aggregation Group and any other qualified plan or plans maintained or contributed to by an Affiliate which, when considered with the Required Aggregation Group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(5) Required Aggregation Group. The term “Required Aggregation Group” means a group of plans of the Affiliates consisting of (i) each plan which, for such Plan Year or any of the 4 preceding Plan Years, qualifies under Code Section 401(a) and in which a Key Employee is a participant, and (ii) each other plan which, during this 5-year period, qualifies under Code Section 401(a) and which enables any plan described in clause (i) hereof to satisfy the requirements of Code Section 401(a)(4) or 410.

(6) Top-Heavy Group. The term “Top-Heavy Group” means a Required or Permissive Aggregation Group with respect to which the aggregate of the accounts of Key Employees under all Defined Contribution Plans included in such group (determined as of a Determination Date), exceeds 60 percent of a similar sum determined for all Employees.

14.3 Top-Heavy Minimum Contribution.

(a) Multiple Defined Contribution Plans. For any Plan Year in which the Plan is a Top-Heavy Plan, the aggregate company Contributions (when added to similar contributions made under other Defined Contribution Plans) allocated to the Account of any Active Participant who is a Non-Key Employee will not be less than the Defined Contribution Minimum. To the extent that the company Contributions are less than the Defined Contribution Minimum, additional company Contributions will be provided under the Plan. For purposes hereof, a Non-Key Employee will not fail to receive a minimum contribution hereunder for a Plan Year because (i) such Non-Key Employee fails to complete 1,000 Hours of Service for such Plan Year or (ii) such Non-Key Employee is excluded from participation (or receives no allocation) merely because his Compensation is less than a stated amount or because he failed to make a Deferral Election for such Plan Year.

(b) Defined Contribution and Benefit Plans. In the event that Non-Key Employees are covered under both the Plan and one or more Defined Benefit Plans maintained by an Affiliate, the minimum contribution level set forth in subsection (a) hereof will be satisfied if

each such Non-Key Employee receives a benefit level under such Defined Contribution and Defined Benefit Plans which is not less than the Defined Benefit Minimum offset by any benefits provided under the Plan and any other Defined Contribution Plans maintained by any Affiliate.

(c) Defined Contribution Minimum. The term “Defined Contribution Minimum” means, with respect to the Plan, a minimum level of company Contributions allocated with respect to a Plan Year to the Account of each Active Participant who is a Non-Key Employee; such level being the lesser of:

(28) 3 percent of such Active Participant’s Compensation for such Plan Year; or

(29) The highest percentage of Compensation at which company Contributions are made, or are required to be made, under the Plan for such Plan Year for any Key Employee.

For purposes of this subsection (b), (i) qualified nonelective contributions made by the Controlling Company in order to satisfy the anti-discrimination tests of Code Section 401(k) or Section 401(m) may be treated as company Contributions, (ii) Tax-Deferred Contributions (other than Catch-up Contributions) and Matching Contributions will be taken into account as company Contributions for Key Employees, (iii) Matching Contributions (including matching contributions made under a plan that consists solely of a cash or deferred arrangement which meets the requirements of Code Section 401(k)(12) or 401(k)(13) and matching contributions with respect to which the requirements of Code Section 401(m)(11) or 401(m)(12) are met) may be treated as company Contributions and may be taken into account for satisfying the minimum contribution requirement for Non-Key Employees, and (iv) Tax-Deferred Contributions will not be taken into account for satisfying the minimum contribution requirement for Non-Key Employees.

(d) Defined Benefit Minimum. The term “Defined Benefit Minimum” means, with respect to a Defined Benefit Plan, a minimum level of accrued benefit derived from employer contributions with respect to a plan year for each participant who is a Non-Key Employee; such level, when expressed as an annual retirement benefit, being not less than the product of (1) and (2), where:

(30) Equals the Non-Key Employee’s average Compensation for the period of consecutive years (not exceeding 5) when such Non-Key Employee had the highest aggregate Compensation from all Affiliates; and

(31) Equals the lesser of (i) 2 percent times such Non-Key Employee’s number of years of service or (ii) 20 percent.

For purposes of determining the Defined Benefit Minimum, “years of service” will not include any year of service if the plan was not a Top-Heavy Plan for the plan year ending during such year of service and will not include any years of service completed in a plan year beginning before January 1, 1984. Compensation in years before January 1, 1984, and Compensation in years after the close of the last plan year in which the plan is a Top-Heavy Plan will be disregarded. All accruals of

employer-provided benefits, whether or not attributable to years for which the Plan is top-heavy, may be used in determining whether the minimum contribution requirements set forth in this Section are satisfied.

14.4 Top-Heavy Minimum Vesting.

The vesting schedules set forth in Section 8.1 satisfy the top-heavy minimum vesting requirements.

14.5 Construction of Limitations and Requirements.

The descriptions of the limitations and requirements set forth in this Article XIV are intended to serve as statements of the minimum legal requirements necessary for the Plan to remain qualified under the applicable terms of the Code. The Participating Companies do not desire or intend, and the terms of this Article XIV will not be construed, to impose any more restrictions on the operation of the Plan than required by law. Therefore, the terms of this Article XIV and any related terms and definitions in the Plan will be interpreted and operated in a manner which imposes the least restrictions on the Plan.

ARTICLE XV
TRANSFERS

15.1 Transfers with the GPI Hourly Savings Plan.

(n) Transfers from the GPI Savings Plan. If a participant in the GPI Hourly Savings Plan becomes a Participant under the Plan, the provisions of the Plan shall apply to such Participant on and after the date the Participant becomes covered under the Plan. However, the accounts of the Participant under the GPI Hourly Savings Plan as of the date of transfer shall remain in the GPI Hourly Savings Plan and continue to be administered in accordance with the provisions of that plan.

(o) Transfers to the GPI Savings Plan. If a Participant under the Plan becomes a participant under the GPI Hourly Savings Plan, the provisions of the GPI Hourly Savings Plan shall apply to such Participant on and after the date the Participant becomes covered under the GPI Hourly Savings Plan. However, the Accounts of the Participant under the Plan as of the date of transfer shall remain in the Plan and continue to be administered in accordance with the provisions of the Plan.

**ARTICLE XVI
MISCELLANEOUS**

16.1 Nonalienation of Benefits and Spendthrift Clause.

(e) General Nonalienation Requirements. Except to the extent permitted by law and as provided in subsection (b), (c) or (d) hereof, none of the Accounts, benefits, payments, proceeds or distributions under the Plan will be subject to the claim of any creditor of a Participant or beneficiary or to any legal process by any creditor of such Participant or beneficiary; and neither such Participant nor beneficiary will have any right to alienate, commute, anticipate or assign any of the Accounts, benefits, payments, proceeds or distributions under the Plan except to the extent expressly provided herein.

(f) Exception for Qualified Domestic Relations Orders.

(32) The nonalienation requirements of subsection (a) hereof will apply to the creation, assignment or recognition of a right to any benefit, payable with respect to a Participant pursuant to a domestic relations order, unless such order is (i) determined to be a qualified domestic relations order, as defined in Code Section 414(p), entered on or after January 1, 1985, or (ii) any domestic relations order, as defined in Code Section 414(p), entered before January 1, 1985, pursuant to which the Plan or a transferor plan was paying benefits on January 1, 1985. The Retirement Committee will establish reasonable written procedures to determine the qualified status of a domestic relations order. Further, to the extent provided under a qualified domestic relations order, a former Spouse of a Participant will be treated as the Spouse or Surviving Spouse for all purposes under the Plan.

(33) The Retirement Committee will establish reasonable procedures to administer distributions under qualified domestic relations orders which are submitted to it. If the amount payable to any alternate payee under a qualified domestic relations order is less than or equal to \$1,000, the Retirement Committee will direct the Trustee to pay, in a single-sum payment, the full amount of the benefit payable to any alternate payee under a qualified domestic relations order. If the terms of a qualified domestic relations order do not permit an immediate cash-out payment, the benefits will be paid to the alternate payee in accordance with the terms of such order and the applicable terms of the Plan. If the amount payable to any alternate payee under a qualified domestic relations order exceeds \$1,000, unless the order provides otherwise, the alternate payee may request a distribution at any time, but no later than the last day of the calendar year in which the Participant attains age 70½. Payments to alternate payees under this Section will be made as soon as practicable after the Retirement Committee determines that a domestic relations order is a qualified domestic relations order, or if later, when the terms of the qualified domestic relations order permit such a distribution. (See also Section 10.5.)

(g) Exception for Loans from the Plan. All loans made by the Trustee to any Participant or beneficiary will be secured by a pledge of the borrower's interest in the Plan.

(h) Exception for Crimes Against the Plan. The nonalienation requirements of subsection (a) hereof will not apply to any offset of a Participant's Account, benefit, payments, proceeds or distributions under the Plan against an amount that the Participant is ordered or required to pay to the Plan if:

(34) The order or requirement to pay arises, on or after August 5, 1997, (i) under a judgment of conviction for a crime involving the Plan; (ii) under a civil judgment (including a consent order or decree) entered by a court in an action brought in connection with a violation (or alleged violation) of Part 4 of Subtitle B of Title I of ERISA; or (iii) pursuant to a settlement agreement between the Secretary of Labor and the Participant, or a settlement agreement between the Pension Benefit Guaranty Corporation and the Participant, in connection with a violation (or alleged violation) of Part 4 of such Subtitle by a fiduciary or any other person; and

(35) The judgment, order, decree, or settlement agreement expressly provides for the offset of all or part of the amount ordered or required to be paid to the Plan against the Participant's benefits provided under the Plan.

16.2 Headings.

The headings and subheadings in the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

16.3 Construction, Controlling Law.

In the construction of the Plan, the masculine will include the feminine and the feminine the masculine, and the singular will include the plural and the plural the singular, in all cases where such meanings would be appropriate. Unless otherwise specified, any reference to a Section, subsection or Article will be interpreted as a reference to a Section, subsection or Article of the Plan, as applicable. The Plan will be construed in accordance with the laws of the State of Georgia and applicable federal laws.

16.4 Legally Incompetent.

The Retirement Committee may in its discretion direct that payment be made and the Trustee will make payment on such direction, directly to an incompetent or disabled person, whether incompetent or disabled because of minority or mental or physical disability, or to the guardian of such person or to the person having legal custody of such person or to such other person as the Retirement Committee may otherwise determine, without further liability with respect to or in the amount of such payment either on the part of any Participating Company, the Retirement Committee or the Trustee.

16.5 Title to Assets, Benefits Supported Only By Trust Fund.

No Participant or beneficiary will have any right to, or interest in, any assets of the Trust Fund upon termination of his employment or otherwise, except as provided from time to time

under the Plan, and then only to the extent of the benefits payable under the Plan to such Participant or beneficiary out of the assets of the Trust Fund. Any person having any claim under the Plan will look solely to the assets of the Trust Fund for satisfaction. The foregoing sentence notwithstanding, each Participating Company will indemnify and save any of its officers, members of its board of directors or agents, and each of them, harmless from any and all claims, loss, damages, expense and liability arising from their responsibilities in connection with the Plan and from acts, omissions and conduct in their official capacity, except to the extent that such effects and consequences will result from their own willful misconduct or gross negligence.

16.6 Legal Action.

In any action or proceeding involving the assets held with respect to the Plan or Trust Fund or the administration thereof, the Participating Companies, the Retirement Committee and the Trustee will be the only necessary parties and no Participants, Employees, or former Employees, their Beneficiaries or any other person having or claiming to have an interest in the Plan will be entitled to any notice of process; provided, such notice as is required by the Internal Revenue Service and the Department of Labor to be given in connection with Plan amendments, termination, curtailment or other activity will be given in the manner and form and at the time so required. Any final judgment which is not appealed or appealable that may be entered in any such action or proceeding will be binding and conclusive on the parties hereto, the Retirement Committee and all persons having or claiming to have an interest in the Plan.

16.7 Exclusive Benefit; Refund of Contributions.

No part of the Trust Fund will be used for or diverted to purposes other than the exclusive benefit of the Participants and Beneficiaries, subject, however, to the payment of all costs of maintaining and administering the Plan and Trust. Notwithstanding the foregoing, Contributions to the Trust by a Participating Company may be refunded to the Participating Company under the following circumstances and subject to the following limitations:

(a) Permitted Refunds. If and to the extent permitted by the Code and other applicable laws and regulations thereunder, upon the Participating Company's request, a Contribution which is (i) made by a mistake in fact, or (ii) conditioned upon the deductibility of the Contribution under Code Section 404, will be returned to the Participating Company making the Contribution within 1 year after the payment of the Contribution or the disallowance of the deduction (to the extent disallowed), whichever is applicable.

(b) Payment of Refund. If any refund is paid to a Participating Company hereunder, such refund will be made without interest or other investment gains, will be reduced by any investment losses attributable to the refundable amount and will be apportioned among the Accounts of the Participants as an investment loss, except to the extent that the amount of the refund can be attributed to one or more specific Participants (for example, as in the case of certain mistakes of fact), in which case the amount of the refund attributable to each such Participant's Account will be debited directly against such Account.

(c) Limitation on Refund. No refund will be made to a Participating Company if such refund would cause the balance in a Participant's Account to be less than the balance would have been had the refunded contribution not been made.

16.8 Plan Expenses.

As permitted under the Code and ERISA, expenses incurred with respect to administering the Plan and Trust will be paid by the Trustee from the Trust Fund to the extent such costs are not paid by the Participating Companies or to the extent the Controlling Company requests that the Trustee reimburse it or any other Participating Company for its payment of such expenses. Upon request, the Trustee will reimburse the Controlling Company for its salary and other labor costs related to the Plan to the extent that such costs constitute proper Plan expenses. The Retirement Committee may provide for such expenses to be charged against earnings as provided in Section 7.4, Forfeitures as provided in Section 5.5 or Participants' Accounts (on a per capita basis, in proportion to the value of such Accounts or on any other basis permitted under the Code and ERISA). The Retirement Committee may provide for any expenses specifically attributable to an Account to be charged against such Account.

16.9 Satisfaction of Writing Requirement By Other Means.

In any circumstance where the Plan requires delivery of a written notice or other document, such requirement may be satisfied by electronic or any other means permitted under applicable law, pursuant to procedures and rules established by the Retirement Committee.

16.10 Powers of Attorney.

If the Retirement Committee receives, on behalf of a Participant, a power of attorney with respect to such Participant, valid under state law, the Retirement Committee shall comply with the instructions of the named person to the extent that the Retirement Committee would comply with such instructions if given by the Participant and such instructions are consistent with the power of attorney.

16.11 Special Effective Dates.

The Plan generally is effective as of the Effective Date and is intended to be in compliance with current laws, regulations and guidance listed in IRS Notice 2013-84. To the extent any such current laws and/or regulations have requisite effective dates other than the Effective Date, the Plan will be deemed to be effective as of such requisite effective dates solely for the purpose of satisfying the applicable legal and regulatory requirements.

IN WITNESS WHEREOF, the Retirement Committee has caused the Plan to be duly executed on the 21st day of November, 2014.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE
MEMBERS

By: /s/ Daniel J. Blount Daniel J. Blount

By: /s/ Brad Ankerholz Brad Ankerholz

By: /s/ Carla J. Chaney Carla J. Chaney

By: /s/ Debbie Frank Debbie Frank

By: /s/ Brian A. Wilson Brian A. Wilson

GPI SAVINGS PLAN

SCHEDULE A

SPECIAL VESTING RULES

A-1 Special Vesting Provisions. Notwithstanding Section 8.1, the following special vesting provisions shall be applicable:

(a) Effective as of the close of business on May 8, 2009 (the "Closing Date"), Participants employed at the Salt Lake City Equipment plant whose employment with the Controlling Company was terminated on the Closing Date and who became employed by Premier Tech Inc. in connection with the sale of the plant to Premier Tech Inc. shall be 100 percent vested in, and have a nonforfeitable right to, all of their Accounts.

(b) Participants employed at the Portage, Indiana facility whose employment with the Controlling Company terminated due to the sale of the Portage facility shall be 100 percent vested in, and have a nonforfeitable right to, all of their Accounts.

(c) To the extent that Participants terminate employment with the Controlling Company in connection with the sale of the Schaumburg, Illinois; Milwaukee, Wisconsin; and Des Moines, Iowa facilities to Berry Plastics Corporation during 2013, such Participants shall be 100 percent vested in, and have a nonforfeitable right to, all of their Accounts.

(d) To the extent that Participants terminate employment with the Controlling Company in connection with the sale of the Pekin, Illinois facility, such Participants shall be 100 percent vested in, and have a nonforfeitable right to, all of their Accounts.

(e) To the extent that Participants terminate employment with the Controlling Company in connection with the sale of the Controlling Company's Labels business to the Multi-Color Corporation and the Participant is a salaried employee working at either the Greensboro, North Carolina or the Norwood, Ohio facilities, such Participants shall be 100 percent vested in, and have a nonforfeitable right to, their Supplemental Employer Contribution Account.

GPI SAVINGS PLAN

SCHEDULE B

HISTORICAL PROVISIONS

B-1 Purpose and Scope. The provisions of this Schedule B provide historical information regarding the Plan's vesting provisions in effect prior to January 1, 2009. Effective January 1, 2004, the Plan was amended to provide 100 percent immediate vesting for all Participants who complete one Hour of Service on or after January 1, 2004 (except with respect to the Supplemental Employer Contribution Account added as of January 1, 2008 and with respect to certain accounts transferred from the Altivity Plan as of January 1, 2009). Participants who terminated employment prior to January 1, 2004, continue to be governed by the terms of the Plan in effect when they terminated employment. Below is a summary of the provisions in effect on December 31, 2003.

B-2 Terms. All capitalized terms in this Schedule B will have the meanings set forth under the Plan as in effect January 1, 2009 (or such earlier date, as appropriate).

B-3 General Vesting Plan Provisions in Effect on December 31, 2003.

(a) The Plan provided that a Participant was at all times one hundred percent (100%) vested in the Participant's After-Tax Account, Pre-Tax Account and Rollover Account.

(b) With respect to a Participant's Employer Account, the Plan provided the following:

(36) With respect to a Participant who is employed by the Employer or an Affiliated Employer on or after January 1, 2002, such Participant shall be vested in, and have a nonforfeitable right to, the Participant's Employer Account upon the completion of three (3) years of Vesting Service. With respect to a Participant who is not employed by the Employer or an Affiliated Employer after December 31, 2001, such Participant shall be vested in, and have a nonforfeitable right to, the Participant's Employer Account upon the earlier of the completion of five (5) years of Vesting Service or the completion of three (3) years of participation in the Plan or any other defined contribution plan sponsored by the Employer or an Affiliated Employer, while receiving Compensation.

(2) Notwithstanding the foregoing, a Participant shall be one hundred percent (100%) vested in, and have a nonforfeitable right to, the Participant's Employer Account upon death, Disability, retirement under a pension plan of the Employer, attainment of age sixty-five (65), or termination of employment under circumstances whereby the Participant is entitled to separation pay from the Employer.

(3) Notwithstanding the foregoing, a Participant also shall be one hundred percent (100%) vested in, and have a nonforfeitable right to, the Participant's Employer Account if provided below in this Schedule B.

(c) For purposes of determining a Participant's vested percentage, Vesting Service was defined as the Employee's period of employment with the Employer or any Affiliated Employer as an Employee, beginning on the date the Employee first completes one (1) Hour of Service and ending on the Employee's Termination Date, provided that:

(37) the period between the Employee's Termination Date and the Employee's date of reemployment shall be included in the Employee's Vesting Service if the Employee's employment is terminated and the Employee is later reemployed within twelve (12) consecutive months of (1) the date of termination, or, if earlier, (2) the first day of an absence from service immediately preceding the date of termination;

(2) if the Employee is absent from the service of the Employer or an Affiliated Employer because of military service of the United States (as defined in Sections 4303(13) and 4303(16) of the Uniformed Services Employment and Reemployment Rights Act of 1994), and if the Employee returns to the service of the Employer or that Affiliated Employer or applies to return to the service of the Employer or an Affiliated Employer while the Employee's reemployment rights are protected by law, that absence shall be included in the Employee's Vesting Service;

(3) if the Employee's employment is terminated and the Employee is later reemployed after incurring a Break in Service, the Employee's Vesting Service after reemployment shall be aggregated with the previous period or periods of Vesting Service, provided however, that a nonvested hourly Employee who terminated prior to January 1, 1976, and who incurred a Break in Service, shall not have restored Vesting Service earned prior to January 1, 1976; and

(4) if the Employee takes a leave of absence approved by the Employer or an Affiliated Employer, under rules uniformly applicable to all Employees similarly situated, the Employer may authorize the inclusion in the Employee's Vesting Service of any portion of that period of leave that is not otherwise included above.

Notwithstanding anything contained herein to the contrary, Vesting Service also shall be credited in accordance with the special vesting provisions set forth below in this Schedule B.

B - 4 Special Vesting Provisions. Notwithstanding any provision of the Plan to the contrary, as of December 31, 2003, the Plan provided for the following special vesting provisions:

(a) Effective March 16, 1991, former salaried employees of Jak-Et-Pak were granted credit for vesting purposes for all of their service that was recognized by Federal Paper Board Company, Inc.

(b) Effective May 31, 1991, the accounts of Participants whose membership in the Manville Thrift Plan was terminated as a result of the sale of the Manville Forest Products Madison, Wisconsin Carton Plant were one hundred percent (100%) vested.

(c) Effective September 27, 1991, the accounts of Participants whose membership in the Manville Thrift Plan was terminated as a result of the sale of the Riverwood International Charlotte, North Carolina Carton Plant were one hundred percent (100%) vested.

(d) Effective January 1, 1992, salaried employees of Minnesota Automation, Inc. were granted vesting service for purposes of eligibility and vesting for their prior service with Minnesota Automation. In addition, such employees' years of participation in the terminated Minnesota Automation, Inc. Employees Profit Sharing Plus Plan were deemed to count as years of participation for purposes of Section 6.02(a).

(e) Effective June 30, 1992, employees of the Riverwood International Georgia, Inc. WRAP Division and Laminates Division were granted service credit for vesting and eligibility for their prior service that was recognized by Pratt Industries (USA), Inc.

(f) Effective June 30, 1992, former salaried employees of Macon Kraft, Inc., Macon Kraft Laminates, Inc., and Waste Recovery & Paper, Inc. were granted credit for all service recognized by Pratt Industries (USA), Inc. for vesting and eligibility purposes.

(g) Forest Resources non-union hourly Participants and Wood Products salaried Participants who were employed by Riverwood International Corporation on October 18, 1996, were one hundred percent (100%) vested in their Employer Accounts as of such date as a result of the sale of such entities to Plum Creek Timber Company, L.P.

(h) Hours of Service and Vesting Service credited for Charles E. Lawson, Michael G. Dooley and Leroy G. Gwin for services they performed for the J. B. Slevin Company, Inc. shall be counted as Hours of Service and Vesting Service under the Plan.

(i) Effective November 19, 1994, former salaried employees of Fort Packaging Company were granted credit for all of their service that was recognized by Miller Brewing for vesting and eligibility.

B-5 Repayment of Non-Vested Portion of a Participant's Accounts as in Effect Prior to January 1, 2009. With respect to employees who are rehired on or after January 1, 2009, the Plan was amended to eliminate the requirement that a Participant repay the Non-Vested Portion of his Accounts upon reemployment as a prerequisite for the restoration of the Non-Vested Portion of his Accounts. With respect to employees who were rehired on or after January 1, 2004 and prior to January 1, 2009, the Plan provided the following:

(a) If a Participant's Pre-2004 RIC Matching Account or Supplemental Employer Contribution Account has been forfeited in accordance with Section 6.02(a)(1) (as in effect on December 31, 2008) and such Participant is reemployed by the Employer or an Affiliated E

employer before the Participant has a period of Break in Service of five (5) consecutive years, the amount so forfeited shall be restored to the Participant's Pre-2004 RIC Matching Account, or Supplemental Employer Contribution Account, as applicable, provided the Participant repays to the Plan during the Participant's period of reemployment (as provided below) an amount in cash equal to the full amount of the Vested Portion of the Participant's Accounts that was distributed from the Plan on account of termination of employment, other than the amount attributable to unmatched Pre-Tax Contributions and unmatched After-Tax Contributions and Rollover Contributions, provided, however, that the Participant may elect to repay to the Plan all or part of those amounts as well, subject to the limitations of Section 3.07 (as in effect on December 31, 2008).

(b) Forfeited amounts to be restored by the Employer to a Participant's Pre-2004 RIC Matching Account or Supplemental Employer Contribution Account, as applicable, pursuant to the preceding paragraph shall be funded first from any forfeitures which have not as yet been applied against Employer contributions, and, if any amounts remain to be restored, the Employer shall make a special Employer contribution equal to those amounts.

(c) Any repayment must be made in a single sum within five (5) years of the date the Participant is reemployed. A repayment shall be invested in the available Investment Funds as the Participant elects at the time of repayment.

**FIRST AMENDMENT TO THE
GPI SAVINGS PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, Graphic Packaging International, Inc. (“GPI”) maintains for the benefit of its employees the GPI Savings Plan (the “Plan”); and

WHEREAS, the Board of Directors of Graphic Packaging Holding Company has delegated to the Retirement Committee of Graphic Packaging International, Inc. (the “Retirement Committee”) the responsibility to make certain amendments to the Plan; and

WHEREAS, Rose City Printing and Packaging, Inc. (“Rose City”) maintains for the benefit of its employees the Rose City Printing & Packaging 401(k) Retirement Plan (the “Rose City Plan”); and

WHEREAS, on January 2, 2015, Graphic Packaging Holding Company acquired Rose City through the purchase of all issued and outstanding stock of Rose City Holding Company; and

WHEREAS, on October 1, 2015, Graphic Packaging Holding Company acquired the assets of Carded Graphics, LLC (“Carded Graphics”) and employees of Carded Graphics became employees of GPI; and

WHEREAS, on January 1, 2016, employees of Rose City employed as of the close of business on December 31, 2015 will become employees of GPI; and

WHEREAS, the Retirement Committee deems it desirable to (i) merge the Rose City Plan into the Plan effective as of the close of business on December 31, 2015, (ii) fully vest employer contributions previously made under the Rose City Plan, (iii) recognize employees’ service under the Rose City Plan for purposes of the Plan, and (iv) recognize employees’ service with Carded Graphics for purposes of the Plan.

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended as follows:

1. Effective as of the close of business on December 31, 2015, the Rose City Plan be and hereby is merged into the Plan.

2. Effective as of the close of business on December 31, 2015, Section 1.18 of the Plan is amended to add the following new subsection (g) to the end thereof:

(g) Rose City Profit Sharing Account

3. Effective as of the close of business on December 31, 2015, Section 1.39 of the Plan is amended to read as follows:

1.39 Employment Date means, with respect to any Employee, the date on which he first completes an Hour of Service; provided however, with respect to any Employee who was employed by Rose City Printing and Packaging, Inc. as of the close of business on December 31, 2015, such Employee’s Employment Date means January 1, 2016.

4. Effective as of the close of business on December 31, 2015, Section 1.59 of the Plan is amended to add the following new subsection (g) to the end thereof:

(f) Rose City Match Account

5. Effective as of the close of business on December 31, 2015, Section 1.75 of the Plan is amended to read as follows:

1.75 Prior Plan means the Altivity Plan, Graphic Plan, Rose City Plan, or any other qualified retirement plan from which the Plan accepts Transfer Contributions.

6. Effective as of the close of business on December 31, 2015, Article I of the Plan is amended to add the following new Sections 1.84A, 1.84B, and 1.84C:

1.84A Rose City Match Account means the portion of a Participant's Matching Account attributable to employer matching contributions directly transferred to this Plan from the Rose City Plan and any employer matching contributions made in 2016 that accrued under the Rose City Plan during 2015.

1.84B Rose City Plan means the Rose City Printing & Packaging 401(k) Retirement Plan as in effect on December 31, 2015.

1.84C Rose City Profit Sharing Account means the portion of a Participant's Company Contribution Account attributable to employer profit sharing contributions directly transferred to this Plan from the Rose City Plan.

7. Effective as of the close of business on December 31, 2015, Section 1.95 of the Plan is amended by adding the following rows to the end thereof:

<u>Prior Plan</u>	<u>Prior Plan Account/Contribution</u>	<u>Plan Account</u>
Rose City Plan	Pre-Tax Elective Deferral Account	Before-Tax Account
Rose City Plan	Roth Elective Deferral Account	Roth Account
Rose City Plan	Employer matching contributions (including such contributions made in 2016 that relate to contributions earned in 2015 under the Rose City Plan)	Rose City Match Account
Rose City Plan	Employer profit sharing contributions	Rose City Profit Sharing Account
Rose City Plan	Qualified Nonelective Contribution Account	QNEC Account
Rose City Plan	Rollover Account	Rollover Account

8. Effective as of the close of business on September 31, 2015, subsection 1.101 of the Plan is amended by adding the following sentence to the end thereof:

“An Employee’s period of service with Carded Graphics, LLC, to the extent not otherwise counted hereunder, will be taken into account in determining his Year of Eligibility Service, provided that such Employee was employed by Carded Graphics, LLC as of the close of business on September 31, 2015. An Employee’s period of service with Rose City Printing and Packaging, Inc., to the extent not otherwise counted hereunder, will be taken into account in determining his Year of Eligibility Service, provided that such Employee was employed by Rose City Printing and Packaging, Inc. as of the close of business on December 31, 2015.”

9. Effective as of the close of business on September 31, 2015, subsection 1.102(d) of the Plan is amended to read as follows:

(d) Predecessor Employer. An Employee’s periods of employment credited for vesting purposes under the Altivity Plan as of December 31, 2008 and the Rose City Plan as of December 31, 2015 will be taken into account in determining his Years of Vesting Service. In addition, an Employee’s periods of employment with Carded Graphics, LLC will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by Carded Graphics, LLC as of the close of business on September 31, 2015.

10. Effective as of the close of business on December 31, 2015, subsection 8.1(a) of the Plan is amended to add the following new subsections (15) and (16) to the end thereof:

(15) Rose City Match Account

(16) Rose City Profit Sharing Account

11. Effective as of the close of business on December 31, 2015, Section 9.5 of the Plan is amended by adding the following item (15) to the list contained therein after item (14) and by renumbering the all items of the list that follow to accommodate such insertion (for the avoidance of doubt, the following item is to be after “Graphic Employer Account”):

(15) Rose City Profit Sharing Account

12. Effective as of the close of business on December 31, 2015, Section 9.5 of the Plan is amended by adding the following item (19) to the list contained therein after item (18) and by renumbering the all items of the list that follow to accommodate such insertion (for the avoidance of doubt, the following item is to be after “GPI Employer Match Account”):

(19) Rose City Match Account

13. Effective as of the close of business on December 31, 2015, Section 9.6 of the Plan is amended by adding the following item (17) to the list contained therein after item (16) and by renumbering the all items of the list that follow to accommodate such insertion (for the avoidance of doubt, the following item is to be after “Graphic Employer Account”):

(17) Rose City Profit Sharing Account

14. Effective as of the close of business on December 31, 2015, Section 9.6 of the Plan is amended by adding the following item (21) to the list contained therein after item (20) and by renumbering the all items of the list that follow to accommodate such insertion (for the avoidance of doubt, the following item is to be after “GPI Employer Match Account”):

(21) Rose City Match Account

15. Effective as of the close of business on December 31, 2015, Section A-1 of Schedule A of the Plan is amended by adding to the end thereof the following new subsection (f):

(f) Participants shall be 100 percent vested in their Rose City Match Account and Rose City Profit Sharing Account as of the close of business on December 31, 2015.

16. Effective as of the close of business on December 31, 2015, Section 7.1 of Schedule C of the Plan (the “Loan Rules”) is amended by adding the following item (d) to the list contained therein after item (c) and by redesignating the all items of the list that follow to accommodate such insertion (for the avoidance of doubt, the following item is to be after “GPI Employer Match Account”):

(d) Rose City Match Account

17. Effective as of the close of business on December 31, 2015, Section 7.1 of the Loan Rules is amended by adding the following item (h) to the list contained therein after item (g) and by redesignating the all items of the list that follow to accommodate such insertion (for the avoidance of doubt, the following item is to be after “Graphic Employer Account”):

(h) Rose City Profit Sharing Account

18. Effective as of the close of business on December 31, 2015, Section 13.1 of the Loan Rules is amended to read as follows:

13.1 Transferred Loans. Notwithstanding any provisions of the Loan Rules to the contrary, loans outstanding from the following merged plans as of the dates listed below may remain outstanding and be repaid in accordance with their terms. However, loans issued after such dates with respect to each plan shall be subject to the provisions of these Loan Rules.

(a) Altivity Packaging Savings Plan for Union Hourly Employees - December 31, 2008

(b) Rose City Plan - December 31, 2015

[signatures on the following page]

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this First Amendment to the GPI Savings Plan this 11th day of December, 2015.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

By: /s/ Brian A. Wilson
Brian A. Wilson

GRAPHIC PACKAGING INTERNATIONAL, INC.

**AMENDMENT TO THE
GRAPHIC PACKAGING INTERNATIONAL, INC. NON-QUALIFIED DEFERRED COMPENSATION PLAN**

The undersigned, being all the members of the Board of Directors of Graphic Packaging International, Inc., a Delaware corporation (the "Plan Sponsor") hereby make this amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan (the "**Plan**").

WITNESSETH :

WHEREAS, the Plan Sponsor adopted the Plan effective as of July 1, 2011, to provide deferred compensation opportunities to a select group of employees;

WHEREAS, pursuant to the terms of an offer letter to Stephen Scherger ("Scherger") dated March 30, 2012 (the "Offer Letter"), the Plan Sponsor agreed to provide certain deferred compensation to Scherger under the Plan upon commencement of employment with the Plan Sponsor as its Senior Vice President, Consumer Packaging Division;

WHEREAS, the Plan Sponsor desires to amend the Plan in regard to establishment of an Account (as such term is defined in the Plan) under the Plan on behalf of Scherger pursuant to the terms of the Offer Letter;

WHEREAS, Section 10.1 of the Plan authorizes the Board of Directors of the Plan Sponsor (the "Board") to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended by adding a new Section 13.12 at the end thereof, to read as follows:

13.12 Non-Qualified Deferred Compensation for Stephen Scherger. As soon as administratively practicable after the date of commencement of employment of Stephen Scherger ("Scherger") with the Plan Sponsor, the Plan Sponsor shall cause to be credited to an Account for Scherger under the Plan a one-time employer contribution of One Million and no/100 Dollars (\$1,000,000.00). Except as otherwise provided in this Section 13.12, such Account shall be subject to all applicable terms and conditions of the Plan.

Scherger's vested interest in the amount so credited, as adjusted for earnings in accordance with the terms of the Plan, will be based on the following schedule with Scherger's continued employment with the Plan Sponsor

throughout each relevant period: (i) twenty percent (20%) thereof will vest on April 1, 2013; (ii) an additional twenty percent (20%) of the balance in such Account will vest on April 1, 2014; and (iii) the remaining amount in such Account will vest on April 1, 2015, so that such Account is fully vested following three (3) years of continuous employment with the Plan Sponsor.

The amount so credited to Scherger's Account under the Plan (as adjusted for earnings) will be subject to all applicable terms and conditions of the Plan. If Scherger's employment with the Plan Sponsor terminates for any reason before the third anniversary of the date of commencement of his employment, the vested balance of such Account (determined under the vesting schedule described above) will be payable in the form of a single lump-sum payment upon the Scherger's Separation from Service, subject to all applicable terms and conditions of the Plan, and all unvested amounts shall be forfeited.

IN WITNESS WHEREOF, the undersigned, being all the members of the Board of Directors of the Plan Sponsor, have executed this Amendment on the date first written above.

By: /s/ David W. Scheible
David W. Scheible

By: /s/ Daniel J. Blount
Daniel J. Blount

By: /s/ Stephen A. Hellrung
Stephen A. Hellrung

GRAPHIC PACKAGING INTERNATIONAL, INC.

SECOND AMENDMENT TO THE
GRAPHIC PACKAGING INTERNATIONAL, INC. NON-QUALIFIED DEFERRED COMPENSATION PLAN

The undersigned, being all the members of the Board of Directors of Graphic Packaging International, Inc., a Delaware corporation (the "Plan Sponsor") hereby make this amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan (the "Plan").

WITNESSETH:

WHEREAS, the Plan Sponsor adopted and maintains the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan (the "Plan") which consists of the Adoption Agreement and Base Document and was effective as of July 1, 2011;

WHEREAS, the Plan Sponsor reserves the right pursuant to section 1.0.1 of the Base Document to amend the Plan;

WHEREAS, pursuant to the terms of an employment letter to Walter McMann of May 17, 2013, the Employer provided for Employer Contributions, other than a Matching Contribution, as permitted under Section 5.0.1 (b) of the Adoption Agreement, for such individual; and

WHEREAS, the Employer wishes to amend the Plan documents to reflect the time and form of distribution and vesting schedule applicable to such Employer Contributions pursuant to the employment letter, and to contemplate additional such Employer Contributions.

NOW, THEREFORE, the Employer hereby amends the Adoption Agreement of the Plan, as follows:

1. The following language shall be added to the end of Section 6.01 (b) of the Adoption Agreement:

"Notwithstanding the foregoing provisions of this Section 6.0.1 (b):

Any Employer Contribution, other than a Matching Contribution, granted to Walter McMann effective as of May 17, 2013 (or thereafter), will be distributed in the form of a lump sum upon Separation from Service plus 6 months (as described in Section 6.0.1 (b)(iv) above), subject to the Distribution Election Change provisions of Section 9.2 of the Base Plan and Section 6.0.1 (g) of the Adoption Agreement.

Effective as of November 1, 2013, with respect to any Employer Contribution, other than a Matching Contribution, made thereafter by the Employer, the Employer may, in its discretion, designate a time and form of distribution that is different from that selected by the Participant pursuant to Section 6.0 1(b) of the Adoption Agreement; provided, that such time and form of distribution is designated at the time such Employer Contribution is granted. Additionally, with respect to any Employer Contribution, other than a Matching Contribution, with respect to which no Participant election has been made pursuant to this Section 6.01 (b) and the Employer has not designated a time and form of distribution pursuant to the preceding sentence, such Employer Contribution shall be distributed in the form of a lump sum upon Separation from Service plus 6 months (as described in Section 6.0 1 (b)(iv) above)."

2. The following language shall be added to the end of Section 7.01(b) of the Adoption Agreement:

"Notwithstanding the foregoing provisions of this Section 7.01(b):

Any Employer Contribution, other than a Matching Contribution, granted to Walter McMann effective as of May 17, 2013 (or thereafter), will vest 100% after completion of one Year of Service from the date of such grant.

Effective as of December 30, 2013, the Employer may, in its discretion, designate a separate vesting schedule that is different from that set forth above in this Section 7.01(b) for any Employer Contribution, other than a Matching Contribution; provided, that such vesting schedule is established at the time such Employer Contribution is granted."

IN WITNESS WHEREOF, the undersigned, being all the members of the Board of Directors of the Plan Sponsor, have caused this Second Amendment to be executed on December 30, 2013.

GRAPHIC PACKAGING INTERNATIONAL, INC.

By: /s/ David W. Scheible
David W. Scheible

By: /s/ Daniel J. Blount
Daniel J. Blount

By: /s/ Stephen A. Hellrung
Stephen A. Hellrung

GRAPHIC PACKAGING INTERNATIONAL, INC.

THIRD AMENDMENT TO THE
GRAPHIC PACKAGING INTERNATIONAL, INC. NON-QUALIFIED DEFERRED COMPENSATION PLAN

The undersigned, being all the members of the Board of Directors of Graphic Packaging International, Inc. a Delaware corporation (the "Plan Sponsor") hereby make this amendment to the Graphic Packing International, Inc. Non-Qualified Deferred Compensation Plan (the "Plan").

W I T N E S S E T H :

WHEREAS, the Plan Sponsor adopted and maintains the Plan which consists of the Adoption Agreement and Base Document and was effective as of July 1, 2011;

WHEREAS, the Plan Sponsor reserves the right pursuant to section 10.1 of the Base Document to amend the Plan; and

WHEREAS, the Plan Sponsor wishes to amend the Plan documents to fully vest and accelerate the funding of Employer Contributions for Participants who are employed by a division, group, facility or other segment of the Plan Sponsor's business that is divested.

NOW, THEREFORE, effective as of June 23rd, 2014, the Plan Sponsor hereby amends the Plan as follows:

I. The following new subsection (d) is added to the end of Section 5.01 of the Adoption Agreement:

"(d) Certain Divestitures

Notwithstanding the foregoing provisions of this Section 5.01 , if a Participant experiences a "Divestiture Termination" (as defined below) during a Plan Year, (i) any requirements that such Participant be employed on a later day during such Plan Year or complete a specific amount of service during such Plan Year shall be waived, and (ii) any Employer Contributions to which such Participant is entitled (including, but not limited to, Employer Contributions such Participant becomes entitled to pursuant to clause (i) hereof) shall be allocated to such Participant's Account no later than as soon as administratively practicable after the date of such Divestiture Termination; provided, (A) to the extent that such Employer Contribution is calculated on the basis of such Participant's Compensation, only Compensation earned through the date of such

Divestiture Termination shall be taken into account, and (B) to the extent that such Employer Contribution is not calculated on the basis of such Participant's Compensation, such Employer Contribution will be prorated based on the number of days during the period to which such Employer Contribution relates that occur before the date of such Divestiture Termination. For purposes of this Section 5.01(d) and Section 7.01(c) of the Adoption Agreement, "Divestiture Termination" means, with respect to a Participant, such Participant's termination of employment with the Employer as part of the Employer's agreement to sell a division, group, facility or other segment of the Employer's business to the extent designated by the Administrator (as set forth in the records of the Administrator)."

2. The following language is added to the end of Section 7.01(c) of the Adoption Agreement:

"Notwithstanding the foregoing provisions of this Section 7.01, any Participant who experiences a Divestiture Termination (as defined in Section 5.01 (d) of the Adoption Agreement) will be 100% vested in his Employer Contributions (including, but not limited to, any Employer Contributions to which such Participant is entitled pursuant to Section 5.01(d) of the Adoption Agreement) as of the date of such Divestiture Termination."

IN WITNESS WHEREOF, the undersigned, being all the members of the Board of Directors of the Plan Sponsor, have caused this Third Amendment to be executed on this 23rd day of June, 2014.

GRAPHIC PACKAGING INTERNATIONAL, INC.

By: /s/ David W. Scheible
David W. Scheible

By: /s/ Daniel J. Blount
Daniel J. Blount

By: /s/ Lauren S. Tashma
Lauren S. Tashma

GRAPHIC PACKAGING INTERNATIONAL, INC.

**FOURTH AMENDMENT
TO THE
GRAPHIC PACKAGING INTERNATIONAL, INC.
NON-QUALIFIED DEFERRED COMPENSATION PLAN**

The undersigned, being all the members of the Board of Directors of Graphic Packaging International, Inc. a Delaware corporation (the "Plan Sponsor") hereby make this amendment to the Graphic Packing International, Inc. Non-Qualified Deferred Compensation Plan (the "Plan").

WITNESSETH:

WHEREAS, the Plan Sponsor adopted and maintains the Plan which consists of the Adoption Agreement and Base Document and was effective as of July 1, 2011;

WHEREAS, the Plan Sponsor reserves the right pursuant to section 10.1 of the Base Document to amend the Plan; and

WHEREAS, the Plan Sponsor wishes to amend the Plan documents to (i) reflect the Plan Sponsor's administrative practice of allowing all employees paid at salary grade 100 or above to participate in the Plan, and (ii) recognize employees' prior service with Rose City Printing and Packaging, Inc.

NOW, THEREFORE, effective as of January 1, 2016, the Plan Sponsor hereby amends the Plan as follows:

1. Section 2.01(a) of the Adoption Agreement is amended to read as follows:

"2.01 PARTICIPATION

(a) Employees [complete (i), (ii) or (iii)]

(i) Eligible Employees are selected by the Employer.

(ii) Eligible Employees are those employees of the Employer who satisfy the following criteria:

Any employee of the Employer paid at salary grade 100 or above, as determined by the Employer.

(iii) Employees are not eligible to participate."

2. Section 7.01(d)(ii) of the Adoption Agreement is amended to read as follows:

“(ii) Years of Service shall also include service performed for the following entities:

Rose City Printing and Packaging, Inc. ”

IN WITNESS WHEREOF, the undersigned, being all the members of the Board of Directors of the Plan Sponsor, have caused this Fourth Amendment to be executed on this 6th day of November, 2015.

GRAPHIC PACKAGING INTERNATIONAL, INC.

By: /s/ David W. Scheible
David W. Scheible

By: /s/ Stephen R. Scherger
Stephen R. Scherger

By: /s/ Lauren S. Tashma
Lauren S. Tashma

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT is entered into as of this first day of September, 2015 by and among Graphic Packaging International, Inc., a Delaware corporation (“Employer”), Graphic Packaging Holding Company, a Delaware corporation (“GPHC”) and Joseph P. Yost (“Executive”).

WITNESSETH:

WHEREAS, Employer desires to employ Executive on the terms and conditions set forth herein;

WHEREAS, Executive desires to accept such employment on the terms and conditions set forth herein;

WHEREAS, each of Employer, GPHC and Executive agrees that Executive will have a prominent role in the management of the business, and the development of the goodwill, of Employer and its Affiliates (as defined below) and will establish and develop relations and contacts with the principal customers and suppliers of Employer and its Affiliates in the United States and the rest of the world, all of which constitute valuable goodwill of, and could be used by Executive to compete unfairly with, Employer and its Affiliates;

WHEREAS, (i) in the course of his employment with Employer, Executive will obtain confidential and proprietary information and trade secrets concerning the business and operations of Employer and its Affiliates in the United States and the rest of the world that could be used to compete unfairly with Employer and its Affiliates; (ii) the covenants and restrictions contained in Sections 8 through 13, inclusive, are intended to protect the legitimate interests of Employer and its Affiliates in their respective goodwill, trade secrets and other confidential and proprietary information; and (iii) Executive desires to be bound by such covenants and restrictions;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises contained herein and for other good and valuable consideration, Employer, GPHC and Executive hereby agree as follows:

1. Agreement to Employ. Upon the terms and subject to the conditions of this Agreement, Employer hereby employs Executive, and Executive hereby accepts employment by Employer.

2. Term; Position and Responsibilities.

(a) Term of Employment. Unless Executive’s employment shall sooner terminate pursuant to Section 7, Employer shall employ Executive for a one year term commencing on the date hereof (the “Initial Term”). Effective upon the expiration of the Initial Term and of each Additional Term (as defined below), Executive’s employment hereunder shall be deemed to be automatically extended, upon the same terms and conditions, for an additional period of one year (each, an “Additional Term”), in each such case, commencing upon the expiration of the Initial

Term or the then current Additional Term, as the case may be. The period during which Executive is employed pursuant to this Agreement, including any extension thereof in accordance with the preceding sentence, shall be referred to as the "Employment Period".

(b) Position and Responsibilities. During the Employment Period, Executive shall serve as Senior Vice President, Global Beverage and Europe of Employer and have such duties and responsibilities as are customarily assigned to individuals serving in such position and such other duties consistent with Executive's title and position as the President and Chief Executive Officer of Employer specifies from time to time. Executive shall devote all of his skill, knowledge and working time to the conscientious performance of the duties and responsibilities of such position, except for (i) vacation time as set forth in Section 6(b) and absence for sickness or similar disability and (ii) to the extent that it does not interfere with the performance of Executive's duties hereunder or otherwise violate Employer's code of conduct or similar policies, (A) such reasonable time as may be devoted to service on boards of directors of other corporations and entities, subject to the provisions of Section 9, and the fulfillment of civic responsibilities and (B) such reasonable time as may be necessary from time to time for personal matters. If so elected or designated by the respective shareholders thereof, Executive shall serve as a member of the Boards of Directors of GPHC, Employer and their respective Affiliates during the Employment Period without additional compensation.

3. Base Salary. As compensation for the services to be performed by Executive during the Employment Period, Employer shall pay Executive a base salary at an annualized rate of \$420,000 payable in installments on Employer's regular payroll dates. Employer's Board of Directors ("Employer's Board") shall review Executive's base salary annually during the Employment Period and, in its sole discretion, Employer's Board may increase (but may not decrease except as provided in Section 7(d)) such base salary from time to time based upon the performance of Executive, the financial condition of Employer, prevailing industry salary levels and such other factors as Employer's Board shall consider relevant. (The annual base salary payable to Executive under this Section 3, as the same may be increased from time to time and without regard to any reduction therefrom in accordance with the next sentence, shall hereinafter be referred to as the "Base Salary".) The Base Salary payable under this Section 3 shall be reduced to the extent that Executive elects to defer such Base Salary under the terms of any deferred compensation, savings plan or other voluntary deferral arrangement that may be maintained or established by Employer.

4. Incentive Compensation Arrangements. During the Employment Period, Executive shall participate in Employer's annual incentive compensation programs for its senior executives existing from time to time, at a level commensurate with his position and duties with Employer and based on such performance targets as may be established from time to time by Employer's Board or a committee thereof. For calendar year 2015, Executive's aggregate annual Management Incentive Plan target bonus opportunity shall be 70% of Base Salary, prorated from September 1, 2015.

5. Employee Benefits. During the Employment Period, employee benefits, including life, medical, dental, accidental death and dismemberment, business travel accident, prescription drug and disability insurance, shall be provided to Executive in accordance with the programs of

Employer then available to its senior executives, as the same may be amended and in effect from time to time. During the Employment Period, Executive shall also be entitled to participate in all of Employer's profit sharing, deferred compensation and savings plans, as the same may be amended and in effect from time to time, applicable to senior executives of Employer. The benefits referred to in this Section 5 shall be provided to Executive on a basis that is commensurate with Executive's position and duties with Employer hereunder and that is no less favorable than that of similarly situated employees of Employer.

6. Expenses and Vacation.

(a) Business Travel, Lodging, etc. Employer shall reimburse Executive for reasonable travel, lodging, meal and other reasonable expenses incurred by him in connection with his performance of services hereunder upon submission of evidence, satisfactory to Employer, of the incurrence and purpose of each such expense and otherwise in accordance with Employer's business travel reimbursement policy applicable to its senior executives as in effect from time to time.

(b) Vacation. During the Employment Period, Executive shall be entitled to five weeks of paid vacation on an annualized basis, without carryover accumulation.

7. Termination of Employment.

(a) Termination Due to Death or Disability. In the event that Executive's employment hereunder terminates due to death or is terminated by Employer due to Executive's Disability (as defined below), no termination benefits shall be payable to or in respect of Executive except as provided in Section 7(g). For purposes of this Agreement, "Disability" shall mean a physical or mental disability that prevents or would prevent the performance by Executive of his duties hereunder for a continuous period of six months or longer. The determination of Executive's Disability shall (i) be made by an independent physician who is reasonably acceptable to Employer and Executive (or his representative), (ii) be final and binding on the parties hereto and (iii) be based on such competent medical evidence as shall be presented to such independent physician by Executive and/or Employer or by any physician or group of physicians or other competent medical experts employed by Executive and/or Employer to advise such independent physician.

(b) Termination by Employer for Cause. Executive may be terminated for cause by Employer for (i) the willful failure of Executive substantially to perform his duties hereunder (other than any such failure due to Executive's physical or mental illness) or other willful and material breach by Executive of any of his obligations hereunder, after a written demand for substantial performance has been delivered, and a reasonable opportunity to cure has been given to Executive by the Executive by the, President and Chief Executive Officer of the Company, which demand identifies in reasonable detail the manner in which the Executive by the President and Chief Executive Officer of the Company believes that Executive has not substantially performed his duties or has breached his obligations, (ii) Executive's engaging in willful and serious misconduct that has caused or is reasonably expected to result in material injury to Employer or any of its Affiliates, (iii) Executive's conviction of, or entering a plea of guilty or nolo contendere to, a crime that constitutes a felony, or (iv) Executive's material violation of the requirements of federal or state

securities law, rule or regulation, in cases involving fraud or deceit, or violation of Employer's insider trading policy. Any item of conduct in the previous sentence shall constitute "Cause." Executive's conduct need not result in monetary or financial loss to constitute Cause. Executive shall be permitted to attend a meeting of Employer's Board within 30 days after delivery to him of a Notice of Termination (as defined below) pursuant to this Section 7(b) to explain why he should not be terminated for Cause and, if following any such explanation by Executive, Employer's Board determines that Employer does not have Cause to terminate Executive's employment, any such prior Notice of Termination delivered to Executive shall thereupon be withdrawn and of no further force or effect.

(c) Termination Without Cause. A termination "Without Cause" shall mean a termination of employment by Employer other than pursuant to Section 7(a) or Section 7(b).

(d) Termination by Executive. Executive may terminate his employment for any reason. A termination of employment by Executive for "Good Reason" shall mean a termination by Executive of his employment with Employer following the occurrence, without Executive's consent, of any of the following events: (i) the assignment to Executive of duties that represent a material diminution of the duties that he/she is to assume on the date hereof, (ii) a material reduction in the rate of Executive's Base Salary, unless the reduction does not exceed ten percent (10%) and is applied uniformly percentage-wise to all similarly situated executives, (iii) a material breach by Employer of any of its obligations hereunder, including the failure of Employer to obtain the assumption of this Agreement by any Successor (as defined below) to Employer as contemplated by Section 14, or (iv) except in cases where Employer is promoting Executive, the relocation of Executive's primary office to a location more than 50 miles from the location of Executive's primary office on the date hereof. A termination by Executive shall not constitute termination for Good Reason unless (x) Executive shall first have delivered to Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than 30 days after the initial occurrence of such event), (y) there shall have passed a reasonable time (not less than 30 days) within which Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by Executive, and (z) Executive's Separation from Service (as defined below) occurs not later than two years following the initial existence of one or more of the conditions giving rise to Good Reason. Good Reason shall not include Executive's death or disability.

(e) Notice of Termination. Any termination by Employer pursuant to Section 7(a), 7(b) or 7(c), or by Executive pursuant to Section 7(d), shall be communicated by a written Notice of Termination addressed to the other parties to this Agreement. A "Notice of Termination" shall mean a notice stating that Executive's employment with Employer has been or will be terminated.

(f) Payments and Benefits Upon Separation from Service by Employer Without Cause or by Executive for Good Reason.

(i) Subject to Section 7(f)(iii), in the event of a termination of Executive's employment by Employer Without Cause or a termination by Executive of his employment for Good Reason during the Employment Period, Employer shall pay to Executive:

(A) one (1) year's Base Salary,
and

(B) an amount equal to the product of (1) the amount of incentive compensation that would have been payable to Executive for the calendar year in which the Date of Termination (as defined below) occurs if Executive had remained employed for the entire calendar year and assuming that all applicable performance criteria had been achieved at target levels, multiplied by (2) a fraction, the numerator of which is equal to the number of days in such calendar year through and including the Date of Termination and the denominator of which is 365 (such product, the "Pro Rata Bonus"), except as otherwise provided in Section 7(f)(ii)(B) below if applicable.

(ii) Subject to Section 7(f)(iii), upon a termination of Executive's employment by Employer Without Cause or a termination by Executive of his employment for Good Reason within one (1) year following a Change in Control (as defined below), Employer shall pay to Executive:

(A) one-half ($\frac{1}{2}$) year's Base Salary in addition to the amount described in Section 7(f)(i)(A) above;
and

(B) instead of a Pro Rata Bonus described in Section 7(f)(i)(B) above, a target bonus equal to the product of (1) the amount of incentive compensation based on Executive's annual target bonus opportunity that would have been payable to Executive for the calendar year in which the Date of Termination occurs if Executive had remained employed for the entire calendar year and assuming that all applicable performance criteria had been achieved at target levels multiplied by (2) 1.5 (the "Target Bonus").

(iii) Notwithstanding anything in this Agreement to the contrary, no amounts or benefits shall be paid or distributed pursuant to this Section 7(f) unless and until Executive has incurred a Separation from Service (as defined below) from Employer. This provision does not prohibit Executive's entitlement to any amount due to a termination of Executive's employment, as provided in this Section 7(f); it simply delays the payment or distribution date until such occurrence. As used herein, the term "Separation from Service" means a separation from service as defined under Section 409A of the Internal Revenue

Code of 1986, as amended (the "Code"), and applicable regulations (without giving effect to any elective provisions that may be available under such definition). After Executive's Separation from Service, Executive shall have up to 45 days to execute and not revoke a general release in a form reasonably satisfactory to Employer. If Executive fails to sign a general release or revokes a general release, any payments or other benefits under Section 7(f) otherwise due are forfeited. With respect to amounts subject to Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder ("Code Section 409A"), if the period between Executive's Separation from Service and a payment commencement date under this Section 7(f) could span two (2) taxable years of Executive, such payment commencement date will be the first payroll date in the second such taxable year that satisfies all requirements for a payment commencement, including execution and non-revocation of a general release.

(iv) Payments pursuant to this Section 7(f) shall be made as follows: on Employer's first normal payroll date occurring during the seventh month following the Date of Separation from Service, one-half of the amounts due under Section 7(f)(i)(A) and the full amount due under Section 7(f)(ii)(A) above, shall be paid to Executive. One-twenty-fourth (1/24) of the amounts due Executive under Section 7(f)(i)(A) shall be payable on each of Employer's subsequent regular payroll dates, until the amounts due are paid in full. The amounts due Executive under Section 7(f)(i)(B) or 7(f)(ii)(B) above shall be paid in full upon the later of (a) Employer's first normal payroll date occurring during the seventh month following the date of Executive's Separation from Service, or (b) the date that the incentive compensation for the relevant calendar year is paid to Employer's senior executives (but in no event later than March 15 of such payment year).

(v) If Executive is entitled to payments pursuant to Section 7(f)(i), then for the period beginning on the Date of Separation from Service and ending on the first anniversary of the date of Executive's Separation from Service (the "Severance Period"), Employer shall (x) continue to provide to Executive the life, medical, dental, and prescription drug benefits referred to in Section 5 on the same terms then available to Employer's senior executives (the "Continued Benefits") and (y) pay for outplacement and career counseling services for Executive by a firm selected by Employer for an aggregate amount not in excess of \$25,000. To be eligible for continuation of medical, dental and prescription drug benefits, the Executive must elect continuation of group benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) by completing the application and returning it to the COBRA Administrator by the deadline specified in the application. Employer will subsidize the Executive's COBRA premiums during the Severance Period. The Employer subsidy will end upon the earlier of the last day of the Severance Period or the day COBRA coverage ends for any reason, including loss of plan eligibility under plan terms or applicable law; or qualification for benefits with another employer. During the Severance Period, Executive will make the same contributions as required of active employees, with said contributions being paid directly to Employer's COBRA Administrator on an after-tax basis. The Severance Period will count against the Executive's total COBRA continuation period. To the extent that subsidized healthcare coverage provided to Executive hereunder is treated as discriminatory in favor of a highly compensated individual under Code Section 105(h),

Employer will report the amount of the subsidy as taxable income on Executive's IRS Form W-2 for such year.

(vi) Executive shall not have a duty to mitigate the costs to Employer under this Section 7(f), except that Continued Benefits shall be reduced or canceled to the extent of any comparable benefit coverage earned by (whether or not paid currently) or offered to Executive during the Severance Period by a subsequent employer or other Person (as defined below) for which Executive performs services, including but not limited to consulting services.

(vii) The benefits provided Executive pursuant to this Section 7(f) are made in lieu of any payments or benefits, and Executive shall not be entitled to receive any payments or benefits, pursuant to any plan, policy, program or practice providing any bonus, annual incentive or severance compensation. Notwithstanding the foregoing provisions of this Section 7, if and to the extent that amounts payable under this Section are deemed, for purposes of Code Section 409A, to be in substitution of amounts previously payable under another arrangement with respect to Executive, such payments hereunder will be made at the same time(s) and in the same form(s) as such amounts would have been payable under the other arrangement, to the extent required to comply with Code Section 409A.

(g) Payments and Benefits Upon Executive's Death or Disability, Separation from Service by Employer With Cause, or Separation from Service by Executive Without Good Reason. If Executive's employment shall terminate upon his death or Disability or if Employer shall terminate Executive's employment for Cause or Executive shall terminate his employment without Good Reason during the Employment Period, Employer shall pay Executive his full Base Salary through the Date of Termination; plus, in the case of termination upon Executive's death or Disability, a Pro Rata Bonus within 60 days following such death or Separation from Service, calculated assuming target performance under applicable financial metrics; plus, in the case of termination upon Executive's death, his full Base Salary for the remainder of the pay period in which death occurs and for one month thereafter. The benefits provided Executive pursuant to this Section 7(g) are made in lieu of any payments or benefits, and Executive shall not be entitled to receive any payments or benefits, pursuant to any plan, policy, program or practice providing any bonus or annual incentive compensation.

(h) Date of Termination. As used in this Agreement, the term "Date of Termination" shall mean (x) if Executive's employment is terminated by his death, the date of his death, (y) if Executive's employment is terminated by Employer for Cause, the date on which Notice of Termination is given as contemplated by Section 7(e) or, if later, the date of termination specified in such Notice, or (z) if Executive's employment is terminated by Employer Without Cause, due to Executive's Disability or by Executive for any reason, the date that is 30 days after the date on which Notice of Termination is given as contemplated by Section 7(e) or, if no such Notice is given, 30 days after the date of termination of employment.

(i) Resignation upon Termination. Unless otherwise mutually agreed by the parties, effective as of any Date of Termination under this Section 7 or otherwise as of the date of Executive's termination of employment with Employer, Executive shall resign, in writing, from all

Board memberships and other positions then held by him with GPHC, Employer and their respective Affiliates.

(j) Nondisparagement. Executive agrees not to disparage Employer, GPHC, or the subsidiaries thereof, or the officers, directors or employees of any of them, during the Employment Period or thereafter.

8. Unauthorized Disclosure. During the period of Executive's employment with Employer and the three-year period following any termination of such employment, without Employer's prior written consent, except to the extent required by an order of a court having jurisdiction or under subpoena from an appropriate government agency, in which event, Executive shall use his best efforts to consult with Employer prior to responding to any such order or subpoena, and except as required in the performance of his duties hereunder, Executive shall not disclose any confidential or proprietary trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information (including but not limited to data and other information relating to members of the Board of Directors of GPHC, Employer or any of their respective Affiliates or to management of GPHC, Employer or any of their respective Affiliates), operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information (a) relating to GPHC, Employer or any of their respective Affiliates or (b) that GPHC, Employer or any of their respective Affiliates may receive belonging to suppliers, customers or others who do business with GPHC, Employer or any of their respective Affiliates (collectively, "Confidential Information") to any third person unless such Confidential Information has been previously disclosed to the public or is in the public domain (other than by reason of Executive's breach of this Section 8). The obligations in this paragraph are in addition to, and in no way restrict or operate as a waiver of, statutory or common law protection of trade secrets, as defined by law.

Non-Competition. The Executive acknowledges and agrees that he or she is engaged in business with the Employer in a global market. Therefore, during the period of Executive's employment with Employer and for one (1) year following the date of Executive's termination of employment with Employer; Executive shall not directly or indirectly become employed or otherwise serve in a management capacity or as an independent contractor, advisor or consultant for the following companies or any of their current subsidiaries or successors in the United States, Europe, Canada or Mexico that directly compete with Employer or its Affiliates: Carastar, Paperworks, Malnove, Georgia Pacific (Paperboard Division only), International Paper (Consumer Packaging Division only), WestRock, Metsa, Inline Packaging, Klabin, Mayr Melnhof, Van Genechten and A&R Packaging or any of their subsidiaries or successors. Executive agrees and acknowledges that serving in a management capacity for such entities would require Executive to perform essentially the same services as the services Executive will be performing for Employer.

9. Non-Solicitation of Employees. Executive agrees that, during Executive's Employment with Employer and for a period of one year (1) following termination of Executive's

employment, Executive shall not directly or indirectly, for Executive's own account or for the account of any other person or entity, solicit or attempt to solicit for employment, or employ or otherwise interfere with the relationship of the Employer or its Affiliates with any persons who are employed by Employer or its Affiliates at the time of Executive's termination of employment and with whom Executive had contact while employed with Employer.

10. Non-Solicitation of Customers. The Executive acknowledges and agrees that he or she is engaged in business with the Employer in a global customer market. Executive agrees that, during Executive's Employment with Employer and for a period of one (1) year following termination of Executive's employment, Executive shall not take any action to, directly or indirectly, solicit or attempt to solicit any current or actively sought prospective customer or Employer with whom Executive had material business contact anywhere in the United States, Europe, Canada, or Mexico during the two (2) year period directly preceding the termination of Executive's employment with Employer, for the purpose of engaging in the manufacture, sales or converting of paperboard and paperboard packaging. Return of Documents. In the event of the termination of Executive's employment for any reason, Executive shall deliver to Employer all of (a) the property of each of GPHC, Employer and their respective Affiliates and (b) the non-personal documents and data of any nature and in whatever medium of each of GPHC, Employer and their respective Affiliates, and he shall not take with him any such property, documents or data or any reproduction thereof, or any documents containing or pertaining to any Confidential Information. Whether documents or data are "personal" or "non-personal" shall be determined as follows: Executive shall present any documents or data that he wishes to take with him to the chief legal officer of Employer for his review. The chief legal officer shall make an initial determination whether any such documents or data are personal or non-personal, and with respect to such documents or data that he determines to be non-personal, shall notify Executive either that such documents or data must be retained by Employer or that Employer must make and retain a copy thereof before Executive may take such documents or data with him/her.

11. Injunctive Relief with Respect to Covenants; Forum, Venue and Jurisdiction. Executive acknowledges and agrees that the covenants, obligations and agreements of Executive contained in Sections 8, 9, 10, and 11 relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause Employer irreparable injury for which adequate remedies are not available at law. Therefore, Executive agrees that Employer shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Executive from committing any violation of such covenants, obligations or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies Employer may have. Executive hereby irrevocably submits to the jurisdiction of the superior courts of Cobb County, Georgia and the federal courts of the Northern District of Georgia, in respect of the injunctive remedies set forth in this Section 13 and the interpretation and enforcement of Sections 8, 9, 10, and 11 insofar as such interpretation and enforcement relate to any request or application for injunctive relief or damages connected therewith in accordance with the provisions of this Section 12, and the parties hereto hereby irrevocably waive any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to an application for such injunctive relief or damages connected therewith in a suit or

proceeding brought before such a court in accordance with the provisions of this Section 12. All disputes not relating to any request or application for injunctive relief or damages connected therewith in accordance with this Section 12 shall be resolved by arbitration in accordance with Section 18(b).

12. Assumption of Agreement. Employer shall require any Successor thereto, by agreement in form and substance reasonably satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession had taken place. Failure of Employer to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from Employer in the same amount and on the same terms as Executive would be entitled hereunder if Employer had terminated Executive's employment Without Cause as described in Section 7, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

13. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof. All prior correspondence and proposals (including but not limited to summaries of proposed terms) and all prior promises, representations, understandings, arrangements and agreements relating to such subject matter (including but not limited to those made to or with Executive by any other Person and those contained in any prior employment, consulting or similar agreement entered into by Executive and Employer or any predecessor thereto or Affiliate thereof) are merged herein and superseded hereby.

14. Indemnification. Employer hereby agrees that it shall indemnify and hold harmless Executive to the fullest extent permitted by Delaware law from and against any and all liabilities, costs, claims and expenses, including all costs and expenses incurred in defense of litigation (including attorneys' fees), arising out of the employment of Executive hereunder, except to the extent arising out of or based upon the gross negligence or willful misconduct of Executive. Costs and expenses incurred by Executive in defense of such litigation (including attorneys' fees) shall be paid by Employer in advance of the final disposition of such litigation upon receipt by Employer of (a) a written request for payment, (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought, and (c) an undertaking adequate under Delaware law made by or on behalf of Executive to repay the amounts so paid if it shall ultimately be determined that Executive is not entitled to be indemnified by Employer under this Agreement, including but not limited to as a result of such exception.

15. Code Section 409A.

(a) General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Code Section 409A. Nevertheless, the tax treatment of the benefits provided under the Agreement is not warranted or guaranteed. Neither Employer nor its directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by Executive as a result of the application of Code Section 409A.

(b) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute non-exempt “deferred compensation” for purposes of Code Section 409A would otherwise be payable or distributable under this Agreement by reason of Executive’s Separation from Service during a period in which he is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by Employer under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):

(i) the amount of such non-exempt deferred compensation that would otherwise be payable during the six-month period immediately following Executive’s Separation from Service will be accumulated through and paid or provided on the first normal payroll date in the seventh month following Executive’s Separation from Service (or, if Executive dies during such period, within 30 days after Executive’s death) (in either case, the “Required Delay Period”); and

(ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

For purposes of this Agreement, the term “Specified Employee” has the meaning given such term in Code Section 409A: *provided, however*, that Employer’s Specified Employees and its application of the six-month delay rule of Code Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board or a committee thereof, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of Employer, including this Agreement.

(c) Treatment of Installment Payments. Each payment of termination benefits under Section 7(f) of this Agreement, including, without limitation, each installment payment and each provision of, or payment or reimbursement of premiums for, the Continued Benefits under Section 7(f)(v), shall be considered a separate payment, as described in Treas. Reg. Section 1.409A-2(b)(2), for purposes of Code Section 409A.

(d) Timing of Reimbursements and In-kind Benefits. If Executive is entitled to be paid or reimbursed for any taxable expenses under Sections 6(a), 7(f)(v), 18(b) or otherwise and such payments or reimbursements are includible in Executive’s federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year (other than the outplacement benefits under Section 7(f)(v)(y)), and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. Executive’s rights to payment or reimbursement of expenses pursuant to Section 18(b) shall expire at the end of the 20 years after the Date of Termination. No right of Executive to reimbursement of expenses under Sections 6(a), 7(f)(v), 18(b) or otherwise shall be subject to liquidation or exchange for another benefit.

16. Miscellaneous.

(a) Binding Effect; Assignment. This Agreement shall be binding on and inure to the benefit of Employer, GPHC and their respective successors and permitted assigns. This

Agreement shall also be binding on and inure to the benefit of Executive and his heirs, executors, administrators and legal representatives. This Agreement shall not be assignable by any party hereto without the prior written consent of the other parties hereto, except as provided pursuant to this Section 18(a). Each of GPHC and Employer may effect such an assignment without prior written approval of Executive upon the transfer of all or substantially all of its business and/or assets (by whatever means), provided that the Successor to Employer shall expressly assume and agree to perform this Agreement in accordance with the provisions of Section 14.

(b) Arbitration. Any dispute or controversy arising under or in connection with this Agreement (except in connection with any request or application for injunctive relief or damages connected therewith in accordance with Section 13) shall be resolved by binding arbitration. The arbitration shall be held in the city of Atlanta, Georgia and except to the extent inconsistent with this Agreement, shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect at the time of the arbitration, and otherwise in accordance with principles which would be applied by a court of law or equity. The arbitrator shall be acceptable to both Employer and Executive. If the parties cannot agree on an acceptable arbitrator, the dispute shall be heard by a panel of three arbitrators, one appointed by Employer, one appointed by Executive, and the third appointed by the other two arbitrators. All expenses of arbitration shall be borne by the party who incurs the expense, or, in the case of joint expenses, by both parties in equal portions, except that, in the event Executive prevails on the principal issues of such dispute or controversy, all such expenses shall be borne by Employer.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to principles of conflicts of laws.

(d) Taxes. Employer may withhold from any payments made under this Agreement all applicable taxes, including but not limited to income, employment and social insurance taxes, as shall be required by law.

(e) Amendments. No provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by Employer's Board or a Person authorized thereby and is agreed to in writing by Executive and, in the case of any such modification, waiver or discharge affecting the rights or obligations of GPHC, is approved by the Board of Directors of GPHC or a Person authorized thereby. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions.

(f) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(g) Notices. Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by courier service or by certified or registered mail, first-class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or, if so mailed, on the third business day after the mailing thereof, and (iv) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(A) If to Employer or GPHC, to it at:

1500 Riveredge Parkway, N.W.
Suite 100, 9th Floor
Atlanta, Georgia 30328
Attention: General Counsel

(B) if to Executive, to him at his residential address as currently on file with Employer.

(h) Voluntary Agreement: No Conflicts. Executive, Employer and GPHC each represent that they are entering into this Agreement voluntarily and that Executive's employment hereunder and each party's compliance with the terms and conditions of this Agreement will not conflict with or result in the breach by such party of any agreement to which he/she or it is a party or by which he/she or it or his or its properties or assets may be bound.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(j) Headings. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

(k) Certain Definitions.

"Affiliate": with respect to any Person, means any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with the first Person, including but not limited to a Subsidiary of the first Person, a Person of which the first Person is a Subsidiary, or another Subsidiary of a Person of which the first Person is also a Subsidiary.

"Change in Control" shall mean any of the following events:

- (1) The acquisition by any Person of Beneficial Ownership (as defined in Rule 13d-3 of the General Rules and Regulations under the Exchange Act) of thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of GPHC entitled to vote generally in the election of Employer's Board (the "Outstanding

GPHC Voting Securities”); provided, however, that for purposes of this section, the following acquisitions shall not constitute a Change of Control: (i) any acquisition by a Person who on the Effective Date is the Beneficial Owner of thirty percent (30%) or more of the Outstanding GPHC Voting Securities, (ii) any acquisition by GPHC or any of its Subsidiaries, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by GPHC or any of its Subsidiaries, (iv) any acquisition by a shareholder who is a party to the Stockholders Agreement, dated July 7, 2007, or (v) any acquisition by any corporation pursuant to a transaction which complies with subparagraphs (x), (y), and (z) of Section (3) below;

- (2) Individuals who constitute the Employer’s Board as of the Effective Date hereof (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Employer’s Board, provided that any individual becoming a Director subsequent to the Effective Date whose election, or nomination for election by GPHC’s shareholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election or removal of the Directors of GPHC or other actual or threatened solicitation of proxies of consents by or on behalf of a Person other than the Employer’s Board;
- (3) Consummation of a reorganization, merger, or consolidation to which GPHC is a party (a “Business Combination”), in each case unless, following such Business Combination: (x) all or substantially all of the individuals and entities who were the Beneficial Owners of Outstanding GPHC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of Directors of the corporation resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns GPHC either directly or through one or more subsidiaries) (the “Successor Entity”) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding GPHC Voting Securities; and (y) no Person (excluding any Successor Entity or any employee benefit plan, or related trust, of the Company or such Successor Entity) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Successor Entity, except to the extent that such

ownership existed prior to the Business Combination; and (z) at least a majority of the members of the board of directors of the Successor Entity were members of the Incumbent Board (including persons deemed to be members of the Incumbent Board by reason of the proviso to paragraph (2) of this section) at the time of the execution of the initial agreement or of the action of the Employer's Board providing for such Business Combination;

(4)The sale, transfer or other disposition of all or substantially all of the assets of GPHC;
or

(5)Approval by the shareholders of GPHC of a complete liquidation or dissolution of
GPHC.

“Control”: with respect to any Person, means the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

“Person”: any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.

“Subsidiary”: with respect to any Person, each corporation or other Person in which the first Person owns or Controls, directly or indirectly, capital stock or other ownership interests representing 50% or more of the combined voting power of the outstanding voting stock or other ownership interests of such corporation or other Person.

“Successor”: of a Person means a Person that succeeds to the first Person's assets and liabilities by merger, liquidation, dissolution or otherwise by operation of law, or a Person to which all or substantially all the assets and/or business of the first Person is transferred.

IN WITNESS WHEREOF, Employer and GPHC have duly executed this Agreement by their authorized representatives, and Executive has hereunto set his hand, in each case effective as of the date first above written.

GRAPHIC PACKAGING HOLDING COMPANY

By: /s/ Carla J. Chaney
Carla J. Chaney
Senior Vice President, Human Resources

GRAPHIC PACKAGING INTERNATIONAL, INC.

By: /s/ Carla J. Chaney

Carla J. Chaney
Senior Vice President, Human Resources

Executive:

/s/ Joseph P. Yost
Joseph P. Yost

Graphic Packaging International, Inc.
Executive Severance Plan

(as amended and restated effective February 25, 2014)

I. Introduction

The purpose of the **Graphic Packaging International, Inc. Executive Severance Plan** (the “Plan”) is to provide severance benefits to certain executives of **Graphic Packaging International, Inc.** (the “Company”) in the event of termination of employment for certain reasons and to provide enhanced severance benefits to those executives in the event of termination of employment due to a Change in Control (as defined herein).

II. Definitions and Construction

2.1 Definitions. Where the following words and phrases appear in the Plan, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

- (a) **“Base Salary”** shall mean the annual base salary of the Participant, exclusive of commissions, overtime, bonuses, taxable fringe benefits and other forms of compensation.
- (b) **“Beneficial Ownership”** shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).
- (c) **“Board” or “Board of Directors” or “Directors”** shall mean the Board of Directors of GPHC.
- (d) **“Change in Control”** shall mean any of the following events:
 - (i) The acquisition by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of GPHC entitled to vote generally in the election of Directors (the “Outstanding GPHC Voting Securities”); provided, however, that for purposes of this Section 2.1(d)(i), the following acquisitions shall not constitute a Change in Control: (i) any acquisition by a Person who immediately prior to such acquisition is the Beneficial Owner of thirty percent (30%) or more of the Outstanding GPHC Voting Securities, (ii) any acquisition by GPHC or any of its subsidiaries, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by GPHC or any of its subsidiaries, (iv) any acquisition by a shareholder who is a party to the Stockholders Agreement, dated July 7, 2007, as

amended, or (v) any acquisition by any corporation pursuant to a transaction which complies with subparagraphs (1), (2), and (3) of Section 2.1(d)(iii);

- (ii) Individuals who constitute the Board at any time (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a Director subsequent to such time whose election, or nomination for election by GPHC’s shareholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election or removal of the Directors of GPHC or other actual or threatened solicitation of proxies of consents by or on behalf of a Person other than the Board;
- (iii) Consummation of a reorganization, merger, or consolidation to which GPHC is a party (a “Business Combination”), in each case unless, following such Business Combination: (1) all or substantially all of the individuals and entities who were the Beneficial Owners of Outstanding GPHC Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of Directors of the corporation resulting from the Business Combination (including, without limitation, a corporation which as a result of such transaction owns GPHC either directly or through one or more subsidiaries) (the “Successor Entity”) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding GPHC Voting Securities; and (2) no Person (excluding any Successor Entity or any employee benefit plan, or related trust, of the Company or such Successor Entity) beneficially owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding voting securities of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (3) at least a majority of the members of the board of directors of the Successor Entity were members of the Incumbent Board (including persons deemed to be members of the Incumbent Board by reason of the proviso to paragraph (ii) of this Section 2.1(d)) at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination;

- (iv) The sale, transfer or other disposition of all or substantially all of the assets of GPHC;
or
- (v) Approval by the shareholders of GPHC of a complete liquidation or dissolution of GPHC.
- (e) **“Change in Control Date”** shall mean the date on which a Change in Control actually occurs. No contract or other agreement, whether or not binding, shall be deemed a Change in Control for purpose of the Plan until a transaction occurs which meets the definition of Change in Control.
- (f) **“Code”** shall mean the Internal Revenue Code of 1986, as amended.
- (g) **“Code Section 409A”** shall mean Section 409A of the Code and all applicable regulations and other Treasury or IRS guidance issued thereunder.
- (h) **“Company”** shall mean Graphic Packaging International, Inc.
- (i) **“Disability”** shall mean the Participant:
 - (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or
 - (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company, or
 - (iii) has been determined to be disabled by the Social Security Administration.
- (j) **“Effective Date”** shall mean February 25, 2014. The original effective date of this Plan was January 1, 2010.
- (k) **“ERISA”** shall mean the Employee Retirement Income Security Act of 1974, as amended.
- (l) **“GPHC”** shall mean Graphic Packaging Holding Company and any successor thereto.
- (m) **“Job Elimination”** shall mean the Participant’s employment is involuntarily terminated by the Company because of cost-cutting measures, structural

changes (including outsourcing), business or facility divestment, facility closure, permanent job elimination.

- (n) **“Participant”** shall mean each employee of the Company who is in Job Grade 101 or higher who is not a party to an employment agreement with the Company (unless the employment agreement expressly provides for such employee’s participation in this Plan).
- (o) **“Person”** shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a “group” as defined in Section 13(d) thereof.
- (p) **“Plan”** shall mean this Graphic Packaging International, Inc. Executive Severance Plan, as amended from time to time.
- (q) **“Plan Administrator”** shall mean the Board of Directors of Graphic Packaging International, Inc., or any other individual(s), committee(s) or other entity(ies) designated by the Company to administer the Plan. The Plan Administrator will be the administrator, as that term is defined in ERISA Section 3(16)(A).
- (r) **“Retirement Age”** shall mean, with respect to a Participant, attainment of at least the age fifty-five (55) with the Participant’s age and years of service totaling at least sixty-five (65).
- (s) **“Separation from Service” or “Separate from Service”** shall mean a separation from service as defined under Code Section 409A (without giving effect to any elective provisions that may be available under such definition). As a general overview of Code Section 409A’s definition of “separation from service”, a Participant separates from service if he has a termination of employment as an employee (other than for death) with the Company and all members of the controlled group, determined in accordance with the following:
 - (i) **Leaves of Absence.** The employment relationship is treated as continuing intact while the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six (6) months, or, if longer, so long as the Participant retains a right to reemployment with the Company or a member of the controlled group under an applicable statute or by contract. A leave of absence constitutes a bona fide leave of absence only while there is a reasonable expectation that the Participant will return to perform services for the Company or a member of the controlled group. If the period of leave exceeds six (6) months and the Participant does not retain a right to reemployment under an

applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such 6-month period.

- (ii) Status Change. Generally, if a Participant performs services both as an employee and an independent contractor, the Participant must separate from service both as an employee and as an independent contractor pursuant to standards set forth in Treasury Regulations to be treated as having a separation from service. However, if a Participant provides services as an employee and as a member of the board of directors of the Company or GPHC, the services provided as a director are not taken into account in determining whether the Participant has a Separation from Service as an employee for purposes of this Plan.
- (iii) Termination of Employment. Whether a termination of employment has occurred is determined based on whether the facts and circumstances indicate that the Company, all members of the controlled group and the Participant reasonably anticipate that (1) no further services will be performed after a certain date, or (2) the level of bona fide services the Participant will perform after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the Company and all members of the controlled group if the Participant has been providing services to the Company and all members of the controlled group for less than thirty-six (36) months). Facts and circumstances to be considered in making this determination include, but are not limited to, whether the Participant continues to be treated as an employee for other purposes (such as continuation of salary and participation in employee benefit programs), whether similarly-situated service providers have been treated consistently, and whether the Participant is permitted, and realistically available, to perform services for other service recipients in the same line of business. For periods during which a Participant is on a paid bona fide leave of absence and has not otherwise terminated employment as described in subsection (i) above, for purposes of this subsection, the Participant is treated as providing bona fide services at a level equal to the level of services that the Participant would have been required to perform to receive the compensation paid with respect to such leave of absence. Periods during which a Participant is on an unpaid bona fide leave of absence and has not otherwise terminated employment are disregarded for

purposes of this subsection (including for purposes of determining the applicable 36-month (or shorter) period).

- (iv) **Controlled Group.** For purposes of this Section 2.1(q), “controlled group” means any other entity that would be required to be aggregated with the Company under Code Section 414(b) or (c) determined, however, by using “at least 50 percent” instead of “at least 80 percent” in applying Code Section 414(b) or (c).
- (t) **“Separation from Service for Good Reason”** shall mean a Separation from Service by the Participant (regardless of whether the Participant has reached Retirement Age) following the occurrence, without the Participant’s consent, of either of the following events:
 - (i) assignment to the Participant of duties that represent a material diminution of the duties he or she was performing immediately prior to the change; or
 - (ii) an assignment to the Participant of a position that requires Participant to permanently relocate more than fifty (50) miles from Participant’s current residence.
 - (iii) a material reduction in the rate of Participant’s Base Salary from the Base Salary the Participant was receiving (other than a reduction that does not exceed ten percent (10%) and is applied uniformly percentage-wise to all similarly situated executives).

A termination by a Participant shall not constitute a Separation from Service for Good Reason unless: (1) the Participant shall have first delivered to the Company written notice setting forth with specificity the occurrence deemed to give rise to a right to Separate from Service for Good Reason, which notice must be given no later than thirty (30) days after the initial occurrence of such event; (2) there shall have passed a reasonable time, not less than thirty (30) days, within which the Company may take action to correct, rescind or otherwise substantially reverse the occurrence supporting Separation from Service for Good Reason as identified by the Participant; and (3) the Participant’s Separation from Service occurs not later than two (2) years following the initial existence of one or more of the conditions giving rise to a right to Separate from Service for Good Reason.

Notwithstanding anything to the contrary in this Plan, Separation from Service for Good Reason shall not include a Termination Due to Death or Disability.

- (u) **“Specified Employees”** shall have the meaning ascribed to such term for with the Company’s Specified Employee Designation Policy (as now in e purposes of Code Section 409A, and shall be determined in accordance effect and as it may be modified from time to time). with the Company’s Specified Employee Designation Policy (as now in effect and as it may be modified from time to time).

effect and as it may be modified from time to time). effect and as it may be modified from time to time).

- (v) **“Termination by Company for Cause”** shall mean a termination of employment by the Company for:
- (i) the willful failure of the Participant substantially to perform his or her duties (other than such failure due to Disability), after a written demand for substantial performance has been delivered, and a reasonable opportunity to cure has been given, to the Participant by the Company, which demand identifies in reasonable detail the manner in which the Company believes that the Participant has not substantially performed his or her duties or has committed a violation of Company policy;
 - (ii) the Participant’s engaging in willful and serious misconduct that has caused or is reasonably expected to result in material injury to the Company or any of its Affiliates, including but not limited to a violation of the Company’s Code of Conduct. For purposes of this Agreement, “Affiliates” shall include the Company’s subsidiaries, parent companies, and joint ventures.
 - (iii) the Participant’s conviction of, or entering a plea of guilty or nolo contendere to, a crime that constitutes a felony; or
 - (iv) the Participant’s material violation of the requirements of federal or state securities laws.

Notwithstanding anything to the contrary in this Plan, in no event will any Plan payments or benefits be paid to a Participant whose Separation from Service is due to a Termination by Company for Cause.

- (w) **“Termination by Company Without Cause”** shall mean a Participant’s Separation from Service by the Company other than (1) such a Separation from Service of a Participant who has attained Retirement Age, except following a Change in Control to the extent provided in Section 3; (2) a Termination Due to Death or Disability; (3) a Termination by Company for Cause; or (4) a Separation from Service due to a Job Elimination.
- (x) **“Termination Due to Death or Disability”** shall mean a termination of employment due to Death or Disability of the Participant.

2.2 Number and Gender. Wherever appropriate herein, a word used in the singular shall be considered to include the plural and the plural to include the singular. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and vice versa.

2.3 **Headings.** The headings of Articles and Sections herein are included solely for convenience and if there is any conflict between such headings and the text of the Plan, the text shall control.

III. Plan Payments and Benefits

3.1 **Payments Upon Certain Separations from Service.** Upon a Separation from Service of the Participant due to a Termination by Company Without Cause, Job Elimination, or a Separation from Service for Good Reason, the Participant will become entitled to:

(a) one (1) year's Base Salary; and

(b) an amount equal to the product of (1) the amount of incentive compensation based on the Participant's annual target bonus opportunity that would have been payable to the Participant for the calendar year in which the date of the Separation from Service occurs if the Participant had remained employed for the entire calendar year and assuming that all applicable performance criteria had been achieved at target levels, multiplied by (2) a fraction, the numerator of which is equal to the number of days in such calendar year through and including the date of the Separation from Service and the denominator of which is 365 (such product, the "Pro Rata Bonus"), except as otherwise provided in Section 3.2(b) below if applicable.

A Participant who has attained Retirement Age shall become entitled to the above amounts only in the event of (1) the Participant's termination due to a Job Elimination; (2) the Participant's Separation from Service for Good Reason; or (3) the Participant's Termination by Company Without Cause within one (1) year following a Change in Control Date.

3.2 **Payments Upon Certain Separations from Service Following a Change in Control**

(a) one-half (½) year's Base Salary in addition to the amount described in Section 3.1(a) above; and

(b) instead of the Pro Rata Bonus described in Section 3.1(b) above, an amount based on the Participant's annual target bonus opportunity that would have been payable to the Participant for the calendar year in which the date of the Separation from Service occurs if the Participant had remained employed for the entire calendar year and assuming that all applicable performance criteria had been achieved at target levels, multiplied by (2) a fraction, the numerator of which is equal to the number of days in such calendar year through and including the date of the Separation from Service and the denominator of which is 365 (such product, the "Pro Rata Bonus"), except as otherwise provided in Section 3.2(b) below if applicable.

year and assuming that all applicable 1.5. 1.5. performance criteria had been achieved at target levels, multiplied by (2) 1.5. been payable to the Participant for the calendar year in which the date of employed for the entire calendar year and assuming that all applicable 1.5. performance criteria had been achieved at target levels, multiplied by (2) 1.5. performance criteria had been achieved at target levels, multiplied by (2) 1.5. 1.5. employed for the entire calendar year and assuming that all applicable 1.5. performance criteria had been achieved at target levels, multiplied by (2) 1.5. the Separation from Service occurs if the Participant had remained performance criteria had been achieved at target levels, multiplied by (2) 1.5. 1.5. performance criteria had been achieved at target levels, multiplied by (2) 1.5. employed for the entire calendar year and assuming that all applicable 1.5. 1.5. performance criteria had been achieved at target levels, multiplied by (2) 1.5.

3.3 Termination Due to Death or Disability. In the event that Participant's employment hereunder terminates due to death or is terminated by the Company due to Participant's Disability, the Company shall pay Participant or Participant's estate, whichever is applicable: (1) Participant's full Base Salary for the remainder of the pay period in which the Separation from Service occurs; and (2) a Pro Rata Bonus within 60 days following the Separation of Service, calculated assuming target performance under applicable financial metrics.

(a) In the case of termination upon Participant's death, Participant's estate shall, in addition to the other benefits provided herein, also be paid the equivalent of one month of Participant's Base Salary.

(b) The benefits provided pursuant to this Section are made in lieu of any other payments or benefits, and neither Participant nor Participant's estate shall be entitled to receive any payments or benefits, pursuant to any plan, policy, program or practice providing any bonus or annual incentive compensation.

3.4 Time and Form of Payment. Payments pursuant to Sections 3.1 and 3.2 above will be made as follows:

(a) **General Payment Timing.** Except as otherwise provided below:

(i) On the Company's first normal semi-monthly payroll date following both (1) the date of a Separation from Service entitling a Participant to payments and benefits hereunder and (2) execution and nonrevocation by the Participant of an Agreement and Release as required by Section 3.7 below (the "payment commencement date" for purposes of this subsection (a)), the following amounts will be paid to the Participant:

(A) the product of one twenty-fourth (1/24) of the amount due to the Participant under Section 3.1(a) multiplied by the number of normal semi-monthly payroll dates that have occurred since the Separation from Service date through and including the payment commencement date; and

(B) the full amount due under Section 3.2(a), if any.

The payment commencement date will be postponed to the extent required under Section 3.6(b).

(ii) On each of the Company's normal semi-monthly payroll dates subsequent to the payment commencement date described in (i), one twenty-fourth (1/24) of the amount due to Participant under Section

3.1(a) above will be payable, until the amount due thereunder is paid in full.

(iii) The amount due under Section 3.1(b) or 3.2(b) will be paid in full upon the later of:

(A) the payment commencement date described in (i) above, and

(B) the date that the incentive compensation for the relevant calendar year is paid to the Company's executives (but in no event later than March 15 following the year in which the Separation from Service occurred).

(b) Payments to Specified Employees. Payments to Specified Employees upon Separation from Service will be made in accordance with the payment timing rules in subsection 3.4(a) above to the extent that one or more of the Code Section 409A exemptions, including without limitation the following, apply:

(vi) The payments are made no later than 2½ months after the end of the Participant's taxable year in which the Participant vests in the benefit (the "Short-Term Deferral Period"), pursuant to Treasury Regulation Section 1.409A-1(b)(4).

(A) This exemption does not include payments that will or may occur after the end of the Short-Term Deferral Period.

(B) This exemption will not apply to any amounts payable to a Participant under Section 3.1(a) of this Plan unless all installment payments with respect to such benefits (as described in subsection (a) above) will be completed by the end of the Short-Term Deferral Period.

(vii) The payments are made solely upon involuntary separation (including Code Section 409A compliant good reason separations), pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), to the extent such amounts:

(A) are payable no later than December 31 of the second taxable year following the year of the Separation from Service, and

(B) do not exceed two (2) times the lesser of (x) the Participant's annualized compensation, and (y) the IRS qualified plan compensation limit under Code Section 401(a)(17) (\$250,000 during 2012, subject to future cost-of-living adjustments) for the year in which the Separation from Service occurs.

- (viii) The amounts payable upon Separation from Service are equal to or less than the applicable dollar limit under Code Section 402(g)(1)(B) (\$17,000 during 2012, subject to future cost-of-living adjustments) for the year of the Participant's Separation from Service, whether the separation is voluntary or involuntary, pursuant to Treasury Regulation Section 1.409A-1(b)(9)(v)(D).

The foregoing is only a general description of these Code Section 409A exemptions. The availability and application of exemptions will be determined exclusively under the rules of Code Section 409A, and no limitation thereon or modification thereto is intended as a result of these descriptions.

All available Code Section 409A exemptions will be used in combination, such that each exemption available with respect to a Participant's benefits will apply to the maximum extent applicable under Code Section 409A.

(c) Non-Exempt Payments to Specified Employees. Notwithstanding subsections 3.4(a) and (b) above, to the extent required by Code Section 409A with respect to payment of amounts not exempt under Code Section 409A to Specified Employees upon Separation from Service, payments will be made to Participants as follows:

- (i) On the Company's first normal semi-monthly payroll date that occurs during the seventh (7th) month following the date of the Separation from Service entitling a Participant to payments and benefits hereunder and following execution and nonrevocation of an Agreement and Release as required by Section 3.6 below (the "payment commencement date" for purposes of this subsection (c)), the following amounts will be paid to the Participant:
 - (C) one-half (1/2) of the amount due under Section 3.1(a) that is subject to Code Section 409A;
and
 - (D) the full amount due under Section 3.2(a) that is subject to Code Section 409A, if any;

The payment commencement date will be postponed to the extent required under Section 3.7(b).

- (ii) On each of the Company's subsequent normal semi-monthly payroll dates following the payment commencement date described in (i) above, one twenty-fourth (1/24) of the amount due to the Participant under Section 3.1(a) above that is subject to Code Section 409A will be payable, until the amount due thereunder is paid in full.

- (iii) The amount due under Section 3.1(b) or 3.2(b) that is subject to Code Section 409A will be paid in full upon the later of:
 - (A) the payment commencement date described in (i) above, and
 - (B) the date that the incentive compensation for the relevant calendar year is paid to the Company's executives (*i.e.*, between January 2 and March 15 following the year in which the Separation from Service occurred).

(d) Alternative Payment Timing. Notwithstanding subsections (a), (b) and (c) of this Section 3.4:

- (i) The Company may specify different timing and form of payment under this Section 3.4 for a new Participant. Any such payment timing shall be specified, in writing, at the time the Participant first becomes eligible to participate in this Plan.
- (ii) If and to the extent that amounts payable under Sections 3.1 and/or 3.2 above are deemed, for purposes of Code Section 409A, to be in substitution of amounts previously payable under another arrangement with respect to such Participant, such payments hereunder will be made at the same time(s) and in the same form(s) as such amounts would have been payable under the other arrangement, to the extent required to comply with Code Section 409A.

3.1 Benefit Continuation. If a Participant is entitled to payments pursuant to Section 3.1 above, then for the period beginning on the date of Separation from Service and ending on the first anniversary of the date of Separation from Service (the "Severance Period"), the Company shall (x) continue to provide to the Participant the life, medical, dental, and prescription drug benefits provided as of the date of Separation from Service; and (y) reimburse the Participant for expenses incurred by him or her for outplacement and career counseling services provided to Participant by a firm selected by the Company for an aggregate amount not in excess of \$25,000. To be eligible for continuation of medical, dental and prescription drug benefits, the Participant must elect continuation of group benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) by completing an application and returning it to the COBRA administrator by the deadline specified in the application. The Company will subsidize the Participant's COBRA premiums during the Severance Period. The Company subsidy will end upon the earlier of the last day of the Severance Period or the day that COBRA coverage ends for any reason, including loss of plan eligibility under plan terms or applicable law; or qualification for benefits with another employer. During the Severance Period, the Participant will make the same contributions as required of active employees with said contributions being paid directly to the Company's COBRA administrator on an

after-tax basis. The Severance Period will count against the Participant's total COBRA continuation period. To the extent that subsidized healthcare coverage provided to a Participant hereunder is treated as discriminatory in favor of a highly compensated individual under Code Section 105(h), the Company will report the amount of the subsidy as taxable income on the Participant's IRS Form W-2 for such year.

3.2 Other Company Plans. No Participant in this Plan will be eligible to participate in the Graphic Packaging International, Inc. Severance Pay Plan or the Graphic Packaging International, Inc. Supplemental Unemployment Benefits Plan. No employee who has an employment agreement with the Company is eligible for benefits under this Plan, unless the employment agreement expressly provides for such employee's participation in this Plan.

3.3 Agreement and Release. Notwithstanding any contrary provisions of this Plan:

(a) A Participant's eligibility for any of the payments or benefits described herein will be subject to, and conditioned upon, the Participant executing an agreement and release in the form provided by the Company (the "Agreement and Release"), which will include a general release of claims and certain restrictions on the Participant's post-employment activities. If a Participant fails to sign or revokes the Agreement and Release within the time specified in the Agreement and Release, any payments or other benefits under this Plan otherwise due are forfeited.

(b) With respect to amounts subject to Code Section 409A, if the period between a Participant's Separation from Service and a payment commencement date under this Plan could span two (2) taxable years of the Participant, such payment commencement date will be the first payroll date in the second such taxable year that satisfies all requirements for a payment commencement, including execution and nonrevocation of the Agreement and Release.

IV. Consideration And Restrictive Covenants. Participant acknowledges and agrees that, as a result of Participant's employment with the Company, Participant has a prominent role in the management of the business and the development of the goodwill of the Company as well as its subsidiaries, parent companies, and joint ventures (collectively referred to as "Affiliates") and has obtained confidential and proprietary information and trade secrets concerning the business and operations of the Company and its Affiliates around the world--all of which could be used by Participant to compete unfairly with, the Company and its Affiliates. As a result, in consideration for the Plan Payment and Benefits provided above, Participant hereby agrees that:

4.1 Unauthorized Disclosure. During the period of Participant's employment with the Company and following any Separation of Service, without the Company's prior written consent (except to the extent required by an order of a court having jurisdiction or under subpoena from an appropriate government agency, in which event, Participant shall use his

or her best efforts to consult with the Company prior to responding to any such order or subpoena; and except as required in the performance of his/her duties hereunder), Participant shall not disclose any confidential or proprietary trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information (including but not limited to data and other information relating to members of the Board of Directors of GPHC, the Company or any of their respective Affiliates or to management of GPHC, the Company or any of their respective Affiliates), operating policies or manuals, business plans, financial records, packaging design respective Affiliates (collectively, "Confidential Information") to any third person unless such Confidential Information has been previously disclosed to the public or is in the public domain (other than by reason of Participant's breach of this Section 4.1). The obligations in this paragraph are in addition to, and in no way restrict or operate as a waiver of, statutory or common law protection of trade secrets, as defined by law. or other financial, commercial, business or technical information (a) relating to GPHC, the Company or any of their respective Affiliates or (b) that GPHC, the Company or any of their respective Affiliates may receive belonging to suppliers, customers or others who do business with GPHC, the Company or any of their respective Affiliates (collectively, "Confidential Information") to any third person unless such Confidential Information has been previously disclosed to the public or is in the public domain (other than by reason of Participant's breach of this Section 4.1). The obligations in this paragraph are in addition to, and in no way restrict or operate as a waiver of, statutory or common law protection of trade secrets, as defined by law.

4.1 Non-Competition. The Participant acknowledges and agrees that he or she is engaged in business with the Company in a global market. Therefore, during the period of Participant's employment with the Company and for one (1) year following the date of Participant's Separation of Service from the Company for any reason; Participant shall not directly or indirectly become employed or otherwise serve in a management capacity, whether as an independent contractor, advisor, consultant or otherwise, for any the following companies or any of their current subsidiaries or successors in the United States that directly compete with the Company or its Affiliates: Caraustar Industries, Inc.; Cascades Inc.; Exopack Holding Corporation; Georgia Pacific Corporation; Hood Packaging Corporation; International Paper Company; MeadWestvaco Corporation; PaperWorks Industries, Inc.; Packaging Corporation of America; or Rock-Tenn Company. Participant acknowledges and agrees that serving in a management capacity for such entities would require Participant to perform essentially the same services as the services Participant performs for the Company.

4.2 Non-Solicitation of Employees. For a period of one (1) year following the date of Participant's Separation from Service from the Company for any reason, Participant shall not, directly or indirectly, for his/her own account or for the account of any other Person, solicit for employment, or employ or otherwise interfere with the relationship of GPHC, the Company or any of their respective subsidiaries with, any person who is employed by GPHC, the Company or any of their current subsidiaries at the time of Participant's Separation from Service and with whom Participant had contact while employed with the Company.

4.3 Non-Solicitation of Customers. The Participant acknowledges and agrees that he or she is engaged in business with the Company in a global customer market. For one (1) year following the date of Participant's Separation from Service, Participant shall not, directly or indirectly, for his/her own account or for the account of any other Person anywhere

in the United States, the European Union, Canada or Mexico, solicit any current or actively sought prospective customer, client to distributor of the Company, GPHC, or any of their Affiliates with whom the Participant had material contact during the two (2) year period directly preceding Participant's Separation from Service with the Company, for the purpose of engaging in the manufacture, sales or converting of paperboard and paperboard packaging.

4.4 Return of Documents. In the event of the Participant's Separation of Service from the Company for any reason, Participant shall deliver to the Company all of (a) the property of each of GPHC, the Company and their respective Affiliates and (b) the non-personal documents and data of any nature and in whatever medium of each of GPHC, the Company and their respective Affiliates, and he/she shall not take with him/her any such property, documents or data or any reproduction thereof, or any documents containing or pertaining to any Confidential Information. Whether documents or data are "personal" or "non-personal" shall be determined as follows: Participant shall present any documents or data that he/she wishes to take with him/her to the chief legal officer of the Company for his/her review. The chief legal officer shall make an initial determination whether any such documents or data are personal or non-personal, and with respect to such documents or data that he/she determines to be non-personal, shall notify Participant either that such documents or data must be retained by the Company or that the Company must make and retain a copy thereof before Participant may take such documents or data with him/her.

4.5 Injunctive Relief with Respect to Covenants; Forum, Venue and Jurisdiction. Participant acknowledges and agrees that the covenants, obligations and agreements of Participant contained in Sections 4.1 through 4.5 relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, Participant agrees that the Company shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Participant from committing any violation of such covenants, obligations or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company may have. Participant hereby irrevocably submits to the jurisdiction of the superior courts of Atlanta, Georgia and the federal courts of the Northern District of Georgia, in respect of the injunctive remedies set forth in this Section 4.6 and the interpretation and enforcement of Sections 4.1 through 4.15 insofar as such interpretation and enforcement relate to any request or application for injunctive relief or damages connected therewith in accordance with the provisions of this Section 4.6, and the parties hereto hereby irrevocably waive any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to an application for such injunctive relief or damages connected therewith in a suit or proceeding brought before such a court in accordance with the provisions of this Section 4.6.

V. Administration of Plan

5.1 Administration and Interpretation of the Plan. The board of directors of Graphic Packaging International, Inc. shall be the Plan Administrator unless such board of directors appoints a different Plan Administrator in writing. If the board of directors of the Company appoints a committee to serve as the Plan Administrator, unless otherwise specified in such appointment: the committee shall consist of not less than three (3) members; any member of the committee may resign at any time by giving notice to the Company, and any resignation shall take effect on the date of receipt of such notice or at any later date specified in the notice; no member of the committee shall receive any compensation for his or her services as a member of the committee; a majority of the members of the committee shall constitute a quorum for the transaction of business; and all resolutions or other actions taken by the committee shall require the written approval or affirmative vote of a majority of the members of the committee. The Plan Administrator shall have all powers necessary or convenient to administer the Plan, including, in addition to such other powers as the law may provide, the following:

- (c) to make and enforce such rules and regulations as it deems necessary or proper for the administration of the Plan;
- (d) to interpret the Plan, its interpretation thereof to be final and conclusive on all persons claiming benefits under the Plan;
- (e) to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
- (f) to make a determination as to the right of any person to a benefit under the Plan (including, without limitation, to determine whether and when there has been a termination of a Participant's employment and the cause of such termination);
- (g) to appoint such agents, counsel, accountants, consultants, plan administrator and other persons as may be required to assist in administering the Plan;
- (h) to allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, any such allocation, delegation or designation to be in writing;
- (i) to sue or cause suit to be brought in the name of the Plan; and
- (j) to obtain from the Company and from Participants such information, and execution of any documents, as is necessary for the administration of the Plan.

The Plan Administrator shall have the absolute and exclusive discretionary right and final authority in all matters related to the discharge of its responsibilities and the exercise of authority under the Plan, including, without limitation, the construction of the terms of the Plan, the determination of eligibility for coverage and benefits, and the amount of benefits, and all determinations of the Plan Administrator shall be final and binding upon all parties. The decisions of the Plan Administrator shall be conclusive and binding upon all persons having or claiming to have any right or interest in or under the Plan, and no such decision shall be modified under judicial review unless such decision is proven to be arbitrary or capricious.

- 5.2 Indemnification.** The Company shall, to the fullest extent permitted by law, indemnify each director, officer, or employee of the Company and affiliated entities (including the heirs, executors, administrators, and other personal representatives of such person) and the Plan Administrator against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by a person covered under this indemnification clause in connection with any threatened, pending, or actual suit, action, or proceeding (whether civil, criminal, administrative, or investigative in nature, or otherwise) in which the person may be involved by reason of the fact that the person is or was serving the Plan in any capacity at the request of the Company, except that the Company will not indemnify any individual from liability arising from that person's own fraud, willful neglect or gross negligence.

VI. Claim Procedure

- 6.1 Filing a Claim.** If a person believes that the Company is obligated under the terms of the Plan to pay a benefit or there is a dispute as to the benefit amount, such person (hereinafter referred to as the "claimant") shall deliver a written request to the Plan Administrator or such person, office or committee as the Plan Administrator shall designate for the processing of claims (the "Claims Administrator"). Claims should be sent to the Claims Administrator, Executive Severance Plan, Graphic Packaging International, Inc., at the Company's primary, corporate headquarters. Upon receipt of such request, the Claims Administrator may require the claimant to complete such forms and provide such additional information as may be reasonably necessary to establish the claimant's right to benefits under the Plan. A claim is deemed filed upon receipt by the Claims Administrator.
- 6.2 Notification to Claimant of Decision.** The Claims Administrator shall furnish to the claimant a notice of the decision within 90 days after receipt of the claim. If special circumstances require more than 90 days to process the claim, this period may be extended for up to an additional 90 days by giving written notice to the claimant before the end of the initial 90-day period stating the special circumstances requiring the extension and the date by which a final decision is expected. Failure to provide a notice of decision within the time specified shall constitute a denial of

the claim, and the claimant shall be entitled to require a review of the denial under the review procedures.

The notice to be provided to every claimant who is denied a claim for benefits shall be in writing and shall set forth, in a manner calculated to be understood by the claimant, the following:

- (a) The specific reason or reasons for the denial;
- (b) Specific reference to pertinent Plan provisions on which the denial is based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) An explanation of the Plan's claims review procedure describing the steps to be taken by a claimant who wishes to submit his or her claim for review.

6.3 Review Procedure. The purpose of the review procedure is to provide a person claiming benefits a reasonable opportunity to appeal a denial of a claim. The Plan Administrator will act as, or designate another person, office or committee to act as a claims review committee (the "Review Committee"), which may, at the discretion of the Plan Administrator, include the same members as the committee, if any, appointed to administer the Plan, to adjudicate the claim. To accomplish that purpose, the claimant or his or her duly authorized representative:

- (a) May request a review by the Review Committee;
- (b) May review pertinent Plan documents; and
- (c) May submit issues and comments in writing.

A claimant (or his or her duly authorized representative) shall request a review by the Review Committee by filing a written application for review with the Claims Administrator at any time within 60 days after receipt by the claimant of written notice of the denial of his or her claim. Any fees a claimant incurs as a result of representation by an attorney or other individual shall be paid by the claimant.

The decision on review shall be made by the Review Committee, which may in its discretion hold a hearing on the denied claim. The Review Committee shall make its decision promptly, which shall ordinarily be not later than 60 days after the Plan's receipt of the request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing. In that case, a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If an extension of time is required due to special circumstances, written notice of the extension shall be furnished to

the claimant prior to the time the extension commences. The decision on review shall be in writing and shall include specific reasons for the decision (written in a manner calculated to be understood by the claimant), as well as specific references to the pertinent Plan provisions on which the decision is based.

The Review Committee's decision on review shall be final. In the event the decision on review is not furnished to the claimant within the time required, the claim shall be deemed denied on review.

VII. General Provisions

- 7.1 Termination and Amendment.** The Plan may be amended from time to time or terminated in its entirety at the sole discretion of the Board of Directors of Graphic Packaging International, Inc. The Board of Directors of Graphic Packaging International, Inc. has the right to unilaterally change or eliminate any or all benefits under the Plan with one year's notice to the Participants of any material change in the Plan, including but not limited to participation in the Plan.
- 7.2 Nature of Plan; Funding; Cost of Plan.** The Plan is intended to be a "top-hat plan" under ERISA. The benefits provided herein shall be unfunded and shall be provided from the Company's general assets. The entire cost of the Plan shall be borne by the Company and no contributions shall be required of the Participants.
- 7.3 Nonalienation.** Participants shall not have any right to pledge, hypothecate, anticipate or assign benefits or rights under the Plan, except by will or the laws of descent and distribution.
- 7.4 Not Contract of Employment.** The adoption and maintenance of the Plan shall not be deemed to be a contract of employment between the Company and any person or to be consideration for the employment of any person. Nothing herein contained shall be deemed to (a) give any person the right to be retained in the employ of the Company, (b) restrict the right of the Company to discharge any person at any time, (c) give the Company the right to require any person to remain in the employ of the Company, or (d) restrict any person's right to terminate his employment at any time.
- 7.5 Right of Recovery.** If the Company, the Plan Administrator or other designee makes any payment that, according to the terms of the Plan, should not have been made, it may recover that incorrect payment, whether or not it was made due to its own error, from the person to whom it was made or from any other appropriate party. If any such incorrect payment is made directly to a Participant, the Company or its designee may deduct it when making future payments directly to that Participant or recover such payment by other methods to be determined at the discretion of the Plan Administrator.
- 7.6 Setoff or Counterclaim.** The Company shall have the right to set off, counterclaim, recoupment, defense or other right which the Company or any of its subsidiaries

may have against a Participant. All amounts payable by the Company shall be paid without notice or demand. Notwithstanding the foregoing, with respect to amounts that are subject to Code Section 409A, the Company may, in its sole discretion, offset any payment to a Participant by any amount owed by such Participant (whether or not such obligation is related to the Plan) to the Company or any of its subsidiaries; provided, no such offset will apply before the payment is otherwise payable under the Plan, unless the following requirements are satisfied: (i) the debt owed to the Company or any of its subsidiaries was incurred in the ordinary course of the relationship between the Participant and the Company or any of its subsidiaries, (ii) the entire amount of offset to which this sentence applies in a single taxable year does not exceed \$5,000, and (iii) the offset occurs at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

- 7.7 Taxes or Penalties.** Any benefits paid or provided pursuant to the Plan shall be subject to all required tax and other withholdings. If there are any taxes or penalties payable by the Company on behalf of any Participant, such taxes or penalties shall be payable by the Participant to the Company to the extent such taxes would have been originally payable by the Participant had this Plan not been in existence.
- 7.8 Severability.** Any provision in the Plan that is prohibited or unenforceable in any jurisdiction by reason of applicable law shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- 7.9 Effect of Plan.** The Plan is intended to supersede all prior oral or written change in control plans of the Company for Participants in the Plan. Further, the Plan shall be binding upon the Company on and after the Change in Control Date and any successor of the Company, by merger, consolidation, acquisition or similar transaction shall be so bound. All statements made by the Company, Plan Administrator or Claims Administrator shall be deemed representations and not warranties. No such statements shall void or reduce coverage under the Plan or be used in defense to a claim unless in writing signed by the Plan Administrator.
- 7.10 Governing Law.** The Plan shall be construed and its provisions enforced and administered in accordance with ERISA. To the extent, if any, that state laws are not preempted and they apply, the Plan shall be construed and administered under the laws of the State of Georgia without regard to conflicts of law principles.
- 7.11 Compliance with Code Section 409A.** The severance pay provisions and benefits described in the Plan are intended to be exempt from Code Section 409A to the extent exemptions are available and applicable. However, to the extent payments and benefits hereunder are not exempt from Code Section 409A, the Plan is intended to comply with Code Section 409A and shall be interpreted accordingly.

To the extent that any payments made pursuant to the Plan are reimbursements or in-kind benefits, the amount of such payments or benefits during any calendar year will not affect the benefits provided in any other calendar year, and the right to any such payments will not be subject to liquidation or exchange for another benefit or payment. As required by Code Section 409A, the payment date for any reimbursements shall in no event be later

than the last day of the calendar year immediately following the calendar year in which the reimbursed expense was incurred.

To the extent required under Code Section 409A, any payments or benefits under this Plan of any amount subject to Code Section 409A to be made upon the Separation from Service of a Specified Employee will in no event be made or commence until six (6) months after such Participant's Separation from Service date.

The Company hereby agrees to the provisions of the Plan and in witness of its agreement, all of the members of the Board of Directors of Graphic Packaging International, Inc. have executed the Plan on the date written below.

Graphic Packaging International, Inc.

By: /s/ David W. Scheible
David W. Scheible

By: /s/ Stephen A. Hellrung
Stephen A. Hellrung

By: /s/ Daniel J. Blount
Daniel J. Blount

Date: February 25, 2014

SUBSIDIARIES OF THE REGISTRANT

Subsidiary Name	Jurisdiction of Incorporation
Altivity Packaging Grupo, S. de R.L. de C.V.	Mexico
Altivity Packaging Servicios, S. de R.L. de C.V.	Mexico
Graphic Packaging International Box Holdings Limited	UK
Graphic Packaging International Distribution Limited	UK
Field Container Queretaro (USA), L.L.C.	Delaware
Golden Equities, Inc.	Colorado
Golden Technologies Company, Inc.	Colorado
GPI Scotland Finance LP	UK
GPI Scotland Limited	UK
Graphic Packaging Flexible Canada ULC	Canada
Graphic Packaging Flexible Holdings, LLC	Delaware
Graphic Packaging International (Cyprus) Limited	Cyprus
Graphic Packaging International (Shanghai) Co., Ltd.	China
Graphic Packaging International Australia Pty Limited	Australia
Graphic Packaging International Bremen GmbH	Germany
Graphic Packaging International Canada Corporation	Canada
Graphic Packaging International Canada ULC	Canada
Graphic Packaging International do Brasil - Embalagens Ltda.	Brazil
Graphic Packaging International Enterprises, Inc.	Delaware
Graphic Packaging International Europe Carton Design Limited	UK
Graphic Packaging International Europe Cartons B.V.	Netherlands
Graphic Packaging International Europe Finance & Real Estates B.V.	Netherlands
Graphic Packaging International Europe Holdings B.V.	Netherlands
Graphic Packaging International Europe Netherlands B.V.	Netherlands
Graphic Packaging International Europe Netherlands Holdings B.V.	Netherlands
Graphic Packaging International Europe S.A.	Belgium
Graphic Packaging International Europe UK Holdings Limited	UK
Graphic Packaging International Europe UK Limited	UK
Graphic Packaging International France	France
Graphic Packaging International Holding Company	Delaware
Graphic Packaging International Holding Sweden AB	Sweden
Graphic Packaging International Japan Ltd.	Japan
Graphic Packaging International Limited	UK
Graphic Packaging International Mexicana, S. de R.L. de C.V.	Mexico
Graphic Packaging International Operadora de Mexico, S. de R.L. de C.V.	Mexico
Graphic Packaging International Philanthropic Fund	Delaware
Graphic Packaging International S.p.A.	Italy
Graphic Packaging International Spain, S.A.	Spain
Graphic Packaging International UK Finance Limited	UK
Graphic Packaging International US Finance LLC	Delaware
Graphic Packaging International, Inc.	Delaware
Graphic Packaging UK Pension Trustee Company Limited	UK
Handschy Holdings, LLC	Delaware
Handschy Industries, LLC	Delaware
Graphic Packaging International Gateshead Ltd	UK
New Materials Limited	UK
Print Design & Graphics Ltd	UK
PrinTech Systems B.V.	Netherlands
Rengo Riverwood Packaging, Ltd.	Japan
Riverdale Industries, LLC	Delaware
Riverwood International Pension Trustee Company Limited	UK
Shoo 553 ltd	UK

Graphic Packaging International Bardon Ltd

Rose City Holding Company

Rose City Sub, Inc.

Rose City Printing and Packaging, Inc.

Graphic Packaging International Holdings Mexico, S. de R.L. de C.V.

Graphic Packaging International Servicios, S. de R.L. de C.V.

UK

Delaware

Delaware

Oregon

Mexico

Mexico

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-197680) and the related Prospectus of Graphic Packaging Holding Company and in the Registration Statements (Form S-8 No. 333-197677, No. 333-176598, No. 333-162912 and No. 333-149625) of Graphic Packaging Holding Company of our reports dated February 12, 2016, with respect to the consolidated financial statements of Graphic Packaging Holding Company, and the effectiveness of internal control over financial reporting of Graphic Packaging Holding Company, included in this Annual Report (Form 10-K) for the year ended December 31, 2015.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 12, 2015

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Annual Report on Form 10-K of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael P. Doss

Michael P. Doss,
President and Chief Executive Officer
(Principal Executive Officer)
February 12, 2016

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Annual Report on Form 10-K of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen R. Scherger

Stephen R Scherger
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)
February 12, 2016

CERTIFICATION

Pursuant to 18 United States Code Section 1350,

As adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Annual Report on Form 10-K for the period ended December 31, 2015 of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael P. Doss

Name: Michael P. Doss,

Title: President and Chief Executive Officer

February 12, 2016

CERTIFICATION

Pursuant to 18 United States Code Section 1350,

As adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Annual Report on Form 10-K for the period ended December 31, 2015 of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen R. Scherger

Name: Stephen R. Scherger

Title: Senior Vice President and Chief Financial Officer

February 12, 2016