UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIESEXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2020

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIESEXCHANGE 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	**26-0405422**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
1500 Riveredge Parkway, Suite 100	
Atlanta , Georgia	**30328**
(Address of principal executive offices)	(Zip Code)

(770) 240-7200
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value per share	GPK	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

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 (§232.405 of this chapter) 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer ☐	Smaller reporting company ☐
Non-accelerated filer ☐	(Do not check if a smaller reporting company)	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of April 20, 2020, there were279,316,995 shares of the registrant's Common Stock, par value $0.01 per share, outstanding.

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 timing of the closure of the White Pigeon, MI mill and the shutdown of the PM1 containerboard machine in West Monroe, LA, the exit activity charges expected in connection with the closure of two CRB mills, the availability of net operating losses to offset U.S. federal income taxes and the timing related to the Company's future U.S. federal income tax payments, capital investment, depreciation and amortization and pension plan contributions 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, the effects of the COVID-19 pandemic on the Company's operations and business, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and converters, product substitution, the Company’s ability to implement its business strategies, including strategic acquisitions, the Company's ability to successfully integrate 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" of the Company's 2019 Annual Report on Form 10-K, and in other filings with the Securities and Exchange Commission.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
In millions, except per share amounts	**2020**	**2019**
Net Sales	$ 1,599.1	$ 1,505.9
Cost of Sales	1,278.3	1,239.8
Selling, General and Administrative	135.6	124.7
Other Expense, Net	6.5	1.2
Business Combinations and Shutdown and Other Special Charges, Net	18.7	6.2
Income from Operations	160.0	134.0
Nonoperating Pension and Postretirement Benefit Expense	(151.6)	(0.1)
Interest Expense, Net	(33.7)	(35.0)
(Loss) Income before Income Taxes and Equity Income of Unconsolidated Entity	(25.3)	98.9
Income Tax Benefit (Expense)	5.4	(21.0)
(Loss) Income before Equity Income of Unconsolidated Entity	(19.9)	77.9
Equity Income of Unconsolidated Entity	0.1	0.2
Net (Loss) Income	(19.8)	78.1
Net Loss (Income) Attributable to Noncontrolling Interest	7.1	(20.2)
Net (Loss) Income Attributable to Graphic Packaging Holding Company	$ (12.7)	$ 57.9
Net (Loss) Income Per Share Attributable to Graphic Packaging Holding Company — Basic	$ (0.04)	$ 0.19
Net (Loss) Income Per Share Attributable to Graphic Packaging Holding Company — Diluted	$ (0.04)	$ 0.19
Cash Dividends Declared Per Share	$ 0.075	$ 0.075

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

Three Months Ended March 31,				
2020				
In millions	**Graphic Packaging Holding Company**	**Noncontrolling Interest**	**Redeemable Noncontrolling Interest**	**Total**
Net (Loss) Income	$ (12.7)	$ (1.8)	$ (5.3)	$ (19.8)
Other Comprehensive Loss (Income), Net of Tax:				
Derivative Instruments	(1.0)	(0.3)	(0.1)	(1.4)
Pension and Postretirement Benefit Plans	113.3	32.4	9.4	155.1
Currency Translation Adjustment	(46.0)	(10.0)	(0.9)	(56.9)
Total Other Comprehensive Income, Net of Tax	66.3	22.1	8.4	96.8
Total Comprehensive Income (Loss)	$ 53.6	$ 20.3	$ 3.1	$ 77.0
2019				
Net (Loss) Income	$ 57.9	$ 15.6	$ 4.6	$ 78.1
Other Comprehensive (Loss) Income, Net of Tax:				
Derivative Instruments	(0.4)	(0.1)	—	(0.5)
Pension and Postretirement Benefit Plans	1.2	0.2	0.1	1.5
Currency Translation Adjustment	3.9	0.9	0.2	5.0
Total Other Comprehensive Income, Net of Tax	4.7	1.0	0.3	6.0
Total Comprehensive Income	$ 62.6	$ 16.6	$ 4.9	$ 84.1

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except share and per share amounts	March 31, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 110.2	$ 152.9
Receivables, Net	624.8	504.5
Inventories, Net	1,143.0	1,095.9
Other Current Assets	60.3	52.3
Total Current Assets	1,938.3	1,805.6
Property, Plant and Equipment, Net	3,288.1	3,253.8
Goodwill	1,464.1	1,477.9
Intangible Assets, Net	460.5	477.3
Other Assets	295.2	275.3
Total Assets	$ 7,446.2	$ 7,289.9
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	$ 49.1	$ 50.4
Accounts Payable	625.7	716.1
Compensation and Employee Benefits	111.3	168.4
Other Accrued Liabilities	257.9	263.8
Total Current Liabilities	1,044.0	1,198.7
Long-Term Debt	3,434.5	2,809.9
Deferred Income Tax Liabilities	522.1	511.8
Accrued Pension and Postretirement Benefits	117.9	140.4
Other Noncurrent Liabilities	279.2	266.8
Redeemable Noncontrolling Interest (Note 13)	38.2	304.3
SHAREHOLDERS' EQUITY		
Preferred Stock, par value $0.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	—	—
Common Stock, par value $0.01 per share; 1,000,000,000 shares authorized; 281,778,834 and 290,246,907 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	2.8	2.9
Capital in Excess of Par Value	1,852.6	1,876.7
(Accumulated Deficit) Retained Earnings	(49.1)	56.4
Accumulated Other Comprehensive Loss	(299.5)	(365.8)
Total Graphic Packaging Holding Company Shareholders' Equity	1,506.8	1,570.2
Noncontrolling Interest	503.5	487.8
Total Equity	2,010.3	2,058.0
Total Liabilities and Shareholders' Equity	$ 7,446.2	$ 7,289.9

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

In millions, except share amounts	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
Balances at December 31, 2019	**290,246,907**	**$ 2.9**	**$ 1,876.7**	**$ 56.4**	**$ (365.8)**	**$ 487.8**	**$ 2,058.0**
Net Loss	—	—	—	(12.7)	—	(1.8)	(14.5)
Other Comprehensive (Loss) Income, Net of Tax:							
Derivative Instruments	—	—	—	—	(1.0)	(0.3)	(1.3)
Pension and Postretirement Benefit Plans	—	—	—	—	113.3	32.4	145.7
Currency Translation Adjustment	—	—	—	—	(46.0)	(10.0)	(56.0)
Repurchase of Common Stock[(a)]	(9,667,034)	(0.1)	(52.6)	(71.7)	—	—	(124.4)
Dividends Declared	—	—	—	(21.1)	—	—	(21.1)
Redeemable Noncontrolling Interest Redemption Value Mark-up	—	—	18.1	—	—	—	18.1
Tax Effect of IP Redemption	—	—	6.8	—	—	—	6.8
Distribution of Membership Interest	—	—	—	—	—	(4.6)	(4.6)
Recognition of Stock-Based Compensation, Net	—	—	3.6	—	—	—	3.6
Issuance of Shares for Stock-Based Awards	788,561	—	—	—	—	—	—
Balances at March 31, 2020	**281,368,434**	**$ 2.8**	**$ 1,852.6**	**$ (49.1)**	**$ (299.5)**	**$ 503.5**	**$ 2,010.3**

(a) Includes 410,400 shares repurchased but not yet settled as of March 31, 2020.

In millions, except share amounts	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
Balances at December 31, 2018	**299,807,779**	**$ 3.0**	**$ 1,944.4**	**$ 10.0**	**$ (377.9)**	**$ 439.0**	**$ 2,018.5**
Net Income	—	—	—	57.9	—	15.6	73.5
Other Comprehensive (Loss) Income, Net of Tax:							
Derivative Instruments	—	—	—	—	(0.4)	(0.1)	(0.5)
Pension and Postretirement Benefit Plans	—	—	—	—	1.2	0.2	1.4
Currency Translation Adjustment	—	—	—	—	3.9	0.9	4.8
Repurchase of Common Stock[(a)]	(5,033,426)	(0.1)	(27.2)	(32.2)	—	—	(59.5)
Dividends Declared	—	—	—	(22.1)	—	—	(22.1)
Reclassification of Redeemable Noncontrolling Interest for Share Repurchases	—	—	—	—	—	(6.7)	(6.7)
Distribution of Membership Interest	—	—	—	—	—	(5.0)	(5.0)
Recognition of Stock-Based Compensation, Net	—	—	0.9	—	—	—	0.9
Issuance of Shares for Stock-Based Awards	530,196	—	—	—	—	—	—
Balances at March 31, 2019	**295,304,549**	**$ 2.9**	**$ 1,918.1**	**$ 13.6**	**$ (373.2)**	**$ 443.9**	**$ 2,005.3**

(a) Includes 33,263 shares repurchased but not yet settled as of March 31, 2019.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

In millions	Three Months Ended March 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss) Income	$ (19.8)	$ 78.1
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:		
Depreciation and Amortization	113.6	117.1
Deferred Income Taxes	(18.9)	12.4
Amount of Postretirement Expense Greater Than Funding	154.3	2.4
Other, Net	29.2	3.3
Changes in Operating Assets and Liabilities	(337.7)	(385.4)
Net Cash Used in Operating Activities	(79.3)	(172.1)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Spending	(146.6)	(73.0)
Packaging Machinery Spending	(6.5)	(7.0)
Acquisition of Businesses, Net of Cash Acquired	(42.1)	(2.0)
Beneficial Interest on Sold Receivables	23.7	279.5
Beneficial Interest Obtained in Exchange for Proceeds	(3.3)	(153.3)
Other, Net	(1.0)	(1.0)
Net Cash (Used in) Provided by Investing Activities	(175.8)	43.2
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Common Stock	(119.4)	(60.0)
Payments on Debt	(9.1)	(9.1)
Redemption of Noncontrolling Interest	(250.0)	—
Proceeds from Issuance of Debt	450.0	—
Borrowings under Revolving Credit Facilities	1,178.5	775.2
Payments on Revolving Credit Facilities	(986.9)	(548.9)
Repurchase of Common Stock related to Share-Based Payments	(8.8)	(4.0)
Debt Issuance Costs	(6.4)	—
Dividends and Distributions Paid to GPIP Partner	(26.7)	(30.1)
Other, Net	(2.7)	(2.6)
Net Cash Provided by Financing Activities	218.5	120.5
Effect of Exchange Rate Changes on Cash	(6.1)	0.2
Net Decrease in Cash and Cash Equivalents	(42.7)	(8.2)
Cash and Cash Equivalents at Beginning of Period	152.9	70.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 110.2	$ 62.3
Non-cash Investing and Financing Activities:		
Beneficial Interest Obtained (Sold) in Exchange for Trade Receivables	$ 29.8	$ (142.9)
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 14.0	$ 16.0
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	$ —	$ 5.6

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

NOTE 1 — GENERAL INFORMATION

Nature of Business and Basis of Presentation

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, foodservice and other consumer products 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-recycled paperboard ("CRB"), coated unbleached kraft paperboard ("CUK") and solid bleached sulfate paperboard ("SBS").

The Company's customers include many of the world's most widely recognized companies and brands with prominent market positions in beverage, food, foodservice, 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 facilities, its proprietary carton and packaging designs, and its commitment to quality and service.
On January 1, 2018, GPHC, a Delaware corporation, International Paper Company, a New York corporation ("IP"), Graphic Packaging International Partners, LLC, a Delaware limited liability company formerly known as Gazelle Newco LLC and a wholly owned subsidiary of the Company ("GPIP"), and Graphic Packaging International, LLC, a Delaware limited liability company formerly known as Graphic Packaging International, Inc. and a subsidiary of GPIP ("GPIL"), completed a series of transactions pursuant to an agreement dated October 23, 2017, among the foregoing parties (the "Transaction Agreement"). Pursuant to the Transaction Agreement (i) a wholly owned subsidiary of the Company transferred its ownership interest in GPIL to GPIP; (ii) IP transferred its North America Consumer Packaging ("NACP") business to GPIP, which was then subsequently transferred to GPIL; (iii) GPIP issued membership interests to IP, and IP was admitted as a member of GPIP; and (iv) GPIL assumed certain indebtedness of IP (the "NACP Combination").

During 2019 and 2018, GPIP repurchased 20.8 million partnership units from GPI Holding, which increased IP's ownership interest in GPIP from 20.5% at January 1, 2018 to 21.6% at December 31, 2019. GPI Holding distributed proceeds of such transaction up to the Company which used the proceeds to repurchase 20.8 million shares of its common stock pursuant to its share repurchase program.

On January 28, 2020, the Company announced that IP notified the Company of its intent to begin the process of reducing its ownership interest in GPIP. Per the agreement between the parties, on January 29, 2020, GPIP purchased 15.1 million partnership units from IP for $250 million in cash. As a result, IP's ownership interest in GPIP decreased from 21.6% to 18.3% as of January 29, 2020.

Unless otherwise negotiated by the parties, IP's next opportunity to exchange their partnership units is 180 days from the purchase date and is limited to the lesser of $250 million or 25% of the units owned immediately following the transaction, subject to the cap on the number of units that may be exchanged for shares. IP will have further opportunities to exchange their partnership units 180 days after each exchange date. The Company may choose to satisfy these exchanges using shares of its common stock, cash, or a combination thereof.

The Company's Condensed 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.

In the Company's opinion, the accompanying Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods. The Company's year end Condensed Consolidated Balance Sheet data was derived from audited financial statements. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with instructions to Form 10-Q and Rule 10-01 of Regulation S-X and do not include all the information required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. Therefore, these Condensed Consolidated Financial Statements should be read in conjunction with GPHC's Form 10-K for the year ended December 31, 2019. In addition, the preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates and changes in these estimates are recorded when known.

Revenue Recognition

The Company has two primary activities, the manufacturing and converting of paperboard, from which it generates revenue from contracts with customers. Revenue is disaggregated primarily by geography and type of activity as further explained in "*Note 11-Segments.*" All reportable segments and the Australia and Pacific Rim operating segments recognize revenue under the same method, allocate transaction price using similar methods, and have similar economic factors impacting the uncertainty of revenue and related cash flows.

Revenue is recognized on the Company's annual and multi-year supply contracts when the Company satisfies the performance obligation by transferring control over the product or service to a customer, which is generally based on shipping terms and passage of title under the point-in-time method of recognition. For the three months ended March 31, 2020 and 2019, the Company recognized $1,594.6 million and $1,501.6 million, respectively, of revenue from contracts with customers.

The transaction price allocated to each performance obligation consists of the stand alone selling price, estimates of rebates and other sales or contract renewal incentives, and cash discounts and sales returns ("Variable Consideration") and excludes sales tax. Estimates are made for Variable Consideration based on contract terms and historical experience of actual results and are applied to the performance obligations as they are satisfied. Purchases by the Company’s principal customers are manufactured and shipped with minimal lead time, therefore performance obligations are generally satisfied shortly after manufacturing and shipment. The Company uses payment terms that are consistent with industry practice.

The Company's contract assets consist primarily of contract renewal incentive payments to customers which are amortized over the period in which performance obligations related to the contract renewal are satisfied. As of March 31, 2020 and December 31, 2019, contract assets were $21.0 million and $24.3 million, respectively. The Company's contract liabilities consist principally of rebates, and as of March 31, 2020 and December 31, 2019 were $43.7 million and $49.6 million, respectively.

The Company did not have a material amount relating to backlog orders at March 31, 2020 or December 31, 2019.

Accounts Receivable and Allowances

The Company has entered into agreements to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification"). The loss on sale is not material and is included in Other Expense, Net on the Condensed Consolidated Statement of Operations. The following table summarizes the activity under these programs for the three months ended March 31, 2020 and 2019, respectively:

	Three Months Ended March 31,	
In millions	**2020**	**2019**
Receivables Sold and Derecognized	$ 610.2	$ 811.2
Proceeds Collected on Behalf of Financial Institutions	608.8	504.1
Net Proceeds Paid to Financial Institutions	(4.7)	(28.8)
Deferred Purchase Price at March 31[a]	6.7	4.3
Pledged Receivables at March 31	263.5	144.2

[a] Included in Other Current Assets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

The Company participates in supply chain financing arrangements offered by certain customers and has entered into various factoring arrangements that also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the three months ended March 31, 2020 and 2019, the Company sold receivables of approximately $72 million and $37 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, at March 31, 2020 and December 31, 2019, were approximately $563 million and $562 million, respectively.

Capital Allocation Plan

On February 20, 2020, the Company's board of directors declared a regular quarterly dividend of $0.075 per share of common stock payable on April 5, 2020 to shareholders of record as of March 15, 2020.

On January 28, 2019, the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to $500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2019 share repurchase program"). The previous $250 million share repurchase program was authorized on January 10, 2017 (the "2017 share repurchase program"). During the first three months of 2020, the Company repurchased 9,667,034 shares of its common stock at an average price of $12.87, under the 2019 share repurchase program. During the three months ended March 31, 2019, the Company repurchased 5,033,426 shares of its common stock at an average price of $11.82, under the 2017 share repurchase program. During the third quarter of 2019, the 2017 share repurchase program was completed. As of March 31, 2020, the Company has approximately $338 million available for additional repurchases under the 2019 share repurchase program.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Business Combinations and Shutdown and Other Special Charges, Net

The following table summarizes the transactions recorded in Business Combinations and Shutdown and Other Special Charges, Net in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
In millions	**2020**	**2019**
Charges Associated with Business Combinations	$ 1.5	$ 2.1
Shutdown and Other Special Charges	4.2	4.1
Exit Activities[(a)]	13.0	—
Total	$ 18.7	$ 6.2

[(a)] Relates to the Company's CRB mills and the PM1 containerboard machine exit activities (see "*Note 15 — Exit Activities*").

2020

On January 31, 2020, the Company acquired a folding carton facility from Quad/Graphics, Inc. ("Quad"), a commercial printing company. The converting facility is located in Omaha, Nebraska and is included in the Americas Paperboard Packaging reportable segment.

In March 2020, the Company made the decision to close the White Pigeon, Michigan CRB mill and shut down the PM1 containerboard machine in West Monroe, Louisiana. Both will be effective June 30, 2020. Charges associated with these projects are included in Exit Activities in the table above. For more information, see "*Note 15 — Exit Activities*."

2019

On September 24, 2019, the Company announced its plan to invest approximately $600 million in a new CRB paper machine in Kalamazoo, Michigan. In conjunction with the completion of this project, the Company currently expects to close two of its smaller CRB Mills in 2022 in order to remain capacity neutral. Charges associated with this project are included in Exit Activities in the table above. For more information, see "*Note 15 — Exit Activities*."

On August 1, 2019, the Company acquired substantially all the assets of Artistic Carton Company ("Artistic"), a diversified producer of folding cartons and CRB. The acquisition included two converting facilities located in Auburn, Indiana and Elgin, Illinois (included in the Americas Paperboard Packaging reportable segment) and one CRB paperboard mill located in White Pigeon, Michigan (included in the Paperboard Mills reportable segment).

Charges associated with all acquisitions are included in Charges Associated with Business Combinations in the table above. For more information regarding these acquisitions see "*Note 3 — Business Combinations*."

During 2019, the Company began a three-year program to dismantle and dispose of idle and abandoned assets primarily at the paperboard mills. Expected charges for this program are approximately $40 million. Charges associated with this program are included in Shutdown and Other Special Charges in the table above.

Adoption of New Accounting Standards

Effective January 1, 2020, the Company adopted Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which amends the FASB's guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP an impairment model (known as the "current expected credit loss model") that is based on expected losses rather than incurred losses. The adoption of this standard did not have a material impact on the Company's financial position, results of operations and cash flows.

Effective January 1, 2020, the Company adopted ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. This amendment modifies the disclosure requirements on fair value measurements. The adoption of this standard did not have a material impact on the Company's financial disclosures.

Effective January 1, 2020, the Company adopted ASU No. 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This ASU broadens the scope of Accounting Standards Codification ("ASC") 350-40 with an updated definition of a hosting arrangement and clarifies certain aspects of accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. The adoption of this standard did not have a material impact on the Company's financial position, results of operations and cash flows.

Accounting Standards Not Yet Adopted

In August 2018, the FASB issued ASU No. 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20); Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans*. This amendment removes certain disclosures that are not considered cost beneficial, clarifies certain required disclosures and adds additional disclosures. The guidance is effective for fiscal years ending after December 15, 2020 and would be applied on a retrospective basis. The Company is currently evaluating the impact this guidance will have on its related disclosures.

In December 2019, the FASB issued ASU No. 2019-12,*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* This amendment modifies ASC 740 to simplify the accounting for income taxes. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company is currently evaluating the impact of this new guidance.

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

In millions	March 31, 2020	December 31, 2019
Finished Goods	$ 464.7	$ 434.8
Work in Progress	132.7	123.4
Raw Materials	378.0	370.0
Supplies	167.6	167.7
Total	$ 1,143.0	$ 1,095.9

NOTE 3 — BUSINESS COMBINATIONS

On January 31, 2020, the Company acquired a folding carton facility from Quad/Graphics, Inc., a commercial printing company. The converting facility is located in Omaha, Nebraska, close to many of the Company's existing food, beverage and industrial customers. The Company paid approximately $42 million using existing cash and borrowings under its revolving credit facility.

The purchase price has been preliminarily allocated to assets acquired and liabilities assumed based on the estimated fair values as of the acquisition date and is subject to adjustments in subsequent periods once the third-party valuations are finalized. The Company recorded $4.0 million related to identifiable intangible assets (customer relationships) and $38.1 million related to net tangible assets (primarily working capital, land/buildings and equipment).

As disclosed in "*Note 1 — General Information*," the Company completed the Artistic acquisition in 2019. The Company paid approximately $53 million for the Artistic acquisition using existing cash and borrowings under its revolving credit facility. During the three months ended March 31, 2020, the acquisition accounting for Artistic was finalized.

NOTE 4 — DEBT

On March 6, 2020, GPIL completed a private offering of $450.0 million aggregate principal amount of its senior unsecured notes due 2028. The Senior Notes will bear interest at an annual rate of 3.50%. The net proceeds were used by the Company to repay a portion of the outstanding borrowings under GPIL's revolving credit facility, which is under its senior secured credit facility.

Long-Term Debt is comprised of the following:

In millions	March 31, 2020	December 31, 2019
Senior Notes with interest payable semi-annually at 3.50%, effective rate of 3.55%, payable in 2028	$ 450.0	$ —
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.82%, payable in 2027	300.0	300.0
Senior Notes with interest payable semi-annually at 4.125%, effective rate of 4.17%, payable in 2024	300.0	300.0
Senior Notes with interest payable semi-annually at 4.875%, effective rate of 4.91%, payable in 2022	250.0	250.0
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.76%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (2.45% at March 31, 2020) payable through 2023	1,387.0	1,396.1
Senior Secured Revolving Facilities with interest payable at floating rates (1.93% at March 31, 2020) payable in 2023	243.0	52.8
Finance Leases	133.3	134.2
Other	5.7	5.4
Total Long-Term Debt	3,494.0	2,863.5
Less: Current Portion	41.2	41.1
	3,452.8	2,822.4
Less: Unamortized Deferred Debt Issuance Costs	18.3	12.5
Total	$ 3,434.5	$ 2,809.9

At March 31, 2020, the Company and its U.S. and international subsidiaries had the following commitments, amounts outstanding and amounts available under revolving credit facilities:

In millions	Total Commitments	Total Outstanding	Total Available
Senior Secured Domestic Revolving Credit Facility[a]	$ 1,450.0	$ 170.0	$ 1,262.1
Senior Secured International Revolving Credit Facility	174.6	73.0	101.6
Other International Facilities	55.7	13.6	42.1
Total	$ 1,680.3	$ 256.6	$ 1,405.8

[a] In accordance with its debt agreements, the Company's availability under its revolving credit facilities has been reduced by the amount of standby letters of credit issued of $17.9 million as of March 31, 2020. These letters of credit are primarily used as security against the Company's self-insurance obligations and workers' compensation obligations. These letters of credit expire at various dates through 2020 and 2021 unless extended.

The Credit Agreement, the 4.75% Senior Notes due 2027 and the 3.50% Senior Notes due 2028 are guaranteed by GPIP and certain domestic subsidiaries, and the 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022 and 4.125% Senior Notes due 2024 are guaranteed by GPHC and certain domestic subsidiaries. For additional information on the financial statements of GPIP, see "*Note 13 - Guarantor Condensed Consolidating Financial Statements*" of the Notes to the Condensed Consolidated Financial Statements of GPIL in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed with the Securities and Exchange Commission.

The Credit Agreement and the indentures governing the 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022, 4.125% Senior Notes due 2024, 4.75% Senior Notes due 2027 and 3.50% Senior Notes due 2028 (the "Indentures") limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Credit Agreement and the Indentures may, 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 Indentures, 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 March 31, 2020, the Company was in compliance with the covenants in the Credit Agreement and the Indentures.

NOTE 5 — 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 ("RSUs") and other types of stock-based and cash awards. Awards under the 2014 Plan generally vest and expire in accordance with terms established at the time of grant. Shares issued pursuant to awards under the 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 and are adjusted for actual performance for performance-based awards.

Stock Awards, Restricted Stock and Restricted Stock Units

Under the 2014 Plan, all RSUs generally vest and become payable in three years from date of grant. RSUs granted to employees generally contain some combination of service and performance objectives based on various financial targets and relative total shareholder return that must be met for the RSUs to vest.

Data concerning RSUs granted in the first three months of 2020 is as follows:

	RSUs	Weighted Average Grant Date Fair Value Per Share
RSUs — Employees	1,610,179	$ 15.45

During the three months ended March 31, 2020 and 2019, $12.4 million and $4.9 million, respectively, were charged to compensation expense for stock incentive plans.

During the three months ended March 31, 2020 and 2019, 0.8 million and 0.5 million shares were issued, respectively. The shares issued were primarily related to RSUs granted during 2017 and 2016, respectively.

NOTE 6 — PENSIONS AND OTHER POSTRETIREMENT BENEFITS

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 either noncontributory or contributory and are funded in accordance with applicable local laws. Pension or termination benefits are based primarily on years of service and the employee's compensation.

During 2018, the Company began the process of terminating its largest U.S. pension plan (the "US Plan"). This included freezing the plan as of December 31, 2018 and spinning off the active participants to the plan established as part of the NACP Combination (the "NACP Plan"). The NACP plan is open for union and non-union hourly employees of locations that were part of the NACP Combination. During the third quarter of 2019, the Company offered a lump-sum benefit option to certain participants of the US Plan. Lump sum payments of $150.2 million were paid in the fourth quarter of 2019 and the Company recognized a non-cash settlement charge of $39.2 million associated with the payouts.

In the first quarter of 2020, the Company purchased a group annuity contract using the assets held within the pension trust that transferred the remaining pension obligation under the US Plan of approximately $713 million to an insurance company and incurred an additional non-cash settlement charge of $152.5 million related to this transfer. These non-cash settlement charges relate to Net Actuarial Loss previously recognized in Accumulated Other Comprehensive Loss.

Pension and Postretirement Expense

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

	Pension Benefits		Postretirement Health Care Benefits	
	Three Months Ended March 31,		Three Months Ended March 31,	
In millions	2020	2019	2020	2019
Components of Net Periodic Cost:				
Service Cost	$ 3.9	$ 3.3	$ 0.1	$ 0.1
Interest Cost	4.6	11.5	0.2	0.4
Administrative Expenses	0.1	0.1	—	—
Expected Return on Plan Assets	(6.9)	(13.8)	—	—
Net Settlement/Curtailment Loss	152.5	—	—	—
Amortization:				
Prior Service Credit	—	—	(0.1)	(0.1)
Actuarial Loss (Gain)	1.6	2.5	(0.4)	(0.5)
Net Periodic Cost (Benefit)	$ 155.8	$ 3.6	$ (0.2)	$ (0.1)

Employer Contributions

The Company made contributions of $0.6 million to its pension plans during the first three months of 2020 and 2019. The Company expects to make contributions in the range of $10 million to $20 million for the full year 2020. During 2019, the Company made $11.3 million of contributions to its pension plans.

The Company made postretirement health care benefit payments of $0.7 million and $0.5 million during the first three months of 2020 and 2019, respectively. The Company estimates its postretirement health care benefit payments for the full year 2020 to be approximately $3 million. During 2019, the Company made postretirement health care benefit payments of $1.2 million.

NOTE 7 — FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

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, contemporaneously with and offsetting changes in the related hedged exposure and presented in the same line of the income statement expected for the hedged item.

For more information regarding the Company's financial instruments and fair value measurement, see "*Note 10 — Financial Instruments, Derivatives and Hedging Activities*" *and* "*Note 11 — Fair Value Measurement*" of the Notes to the Consolidated Financial Statements of the Company's 2019 Form 10-K.

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. Changes in fair value will subsequently be reclassified into earnings as a component of Interest Expense, Net as interest is incurred on amounts outstanding under the term loan facility. The following table summarizes the Company's current interest rate swap positions for each period presented as of March 31, 2020:

Start	End	(In Millions) Notional Amount	Weighted Average Interest Rate
04/03/2018	10/01/2020	$150.0	2.36%
12/03/2018	01/01/2022	$120.0	2.92%
12/03/2018	01/04/2022	$80.0	2.79%

During the first three months of 2020 and 2019, there wereno amounts of ineffectiveness related to changes in the fair value of interest rate swap agreements. 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 purchases of natural gas, the Company enters into natural gas swap contracts to hedge prices for a designated percentage of its expected natural gas usage. 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 Loss and resulting gain or loss reclassified into Cost of Sales concurrently with the recognition of the commodity consumed. The Company has hedged approximately 50% and 36% of its expected natural gas usage for the remainder of 2020 and all of 2021, respectively.

During the first three months of 2020 and 2019, there wereno 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 foreign currency transactions and future variability of cash flows arising from those transactions that may be adversely affected by changes in exchange rates. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Loss and gains/losses related to these contracts are recognized in Other Expense, Net or Net Sales, when appropriate.

At March 31, 2020, multiple forward exchange contracts existed that expire on various dates through the remainder of 2020. Those purchased forward exchange contracts outstanding at March 31, 2020 and December 31, 2019, when aggregated and measured in U.S. dollars at contractual rates at March 31, 2020 and December 31, 2019, had notional amounts totaling $62.3 million and $87.6 million, respectively.

No amounts were reclassified to earnings during the first three months of 2020 or during 2019 in connection with forecasted transactions that were considered probable of not occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there wereno amounts excluded from the measure of effectiveness.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all of its accounts receivables resulting from sales transactions and intercompany loans denominated in foreign currencies in order to manage risks associated with variability in cash flows that may be adversely affected by changes in exchange rates. At March 31, 2020 and December 31, 2019, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at March 31, 2020 and December 31, 2019, when aggregated and measured in U.S. dollars at contractual rates at March 31, 2020 and December 31, 2019, had net notional amounts totaling $76.1 million and $77.4 million, respectively. Unrealized gains and losses resulting from these contracts are recognized in Other Expense, Net and approximately offset corresponding recognized but unrealized gains and losses on the remeasurement of these accounts receivable.

Fair Value of Financial Instruments

The Company's derivative instruments are carried at fair value. The Company has determined that the inputs to the valuation of these derivative instruments are Level 2 in the fair value hierarchy. Level 2 inputs are defined as 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. The Company uses valuation techniques based on discounted cash flow analyses, which reflect the terms of the derivatives and use 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.

As of March 31, 2020, 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 following table summarizes the fair value of the Company's derivative instruments:

	Derivative Assets[a]		Derivative Liabilities[b]	
In millions	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Derivatives designated as hedging instruments:				
Interest rate contracts	$ —	$ —	$ 11.1	$ 6.6
Foreign currency contracts	1.1	—	—	1.5
Commodity contracts	—	—	2.9	3.4
Total Derivatives	$ 1.1	$ —	$ 14.0	$ 11.5

[a] Derivative assets of $1.1 million are included in Other Current Assets as of March 31, 2020.

[b] Derivative liabilities of $9.7 million and $8.5 million are included in Other Accrued Liabilities as of March 31, 2020 and December 31, 2019, respectively. Derivative liabilities of $4.3 million and $3.0 million are included in Other Noncurrent Liabilities as of March 31, 2020 and December 31, 2019, respectively.

The fair values of the Company's other financial assets and liabilities at March 31, 2020 and December 31, 2019 approximately equal the carrying values reported on the Condensed Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding finance leases and deferred financing fees) was $3,188.5 million and $2,788.6 million as compared to the carrying amounts of $3,360.6 million and $2,729.3 million as of March 31, 2020 and December 31, 2019, respectively. The fair value of the Company's Total Debt, including the Senior Notes, is 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 Condensed Consolidated Statements of Operations is as follows:

	Amount of (Gain) Loss Recognized in Accumulated Other Comprehensive Loss			Amount of (Gain) Loss Recognized in Statement of Operations	
	Three Months Ended March 31,			Three Months Ended March 31,	
In millions	2020	2019	Location in Statement of Operations	2020	2019
Commodity Contracts	$ (3.6)	$ (0.9)	Cost of Sales	$ (3.1)	$ 0.1
Foreign Currency Contracts	(2.8)	(1.1)	Other Expense, Net	(0.4)	(0.7)
Interest Rate Swap Agreements	5.5	2.0	Interest Expense, Net	0.9	—
Total	$ (0.9)	$ —		$ (2.6)	$ (0.6)

The effect of derivative instruments not designated as hedging instruments on the Company's Condensed Consolidated Statements of Operations for the years ended March 31, 2020 and 2019 is as follows:

		Three Months Ended March 31,	
In millions		2020	2019
Foreign Currency Contracts	Other Expense, Net	$ 5.5	$ (0.1)

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 Condensed Consolidated Balance Sheet as of March 31, 2020:

In millions	
Balance at December 31, 2019	$ (10.9)
Reclassification to Earnings	(2.6)
Current Period Change in Fair Value	0.9
Balance at March 31, 2020	$ (12.6)

At March 31, 2020, the Company expects to reclassify $8.6 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 8 — INCOME TAXES

Substantially all of the Company's operations are held through its majority investment in GPIP, a subsidiary that is classified as a partnership for U.S. income tax purposes and is generally not subject to domestic income tax expense. As a result, the consolidated financial statements exclude the domestic tax effect of the earnings attributable to the minority partner's interest in GPIP.

During the three months ended March 31, 2020, the Company recognized Income Tax Benefit of $5.4 million on Loss before Income Taxes and Equity Income of Unconsolidated Entity of $25.3 million. The effective tax rate for the three months ended March 31, 2020 is lower than the statutory rate primarily due to the tax effect of income attributable to noncontrolling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions.

During the three months ended March 31, 2019, the Company recognized Income Tax Expense of $21.0 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $98.9 million. The effective tax rate for the three months ended March 31, 2019 was lower than the statutory rate primarily due to the tax effect of income attributable to non-controlling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions.

As of December 31, 2019, the Company had approximately $32 million of Net Operating Losses ("NOLs") for U.S. federal income tax purposes which may be used to offset future taxable income. Based on these NOLs, other tax attributes, tax benefits associated with planned capital projects, and the anticipated reduction in International Paper's investment in GPIP, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2024.

NOTE 9 — 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, closures or sales of facilities may necessitate investigation and may result in remediation activities 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 cannot estimate with certainty other future 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 10 — RELATED PARTY TRANSACTIONS

In connection with the NACP Combination, the Company entered into agreements with IP for transition services, fiber procurement fees and corrugated products and ink supply. Payments to IP for the three months ended March 31, 2020 for fiber procurement fees and corrugated products were $2.8 million (related to pass through wood purchases of approximately $59 million) and $7.8 million, respectively. There were no payments to IP for transition services during the three months ended March 31, 2020. Payments to IP for the three months ended March 31, 2019 for transition services, fiber procurement fees and corrugated products and ink supply were $0.1 million, $2.8 million (related to pass through wood purchases of approximately $62 million) and $6.3 million, respectively. In addition, approximately $1 million of payments were made for purchases unrelated to these agreements for the three months ended March 31, 2019.

NOTE 11 — SEGMENT INFORMATION

The Company has three reportable segments as follows:

Paperboard Mills includes the nine North American paperboard mills which produce primarily CRB, CUK, and SBS, which 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 only to external customers. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills segment to reflect the economics of the integration of these segments.

Americas Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to Consumer Packaged Goods ("CPG") companies, and cups, lids and food containers sold primarily to foodservice companies and quick-service restaurants ("QSR"), all serving the food, beverage, and consumer product markets in the Americas.

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

The Company allocates 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 and Australia operating segments 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 - General Information.*"

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Segment information is as follows:

In millions	Three Months Ended March 31, 2020	2019
NET SALES:		
Paperboard Mills	$ 268.5	$ 275.5
Americas Paperboard Packaging	1,123.4	1,022.8
Europe Paperboard Packaging	176.8	173.8
Corporate/Other/Eliminations[a]	30.4	33.8
Total	$ 1,599.1	$ 1,505.9
(LOSS) INCOME FROM OPERATIONS:		
Paperboard Mills	$ (22.9)	$ (4.0)
Americas Paperboard Packaging	194.8	125.6
Europe Paperboard Packaging	12.0	19.2
Corporate and Other[b]	(23.9)	(6.8)
Total	$ 160.0	$ 134.0
DEPRECIATION AND AMORTIZATION:		
Paperboard Mills	$ 59.0	$ 56.2
Americas Paperboard Packaging	39.4	43.7
Europe Paperboard Packaging	9.8	11.8
Corporate and Other	5.4	5.4
Total	$ 113.6	$ 117.1

[a] Includes revenue from contracts with customers for the Australia and Pacific Rim operating segments.
[b] Includes expenses related to business combinations, exit activities, idle and abandoned assets and shutdown and other special charges.

NOTE 12 — EARNINGS PER SHARE

In millions, except per share data	Three Months Ended March 31, 2020	2019
Net (Loss) Income Attributable to Graphic Packaging Holding Company	$ (12.7)	$ 57.9
Weighted Average Shares:		
Basic	288.9	297.5
Dilutive Effect of RSUs	—	0.7
Diluted	288.9	298.2
(Loss) Earnings Per Share — Basic	$ (0.04)	$ 0.19
(Loss) Earnings Per Share — Diluted	$ (0.04)	$ 0.19

Potentially dilutive Restricted Stock Units of 1,085,683 were excluded from the above calculation for the three months ended March 31, 2020 because the effect would have been anti-dilutive.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 13 — REDEEMABLE NONCONTROLLING INTEREST

For information regarding the Company's Redeemable Noncontrolling Interest, see "*Note 15 — Redeemable Noncontrolling Interest*" of the Notes to Consolidated Financial Statements of the Company's 2019 Form 10-K.

On January 28, 2020, the Company announced that IP notified the Company of its intent to begin the process of reducing its ownership interest in GPIP. Per the agreement between the parties, on January 29, 2020, GPIP purchased 15.1 million partnership units from IP for $250 million in cash. As a result, IP's ownership interest in GPIP decreased from 21.6% to 18.3% as of January 29, 2020.

At March 31, 2020, the redeemable noncontrolling interest was determined as follows:

In millions		
Balance at December 31, 2019	$	304.3
Net Loss Attributable to Redeemable Noncontrolling Interest		(5.3)
Other Comprehensive Income, Net of Tax		8.4
Redemption of IP's Ownership Interest		(250.0)
Redeemable Noncontrolling Interest Redemption Value Adjustment		(18.1)
Distributions of Membership Interest		(1.1)
Balance at March 31, 2020	$	38.2

Redeemable Noncontrolling Interest is recorded at the greater of carrying amount or redemption value at the end of each period. The redemption value is determined by the closing price of the Company's common stock.

NOTE 14 — ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in the components of Accumulated Other Comprehensive Loss attributable to GPHC for the three months ended March 31, 2020 are as follows[a]:

In millions	Derivatives Instruments	Pension and Postretirement Benefit Plans	Currency Translation Adjustments	Total
Balance at December 31, 2019	$ (16.6)	$ (238.5)	$ (110.7)	$ (365.8)
Other Comprehensive Income (Loss) before Reclassifications	0.7	32.1	(56.9)	(24.1)
Amounts Reclassified from Accumulated Other Comprehensive (Loss) Income[b]	(2.1)	123.0	—	120.9
Net Current-period Other Comprehensive (Loss) Income	(1.4)	155.1	(56.9)	96.8
Less:				
Net Current-period Other Comprehensive Loss (Income) Attributable to Noncontrolling Interest[c]	0.4	(41.8)	10.9	(30.5)
Balance at March 31, 2020	$ (17.6)	$ (125.2)	$ (156.7)	$ (299.5)

[a] All amounts are net-of-tax.
[b] See following table for details about these reclassifications.
[c] Includes amounts related to redeemable noncontrolling interest which are separately classified outside of permanent equity in the mezzanine section of the Condensed Consolidated Balance Sheets.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following represents reclassifications out of Accumulated Other Comprehensive Loss for the three months ended March 31, 2020:

In millions

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item in the Statement Where Net Income is Presented
Derivatives Instruments:			
Commodity Contracts	$ (3.1)		Cost of Sales
Foreign Currency Contracts	(0.4)		Other Expense, Net
Interest Rate Swap Agreements	0.9		Interest Expense, Net
	(2.6)		Total before Tax
	0.5		Tax Expense
	$ (2.1)		Net of Tax
Amortization of Defined Benefit Pension Plans:			
Prior Service Costs	$ —	(a)	
Actuarial Losses	154.1	(a)	
	154.1		Total before Tax
	(30.7)		Tax Benefit
	$ 123.4		Net of Tax
Amortization of Postretirement Benefit Plans:			
Prior Service Credits	$ (0.1)	(a)	
Actuarial Gains	(0.4)	(a)	
	(0.5)		Total before Tax
	0.1		Tax Expense
	$ (0.4)		Net of Tax
Total Reclassifications for the Period	$ 120.9		

(a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (see "*Note 6 — Pensions and Other Postretirement Benefits*").

NOTE 15 — EXIT ACTIVITIES

During 2019, the Company announced its plans to invest approximately $600 million in a new CRB paper machine in Kalamazoo, MI. In conjunction with the completion of this project, the Company currently expects to close two of its smaller CRB Mills in 2022 in order to remain capacity neutral.

In March 2020, the Company made the decision to close the White Pigeon, Michigan CRB mill and shut down the PM1 containerboard machine in West Monroe, Louisiana. Both will be effective June 30, 2020.

The Company accounts for the costs associated with these closures in accordance with ASC 360, *Impairment or Disposal of Long-Lived Assets ("ASC 360"),* ASC 420, *Exit or Disposal Costs Obligations ("ASC 420") and ASC 712 Compensation-Nonretirement Post Employment Benefits ("ASC 712").* During the three months ended March 31, 2020, the Company recorded $17.6 million of exit costs. The Company did not record any exit costs during the three months ended March 31, 2019. Other costs associated with the start up of the new CRB paper machine will be recorded in the period in which they are incurred.

The following table summarizes the costs incurred during the three months ended March 31, 2020 related to these restructurings:

		Three Months Ended March 31,
In millions	**Location in Statement of Operations**	**2020**
Severance costs and other[(a)]	Business Combinations and Shutdown and Other Special Charges, Net	$ 4.5
Accelerated depreciation	Cost of Sales	4.6
Inventory and asset write-offs	Business Combinations and Shutdown and Other Special Charges, Net	8.5
Total		$ 17.6

(a) Costs incurred include activities for post-employment benefits, retention bonuses, incentives and professional services.

The following tables summarizes the balance of accrued expenses related to restructuring:

In millions	
Balance at December 31, 2019	$ 7.1
Costs incurred	4.3
Payments	(0.4)
Adjustments[(a)]	0.2
Balance at March 31, 2020	$ 11.2

(a) Adjustments related to changes in estimates of severance costs.

In conjunction with the closure of the two smaller CRB Mills in 2022, the Company currently expects to incur exit activity charges for post-employment benefits, retention bonuses and incentives in the range of $15 million to $20 million and for accelerated depreciation and inventory and asset write-offs in the range of $50 million to $60 million. Through March 31, 2020, the Company has incurred cumulative exit activity charges for post-employment benefits, retention bonuses and incentives of $9.3 million and accelerated depreciation and inventory and asset write-offs of $11.8 million.

For the closure of the White Pigeon, Michigan CRB mill and the shut down of the PM1 containerboard machine in West Monroe, Louisiana, the Company currently expects to incur exit activity charges for post-employment benefits of approximately $4 million and for accelerated depreciation and inventory and asset write-offs in the range of $13 million to $18 million. Through March 31, 2020, the Company has incurred cumulative exit activity charges for post-employment benefits of $2.9 million and accelerated depreciation and inventory and asset write-offs of $8.5 million.

NOTE 16 — SUBSEQUENT EVENTS

On April 1, 2020, the Company acquired substantially all the assets of the Consumer Packaging Group business from Greif, Inc ("Greif"), a leader in industrial packaging products and services, for approximately $82 million, subject to a customary working capital true-up. The acquisition included seven converting facilities across the United States which are included in the Americas Paperboard Packaging reportable segment.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTSOF OPERATIONS

INTRODUCTION

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

- Overview of Business
- Overview of 2020 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 paper-based packaging solutions. To achieve this objective, the Company offers customers its paperboard, cartons, cups, lids, foodservice containers and packaging machines, either as an integrated solution or separately. Cartons, carriers and containers are designed to protect and hold products. Product offerings include a variety of laminated, coated and printed packaging structures that are produced from the Company's coated recycled board ("CRB"), coated unbleached kraft ("CUK") and solid bleached sulfate ("SBS"). Innovative designs and combinations of paperboard, films, foils, metallization, holographics and embossing are customized to the individual needs of the customers.

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, and mills and folding carton assets; (iii) to develop and market innovative, sustainable products and applications that benefit from the consumer-led sustainability trends; 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

Impact of Inflation/Deflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine and hardwood fiber, chemicals, secondary fibers, purchased paperboard, aluminum foil, ink, plastic films and resins, depreciation expense and labor. Costs decreased in the first three months of 2020 by $2.8 million, compared to the first three months of 2019. The lower costs in the three months ended March 31, 2020 were due to energy ($6.7 million), wood ($6.0 million), and secondary fiber cost ($3.8 million) partially offset by higher labor and benefit costs ($12.0 million) and other costs, net ($1.7 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 the remainder of 2020 and all of 2021. 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 continuing 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 has expanded the 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' CRB, CUK, SBS, folding box board, and recycled clay-coated news. 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 historically are 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 had an aggregate principal amount of $3,501.9 million of outstanding debt obligations as of March 31, 2020. 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 may restrict the Company's ability to obtain additional financing. Covenants in the Company's Amended and Restated Credit Agreement, the Term Loan Credit Agreement and Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends, make other restricted payments and make acquisitions or other investments. The Amended and Restated Credit Agreement and the Term Loan Credit Agreement also require 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 Amended and Restated Credit Agreement, the Term Loan Credit Agreement and the 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.

COVID-19 Pandemic. There are many uncertainties regarding the current novel coronavirus ("COVID-19") pandemic, including the anticipated duration of the pandemic, and the extent of local and worldwide social, political, and economic disruption it may cause. While, to the Company's knowledge, the COVID-19 pandemic has not materially impacted its business, operations, or financial results to date, it may have far-reaching impacts on many aspects of its operations, directly and indirectly, including with respect to its impacts on customer behaviors, business and manufacturing operations, inventory, accounts receivable, the Company's employees, and the market generally, and the scope and nature of these impacts continue to evolve. The Company will continue to assess the evolving impact of the COVID-19 pandemic and intends to make adjustments to its business accordingly, such as to balance supply with demand by adjusting mill maintenance outages and taking downtime where appropriate.

OVERVIEW OF FIRST QUARTER 2020 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. On a Consolidated basis:

- Net Sales for the three months ended March 31, 2020, increased $93.2 million or 6.2% to $1,599.1 million from $1,505.9 million for the three months ended March 31, 2019, due to higher selling prices, volume growth, and the Quad and Artistic acquisitions discussed below, partially offset by unfavorable foreign currency exchange rates.

- Income from Operations for the three months ended March 31, 2020 increased $26.0 million or 19.4% to $160.0 million from $134.0 million for the three months ended March 31, 2019 due to higher selling prices, cost savings through continuous improvement and other programs, higher volumes, and commodity deflation, partially offset by higher labor and benefits costs, higher charges for exit activities, and unfavorable foreign currency exchange rates.

Acquisitions

- On January 31, 2020, the Company acquired a folding carton facility from Quad/Graphics, Inc. ("Quad"), a commercial printing company. The converting facility is located in Omaha, Nebraska and is included in the Americas Paperboard Packaging reportable segment.

- On August 1, 2019, the Company acquired substantially all the assets of Artistic Carton Company ("Artistic"), a diversified producer of folding cartons and CRB. The acquisition included two converting facilities located in Auburn, Indiana and Elgin, Illinois (included in the Americas Paperboard Packaging reportable segment) and one CRB paperboard mill located in White Pigeon, Michigan (included in the Paperboard Mills reportable segment).

Capital Allocations

- On February 20, 2020, the Company's board of directors declared a regular quarterly dividend of $0.075 per share of common stock payable on April 5, 2020 to shareholders of record as of March 15, 2020.

- On January 28, 2019, the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to $500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2019 share repurchase program"). The previous $250 million share repurchase program was authorized on January 10, 2017 (the "2017 share repurchase program"). During the first three months of 2020, the Company repurchased 9,667,034 shares of its common stock at an average price of $12.87, under the 2019 share repurchase program. During the three months ended March 31, 2019, the Company repurchased 5,033,426 shares of its common stock at an average price of $11.82, under the 2017 share repurchase program. During the third quarter of 2019, the 2017 share repurchase program was completed. As of March 31, 2020, the Company has approximately $338 million available for additional repurchases under the 2019 share repurchase program.

RESULTS OF OPERATIONS

	Three Months Ended March 31,	
In millions	**2020**	**2019**
Net Sales	$ 1,599.1	$ 1,505.9
Income from Operations	160.0	134.0
Nonoperating Pension and Postretirement Benefit Expense	(151.6)	(0.1)
Interest Expense, Net	(33.7)	(35.0)
(Loss) Income before Income Taxes and Equity Income of Unconsolidated Entity	(25.3)	98.9
Income Tax Benefit (Expense)	5.4	(21.0)
(Loss) Income before Equity Income of Unconsolidated Entity	(19.9)	77.9
Equity Income of Unconsolidated Entity	0.1	0.2
Net (Loss) Income	$ (19.8)	$ 78.1

FIRST QUARTER 2020 COMPARED WITH FIRST QUARTER 2019

Net Sales

	Three Months Ended March 31,			
In millions	**2020**	**2019**	**Increase**	**Percent Change**
Consolidated	$ 1,599.1	$ 1,505.9	$ 93.2	6.2 %

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

	Three Months Ended March 31,					
		Variances				
In millions	**2019**	**Price**	**Volume/Mix**	**Exchange**	**Total**	**2020**
Consolidated	$ 1,505.9	$ 14.1	$ 89.0	$ (9.9)	$ 93.2	$ 1,599.1

The Company's Net Sales for the three months ended March 31, 2020 increased by $93.2 million or 6.2% to $1,599.1 million from $1,505.9 million for the three months ended March 31, 2019, due to Net Sales of $28.9 million from the Artistic and Quad acquisitions, higher selling prices and volume growth including conversions to our paperboard packaging solutions. These increases were offset by unfavorable foreign currency exchange rates, primarily the Euro, British Pound and Australian dollar. The higher selling prices are the results of announced price increases which benefit from inflationary pass throughs in the converting business partially offset by price declines on open market sales. Core converting volumes were up, primarily in global beverage and dry foods offset by declines in frozen foods and meat products. The COVID-19 pandemic had a net positive impact on volumes in the quarter of approximately 1% which drove approximately $15 million dollars in sales as we began to see an increase in demand for food and beverage packaging in March offset by with a reduction in demand for some foodservice products.

Income from Operations

	Three Months Ended March 31,			
In millions	2020	2019	Increase	Percent Change
Consolidated	$ 160.0	$ 134.0	$ 26.0	19.4%

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

	Three Months Ended March 31,							
		Variances						
In millions	2019	Price	Volume/Mix	Inflation	Exchange	Other [(a)]	Total	2020
Consolidated	$ 134.0	$ 14.1	$ 5.4	$ 2.8	$ (8.2)	$ 11.9	$ 26.0	$ 160.0

[(a)] Includes the Company's cost reduction initiatives, expenses related to acquisitions and integration activities, exit activities and shutdown and other special charges.

Income from Operations for the three months ended March 31, 2020 increased $26.0 million or 19.4% to $160.0 million from $134.0 million for the three months ended March 31, 2019 due to higher selling prices, cost savings through continuous improvement and other programs, higher volumes including from organic volume growth and acquisitions, and commodity deflation, partially offset by higher charges for exit activities related to our announced closures of White Pigeon, Michigan CRB mill and West Monroe, Louisiana PM1 containerboard machine, other inflation (primarily labor and benefits), increased incentive costs and unfavorable foreign currency exchange rates. Commodity costs decreased in the first three months of 2020 by $2.8 million due to energy ($6.7 million), wood ($6.0 million), and secondary fiber cost ($3.8 million) partially offset by higher labor and benefit costs ($12.0 million) and other costs, net ($1.7 million).

Nonoperating Pension and Postretirement Benefit

Nonoperating Pension and Postretirement Benefit was an expense of $151.6 million for the three months ended March 31, 2020 versus an expense of $0.1 million in 2019. The increase in expense was due to a settlement charge of $152.5 million associated with the Company’s purchase of a group annuity contract that transferred the remaining pension benefit obligation under the largest US Plan of approximately $713 million to an insurance company.

Interest Expense, Net

Interest Expense, Net was $33.7 million and $35.0 million for the three months ended March 31, 2020 and 2019, respectively. Interest Expense, Net decreased due primarily to lower interest rates, partially offset by higher debt balances as compared to the same period in the prior year. As of March 31, 2020, approximately 38% of the Company’s total debt was subject to floating interest rates.

Income Tax Expense

During the three months ended March 31, 2020, the Company recognized Income Tax Benefit of $5.4 million on Loss before Income Taxes and Equity Income of Unconsolidated Entity of $25.3 million. The effective tax rate for the three months ended March 31, 2020 is different than the statutory rate primarily due to the tax effect of income attributable to noncontrolling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions.

During the three months ended March 31, 2019, the Company recognized Income Tax Expense of $21.0 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $98.9 million. The effective tax rate for the three months ended March 31, 2019 was different than the statutory rate primarily due to the tax effect of income attributable to noncontrolling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions.

As of December 31, 2019, the Company had approximately $32 million of Net Operating Losses (“NOLs”) for U.S. federal income tax purposes which may be used to offset future taxable income. Based on these NOLs, other tax attributes, tax benefits associated with planned capital projects, and the anticipated reduction in International Paper's investment in GPIP, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2024.

Segment Reporting

The Company has three reportable segments as follows:

Paperboard Mills includes the nine North American paperboard mills which produce primarily CRB, CUK, and SBS, which is primarily 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 only to external customers. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills segment to reflect the economics of the integration of these segments.

Americas Paperboard Packaging includes paperboard packaging folding cartons and cups, lids, and food containers sold primarily to consumer packaged goods, quick-service restaurants and foodservice companies serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to consumer packaged goods companies serving the food, beverage and consumer product markets in Europe.
The Company allocates 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 and Australia operating segments 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 - General Information.*"

	Three Months Ended March 31,	
In millions	2020	2019
NET SALES:		
Paperboard Mills	$ 268.5	$ 275.5
Americas Paperboard Packaging	1,123.4	1,022.8
Europe Paperboard Packaging	176.8	173.8
Corporate/Other/Eliminations[a]	30.4	33.8
Total	$ 1,599.1	$ 1,505.9
(LOSS) INCOME FROM OPERATIONS:		
Paperboard Mills	$ (22.9)	$ (4.0)
Americas Paperboard Packaging	194.8	125.6
Europe Paperboard Packaging	12.0	19.2
Corporate and Other[b]	(23.9)	(6.8)
Total	$ 160.0	$ 134.0

[a] Includes revenue from contracts with customers for the Australia and Pacific Rim operating segments.
[b] Includes expenses related to business combinations, exit activities, idle and abandoned assets and shutdown and other special charges.

2020 COMPARED WITH 2019

First Quarter 2020 Compared to First Quarter 2019

Paperboard Mills

Net Sales decreased from prior year due to lower selling prices, customer mix, and lower open market volume of CUK offset by higher open market volume of SBS and CRB including the White Pigeon mill, which was acquired as part of Artistic. The Company also internalized more paperboard tons across all substrates.

Loss from Operations increased due to the lower selling prices, higher labor and benefits costs, and customer mix of open market volume partially offset by productivity improvements, including benefits from capital projects, and commodity deflation. The commodity deflation was primarily due to lower prices for secondary fiber, wood, and energy.

Americas Paperboard Packaging

Net Sales increased due to higher selling prices, volume growth including conversions to our paperboard packaging solutions, and the Artistic and Quad acquisitions. Higher volumes in global beverage, dry foods, and new product introductions were offset by declines in frozen foods and meat products. In beverage, volumes increased in all categories including soft drink, craft and specialty, and big beer. COVID-19 had a net positive impact in the quarter as we began to see an increase in demand for food and beverage packaging in March along with a reduction in demand for some foodservice products.

Income from Operations increased due to higher selling prices, cost savings through continuous improvement and other programs, higher volumes, and commodity deflation, partially offset by other inflation (primarily labor and benefits) and unfavorable foreign currency exchange rates. The commodity deflation was primarily due to lower prices for secondary fiber, wood, and energy.

Europe Paperboard Packaging

Net Sales increased as higher pricing and increased volumes, led by beverage and convenience, were partially offset by unfavorable foreign currency exchange rates.

Income from Operations decreased due to higher inflation, primarily labor and benefits and external board. The increased costs were partially offset by the higher selling prices and increased volumes.

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

	Three Months Ended March 31,	
In millions	**2020**	**2019**
Net Cash Used in Operating Activities	$ (79.3)	$ (172.1)
Net Cash (Used in) Provided by Investing Activities	$ (175.8)	$ 43.2
Net Cash Provided by Financing Activities	$ 218.5	$ 120.5

Net cash used in operating activities for the first three months of 2020 totaled $79.3 million, compared to $172.1 million for the same period in 2019. The decrease was due primarily to the restructuring of certain of the Company's accounts receivable sale and securitization programs as well as improved operations as compared to the same period in the prior year. Pension contributions for the first three months of 2020 and 2019 were $0.6 million.

Net cash used in investing activities for the first three months of 2020 totaled $175.8 million, compared to $43.2 million provided by investing activities for the same period in 2019. Capital spending was $153.1 million and $80.0 million in 2020 and 2019, respectively. In 2020, the Company paid approximately $42 million for the Quad acquisition. In 2019, the Company paid the remaining $2.0 million for the Letica acquisition. Net beneficial interest decreased by $105.8 million as a result of the restructuring of certain of the Company's accounts receivable sale and securitization programs. Net cash receipts related to the accounts receivable securitization and sale programs were $20.4 million and $126.2 million in 2020 and 2019, respectively.

Net cash provided by financing activities for the first three months of 2020 totaled $218.5 million, compared to $120.5 million for the same period in 2019. Current year activities include a debt offering of $450 million aggregate principal amount of 3.50% senior notes due 2028. The Company used the net proceeds to repay a portion of its outstanding borrowings under its senior secured revolving credit facility. In the current year period, the Company also paid $250 million toward the redemption of International Paper Company's ownership interest in Graphic Packaging International Partners, LLC. Additionally, the Company made borrowings under revolving credit facilities primarily for capital spending, repurchase of common stock of $119.4 million and payments on debt of $9.1 million. The Company also paid dividends and distributions of $26.7 million and withheld $8.8 million of restricted stock units to satisfy tax withholding obligations related to the payout of restricted stock units. In the prior year period, the Company had net borrowings under revolving credit facilities of $226.3 million and made payments on debt of $9.1 million. In addition, the Company paid dividends and distributions of $30.1 million and withheld $4.0 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units.

Liquidity and Capital Resources

The Company's liquidity needs arise primarily from the funding of its capital expenditures, debt service on its indebtedness, ongoing operating costs, working capital, share repurchases and dividend payments. Principal and interest payments under the term loan facilities and the revolving credit facilities, together with principal and interest payments on the Company's 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022, 4.125% Senior Notes due 2024, 4.75% Senior Notes due 2027 and 3.50% Senior Notes due 2028 (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 and ongoing operating costs and working capital needs, 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.

The Company has entered into agreements to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification"). The loss on sale is not material and is included in Other Expense, Net on the Condensed Consolidated Statement of Operations. The following table summarizes the activity under these programs for the three months ended March 31, 2020 and 2019, respectively:

	Three Months Ended March 31,	
In millions	**2020**	**2019**
Receivables Sold and Derecognized	$ 610.2	$ 811.2
Proceeds Collected on Behalf of Financial Institutions	608.8	504.1
Net Proceeds Paid to Financial Institutions	(4.7)	(28.8)
Deferred Purchase Price at March 31[(a)]	6.7	4.3
Pledged Receivables at March 31	263.5	144.2

[(a)] Included in Other Current Assets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

The Company participates in supply chain financing arrangements offered by certain customers and has entered into various factoring arrangements that also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the three months ended March 31, 2020 and 2019, the Company sold receivables of approximately $72 million and $37 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were approximately $563 million and $562 million as of March 31, 2020 and December 31, 2019, respectively.

Covenant Restrictions

Covenants contained in the Amended and Restated Credit Agreement, the Term Loan Credit Agreement (collectively, the "Credit Agreement") and the Indentures may, among other things, limit the ability to incur additional indebtedness, 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 Third 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 January 2, 2018.

The Credit Agreement requires that the Company maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At March 31, 2020, the Company was in compliance with such covenant and the ratio was 2.96 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At March 31, 2020, the Company was in compliance with such covenant and the ratio was 8.24 to 1.00.

As of March 31, 2020, the Company's credit was rated BB+ by Standard & Poor's and Ba1 by Moody's Investor Services. Standard & Poor's and Moody's Investor Services' ratings on the Company included a stable outlook.

Capital Investment

The Company’s capital investment in the first three months of 2020 was $153.1 million compared to $80.0 million in the first three months of 2019. The capital investments were primarily due to planned asset upgrades at the U.S.-based mills, including the new CRB paper machine in Kalamazoo, MI discussed in "*Note 15 — Exit Activities,"* and continued investments made as part of the integration of acquisitions.

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, closures or sales of facilities may necessitate further investigation and may result in 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 9 - Environmental and Legal Matters*" in the Notes to Condensed Consolidated Financial Statements.

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 condensed 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 Company's most critical accounting policies, which require significant judgment or involve complex estimations, are described in GPHC's Form 10-K for the year ended December 31, 2019.

The Company performed its annual goodwill impairment tests as of October 1, 2019. The Company concluded that all reporting units with goodwill have a fair value that exceeds their carrying value, and thus goodwill was not impaired. The Foodservice and Australia reporting units had fair values that exceed their respective carrying values by 32% and 17%, respectively, whereas all other reporting units exceeded by more than 50%. The Foodservice and Australia reporting units had goodwill totaling $43.0 million and $12.5 million, respectively at March 31, 2020. While the Company does not believe that the impact on the business to date of the COVID-19 pandemic has triggered the need to perform an impairment test on goodwill, we will continue to assess the impact on our business.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see "*Note 1 - General Information*" in the Notes to Condensed Consolidated Financial Statements.

BUSINESS OUTLOOK

Total capital investment for 2020 is expected to be approximately $600 million.

The Company also expects the following in 2020, subject to finalization of acquisition accounting for the Artistic and Quad acquisitions:

- Depreciation and amortization expense between $455 million and $465 million, excluding approximately $5 million of pension amortization and $20 million of accelerated depreciation related to exit activities.

- Pension plan contributions between $10 million and $20 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

For a discussion of certain market risks related to the Company, see Part II, "*Item 7A, Quantitative and Qualitative Disclosure about Market Risk*", in GPHC's Form 10-K for the year ended December 31, 2019. There have been no significant developments with respect to derivatives or exposure to market risk during the first three months of 2020. For a discussion of the Company's Financial Instruments, Derivatives and Hedging Activities, see GPHC's Form 10-K for the year ended December 31, 2019 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources*."

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management has carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934, as amended. Based upon such evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of March 31, 2020.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2020 that has materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. 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. For more information see "*Note 9 - Environmental and Legal Matters*" in the Notes to Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

The Company’s financial results could be adversely impacted by global events outside the Company’s control, such as the current COVID-19 pandemic.

As a result of the current COVID-19 pandemic, there could be unpredictable disruptions to the Company’s operations that could reduce its future revenues and negatively impact the Company’s financial condition. The COVID-19 pandemic may result in supply chain and transportation disruptions to and from our facilities, and affected employees could impact the Company’s ability to operate its facilities and distribute products to its customers in a timely fashion. In addition, the COVID-19 pandemic has resulted in extreme volatility and disruptions in the capital and credit markets as well as widespread furloughs and layoffs for employees. This volatility and loss of employment may negatively impact consumer buying habits, which could adversely affect the Company’s financial results.

Other than as noted above, there have been no material changes from the risk factors previously disclosed in GPHC’s Form 10-K for the year ended December 31, 2019.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company purchases shares of its common stock from time to time pursuant to the 2019 share repurchase program announced on January 28, 2019. Management is allowed to purchase up to $500 million of the Company's issued and outstanding common stock per the 2019 program.

During the first quarter of 2020, the Company purchased shares of its common stock through a broker in the open market as follows:

Issuer Purchases of Equity Securities

Period (2020)	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)]
January 1, through January 31,	—	$ —	43,047,300	29,568,003
February 1, through February 29,	1,469,100	$ 13.58	44,516,400	32,707,405
March 1, through March 31,	8,197,934	$ 12.74	52,714,334	27,684,646
Total	9,667,034	$ 12.87		

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

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	Non-Participating Single Premium Group Annuity Contract dated January 23, 2020 among Graphic Packaging International, LLC, American General Life Insurance Company and The United States Life Insurance Company in the City of New York, NY.
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.
101.INS	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

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	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 21, 2020
/s/ CHARLES D. LISCHER Charles D. Lischer	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	April 21, 2020

AIG

Graphic Packaging International, LLC.

Non-Participating Single Premium Group Annuity Contract Proposal

January 16, 2020

Underwritten by:

American General Life Insurance Company, Houston, TX

The United States Life Insurance Company in the City of New York, New York, NY

Richard Weiss
Vice President
Institutional Markets - Pensions
+1 (908) 334-4631
Richard.Weiss@aig.com

Institutional Markets | Pensions

Institutional Markets | Pensions
10880 Wilshire Blvd, 11th Floor
Los Angeles, CA 90024

Via e-mail

January 16, 2020

Blaine Reber
Aon
4 Overlook Point
Lincolnshire, IL, 60069

Re: Graphic Packaging International, LLC.

Dear Blaine:

Thank you informing us that we have been selected today by Graphic Packaging International, LLC to provide Quote 2, $699,000,000.00 which is based on receiving the attached AIK portoflio of Transferred Securities plus remaining in Cash. On behalf of American General Life Insurance Company and The United States Life Insurance Company in the City of New York, our team of experienced professionals is pleased to provide a group annuity contract to assume certain pension obligations of the GPI US Consolidated Pension Plan through a non-participating single premium group annuity contract.

We appreciate the opportunity to be of service and welcome any questions you may have.

Sincerely,

Jonathan Novak
Chief Executive Officer, Institutional Markets

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Section A - Summary of Quotation Basis

Quote as of January 23, 2020

This Proposal (the "Proposal") is presented to Graphic Packaging International, LLC., (the "Proposed Contractholder") which sponsors the GPI US Consolidated Pension Plan (the "Plan").

The issuing companies of the non-participating single premium group annuity contracts (together, the "Contract") will be American General Life Insurance Company and The United States Life Insurance Company in the City of New York (each, hereinafter, the "Insurer"). All representations by the Insurers hereunder are several and not joint, and no individual Insurer is responsible for the obligations or representations of the other Insurer. Proposed Contractholder and Insurer are each a "Party" and collectively referred to as the "Parties".

A summary of the transaction is shown as follows:

RFP criteria	Terms
Single Premium Payment	The Insurer will participate in the quote(s) described below: Quote 1 in the amount of $702,000,000 ($698,946,000 for American General Life Insurance Company and $3,054,000 for The United States Life Insurance Company in the City of New York) is offered through respective commingled guaranteed separate accounts by each Insurer and is payable in cash. Quote 2 in the amount of $699,000,000 ($695,959,000 for American General Life Insurance Company and $3,041,000 for The United States Life Insurance Company in the City of New York) is offered through respective commingled guaranteed separate accounts and is payable in cash and agreed upon securities, as described herein. This quote amount is based on the Insurer's receipt of the Single Premium Payment in cash and/or Portfolio, as defined herein, on the Deposit Date, in accordance with the terms of this Proposal. Unless otherwise stated in this Proposal, the total Single Premium Payment shall not be subdivided for the purpose of purchasing other combinations of benefits or participants involved in this Transaction, as defined herein (the "Participants").
Capital Markets Assumption Date	January 23, 2020
Deposit Date	January 30, 2020
Liability Assumption Date	January 30, 2020
Benefit Commencement Date	April 1, 2020
Quote Expiration Time	3 p.m. Eastern Time on January 23, 2020
Jurisdiction	The intended jurisdiction for issuance and delivery of this Contract is Georgia.

Please review the following Participant Census (the "Census") summary which was used to prepare this quote:

Category	No. of Records*	Monthly Benefits*
Retirees & Beneficiaries	6,932	$ 4,131,568.96
Terminated Vesteds	1,445	$ 494,931.81
Actives	367	$ 171,455.10
Total	**8,744**	**$ 4,797,955.87**

*The retiree monthly benefit amount and headcount are different from the Control Totals provided by Aon, because of the following: (1) 3 retirees (Unique ID 10973-1, 16612-1 and 18680-1) are deleted, as the level income change date expired and post change amount is $0; (2) 11 lives have expired level income change dates, so the post change amounts were used.

Changes to the Census will affect the Single Premium Payment. If this Proposal is accepted by the Proposed Contractholder, any change in the Census will be subject to the premium adjustment terms described in Section B - Terms and Conditions of this Proposal.

Due to interest rate volatility, the Insurer reserves the right to change or withdraw its offer at any time prior to receipt of the executed Acceptance of Offer.

If you wish to accept terms of this Proposal, including, but not limited to, the obligation to pay the Single Premium Payment, please sign Section C - Placement Document and return it to Richard Weiss by e-mail (Richard.Weiss@aig.com) prior to the Quote Expiration Time stated above.

Section D - Deposit Instructions should be returned to the Underwriter on or before the Deposit Date stated above.

Confidential and Proprietary Information

Notwithstanding whether the Proposed Contractholder executes the Acceptance of Offer attached hereto or enters into a corresponding Contract, the Proposed Contractholder acknowledges and agrees that this Proposal and all materials provided by the Insurer on or prior to the date hereof in connection with this Proposal,

a) are confidential and proprietary information of the Insurer,

b) are subject to the terms of the Non-Disclosure Agreement entered between the Insurer and the Proposed Contractholder, if any,

c) have been provided to the Proposed Contractholder (and its applicable advisors) solely in connection with and for purposes of a potential issuance of the Contract by the Insurer, and

d) such materials will not be disclosed to any third party, affiliate or person without the Insurer's prior written consent, except to the extent necessary for effecting the Transaction as defined in Section B of this Proposal.

Section B - Terms and Conditions

General Information about this Proposal and the Contract

1. In developing this Proposal, the Insurer relied on Request for Annuity Proposal Aon Project Number 1250 dated November 15, 2019 (the "Request for Proposal") and the Participant data associated therewith (the "Data"), provided by Aon on November 15, 2019 with updates and/or supplemental information provided on November 23, December 9, 16, and 18, 2019, January 10 and 15, 2020.

   This quotation is based on the benefits summarized in Section A – Summary of Quotation Basis with detailed Census Data shown in Section F – Additional Materials. The Insurer reserves the right to adjust the Single Premium Payment as shown in Section A – Summary of Quotation Basis if the Data or Plan specifications differ from those which have been provided, as described in this Proposal.

2. The Single Premium Payment shown in Section A is payable to the Insurer in US dollars as immediately collectible funds, or in the form of cash and/or transferred securities in accordance with the terms of this Proposal. In the event that the total Single Premium Payment is not paid by the Deposit Date, the portion of the total Single Premium Payment which is not paid will be adjusted from the Deposit Date to the actual premium payment date in accordance with Section C - Liquidated Damages Provision. If the total Single Premium Payment remains overdue or is not paid in full by three (3) business days after the Deposit Date, the Insurer may, at its sole discretion, consider the Proposed Contractholder in default and the Liquidated Damages provision shown in Section C of this Proposal shall govern.

3. The quote includes state premium tax, based on the state of residence of each Participant, as provided in the Data. A Participant missing state of residence in the Data provided is assumed to reside in the State of Georgia.

4. The Proposed Contractholder represents and warrants that no commission, fee or compensation in any form is to be paid by the Insurer in connection with the purchase of the Contract from the Insurer (such purchase, together with issuance of the Policy Forms (as defined below) and the actions, rights and obligations set forth herein and therein, the "Transaction"). The Proposed Contractholder agrees to indemnify and hold the Insurer, its officers, directors, employees, and affiliates, harmless from and against any damages, liabilities, claims, charges, attorneys' fees, or costs, resulting from or arising out of breach of the foregoing representation and warranty.

5. American General Life Insurance Company is an insurance company duly organized under the laws of the State of Texas and is licensed to conduct business in the State of Georgia. The United States Life Insurance Company in the City of New York is an insurance company duly organized under the laws of the State of New York and is licensed to conduct business in the State of New York.

   Subject to items 7 through 11 under Premium Adjustments and 19 under Group Annuity Contract and Certificates below, acceptance of this Proposal and receipt by the Insurer of the full Single Premium Payment shall constitute an irrevocable and binding agreement. Notwithstanding the above, if (i) the Pension Benefit Guaranty Corporation, the Internal Revenue Service, any other applicable regulatory or governmental authority requires rescission or termination of this Proposal, the Acceptance of Offer and/or the Contract, (ii) the Proposed Contractholder provides sufficient supporting evidence to the Insurer of such authority's requirement, and (iii) after the Proposed Contractholder and the Insurer have exhausted all good faith efforts to negotiate changes to the terms and conditions of this Proposal and/or the Contract to satisfy such applicable authority's requirements, such that rescission or termination is no longer required, then the Proposed Contractholder may make a written request to the Insurer to terminate the Transaction. Following receipt of such termination request, the Insurer shall rescind the

Contract and this Proposal and terminate the Transaction as required by such authority, and shall receive or retain an amount to cover damages, as calculated in accordance with the Liquidated Damages provision shown in Section C of this Proposal. For the avoidance of doubt, any objections, comments, or requirements received from an Insurance Regulator relating to the Transaction, including any request for rescission or termination, shall be addressed in accordance with item 19.

6. No benefits, options, assumptions, terms, or conditions, other than those stated in this Proposal, will be provided under the Contract unless expressly agreed upon in writing by the Insurer and the Proposed Contractholder. In no event will the Insurer be liable to pay any greater benefit with respect to any payee than that which would be payable on the basis of the correct information and the actual premium received by the Insurer.

Premium Adjustments

7. Premium adjustments to the Single Premium Payment, as determined by the Insurer, will be required if the Insurer receives requests for, or notifications of, changes to the Data or benefit provisions described in accordance with items 17 and 18. Modifications to the Data include, but are not limited to, changes in a Participant's status (e.g., termination, retirement, death, or disability) which occur prior to the Liability Assumption Date, corrections to misstatements of Data (e.g., age, gender, benefit amount, benefit form, spouse information, or beneficiary information, etc.), and additions to or deletions from the Census.

   The Insurer will have no obligation to, but at its discretion it may, accept any additional group of Participants.

8. The latest date on which the Insurer determines all data issues are resolved, and complete and correct Data has been provided to the Insurer in the format required will be considered the "Final Data Receipt Date". If the Data is considered by the Insurer to be insufficient or unreliable for purposes of the Insurer's calculation of the premium adjustment, the Proposed Contractholder will use its reasonable best efforts to promptly resolve any issues with the Data, as identified by the Insurer. The Insurer will provide a final Data change listing and the corresponding premium adjustment for each Participant having revised information within sixty (60) calendar days following the later of the Final Data Receipt Date, the Direct Payment Date, and other date as agreed upon by the Proposed Contractholder and Insurer. The Proposed Contractholder will respond to Insurer with any questions on the premium adjustment within ten (10) calendar days.

   If, after reflecting final Data changes up to the end of such 60-day period, the total premium adjustment is within 3% of the Single Premium Payment, the pricing assumptions used on January 23, 2020 (the "Final Quote Date") will be used to calculate the premium adjustment. The premium adjustment amount will reflect reasonable interest from the Deposit Date to the date of the premium adjustment payment.

   If, after reflecting final Data changes up to the end of such 60-day period, the premium adjustment is greater than 3% of the Single Premium Payment, the first 3% will be calculated using the Final Quote Date pricing assumptions and the remaining premium adjustment will be calculated based on the then-current pricing assumptions as determined by the Insurer. Subject to the terms of this paragraph, in the event of a Data change in which the resulting premium adjustment exceeds 3% of the Single Premium Payment, for purposes of calculating the resulting premium adjustment, the Insurer has discretion to select affected Participants of the change in Data and allocate them to the first 3% category (to which the Final Quote Date pricing assumptions will apply) or to the greater than 3% category (to which then-current pricing assumptions will apply) for the premium adjustment calculation.

Due to interest rate volatility and other commercial considerations, the Insurer reserves the right to change any applicable interest rate assumptions used in the premium adjustment calculation related to Data change or benefit provision corrections attributable to items 17 and 18 to reflect changes in interest rates and credit spreads that may occur between the Final Quote Date and the premium adjustment payment date.

The premium adjustment will be paid before the Proposed Contractholder and the Insurer sign the application to the Policy Form.

9. Data changes presented to the Insurer after the end of such 60-day period will result in future premium payments or refunds using the then-current pricing assumptions as determined by the Insurer. The Insurer reserves the right to combine Data changes and defer calculation of future premium adjustments until the Insurer determines the aggregate total of such subsequent Data changes to be material. If the Insurer approves any such request for a Data change and, as a result, additional premium is due, the Proposed Contractholder must make the additional premium payment as determined by the Insurer to the Insurer. The additional premium is due within thirty (30) calendar days from the date the Insurer notifies the Proposed Contractholder of such adjustment in writing. If the additional premium is not received within thirty (30) calendar days, the amount will be recalculated by the Insurer in its reasonable discretion. If the Insurer approves any such request for a Data change and, as a result, the premium is determined to be less than the amount already paid, the Insurer will refund the difference to the Proposed Contractholder.

10. Notwithstanding the above, if a Participant dies before the Liability Assumption Date, no benefit for that person will be payable under the Contract. The Proposed Contractholder may request the portion of the Single Premium Payment made for such person be:

    a) returned to the Proposed Contractholder in cash, or

    b) disposed of in any other manner agreed upon in writing by the Proposed Contractholder and the Insurer.

    The Proposed Contractholder shall make such requests before the Insurer delivers the final Data change listing. If a Participant dies before the Liability Assumption Date but the death is reported to the Insurer after the Insurer delivers the final Data change listing, the Insurer may, in its sole discretion, decline any such request.

11. If any other fact on which the Single Premium Payment was based has been misstated for any Participant, contingent annuitant or beneficiary and a premium adjustment is not able to be received or refunded in connection with such misstated fact, the amount of the affected Participant's benefit payments will be changed based on the correct facts, without changing the date of first payment to such Participant, contingent annuitant or beneficiary.

    Overpayments by the Insurer will be deducted from one or more subsequent payments due to the Participant. Underpayments by the Insurer will be paid to the Participant, contingent annuitant or beneficiary in one or more subsequent payments due with respect to such Participant, contingent annuitant or beneficiary. The Insurer will not be liable for payment of a benefit in excess of that which would be payable on the basis of the true facts and premium actually received.

Onboarding

12. The proposed effective date of the Contract is the later of the Deposit Date and the date of receipt by the Insurer of the full Single Premium Payment.

the Insurer of the full Single Premium Payment.

Onboarding will begin upon receipt of an executed Acceptance of Offer of this Proposal. Generally, the filing and/or execution of the Contract occurs around six (6) months from the execution of the Acceptance of Offer of this Proposal. Typically, participant Certificates are delivered within eight (8) months of the execution of the Acceptance of Offer of this Proposal.

13. For the Insurer to begin making payments of monthly benefits directly to Participants on April 30, 2020, (the date on which such direct payments are scheduled to begin, the "Direct Payment Date"), the Insurer requires receipt of complete and correct final Data, in the format required herein, by February 6, 2020. Timely delivery to the Insurer of complete and correct final Data is required for a welcome letter and personalized data verification form to be sent to Participants by the Insurer before the Direct Payment Date. Please review Section F – Additional Materials for an overview of sample format required for the data file.

    If the Direct Payment Date occurs after the Benefit Commencement Date or if there is delay in the receipt of final Data or complete transfer of all administrative duties (in accordance with the terms of this Proposal), the Insurer will coordinate with the existing Plan payor to ensure retirees continue receiving their monthly benefits. The Insurer will make a monthly bulk reimbursement to the existing Plan payor for the amounts the Insurer is responsible for, beginning on April 1, 2020 and continuing for each month until the transfer of administrative duties (in accordance with the terms of this Proposal) is fully complete. Any overpayment or underpayment against those amounts which should have been payable arising due to bulk reimbursement will be included in the premium adjustment calculation in item 8 of this Section B above.

    The Proposed Contractholder will be responsible for the expenses incurred by its administrators and agents from the Deposit Date to the Direct Payment Date and shall use commercially reasonable efforts to require its administrators and agents to continue to provide the transition administrative services at the same level of service currently provided to Participants covered in this Proposal in accordance with the Plan and applicable law.

    Insurer retains the right to review the terms in this Proposal and the Single Premium Payment once all information and final Data has been supplied and verified. Regarding proof of age, Insurer reserves the right to request copies of birth certificates or baptismal certificates for selected individuals, including by requesting such information directly from such individuals.

    The Insurer will require copies of all Qualified Domestic Relations Order, tax liens and qualified medical child support orders documents and alternate payee data records within sixty (60) calendar days following the Deposit Date.

14. In no event shall the Insurer be liable to any Participant for any amount greater than the amounts to be provided to such Participant under the terms of the Contract.

Ongoing Benefit Administration

15. Following the transfer of administrative duties, the Insurer shall make scheduled annuity payments by check or electronic funds transfer (EFT) to the Participants.

    Tax reporting is the responsibility of the existing Plan payor over the period for which they are responsible for payments made to Participants. Generally, this includes benefits payable before the Direct Payment Date. Please note that the responsibility for tax reporting includes production of Form 1099R and any other required forms for recipients of annuity benefits, death benefits, disability retirement benefits, or lump sum benefits, to the extent applicable to any individual Participant. The

Insurer is responsible for tax reporting on annuity benefits, death benefits, disability retirement benefits, or lump sum benefits, to the extent applicable to any individual Participant, made by the Insurer directly to such individual Participant.

16. If monthly annuity payments are less than $50, the Insurer reserves the right to make payments less frequently than monthly, but no less frequently than annually, and will make these payments in an aggregate amount not later than the first day of the period to which the payment applies.

Annuity Benefit Provisions to Govern Participant Benefits

17. Summary of Retiree participant benefit provisions is as follows:

- Single Life Annuity
- Joint and Survivor Annuity at 25%, 33-1/3%, 50%, 66-2/3%, 75%, and 100%
- Certain and Continuous Annuity at 3, 5, 10, 15, and 20 years
- Single Life Annuity with Level Income Option
- The surviving spouse (or if there is no surviving spouse then the beneficiary) of participants (who has commenced retirement benefit) at the following employment locations are entitled to a flat death benefit payable at the participant's post-commencement date of death.

Location	Death Benefit in addition to survivor annuity elected in the optional form
Kalamazoo, MI Board Mill and Canton Plant	$3,000
North Portland, OR Facility	$2,500 (retiree must be hired before 6/28/1996 and commence pension benefit on or after 10/1/1988)
Mid- America Plan	$1,000

18. Summary of Active and Terminated Vested participant benefit provisions is as follows:

Accrued Benefit: Benefits for all active and terminated vested participants are frozen.

Benefit Payment Date: Last day of the month provided the participant is alive on the first day of such month. Termination of employment is required to commence benefits.

Employee Contributions: None

Normal Retirement Date (NRD): First day of the month coinciding with or next following a participant's age 65. Termination of employment is required to commence benefits.

Early Retirement Date: Termination of employment is required to commence benefits. Upon satisfying anyone of the following criteria on the date of termination:

Definition	First day of the month coinciding with or next following
1 & 9	Age 55 with 10 years of service
2 & 6	Age 55 with 15 years of service
3	Age 60 with 10 years of service
4	Age 60 with 15 years of service
5	Age 55 with 5 years of service
7	Earliest of (a) Age 55 with 15 years of service (b) Age 58 with 14 years of service

	(b) Age 55 with 11 years of service

	(c) Age 59 with 10 years of service (d) Age 60 with 5 years of service
8	Age 55 with 20 years of service

Please refer to the request for proposal regarding the mapping of early retirement eligibility being utilized by different location/union scenarios excluding the grandfathered and minimum benefit criteria in accordance with Aon's 12/18/2019 and 1/15/2020 Q&As.

Early Retirement Reduction:

Method	Benefit reduction applies to benefit commencement date precedes NRD
1	0.5% per month precedes NRD
2	(a) 0.5% per month precedes age 62 with 30 years of service (b) 0.5% per month precedes NRD without age 62 with 30 years of service
3	Actuarial equivalent reduction using ERISA 4044 interest rates and mortality tables as of January 1st of the benefit commencement year, as listed below: (a) Annuity rates: https://www.pbgc.gov/prac/interest/ida (b) Mortality: https://www.pbgc.gov/prac/mortality-retirement-and-pv-max-guarantee/erisa-mortality-tables (c) 100% male for primary and 100% female for contingent annuitant
4	1/15 per month for first 5 years precedes NRD and 1/30 per month thereafter
5, 10, 16	1/3 of 1% per month precedes NRD
6	0.25% per month for first 3 years precedes NRD and 0.50% per month thereafter
7	For Riverwood Employee Plan participants with date of termination before 1/1/2007: (a) 1/3 of 1% per month precedes age 62 with 25 years of service (b) 1/3 of 1% per month precedes NRD without age 62 with 25 years of service For all other situations: (a) 5/12 of 1% per month precedes age 62 with 25 years of service (b) 5/12 of 1% per month precedes NRD without age 62 with 25 years of service
8	0.2% per month for first 2 years precedes age 62 and 0.4% per month thereafter
9	0.5% per month precedes age 62
11	1/180 of 1% per month for first 5 years precedes NRD and 1/360 of 1% per month thereafter
12	1/3 of 1% per month for first 3 years precedes NRD and 0.50% per month thereafter
13	2/3 of 1% per month precedes age 62
14	(a) Unreduced on and after age 62 with 20 years of service (b) 0.25% per month precedes NRD without age 62 with 20 years of service
15	0.4% per month precedes NRD
17	(a) Unreduced on and after age 62 with 25 years of service (b) 0.25% per month precedes NRD without age 62 with 25 years of service
18	The lessor reduction of: (a) 0.5% per month precedes NRD (b) Actuarial equivalent reduction using Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year

19	0.25% per month for first 5 years precedes NRD and 7/12 of 1% per month thereafter
20	Actuarial equivalent reduction using 1984 Unisex Pension Mortality Table and 5% per annum interest rate
21	7/12 of 1% per month precedes age 60
22	0.25% for each month between the later of (a) age 60 and (b) benefit commencement date to the earlier of (a) NRD and (b) age plus years of service equals 90; and 7/12 of 1% for each month between benefit commencement date to age 60
23	0.25% per month for the first 7 years precedes age 62; 6.64%/12 per month for age 54; 6%/12 per month for age 53; 5.37%/12 per month for age 52; 4.9%/12 per month for age 51; 4.42%/12 per month for age 50
24	5/12 of 1% per month precedes NRD

Please refer to the request for proposal regarding the mapping of early retirement reduction being utilized by different location/union scenarios excluding the grandfathered and minimum benefit criteria in accordance with Aon's 12/18/2019 and 1/15/2020 Q&As.

Early Commencement Date: Termination of employment is required to commence benefits. If a participant didn't satisfy Early Retirement Criteria above on his/her termination of employment date, he/she may commence benefit upon satisfying anyone of the following criteria on the benefit commencement date:

Definition	First day of the month coinciding with or next following
1	Age 55 with 5 years of service
2	Age 55 with 15 years of service
3	Age 60 with 10 years of service
4	Age 60 with 15 years of service
5	Age 55 with 10 years of service
6	Age 55 with 15 years of service
7	5 years of service
8	Anytime if the participant has a "Classification A" indicator in the census data
9	Age 50 with 10 years of service

Please refer to the request for proposal regarding the mapping of early commencement eligibility being utilized by different location/union scenarios excluding the grandfathered and minimum benefit criteria in accordance with Aon's 12/18/2019 and 1/15/2020 Q&As.

Early Commencement Reduction:

Method	Benefit reduction applies to benefit commencement date precedes NRD
7	Benefit is calculated by multiplying the normal retirement benefit by a reduction factor given by the below table. This reduction factor is prorated based on months if the participant's age at benefit commencement date is not in complete years. Age at BCD Reduction Factor 65 1.00 64 0.90 63 0.81 62 0.74 61 0.67 60 0.61 59 0.55 58 0.50

	57	0.46

	56 0.42 55 0.39 54 0.36 53 0.33 52 0.30 51 0.28 50 0.26
9	0.5% per month for first 5 years precedes NRD and 0.3% per month thereafter
11	1/180 of 1% per month for first 5 years precedes NRD and 1/360 of 1% per month thereafter For Mid-America Participants only, additional reduction in actuarial equivalent basis applies from any benefit commencement date precedes age 55 to age 55 using Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year
13	2/3 of 1% per month precedes NRD
14	Benefit is calculated by multiplying the normal retirement benefit by a reduction factor given by the below table. This reduction factor is prorated based on months if the participant's age at benefit commencement date is not in complete years. Age at BCD Reduction Factor 65 1.0000 64 0.9090 63 0.8288 62 0.7580 61 0.6950 60 0.6389 59 0.5887 58 0.5436 57 0.5031 56 0.4664 55 0.4331 For Mid-America Participants only, additional reduction in actuarial equivalent basis applies from any benefit commencement date precedes age 55 to age 55 using Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year
16	The lessor reduction of: (a) Actuarial equivalent reduction using 1971 Group Annuity Mortality Table (male only) and 8% per annum interest rate (b) Actuarial equivalent reduction using Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year
17	Actuarial equivalent reduction using 1984 Unisex Pension Mortality Table with 0 year set back for primary and 4 years set back for contingent annuitant and 10.5% per annum interest rate
18	Same as Early Retirement Reduction Method #20 in previous table
19	Same as Early Retirement Reduction Method #23 in previous table
20	Same as Early Retirement Reduction Method #21 in previous table
21	Same as Early Retirement Reduction Method #22 in previous table

22	Same as Early Retirement Reduction Method #24 in previous table

Others	Same as Early Retirement Reduction table's matching number

Please refer to the request for proposal regarding the mapping of early commencement reduction being utilized by different location/union scenarios excluding the grandfathered and minimum benefit criteria in accordance with Aon's 12/18/2019 and 1/15/2020 Q&As.

Late Retirement Date:

For all Field Container Plan participants, benefit commencement may be delayed to latest retirement date which is defined as April 1st following the calendar year in which the participant attains age 70.5. Termination of employment is required to commence benefits before April 1st following the calendar year in which the participant attains age 70.5 but termination of employment is not required for commencement on or after such date.

For all other participants, benefit commencement may be delayed to latest retirement date which is defined as the later of (a) the first day of the month immediately following the month in which the participant terminates employment and (b) April 1st following the calendar year in which the participant attains age 70.5. Termination of employment is required for commencement.

Late Retirement Increase:

Benefit at normal retirement date will be actuarially increased to the earlier of the benefit commencement date and the latest retirement date. Then increased amount is converted from the normal form to all eligible optional forms.

<table>
<tr><td colspan="2">Altivity Plan
Cantonment, FL Plant, Local 3-0547
Cantonment, FL Technical Center, Non-Union
Cantonment, FL Graphics Center, Local 3-0547
Des Moines, IA Plant, Non-Union
Fowler, IN Bag, Non-Union
Louisville, KY Bag, IBT Local 89
Arcadia, LA Bag, USW Local 1505
Hodge, LA Flexible Packaging, USW Local 1505
Kansas City, MO Bag, USW Local 765
Salt Lake City, UT Bag, GCC/IBT Local 541-S
Salt Lake City, UT Bag, Non-Union
Wellsburg, WV Bag, USW Local 12315
Wellsburg, WV Bag, Non-Union</td><td>1994 Group Annuity Mortality table (static table) and ERISA 4044 interest rates as of January 1st of the benefit commencement year (https://www.pbgc.gov/prac/interest/ida)</td></tr>
<tr><td>Altivity's WG Anderson Plan</td><td colspan="2">Benefit at NRD is multiplied by the following:

Years passed NRD Factor (subject to interpolation)
1 1.0600
2 1.1200
3 1.1900
4 1.2600
5 1.3400</td></tr>
</table>

	6	1.4200

	7 1.5000 8 1.5900 9 1.6900 10 1.7900 11 1.7900 multiplied by actuarial increase from age 75 to benefit commencement date using 1983 Group Annuity Mortality table (unisex 50% male and 50% female) and 7.5% per annum interest rate
All other Altivity Plans	1983 Group Annuity Mortality table (unisex 50% male and 50% female) and 8% per annum interest rate
Riverwood Employees Plan and Graphic Plan (Non-Union)	1994 Group Annuity Reserving Table adjusted to a unisex basis with 50% male and 50% female and projected to year 2002 (per current IRS Revenue Ruling 2001-62) and 5% per annum interest rate
Graphic Plan (Kalamazoo Board Mill and Cartoon Plant, USW Local 2-1010)	1971 Group Annuity Mortality table (male) and 6% per annum interest rate
Graphic Plan (Menasha and Wausau, WI Carton Plants; USW Local 22-0148, local 7-0224)	1984 Unisex Pension Mortality table with 0 year set back for primary and 3 years set back for contingent annuitant and 7% per annum interest rate
Graphic Plan (Charlotte, NC Plant; AFL-CIO Local 1089)	1984 Unisex Pension Mortality table and ERISA 4044 interest rates as of January 1st of the benefit commencement year (https://www.pbgc.gov/prac/interest/ida)
Graphic Plan (North Portland, OR Facility; Western Pulp and Paper Workers, Local 78)	1951 Group Annuity Mortality table (unisex) and 4.25% per annum interest rate
Graphic Plan (Universal Packaging Corporation, Non-Union)	1984 Unisex Pension Mortality table and interest rate equals to the monthly yield of the 30-year U.S. Treasury Bond in July preceding the benefit commencement year capped between 5% and 9% interest rate per annum
Graphic Plan (all other locations)	1984 Unisex Pension Mortality table with 1 year set forward for primary and 4 years set back for contingent annuitant and 7% per annum interest rate
Field Container Plan	The greater benefit by comparing the following: (a) 1971 Group Annuity Mortality table (male) and 8% per annum interest rate (b) Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year
Riverwood Hourly Plan	1984 Unisex Pension Mortality table and 5% per annum interest rate
Mid-America Plan	Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year

Retro payments, with interest at 120% of the applicable federal mid-term interest rate as of January of the benefit commencement year, will be made if the benefit commencement date occurs after the latest retirement date.

Normal Form of Annuity:

The normal form for unmarried participants is the Single Life Annuity (except St, Clair location of the Filed Container Plan). The 3-year Certain and Life Annuity is the normal form for unmarried participants at the St. Clair location of the Field Container Plan. For all married participants, the normal form is the actuarial equivalent 50% Joint and Survivor Annuity.

Optional Form of Annuity:

Non-spouse contingent annuitant is allowed with spousal consent. Participant must not elect an option providing spouse coverage less than those provided under a 50% Joint and Survivor annuity without spousal consent.

The following methods are used for optional form conversion excluding lump sum option:

Method	Assumption
1	1983 Group Annuity Mortality table (unisex 50% male and 50% female) and 8% per annum interest rate
2	Multiply the normal form by the following factors: • 50% Joint & Survivor annuity = 0.90 • 75% Joint & Survivor annuity = 0.84 • 100% Joint & Survivor annuity = 0.80 • 5 – Year Certain & Life Annuity = 0.98 • 10 – Year Certain & Life Annuity = 0.93 • 15 – Year Certain & Life Annuity = 0.88
3	1971 Group Annuity Mortality table (male) and 8% per annum interest rate
4	1994 Group Annuity Reserving Table adjusted to a unisex basis with 50% male and 50% female and projected to year 2002 (per current IRS Revenue Ruling 2001-62) and 5% per annum interest rate
5	1971 Group Annuity Mortality table (male) and 6% per annum interest rate
6	1984 Unisex Pension Mortality table with 0 year set back for primary and 3 years set back for contingent annuitant and 7% per annum interest rate
7	1984 Unisex Pension Mortality table and ERISA 4044 interest rates as of January 1st of the benefit commencement year (https://www.pbgc.gov/prac/interest/ida)
8	1984 Unisex Pension Mortality table with 1 year set forward for primary and 4 years set back for contingent annuitant and 7% per annum interest rate
9	1984 Unisex Pension Mortality table with 1 year set forward for primary and 1 year set forward for contingent annuitant and 7% per annum interest rate
10	1951 Group Annuity Mortality table (unisex blend) and 4.25% per annum interest rate
11	1984 Unisex Pension Mortality table and interest rate equals to the monthly yield of the 30-year U.S. Treasury Bond in July preceding the benefit commencement year capped between 5% and 9% interest rate per annum
12	Multiply the normal form by the following factors: Minimum of 1 and [a – (b x ("Primary's age" – 55)) – (c x ("Primary's age" – "Contingent Annuitant's age"))]

	Optional form	a =	b =	c =
	25% J&S	0.957	0.002	0.003
	33-1/3% J&S	0.944	0.003	0.004
	50% J&S	0.918	0.003	0.005
	66-2/3% J&S	0.893	0.004	0.007
	75% J&S	0.882	0.005	0.007
	5-year C&L	0.992	0.002	0
	10-year C&L	0.968	0.006	0
13	1984 Unisex Pension Mortality table and 6% per annum interest rate			
14 & 15	Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year			
16	1984 Unisex Pension Mortality table and 5% per annum interest rate			
17	The greater benefit amount by comparing each available optional form using: (a) 1971 Group Annuity Mortality table (male) and 8% per annum interest rate (b) Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year			
18	1984 Unisex Pension Mortality table with 0 year set back for primary and 4 years set back for contingent annuitant and 10.5% per annum interest rate			
19	1994 Group Annuity Mortality table (static table) and ERISA 4044 interest rates as of January 1st of the benefit commencement year (https://www.pbgc.gov/prac/interest/ida)			
20	1983 Group Annuity Mortality table (unisex 50% male and 50% female) and 7.5% per annum interest rate			
21	Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for October preceding the benefit commencement year			

Please refer to the request for proposal regarding (a) the availability of each optional form by different location/union scenarios and (b) the mapping of assumptions being utilized to convert normal form of annuity to any optional form of annuity (excluding lump sum option) by different location/union scenarios excluding the grandfathered and minimum benefit criteria in accordance with Aon's 12/18/2019 and 1/15/2020 Q&As.

In addition, if the contingent annuitant of a Joint and Survivor option is a non-spouse and the non-spouse contingent annuitant is younger than the participant, some of the Joint and Survivor options will not be available. The Joint and Survivor options being offered are restricted by the survivor benefit percentage from the table below:

Years	Survivor portion cannot exceed	Years	Survivor portion cannot exceed	Years	Survivor portion cannot exceed
10	100%	22	70%	34	57%
11	96%	23	68%	35	56%
12	93%	24	67%	36	56%
13	90%	25	66%	37	55%
14	87%	26	64%	38	55%
15	84%	27	63%	39	54%
16	82%	28	62%	40	54%
17	79%	29	61%	41	53%
18	77%	30	60%	42	53%
19	75%	31	59%	43	53%

20	73%	32	59%	44	52%
21	72%	33	58%		

In the above table, years = (a – b) – (70 – a – 1) where a = primary's attained age in completed years on the benefit commencement date, b = contingent annuitant's attained age in completed years on the benefit commencement date, and -1 reflects round down.

For lump sum option, the lump sum is calculated using the Internal Revenue Code Section 417(e) mortality rate for the benefit commencement year and interest rate for August preceding the benefit commencement year. Lump sum option is available and is calculated as follows:

Field Container Plan	Available on benefit commencement date	Lump sum is actuarial equivalent to the greater of (a) a deferred to NRD annuity and (b) an immediate annuity.
Mid-America Plan	Available on benefit commencement date	If BCD < early retirement or early commencement eligible, lump sum is actuarial equivalent to a deferred to NRD annuity. If BCD > early retirement or early commencement eligible, lump sum is actuarial equivalent to the greater of (a) a deferred to NRD annuity and (b) an immediate annuity.
Graphic Plan (Universal Packaging Corporation, Non-Union)	Only if lump sum value is <$10,000 on benefit commencement date	Lump sum is actuarial equivalent to the greater of (a) a deferred to NRD annuity and (b) an immediate annuity.
All else	Only if lump sum value is <$5,000 on benefit commencement date	Lump sum is actuarial equivalent to a deferred to NRD annuity

Disability Commencement:

To be eligible for a disability benefit, the participant must be actively employed, approved for Social Security Disability benefit, provide the evidence to the insurer in order to commence the temporary disability benefit, and satisfy one of the following:

Rule	Condition
1 and 3	10 years of service
2 and 4	15 years of service
5	Age 40 with 10 years of service
6	5 years of service

Please refer to the request for proposal regarding the application of each rule by different location/union scenarios.

Coverage	Subgroup
Has disability coverage	Altivity Plan, the Graphic Plan, the Riverwood Hourly Plan, and the Mid-America Plan
No disability coverage	Riverwood Employees Plan and Field Container Plan

The Disability Benefit ends at the earlier of (a) participant's NRD at which point the participant will be prompted to commence his or her regular pension benefit and (b) the date the participant commences pension benefit. The temporary disability benefit equals the unreduced monthly benefit which would be payable at the NRD.

The same spousal consent requirement and optional forms as all of the retirement's optional forms, except the level income option, would be available for the temporary disability benefit.

Pre-retirement death benefit:

This benefit is payable to a legally married spouse only and no non-spouse beneficiary will receive this survivor benefit. Under the Altivity Plan, the participant and the spouse must have been married for a period of at least one year prior to the participant's death in order for the spouse to qualify for this survivor benefits. Spouse must be alive to commence this survivor benefit.

The surviving spouse of any participant who dies prior to commencing his or her retirement benefits is eligible to receive a survivor benefit as early as the first day of the month on which the participant would have been able to commence a retirement benefit (through either early retirement or early commencement defined above) and as late as the latest retirement date defined above.

The pre-retirement death benefit is calculated in the following order:

1) Take the benefit payable at NRD and convert from normal form to all optional forms using the earlier of (a) the benefit commencement date and (b) the NRD.
2) If the benefit commencement date occurs prior to the participant's NRD, apply the early retirement reduction to the benefit payable at NRD for all optional forms. Ignore this item #2 for commencement on normal or late retirement dates.
3) If the benefit commencement date occurs after the participant's NRD, apply late retirement increase from NRD to the earlier of (a) benefit commencement date and (b) latest retirement date. Ignore this item #3 for commencement on early or normal retirement dates.
4) Retro payments, with interest at 120% of the applicable federal mid-term interest rate as of January of the benefit commencement year, will be made if the benefit commencement date occurs after the latest retirement date.

Benefit #1	
Riverwood Employees Plan and the Graphic Plan (for non-union employees)	Survivor portion of the 100% J&S annuity for early retirement eligible upon date of death. Survivor portion of the 50% J&S annuity for not early retirement eligible upon date of death. If participant's date of death occurs after attaining age 55 with 25 years of service, the survivor benefit above shall be increased by 0.25% for each month by which this benefit #1's commencement date occurs after participant's age 62.
Riverwood Hourly West Monroe Paperboard and Carton participants	Survivor pension equals 40% of the participant's accrued benefit.
All else	Survivor portion of the 50% J&S annuity

Benefit #2	
Graphic Plan participant with at least 15 years of service and dies while actively employed at either Menasha and Wausau, WI Caton Plants or Menasha and Wausau, WI, and Newnan, GA Carton Plants	Additional monthly benefit is equal to $10 ($6.25 for Menasha and Wausau, WI and Newnan, GA Plants) times the participant's years of service and it is payable as a temporary 10-Year Certain Annuity (ceases payment at the earlier of date of death and 10 years) beginning payment from the later of (a) age 62 and (b) the benefit commencement date of Benefit #1 above.

Post-retirement death benefit:

The surviving spouse (or if there is no surviving spouse then the beneficiary) of participants (who has commenced retirement benefit) at the following employment locations are entitled to a flat death benefit payable at the participant's post-commencement date of death.

Location	Death Benefit in addition to survivor annuity elected in the optional form
Kalamazoo, MI Board Mill and Canton Plant	$3,000
North Portland, OR Facility	$2,500 (retiree must be hired before 6/28/1996 and commence pension benefit on or after 10/1/1988)
Mid-America Plan	$1,000

Group Annuity Contract and Certificates

19. The Insurer will use commercially reasonable efforts to draft and forward the Contract (which will include a Separate Account Rider) to the Proposed Contractholder within One hundred and Twenty (120) calendar days following the date the Single Premium Payment is received by the Insurer; provided that, the Proposed Contractholder acknowledges that such timeframe may be extended based on:

    a) any delay in the receipt of final, accurate and complete Data by the Insurer in the form required,

    b) any unresolved matters regarding contractual terms or the benefits to be provided under the Contract, or

    c) other operational or administrative delays.

    The Insurer agrees to negotiate in good faith changes to the terms and conditions of the Contract (which will include a Separate Account Rider) and the certificates, (collectively, the "Policy Forms") to properly reflect benefits payable to Participants, and to comply with applicable state department of insurance and all other applicable legal and regulatory requirements. If, after a reasonable period of time and after exhausting all good faith efforts to mutually agree on the material terms of the Policy Forms, the Insurer and the Proposed Contractholder cannot agree on such terms, then the Insurer has the sole discretion to finalize the Policy Forms. Insurer represents and warrants that such Policy Forms will be consistent with other approved Policy Forms issued by the Insurer for the same type of pension product.

The Proposed Contractholder shall promptly review and provide, within the timeframes requested by the Insurer, relevant feedback with respect to all provided drafts of the Policy Forms in order to facilitate the timely execution of the Contract and/or the timely submission thereof to the Georgia Office of Insurance & Safety Fire Commissioner, the New York Department of Financial Services and each other applicable state insurance department (collectively, the "Insurance Regulators") to the extent such submission is required. Not later than thirty (30) calendar days after the Parties agree in writing to the terms and conditions of the Policy Forms, the Policy Forms will be filed with the Insurance Regulators for approval, if applicable. In the event that any approval required by applicable law is not granted due to modifications requested by the Insurance Regulators, the Insurer and the Proposed Contractholder will cooperate in good faith to agree on modifications to the Contract to satisfy the requests of the Insurance Regulators and all other applicable legal and regulatory requirements until the Policy Forms are approved and to preserve the provisions of this Proposal. In the event Insurer and Proposed Contractholder are unable to agree to such modifications in good faith, Insurer has the sole discretion to finalize the Policy Forms due to any such modifications requested by the Insurance Regulators within the timeframe established by the applicable Insurance Regulators.

Otherwise, not later than thirty (30) calendar days following:

a) the Insurer's receipt of the Insurance Regulators' approval of the Policy Forms, or

b) if no such approval is required, the first date on which the Insurer and the Proposed Contractholder each agree to all terms and conditions of the Policy Forms,

the Contract will be issued for delivery to and signature by the Proposed Contractholder.

The Insurer will use commercially reasonable efforts to draft and forward the certificates to the Proposed Contractholder within sixty (60) calendar days following the date on which all of terms and conditions of the other Policy Forms have been mutually agreed upon by the Insurer and the Proposed Contractholder, and will issue certificates to Participants within sixty (60) calendar days following the latest date when:

a) the Insurer has received fully complete and accurate Data with respect to all Participants,

b) the Insurer and the Proposed Contractholder have mutually agreed upon all terms and conditions of the Policy Forms and the Policy Forms are filed with the Insurance Regulator(s) for approval, if required, and

c) to the extent required, each Policy Form has been approved by each of the applicable Insurance Regulators.

Acknowledgments, Representations and Warranties

20. The Proposed Contractholder:

a) is acting as a fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA") on behalf of the Plan and for its own account and, in that capacity

(i) is capable (together with its applicable advisors) of evaluating investment risks independently, both in general and with regard to the Transaction, and

(ii) has made its own independent decision that the Transaction is appropriate and suitable for it and is prudent for it in accordance with the terms of applicable law based upon its own judgment and upon advice from its advisors to the extent that it has deemed necessary;

b) understands and acknowledges that the Insurer is not providing any recommendation or advice about whether the Transaction is suitable for the Proposed Contractholder, the Insurer is not acting as an advisor to the Proposed Contractholder with respect thereto, and the Proposed Contractholder is not relying on the Insurer for determining whether the Transaction is suitable;

c) understands and acknowledges that the Insurer is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the Transaction;

d) is a sophisticated investor, with experience in the sale of public securities and privately traded debt and equity securities of the type to be included in the Transferred Securities. The Company has had access to such information as it deems necessary in order to make its decision to sell the Transferred Securities to the Insurer;

e) understands and acknowledges that the Insurer makes no representations, warranties, promises, or recommendations regarding the Transaction and has not advised and does not advise the Proposed Contractholder regarding the suitability or prudence of the Transaction or otherwise with regard to the choice or appropriateness of the Transaction; and

f) represents, warrants and covenants that the actuarial or mortality tables used to calculate any benefits payable under the Plan are appropriate from the perspective of a reasonable and prudent plan sponsor and/or fiduciary. The Proposed Contractholder agrees to indemnify and hold the Insurer, its officers, directors, employees, and affiliates, harmless from and against any damages, liabilities, claims, charges, attorneys' fees, or costs, resulting from or arising out of breach of or an alleged breach of the foregoing representation and warranty.

21. The Proposed Contractholder represents that:

a) It is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Proposed Contractholder has all requisite power and authority to enter into and carry out its obligations under this Proposal and to consummate the transactions contemplated to be undertaken by the Proposed Contractholder herein;

b) The Proposed Contractholder has received all necessary corporate approvals and no other action on the part of the Proposed Contractholder or its affiliates is necessary to authorize the execution, delivery and performance of the Acceptance of Offer attached hereto and the Transaction, and the consummation of the transactions contemplated to be undertaken by the Proposed Contractholder herein. This Proposal is duly executed and delivered by the Proposed Contractholder, is a valid and binding obligation of the Proposed Contractholder and is enforceable against the Proposed Contractholder in accordance with its terms, except to the extent that such enforceability may be affected by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

c) The execution, delivery and performance of this Proposal by the Proposed Contractholder and the consummation by the Proposed Contractholder of the transaction(s) contemplated to be undertaken by the Proposed Contractholder herein do not,

(i) violate or conflict with any provision of the Plan's governing documents or the certificate or articles of incorporation, bylaws, code of regulations or the comparable governing documents of the Proposed Contractholder,

(ii) violate or conflict with any law or order of any governmental authority applicable to the Proposed Contractholder or the Plan,

(iii) require any additional governmental approval, or

(iv) require any consent of or other action by any person or entity under, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, or cause or permit termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit under, any provision of any contract to which the Proposed Contractholder is a party, the absence or occurrence of any of the foregoing would have a material adverse impact on the Proposed Contractholder's ability to consummate the Transaction; and

d) The Plan is maintained under and is subject to ERISA, and, to the Proposed Contractholder's knowledge, is operated in compliance therewith in all material respects. All Plan amendments necessary to effect the Transaction and this Proposal, to the extent that they require authorization by the Proposed Contractholder, have been duly authorized and made by the Proposed Contractholder.

22. The Proposed Contractholder acknowledges that the Insurer relies on the Proposed Contractholder's representations and statements set forth herein and the Data provided by the Proposed Contractholder in connection herewith, and that in the event that any such representation or statement is untrue or such Data is incomplete or contains any material inaccuracies, it may impact the Insurer's ability to provide the benefits described herein, the timing of such benefits and the amount of the Single Premium Payment. The Proposed Contractholder acknowledges that the Insurer has a financial interest in the Transaction and expects to earn revenue from the completion of the Transaction.

Commingled Guaranteed Separate Account

23. This subsection titled Commingled Guaranteed Separate Account applies only if the Proposed Contractholder elects the quote offered through Commingled Guaranteed Separate Account.

Following receipt of the Single Premium Payment, receipt of all applicable regulatory approvals from any Insurance Regulator and the issuance of the Contract and the Separate Account Rider, the Single Premium Payment allocated to the Separate Account will be subject to the terms set forth in the Separate Account Rider, which includes, but is not limited to, the following terms:

a) Commingled Account – a partially insulated guaranteed separate account (the "Commingled Guaranteed Separate Account") of the Insurer will (subject to the occurrence of a Small Account Conversion, as described below) be utilized to hold assets supporting the payment obligations of the Insurer under the Contract in accordance with the terms of the Separate Account Rider, as well as the payment obligations of the Insurer under certain other group annuity contracts issued by the Insurer from time to time and allocated by the Insurer (in its discretion) to the Commingled Guaranteed Separate Account, including, but not limited to, any such group annuity contract agreed upon and so allocated prior to the date hereof (each, an "Other Commingled Contract"); other than in respect of liabilities under the Other Commingled Contracts, assets in the Commingled Guaranteed Separate Account are not chargeable with liabilities arising out of any other business of the Insurer;

b) The Separate Account Surplus/Deficit Sweep Threshold is 100% of the statutory liability (statutory reserves) the Insurer is required to hold in respect of its aggregate obligations under the Contract and each Other Commingled Contract under applicable insurance laws and regulations;

c) Sweep Mechanics – On the date of issuance of the Contract, the book value of the assets held in the Commingled Guaranteed Separate Account will be at least equal to the statutory liability (statutory reserves) the Insurer is required to hold in respect of its aggregate obligations under the Contract and each Other Commingled Contract under applicable insurance laws and regulations as of such date. Following such date, the Insurer may withdraw assets from the Commingled Guaranteed Separate Account if the book value of total assets in the Commingled Guaranteed Separate Account exceeds the Separate Account Surplus/Deficit Sweep Threshold; provided that such withdrawals will not occur more frequently than once every ninety (90) calendar days and that the composition of the assets so transferred is, in the Insurer's sole discretion, fair and equitable to both the Insurer's general account (the "General Account") and the Commingled Guaranteed Separate Account, taking into account both the Market Value (as defined in the Separate Account Rider) and the book value of any non-cash assets so transferred;

d) Substitutions – On any business day, the Insurer may effect a substitution between the Commingled Guaranteed Separate Account and the General Account, whereby assets previously allocated to the Commingled Guaranteed Separate Account are transferred to the General Account, and assets previously held in the General Account are allocated to the Commingled Guaranteed Separate Account, so long as, immediately following such substitution, the book value of the assets allocated to the Commingled Guaranteed Separate Account is no less than the book value of the assets allocated to the Commingled Guaranteed Separate Account immediately prior to giving effect to such substitution;

e) Small Account Conversion – When the Market Value of assets allocated to the Commingled Guaranteed Separate Account falls below $50 million, the Insurer reserves the right to discontinue the Commingled Guaranteed Separate Account and transfer the remaining assets allocated to the Commingled Guaranteed Separate Account to the General Account (in which case, the assets held therein may be chargeable with liabilities arising out of any other business of the Insurer);

f) Investments of the assets allocated to the Commingled Guaranteed Separate Account will be made at the discretion of the Insurer's affiliated investment manager, any sub-advisor thereto or any other investment manager designated by the Insurer from time to time, in accordance with applicable laws, regulations, and regulatory approvals, including the Insurer's investment guidelines approved by the Texas Department of Insurance; and

g) Fees and expenses pertaining to the Commingled Guaranteed Separate Account will be subject to the "Expenses" provision set forth in the Separate Account Rider. Expenses charged to the Commingled Guaranteed Separate Account are related to administrative, operational, investment management and other maintenance costs, etc. No risk charges are to be paid from the Commingled Guaranteed Separate Account.

24. The Proposed Contractholder acknowledges and agrees that the terms described herein with respect to the Commingled Guaranteed Separate Account and any rights or benefits attendant therewith are in all cases subject to the actual terms of the Contract and the Separate Account Rider and shall not be applicable until such time as (i) the Contract, Certificates and the Separate Account Rider are each fully approved by each applicable Insurance Regulator, (ii) the Insurer and the Proposed

fully approved by each applicable Insurance Regulator, (ii) the Insurer and the Proposed

Contractholder agree upon and execute the Contract, together with the Separate Account Rider, and (iii) such documentation is issued and delivered to the Proposed Contractholder. Prior to such time, none of the terms set forth in the Separate Account Rider (including each of the terms set forth in this subsection titled Commingled Guaranteed Separate Account) shall be effective. For the avoidance of doubt, prior to such time, the insulation features associated with the Commingled Guaranteed Separate Account may not be recognized under applicable law. If the Insurer were to become insolvent prior to such time, the Insurer's assets held with respect to this Transaction may be chargeable with liabilities arising out of the Insurer's other business and may be subject to the same treatment as other assets held in the Insurer's General Account. Furthermore, in the event that any applicable Insurance Regulator does not approve the Separate Account Rider, but otherwise approves the other Policy Forms, subject to the terms of item 19 of Section B above, the Insurer will issue a General Account Non-participating Single Premium Group Annuity Contract in a manner consistent with the terms of this Proposal, except that all terms herein pertaining to a separate account, including, but not limited to, those set forth in this section titled "Commingled Guaranteed Separate Account" and the entirety of the Separate Account Rider, shall not apply and all such terms shall be considered to be of no force and effect.

Assets In Kind

25. SECURITIES SELECTION PROCEDURES:

The final list of securities that the Insurer will accept as part of the Single Premium Payment (each, a "Transferred Security" and, collectively, the "Transferred Securities") as shown in Section F – Additional Materials will be mutually agreed between the Insurer and the Proposed Contractholder on or prior to the Final Quote Date. The Insurer will review the list of securities provided by Aon, on behalf of the Proposed Contractholder, as part of supplementary information of the Request for Proposal, and identify those that the Insurer is willing to accept as partial or full consideration for the Single Premium Payment (the "Portfolio").

The Insurer may make changes to the securities it is willing to accept prior to the receipt of the executed Acceptance of Offer as a result of a variety of factors, including but not limited to changes to the structure or of the Transaction; asset maturities and sales; changes in market conditions; deteriorating credit conditions in the United States, or in the capital markets globally; changes to the Insurer's internal risk exposure limits for one or more issuers included in the Portfolio; and to eliminate de minimis individual holdings which are inefficient or impractical to transfer.

Any securities transferred or attempted to be transferred to the Insurer, other than those agreed upon by the Insurer and the Proposed Contractholder in accordance with these Securities Selection Procedures and the Securities Valuation Procedures below, will not be given any value towards the Proposed Contractholder's obligation to pay the full Single Premium Payment. Such Transferred Securities, other than those agreed upon, will be transferred back to the Plan or the Proposed Contractholder, as appropriate, and excluded from the list of Transferred Securities. If the Insurer receives any principal, payments (including, but not limited to, interest, dividends, or distributions), funds or other property in respect of such excluded securities, then the same will also be transferred back to the Plan or the Proposed Contractholder, as appropriate.

26. SECURITIES VALUATION PROCEDURES:

A security's market value ("Market Value") as of the Deposit Date will be determined as follows:

a) the Insurer shall determine the Market Value for each Transferred Security as of the close of the daily securities trading markets in the United States on January 22, 2020, (the "Assets-in-kind Valuation Date") based on the IDC Mid Price (or another independent third party pricing source, as agreed between the parties) plus accrued interest, unless otherwise stated or agreed upon and, in each case subject to the terms in these Securities Valuation Procedures. Insurer will deliver to the Proposed Contractholder a list of the Market Value for each Transferred Security no later than two (2) business days after the Assets-in-kind Valuation Date.

b) The Proposed Contractholder shall review the Insurer's valuations of the Transferred Securities and notify the Insurer of any objections thereto no later than two (2) business days after the receipt of the list. The Insurer and the Proposed Contractholder shall agree to cooperate in good faith to resolve any disputed calculations.

c) For any Transferred Security for which the Insurer and the Proposed Contractholder cannot reach an agreed Market Value price following good faith negotiations in accordance with clause (b) above within two (2) business days of Proposed Contractholder's notification of objection (a "Disputed Security") the Insurer has the right to either:

   (i) remove the Disputed Security such that it is no longer a Transferred Security, in which case, the Cash Amount as defined in the Cash Requirement Procedures shall be increased such that the Cash Amount when aggregated with the Market Value of the Transferred Securities (after accounting for such removal) equals the Single Premium Payment, and any such increase in the Cash Amount shall be paid by the Proposed Contractholder to the Insurer prior to or on the later of the Deposit Date and the second (2nd) business day following such removal, or

   (ii) perform the following:

      A. apply the average of the bid side price for the Disputed Security determined by three independent mutually agreed upon broker-dealers who are active in the trading of such securities, or if only two such bid prices are available, the lower of such two bid prices, or if only one such bid price is available, such bid price;

      B. calculate the simple average of the Market Value prices provided based on clause "A" above for the Disputed Security valuation; and

      C. use the price as calculated in clause "B" above, plus accrued interest, to calculate the Market Value of the Disputed Security for the purposes of calculating the aggregate Market Value of the Transferred Securities Portfolio.

The Proposed Contractholder will pay any applicable additional premium or appropriately reduce the premium payable on the Deposit Date and reflect interest from the Deposit Date to the actual payment date. If the conclusion of the process described in this clause (c) cannot be completed by the Deposit Date, then the adjustment of premium with interest will be payable on the second (2nd) business day after the conclusion of the process described in this clause (c) to the Insurer.

If the total Market Value of the Disputed Securities is greater than 5% of the Single Premium Payment, the Insurer reserves the right to change the Single Premium Payment.

By mutual agreement of the Insurer and the Proposed Contractholder, on or prior to the Deposit Date, the Insurer may agree to acquire from the Proposed Contractholder additional or replacement securities in addition to or in lieu of the securities included in the Portfolio. The

Market Value of such additional or replacement securities will be calculated in accordance with the procedures above as of the close of business one business day prior to the Deposit Date and any Market Value so acquired will reduce, on a dollar for dollar basis, the Cash Amount.

27. CASH REQUIREMENT PROCEDURES

The Single Premium Payment will be payable by the Proposed Contractholder to the Insurer on the Deposit Date in the form of the Transferred Securities, subject to any adjustments thereto in the Securities Selection Procedures and Securities Valuation Procedures, plus the Cash Amount, subject to any adjustments thereto in accordance with such items. The Transferred Securities will be valued at a Market Value determined pursuant to the Securities Valuation Procedures. The "Cash Amount" will be the difference between the Single Premium Payment and the Market Value of the Transferred Securities received by the Insurer on the Deposit Date (or on a different date that is consistent with the procedures for determining the Market Value of Disputed Securities in accordance with Securities Selection Procedures and Securities Valuation Procedures).

28. SECURITIES TRANSFER PROCEDURES

The Proposed Contractholder shall transfer the Transferred Securities to the Insurer prior to or on the Deposit Date, and in furtherance thereof, the Proposed Contractholder shall:

a) deliver or cause to be delivered a direction or directions to any applicable securities intermediary(ies) through which it holds the Transferred Securities, including any trustee of the Plan, directing each such securities intermediary to cause the Transferred Securities (or the portion thereof held through such securities intermediary) to be transferred to the Insurer, and

b) confirm to the Insurer in writing on the same day that it has delivered all such directions.

As of the moment immediately prior to its transfer of the Transferred Securities to the Insurer, the Proposed Contractholder warrants that it has sole legal and beneficial ownership of, and good and valid title to, such Transferred Securities, free and clear of all liens; and, upon such transfer of the Transferred Securities to the Insurer, the Insurer will have legal and beneficial ownership of, and good and valid title to, such Transferred Securities, free and clear of all liens.

Further assurances and actions of the Proposed Contractholder:

a) Further Assurances. The Proposed Contractholder shall, upon any reasonable request of the Insurer or any representative of the Insurer, take any such action as may be necessary or appropriate (including the execution of any instruments, documents, directions or notices) to perfect, protect and more fully evidence the Proposed Contractholder's transfer of the Transferred Securities to the Insurer, free and clear of any liens.

b) Collections. If the Proposed Contractholder receives any scheduled or unscheduled principal or other payments (including, but not limited to, interest, dividends, or distributions) in respect of the Transferred Securities after the Assets-in-kind Valuation Date, or any funds and other property in respect of the Transferred Securities ("Collections") after the Assets-in-kind Valuation Date, then it shall receive such Collections in trust for the Insurer and deliver the same to the Insurer promptly (but in no event later than the later of the Deposit Date and two (2) business days after receipt) in the same form as received with, to the extent applicable, such endorsement as requested by the Insurer. The Proposed Contractholder shall not commingle any such Collections with its own assets. The Proposed Contractholder shall, upon any reasonable request of the Insurer or any representative of the Insurer, take such action as may

be necessary or appropriate to comply with this paragraph, and it shall use its reasonable best efforts to cause any future such payments to be delivered directly to the Insurer.

Other Terms

29. Notwithstanding anything to the contrary herein, the Parties agree that the Insurer may use, or cause its affiliates to use, commercially reasonable efforts to satisfy Insurer's obligations under this Proposal with respect to any New York-resident certificateholders including, without limitation, by causing its affiliate, The United States Life Insurance Company in the City of New York, to issue a group annuity contract in a form mutually agreed upon by the Parties for such New York-resident certificateholders. The Policy Forms issued by The United States Life Insurance Company in the City of New York will be substantially similar to those issued by American General Life Insurance Company and are subject to the approval of the New York Department of Financial Services.

30. The Proposed Contractholder does not contemplate at this time any layoffs, early retirement windows, or any other incentives to retire early to the involved Participants covered in this Proposal.

31. Subsequent to the Deposit Date, Insurer and Proposed Contractholder shall cooperate in good faith to agree on any press release by Insurer or Proposed Contractholder regarding the Transaction contemplated herein; provided, however, that no Party shall issue a press release or otherwise publicly disclose the Transaction described herein unless and until each other Party, in its discretion, approves such disclosure in writing.

32. From and after the Deposit Date, Insurer will indemnify, defend and hold the Proposed Contractholder and its respective officers, directors, stockholders, employees, plan fiduciaries, agents and other representatives (each, a "Proposed Contractholder Indemnified Party") harmless from and against any and all direct losses, claims and other liabilities (in each case, including reasonable out-of-pocket expenses and reasonable fees and expenses of counsel) to the extent arising out of or relating to any actual failure by Insurer to perform its obligations to make payments under the Contract. Insurer will have the right at any time to assume the defense with counsel of its choice reasonably satisfactory to the Proposed Contractholder Indemnified Party and to control the defense of such Proposed Contractholder Indemnified Party, provided, however, that Insurer will not consent to the entry of any judgment or enter into any settlement without prior written consent of the Proposed Contractholder Indemnified Party unless the judgment or proposed settlement involves only the payment of money by Insurer and does not admit liability on the part of a Proposed Contractholder Indemnified Party.

Section C - Placement Documents

Acceptance of Offer

American General Life Insurance Company and The United States Life Insurance Company in the City of New York (each, the "Insurer")

The undersigned hereby accepts this Proposal dated January 16, 2020 from the Insurer to issue a non-participating single premium group annuity contract.

The Single Premium Payment due to the Insurer is **$699,000,000** for quote # 2 with breakdown as shown in Section A of this Proposal. The Single Premium Payment will be paid not later than January 30, 2020, and shall be payable in cash and/or transferred securities in the manner described in this Proposal.

This acceptance is based upon, and subject to, the conditions and assumptions provided in the Proposal (including all attachments, exhibits and appendices thereto), which

a) is incorporated herein by reference,

b) contains the entire agreement between the Parties relating to the subject matter thereof, and

c) supersedes all oral statements and prior writings with respect thereto.

In the event of conflict between the terms of the Proposal and the Request for Proposal or any other materials (other than the Policy Forms) exchanged or delivered in connection with the Transaction, the Proposal governs.

Signing this Acceptance of Offer will constitute an acknowledgement by the Proposed Contractholder that it has reviewed the information provided in the Proposal, has received any additional information requested to its satisfaction, and has determined that any direct and indirect compensation, if applicable, to be received by the Insurer, any of its affiliates and any agent, broker or consultant in respect of the Transaction constitutes reasonable compensation for the Contract and services provided in light of the risks and obligations being undertaken in connection therewith.

This acceptance should be signed in the State of Georgia. If this acceptance is not signed in the State of Georgia, the undersigned hereby certifies that it has sufficient nexus to the State of Georgia based on its principal place of business, the location of its operations and/or employees, with respect to the transactions contemplated by this Proposal and issuance of the Contract.

As part of the acceptance, the liquidated damages provision of this Section C will apply.

Graphic Packaging International, LLC	
Signature	
Print Name	Stephen R. Scherger
Title	EVP and Chief Financial Officer
Date	January 23, 2020
Location (City, State)	Atlanta , Georgia

Upon acceptance, please immediately return a completed copy to *Richard Weiss* by e-mail at Richard.Weiss@aig.com. This executed page must be returned before the Quote Expiration Time as indicated in Section A of this Proposal.

Liquidated Damages Provision

As part of the Acceptance of Offer to this Proposal, it is agreed that in the event the total Single Premium Payment set forth in the Acceptance of Offer is not paid by the Deposit Date, the Insurer shall have the right to accept a late total Single Premium Payment adjusted by the Insurer to reflect any interest, investment risk, transaction costs and/or change in the investment environment after the Deposit Date. Furthermore, if the total Single Premium Payment is not fully paid by three (3) business days after the Deposit Date, the Insurer shall have the right, in its sole discretion, to rescind the Contract and immediately receive or retain an amount to cover Liquidated Damages.

Liquidated Damages is waived.

This Liquidated Damages provision also applies if, after good faith effort between the Insurer and the Proposed Contractholder, this Transaction is deemed void ab initio or is required for regulatory purposes to rescind or terminate the Transaction, in accordance with the terms stated in Section B of this Proposal.

Section D - Deposit Instructions

Please be advised that to ensure accurate and timely credit for payment of the Single Premium Payment as of the date of wire transfer, the Insurer must receive the completed Premium Wire Confirmation Form no later than 10:30 A.M. Eastern Time from the Proposed Contractholder on the day of transfer. After the execution of the Acceptance of Offer, if you have questions about the wire transfer procedures, please contact the Underwriter named on the Premium Wire Confirmation Form.

AGL	**Cash**	**Assets in Kind**
Commingled Separate Account	*AIG Liquidity Pool AGL TFA-1B CASH* AIG Liquidity Pool Bank: JPM Chase, New York, NY ABA: #021000021 Account: AIG Liquidity Pool Account No.: 323 957 641 Ref: FFC L22115-5	*DTCC Securities (TFA-1B)* Bank of New York Mellon, New York, NY DTC#: 901 For the account of AGL Terminal Funding 1B Account #: 778237 *Euroclear Securities (TFA-1B)* Non Physical Settlement - BNY Mellon Sub Custodian Name - Euroclear Sub Custodian Swift BIC - MGTCBEBEECL Security Sub-Account - 97816 Place of Settlement (PSET): MGTCBEBE For the Account of AGL Terminal Funding 1B Account # 778237 *FED-BK OF NYC/CUST* ABA# 021000018 For the Account of AGL Terminal Funding 1B Account# 778237 *AIG Liquidity Pool AGL TFA-1B – CASH (for Commercial Mortgage Loans)* AIG Liquidity Pool Bank: JPM Chase, New York, NY ABA: #021000021 Account: AIG Liquidity Pool Account No.: 323 957 641 Ref: FFC L22202-5
USL	Cash	
Commingled Separate Account	*AIG Liquidity Pool USL TFA-1B CASH* AIG Liquidity Pool Bank: JPM Chase, New York, NY ABA: #021000021 Account: AIG Liquidity Pool Account No.: 323 957 641	

Prior to initiating payment of the Single Premium Payment, please send an e-mail to the Underwriter named on the Premium Wire Confirmation Form to notify the Insurer of the incoming wire. The following page may serve as a template.

Premium Wire Confirmation Form

To: jing.lin1@aig.com
From: Graphic Packaging International, LLC.
Date: January 30, 2020
RE: GPI US Consolidated Pension Plan
Non-participating Group Annuity Premium Payment

GPI US Consolidated Pension Plan Wire Information

Confirmation Details	Cash Transfer information
Custodian / Bank Name	
ABA #	
Account Name	
Bank's Contact Person Name	
Bank's Contact Person Telephone #	
Bank's Contact Person E-mail	
Amount (US$)	
Date and Time Wired	
Fed Reference Number	
Further Credit to Account Information, where applicable	

Insurer address	Bank address
AMERICAN GENERAL LIFE INSURANCE COMPANY PENSIONS ADMINISTRATION 503 CARR RD, SUITE 300 WILMINGTON, DE 19809	JP MORGAN CHASE 270 PARK AVE NEW YORK, NY 10017

Confirmation Details	Securities Transfer information
Custodian / Bank Name	
DTC / Euroclear / Clearstream #	
Account Name	
Account Number	
Bank's Contact Person Name	
Bank's Contact Person Telephone #	
Bank's Contact Person E-mail	
Amount (US$)	
Date and Time Wired	

Please provide a spreadsheet with listing of the securities transfer and containing:

Security Name	CUSIP	Number Shares/ Par Value	Accrued Interest	Price	Market Value

Section E - Administration Capabilities

Plan Sponsor/Employer

The Underwriter named on the Premium Wire Confirmation Form will be your primary contact person throughout the onboarding of your group annuity contract. The Underwriter oversees (among other items):

- Data installation;
- Data reconciliation;
- Premium adjustments;
- Contract and certificate drafting and issuance; and
- Plan Sponsor inquiries.

The Underwriter assigned to this Transaction is supported by our full underwriting team, pension service team, and account manager to ensure timely transfer of administrative responsibilities and facilitate on-going communication among the Parties.

Participants

Participants receive fast and accurate service from experienced Pension Service Representatives through ***Connect – Direct!*** Participants calling the Insurer's "800" toll-free number connect to an experienced, live Pension Service Representative who specializes in, and is dedicated to, group annuity contracts.

The Insurer's Repetitive Payment System gives service representatives prompt access to an on-line database allowing quick and efficient retrieval of information for telephone inquiries.

Service levels are enhanced through an on-line Image/Work management system to promptly recall correspondence, a voice recording system, and automated document printing. Furthermore, our Pension Service Center monitors Participant inquiries, performance levels and customer satisfaction on a monthly basis utilizing a dedicated team of programmers and business analysts.

In addition, we offer a variety of payment options: Direct Deposit via Electronic Funds Transfer (EFT) or, if approved by the Insurer, a bulk wire transfer to the plan trustee for disbursement.

Pension Service Representatives perform (among others) the following functions:

- Preparation of welcome letters to Participants;
- Benefit requests and calculations (retirement, termination of employment, death benefits, lump sum election, etc.);
- Tax withholding and reporting;
- Customized deductions (e.g., medical, dental, life insurance premiums);
- Estate tax processing; and
- Qualified Domestic Relations Order processing.

Participants will receive welcome letters and certificate documents outlining their benefits and pension provisions under the Contract, as further described in the Proposal.

Section F - Additional Materials

Data File

The attached file is used to determine the premium amounts shown in Section A: Exhibit I.

The attached file is used to determine the final list of securities for the premium amounts that the Insurer will accept: AIG Proposal - GPI - Section F - Transferred AIK Securities 1.23.2020.

Data File Format

Complete and accurate Participant data records are required in order to implement a successful transfer of payment responsibilities to the Insurer, after the execution of the Acceptance of Offer. If not using MS-Excel to deliver the Data, please contact the Underwriter for electronic data file format requirements.

Participant records must be combined into a single data file in substantially the same format as shown in the attached Excel file titled, "Section F - Data File Sample Template" and returned to the Underwriter no later than February 6, 2020.

The Data file should contain at least the following fields:

Participant Information	*Tax Withholding Information*	*Funds Transfer Information*
• Participant Name	• Mailing address of payee if different than the Participant's	• ABA number
• Social Security Number	• Address	• Bank account number
• Address	• Withholding information	• Type of account
• Date of Birth		
• Sex		
• Benefit Amount		
• Type of Benefit		
• Period end date (if applicable)		
• Spouse Date of Birth		
• Spouse Sex		
• Spouse Social Security Number		
• Spouse Name		
• Beneficiary Name		
• Beneficiary Social Security Number		

The Data file(s) may be uploaded to a secure server of Graphic Packaging International, LLC. or Aon with access granted to the Underwriter, the account manager and each other designated representative of the Insurer. For data sent via e-mail attachment, please check with the Underwriter regarding file size limits and confirm that file(s) are password protected or, if your system allows, encrypted.

Standard Annuity Guide and Samples

Attached you will find the Insurer's Annuity Guide which includes the following materials:

- Financial Quality Information
- Contract Installation and Benefit Administration Experience and Capabilities
- Sample Certificate
- Sample Welcome Letter
- Sample Group Annuity Contract
- Sample Separate Account Rider

About AIG

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance www.twitter.com/AIGinsurance | LinkedIn: www.linkedin.com/company/aig. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this Proposal.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

Exhibit 31.1

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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)

April 21, 2020

Exhibit 31.2

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

April 21, 2020

Exhibit 32.1

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 Quarterly Report on Form 10-Q for the period ended March 31, 2020 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
April 21, 2020

Exhibit 32.2

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 Quarterly Report on Form 10-Q for the period ended March 31, 2020 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: Executive Vice President and Chief Financial Officer
April 21, 2020