

Graham Packaging Company, L.P.

PURCHASE ORDER TERMS AND CONDITIONS

References to "this Purchase Order," "this Order" or "PO" shall mean, collectively, the Purchase Order identified on the face of this document or to which these terms and conditions are attached as well as these terms and conditions.

References in this Purchase Order to "Buyer," "Purchaser," "Graham," "GPC," "we," "us," "our" or "Graham Packaging Company" shall mean the entity on whose behalf this Purchase Order has been submitted.

References in this Purchase Order to "Vendor," "Seller," "Supplier," "you," "your," or "your company" shall mean the entity fulfilling this Purchase Order.

This Purchase Order is for the purchase of goods, services, or goods and services as described herein (collectively, "Goods", except with respect to the sections entitled "additional terms applicable to goods only" and "additional terms applicable to services only" where goods and services are separately referenced) and is issued by the Buyer to the Seller.

References in this Purchase Order to "specifications," "specs," "performance criteria" or similar language indicating one or more standards pursuant to which the Goods provided by Seller will be measured shall mean the standards set forth in the following precedence: first, as set forth in this Purchase Order; second, as set forth in any response previously provided by Seller to a request for quote from Buyer; third, as set forth in any website maintained by Seller describing such Goods; fourth, commonly accepted industry standards. Any inconsistencies between any of such sources of criteria will be resolved by applying the available criteria in the same order of precedence. For example, if there are no specifications set forth in this Purchase Order, but there are specifications in both the Seller's response to Buyer's request for quote and Seller's website, then any inconsistencies between those two sets of criteria will be resolved in favor of the former.

Seller represents and warrants that there is nothing that will directly, indirectly, actually or potentially restrict or prevent Seller in any way from fulfilling all its obligations, duties, and services under this Purchase Order, including without limitation any exclusivity or non-compete arrangement.

Time is of the essence of this Purchase Order.

GENERAL

- ACCEPTANCE.** The terms and conditions set forth herein shall be deemed accepted and binding upon Seller in their entirety and without variation upon written acceptance of this Purchase Order, verbal acceptance of this Purchase Order, fulfillment of this Purchase Order in whole or in part, or any course of conduct demonstrating Seller's fulfillment of this Purchase Order in whole or in part. Acceptance of this Purchase Order, whether by written acknowledgment or by performance by Seller, or otherwise, shall be upon the terms and conditions hereof; no other terms or conditions shall be binding on Buyer unless written approval thereof by Buyer specifically referring to such other terms and conditions shall have been given to Seller. Any terms of a purchase order, invoice, quotation or order acknowledgment, including the Terms and Conditions, or other writing that conflicts with the terms and conditions of this Agreement shall be null and void and this Agreement shall supersede any such conflicting terms.
- INVOICING AND PAYMENT.** After each shipment made or service provided, Seller will submit an invoice listing a description of the Goods provided and, as applicable, part numbers, quantity, and unit of measure, hours, and the unit and total prices. Any incidental charges such as royalties, selling commissions, non-recurring engineering, or other incidental charges must be separately itemized and identified on the invoice. The invoice must also include the following information in English, or in the destination country's official language if required: (a) name and address of Seller and the Buyer entity purchasing the Goods; (b) name of shipper (if different from Seller); (c) Buyer's Purchase Order number(s); (d) country of export; (e) detailed description of the Goods; (f) Harmonized Tariff Schedule number; (g) country of origin (manufacture) of the Goods, or if multiple countries of origin, the country of origin of each part shipped; (h) weights of the Goods shipped; (i) currency in which the sale was made; (j) payment terms; (k) shipment terms used; and (l) all rebates or discounts. The invoice will be accompanied (if applicable) by a signed bill of lading or express receipt evidencing shipment. Payment of an invoice does not constitute acceptance of the Goods and is subject to appropriate adjustment should Seller fail to meet the requirements of this Purchase Order. Payment terms are 2% 30 net 90 days from receipt of invoice and conforming Goods unless otherwise stated on the face of this Purchase Order or other written agreement executed by both parties. Payment will be scheduled for the first payment cycle following the net terms for the Purchase Order.
- SETOFF.** Buyer may deduct any amount owing from Seller to Buyer as a setoff against any amount due or owing to Seller under this Purchase Order.
- QUALITY ASSURANCE.** Seller agrees to allow Buyer, during normal business hours, to make reasonable inspections of the facilities where Seller and its sub-tier suppliers manufacture or process the Goods.
- INSPECTION.** All Goods may be inspected and tested by Buyer; its customers; higher tier contractors; and end user at all reasonable times and places. If such inspection or testing is made on Seller's premises, Seller will provide, without additional charge, all reasonable facilities and assistance required for such inspections and tests. In its standard inspection and testing of the Goods, Seller will use an inspection system

accepted by Buyer in writing. All inspection records, including sub-tier supplier records relating to the Goods, will be maintained and made available to Buyer during the performance of this Purchase Order, and for such longer periods as may be specified by Buyer. Notwithstanding any prior inspection at Seller's premises, the manner and place of final inspection and acceptance by Buyer will be as determined by Buyer in its sole discretion. Buyer may inspect 100% or a sample of Goods, at Buyer's option, and may reject all or any portion of the Goods or lot of Goods if Buyer determines them to be defective or nonconforming. If Buyer performs any inspection (other than the standard inspection) due to discovery of defective or non-conforming Goods, any additional inspection costs will be paid by Seller. No inspection, tests, approval, design approval, or acceptance of the Goods relieves Seller from responsibility for warranty or any latent defects, fraud, or negligence. If the Goods are defective or otherwise not in conformity with the requirements of this Purchase Order, Buyer may, by written notice to Seller: (a) rescind this Purchase Order as to such Goods; (b) accept such Goods at an equitable reduction in price; or (c) reject such Goods and require the delivery of replacements. Delivery of replacements will be accompanied by a written notice specifying that such Goods are replacements. If Seller fails to deliver required replacements promptly, Buyer may correct any retained defective or nonconforming Goods at Seller's expense; replace them with Goods from another supplier and charge the Seller the cost thereof, including cover, and any incidental costs; or terminate this Purchase Order for cause.

- SHIPPING.** Seller will indicate plainly the purchase order number on all bills of lading, all Goods shipped pursuant to said purchase order and on all invoices, freight bills and packages. Buyer will not be liable for any discharge, spill or other environmental incident (including clean-up costs) involving any Goods shipped under the Purchase Order until received by Buyer. All containers will be properly marked for identification per the instructions on Buyer's Purchase Order and contain a packing slip that details, at a minimum, the Buyer Purchase Order number(s), product part number, detailed product description, total number of boxes in shipment, quantity of product shipped, and final delivery address. Items shipped in advance of Buyer's delivery schedule may be returned at Seller's expense. For domestic shipments, if requested by Buyer, and for all international shipments, Seller will give notice of shipment to Buyer when the Goods are delivered to a carrier for transportation. Partial shipments must be identified as such on shipping memoranda and invoices.

Shipment of Goods specified on this Purchase Order should result in lowest possible freight rate unless otherwise specified by Buyer. Penalties or increased charges due to failure to observe this provision will be charged to Seller.

Shipping costs for Goods on back-order shall be paid only at the rate which would have been applicable had the complete order been shipped at one time. All excess costs shall be borne by Seller.

Seller will, at its expense, deliver Goods by the most expeditious shipping method if the delivery schedule is endangered for any reason other than Buyer's fault. If Goods are delinquent to Buyer's requirements, Seller will grant Buyer first priority for Goods allocation and shipment. Buyer reserves the right to reject, at no expense to Buyer, all or any part of any delivery that varies from the quantity authorized by Buyer for shipment. Seller will not make any substitutions without Buyer's prior written approval. All items will be packaged in accordance with Buyer's instructions or, if none are specified, in accordance with good commercial practice in a manner sufficient to ensure receipt in an undamaged condition.

All Goods, unless specifically exempted by the destination country's governing authorities, must be marked with the country of origin (manufacture) of the Goods in a conspicuous place as legibly, indelibly, and permanently as the nature of the article or container permits.

If Seller is a non-U.S. entity, Seller will assist Buyer in obtaining credit from Seller's government for the value of relevant Goods purchased hereunder to meet any present or future contractual offer or industrial benefit requirements imposed upon Buyer or its subsidiaries or affiliates. Such assistance includes, but is not limited to, providing upon Buyer's request evidence of the existence, value, content and other pertinent information relating to such purchases. Buyer reserves the right to claim these credits for itself or third parties. If Seller is a U.S. entity which awards any portion of the work hereunder to lower tier non-U.S. suppliers, Seller will assign to Buyer any credits obtained from the non-U.S. sub-tier supplier's government relating to this transaction and assist Buyer in obtaining any such credits.

- DELIVERY.** Unless otherwise expressly provided, Seller shall be obligated to make delivery to Buyer's premises as designated herein; and all prices stated herein shall be for such delivery, free of all freight, transportation, drayage, boxing and similar charges, which shall be prepaid for account of Seller, unless otherwise stated in writing by Buyer. Whenever anything delays or threatens to delay the timely performance of this Purchase Order, Seller must immediately notify Buyer in writing of all relevant information with respect to such delay.

- TITLE AND RISK OF LOSS.** If the Goods will be transported from Seller's location in the U.S. to Buyer's location in the U.S., unless otherwise specified on the face of this Purchase Order or in a separate agreement, the point of delivery, as defined in Incoterms®2010, is the Buyer's location and Incoterm DAP will apply. When the point of delivery, as defined in Incoterms®2010, is Seller's location, Seller bears all risk of loss or damage to the Goods and title passes to Buyer upon delivery of the Goods to the carrier designated or approved by Buyer; Incoterm FCA will apply. When the point of delivery, as defined in Incoterms®2010, is Buyer's location, Seller bears all risk of loss or damage to the Goods and title passes to Buyer upon delivery of the Goods at Buyer's location.

In all other cases, unless otherwise specified on the face of the Purchase Order or in a separate agreement, Seller will deliver the Goods DAP (Incoterms®2010) at Buyer's location. Title to Goods passes to Buyer upon receipt at Buyer's location.

The foregoing does not relieve Seller of any responsibility for hidden damages discovered after acceptance of the Goods. Buyer may direct Seller to ship the Goods to Buyer or to any third party designated by Buyer.

9. **CANCELLATION.** Buyer reserves the right to cancel all or any part of the undelivered portion of this Purchase Order if Seller does not make deliveries as specified, time being of the essence of this contract, or if seller breaches any of the terms hereof, including without limitation, the warranties of Seller.
10. **STOP WORK.** Buyer may, at any time by written notice and at no cost, require Seller to stop all or any part of the work under this Purchase Order for a period of up to 120 days (Stop Work Order), and for any further period as Seller and Buyer may agree. Immediately upon receipt of a Stop Work Order, Seller will comply with its terms. At any time during the stop work period, Buyer may, in whole or in part, either cancel the Stop Work Order or terminate the work in accordance with the Termination section of this Purchase Order. To the extent the Stop Work Order is canceled or expires, Seller must resume work.
11. **PRICE.** Seller will furnish the Goods at the prices stated on the face of this Purchase Order. If prices are not stated on the face of this Purchase Order, Seller will offer its lowest prices subject to written acceptance by Buyer. Unless otherwise provided on the face of this Purchase Order, the prices include all packaging, applicable taxes and other government charges including, but not limited to, all sales, use or excise taxes; and all customs duties, fees or charges. To the extent that value added tax (or any equivalent tax) is properly chargeable on the supply to Buyer of any Goods, Buyer shall pay such tax as an addition to payments otherwise due Seller under this Purchase Order, provided that Seller provides to Buyer a value added tax (or equivalent tax) invoice.
12. **PRICE: MOST FAVORED CUSTOMER AND MEET OR RELEASE.** Seller warrants that the prices charged for the Goods delivered under this Purchase Order are the lowest prices charged by Seller to any of its external customers for similar volumes of similar Goods. If Seller charges any external customer a lower price for a similar volume of similar Goods, Seller must notify Buyer and apply that price to all Goods ordered under this Purchase Order. If at any time prior to full performance of this Purchase Order Buyer notifies Seller in writing that Buyer has received a written offer from another supplier for Goods similar to those to be provided under this Purchase Order at a price lower than the price set forth in this Purchase Order, Seller is obligated to immediately meet the lower price for any undelivered Goods. If Seller fails to meet the lower price Buyer, at its option, may terminate the balance of this Purchase Order without liability.
13. **SPARE PARTS PRICING.** During the term Goods are supplied hereunder and for a period of 15 years after Buyer has completed the last purchase of Goods, Seller will supply all of Buyer's service and replacement parts for the Goods at the last valid price plus any actual cost differential for manufacturing and packaging, such cost differential to be negotiated but in no case to exceed 20 percent (20%) of the last production price paid by Buyer.
14. **DECLINE IN PRICES.** Buyer shall be protected against declining prices on the undelivered portion of this Purchase Order. Seller may elect to meet price reductions of other vendors or its own lower prices to other purchasers; but if Seller should refuse to do so, Buyer shall have the right to cancel any or all of the balance due on this Purchase Order without cost to Buyer.
15. **FORCE MAJEURE.** Any delay or failure of either party to perform its obligations shall be excused if and to the extent that the party is unable to perform due to Acts of God, restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority, or acts of war, or other causes beyond such party's reasonable control; provided, however, that strikes, labor disputes, Seller's ability to sell Goods at a more advantageous price or Seller's economic hardship in buying materials or processing necessary for manufacture of the Goods will not constitute an excusable delay event. The party affected by an excusable delay will promptly provide written notice to the other, explaining in detail the full particulars and expected duration of the excusable delay, and will use its best efforts to remedy the delay if it is capable of being remedied. If Seller's delivery is delayed, Buyer may, at Buyer's sole option, cancel deliveries that had been scheduled during the excusable delay period or elect to extend the period of performance commensurate with the period of delay caused by the excusable delay. If an excusable delay occurs that affects delivery of Goods to Buyer, Seller will allocate its available supply of Goods in a manner that assures Buyer of at least the same proportion of Seller's total output of Goods as was allocated to Buyer prior to the excusable delay event. If delivery of any Goods is delayed for more than 30 days, Buyer may, without liability, cancel all or any part of this Purchase Order.
16. **DESIGN AND PROCESS CHANGES.** Seller will make no changes to the design, materials, manufacturing location, sub-tier suppliers, or processes specified in this Purchase Order or documents referenced therein, or if none, those in place at time of issuance of this Purchase Order, without the advance written approval of Buyer's procurement representative. Changes to a process include, but are not limited to, changes to the production process, changes in manufacturing equipment, or changes between a manual and automated process. This requirement applies whether or not there is a cost impact associated with the change and regardless of the type of change, including product improvements.
17. **WARRANTY.** Seller warrants to Buyer, its successors, assigns, customers and end users that, upon delivery, and during the entire Warranty Period specified below, all Goods furnished (including all replacement or corrected Goods or components which Seller furnishes pursuant to this warranty) will (a) be free from defects in material, workmanship, and design, even if the design has been approved by Buyer, (b) conform to applicable drawings, designs, quality control plans, specifications and samples and other descriptions furnished or specified by Buyer, (c) be merchantable, (d) be fit for the intended purposes to the extent the Goods are not of a detailed

design furnished by Buyer and operate as intended, (e) comply with all applicable national and local laws, (f) be free and clear of any and all liens, restrictions, reservations, security interests or encumbrances, and (g) not infringe any patent, published patent application, or other intellectual property rights of any third party existing as of the date of delivery, and not utilize misappropriated third party trade secret information. Services will be performed in accordance with the highest standards in the industry. The Warranty Period will be for a period of 36 months from the date of delivery to the end user or such longer period of time as may have been accepted by Buyer from Buyer's customer or the date on which any longer or broader government requirement covering the Goods ends. These warranties will survive any delivery, inspection, acceptance or payment by Buyer for the entire Warranty Period. Claims for breach of warranty do not accrue until discovery of noncompliance, even if the Goods were previously inspected. The warranties provided are cumulative and in addition to any warranty provided by law or equity. Any applicable statute of limitations runs from the date of discovery. Goods that meet the preceding standards are collectively called "conforming Goods." If conforming Goods are not furnished within the time specified by Buyer then Buyer may, at its election and in addition to any other rights or remedies it may have at law or in equity, have the nonconforming Goods repaired, replaced or corrected at Seller's expense. In addition to the costs of repairing, replacing or correcting nonconforming Goods, Seller is responsible for all related costs, expenses and damages including, but not limited to, the costs of removal, disassembly, failure analysis, fault isolation, reinstallation, re-inspection and retrofit of the nonconforming Goods or of Buyer's affected end-product; all freight charges; all customer charges; and all corrective action costs (i.e., costs of additional inspection or quality control systems). Unless setoff by Buyer, Seller will reimburse Buyer for all such costs upon receipt of Buyer's invoice.

Seller accepts that warranty can be calculated using statistical methods based upon representative samples as utilized by Buyer in its reasonable discretion.

These warranties, and all other warranties, express or implied, survive delivery, inspection, acceptance and payment.

18. **RECALL.** Seller is liable for all costs or damages associated with any voluntary or involuntary recall of defective or potentially defective Goods or any products containing or incorporating such Goods including, but not limited to, recalls by a customer, regulatory agency or in accordance with applicable laws or regulations. Seller will be solely responsible for administering any recall or will fully participate in the administration of any recall conducted by Buyer or its customer in relation to Seller's Goods as Buyer may so direct. Each party will cooperate in making available records and other information reasonably required by the other party in connection with any recall. This paragraph will survive any termination or expiration of this Purchase Order and apply for at least the same duration as Buyer's obligation to its customer(s).
19. **DELIVERABLES.** The Deliverables (as defined below) shall be deemed a work-made-for-hire specially ordered or commissioned by Buyer. "Deliverables" shall mean the results of Seller's services hereunder together with all preliminary work, drafts, revisions, and refinements. Buyer shall be deemed the author of the Deliverables and shall own all right, title, and interest throughout the universe in perpetuity in and to said Deliverables, and the right to use, adapt and change said Deliverables and to prepare derivative works therefrom. Should the Deliverables or any part thereof ever be deemed not a work-made-for-hire, Seller hereby assigns to Buyer in perpetuity throughout the universe, all right, title, and interest in and to the Deliverables and all components thereof whether heretofore or hereafter created.
20. **ASSIGNMENT AND SUBCONTRACTING.** Seller will not assign this Purchase Order or any rights or obligations hereunder or subcontract all or any material aspect of the work called for hereunder without the prior written approval of Buyer. Any assignment without Buyer's written approval will be voidable at the option of Buyer. Buyer may assign this Purchase Order or any of its rights or obligations hereunder to any of its subsidiaries or affiliates, or to any purchaser or successor to all or substantially all of the assets of the business or product line to which this Purchase Order relates without Seller's consent and upon written notice to Seller.
21. **PATENTS AND TRADEMARKS.** Seller warrants that Goods furnished under this Purchase Order do not infringe any patent, trademark, trade name, copyright, or other intellectual property right, and agrees to indemnify and save harmless Buyer and its vendees from any and all claims, suits, liabilities, damages, losses or expenses incurred by Buyer or its vendees by reason of any alleged infringement of any of such rights.
22. **PURCHASER-SUPPLIED MATERIALS, TOOLING, EQUIPMENT AND TECHNICAL DATA.** Title to any material, tooling, equipment or technical data that Buyer pays for or provides to Seller, including replacements thereof ("Buyer Property"), will remain or vest with Buyer. Seller will conspicuously label Buyer Property as such, maintain it in good condition, keep written records of the Buyer Property in its possession and the location of such property, not allow any liens to be placed upon it, and not change its location without prior written approval from Buyer. Seller is responsible for inspecting and determining that the Buyer Property is in useable and acceptable condition.

Seller will use Buyer Property exclusively for the performance of Buyer Purchase Orders unless otherwise authorized in writing by Buyer's procurement representative. Buyer Property is intended for use at the Seller's site only or as otherwise authorized in writing by Buyer's procurement representative and, to the extent applicable, is subject to U.S. and other government export or re-export requirements. Seller is responsible for any loss, damage, or destruction of Buyer Property and any loss, damage or destruction of any third party property resulting from Seller's negligent use of Buyer Property. Seller will not include the cost of any insurance for Buyer Property in the prices charged under this Purchase Order. Seller will return Buyer Property or dispose of it at Buyer's sole option in accordance with Buyer's written directions.

Buyer makes no representations and disclaims all warranties (express or implied) with respect to Buyer Property.

23. **BUYER'S PROPERTY.** Any property of Buyer in Seller's active or constructive possession or custody hereunder will be at Seller's risk, and Seller agrees to reimburse Buyer for any loss or damage to such property, however caused.

24. **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.** Seller will comply with all applicable national, EU, state/provincial and local laws, regulations, ordinances and directives including without limitation those related to the environment, health and safety, and the Vendor Code of Conduct found at <http://www.grahampackaging.com/suppliers.cfm> ("Code") in performing this Purchase Order. In addition, and to the extent Buyer and its suppliers are required to comply with codes of conduct of Buyer's customers ("Customer Codes"), Seller will also comply with these Customer Codes. Seller will maintain an integrity and compliance program acceptable to Buyer and its customers and effective in preventing and correcting ethical violations and in maintaining compliance with laws. By acceptance hereof, Seller warrants: (a) that all of the Goods, merchandise and materials delivered and services rendered hereunder will have been produced and provided in compliance with all requirements of the Fair Labor Standards Act of 1938, as amended, and that it will so state on each invoice covering any of the same, and (b) that all Goods, materials and equipment delivered hereunder shall comply with the applicable federal standards prescribed by the Occupational Safety and Health Act of 1970, and (c) that all chemical substances, and products containing chemical substances, will comply with the applicable federal standards prescribed by the Toxic Substances Control Act (TSCA) and regulations promulgated under it, (d) the Seller will comply with applicable laws, rules and regulations of federal, state and local governments and agencies thereof, including Executive Orders 11246 (Equal Employment Opportunity), Executive Order 11458 (Minority Business Enterprise), Public Law 93-112, Sec. 503 (Rehabilitation Act of 1973), Public Law 93-508, Sec. 402 (the Vietnam Era Veterans Readjustment Act of 1974) and all rules and regulations passed pursuant thereto which are hereby incorporated herein by this reference, unless this Purchase Order is exempt pursuant to said Executive Orders of Acts and regulations issued thereunder, and (e) any other applicable local, state or federal laws and regulations.

Seller warrants that all representations and certifications furnished by Seller as required by law or regulation in connection with this order are accurate, current and complete as of the effective date of this order, and that to Seller's knowledge no person has been paid a kickback or illegal gratuity in connection with this order. Seller agrees to indemnify and hold Buyer and its customers harmless for any loss, damage or expenses sustained because any certification or representation herein or required by law or regulation made by Seller was inaccurate, non-current or incomplete or due to Seller's non-compliance with any applicable law or regulation.

By acceptance of this Purchase Order, the Seller certifies that any chemical substance(s) furnished pursuant to this order have been properly labeled, and that proper information of the substance(s), e.g., material safety data sheets, have been provided to Buyer, pursuant to any federal, state or local legislation.

25. **INSURANCE.** Seller will maintain insurance with a carrier rated a minimum AM Best rated "A", covering at least the following insurance: commercial general liability (including product liability, and for services to be performed, completed operations liability) in a sum no less than \$2 million; automobile liability (with non-owned and hired vehicle coverage) in a sum no less than \$2 million; worker's compensation in an amount no less than the applicable statutory minimum requirement and employer's liability in an amount of no less than \$1 million; excess liability insurance in an amount not less than \$1 million per occurrence. Prior to the delivery of any Goods, Seller will provide to Buyer certificates of insurance evidencing that Seller maintains the foregoing insurance, which will provide that such coverage will not be changed without 30 days advance written notification to Buyer from the carrier(s). Except where prohibited by law, Seller will require its insurers to waive all rights of recovery or subrogation against Buyer, its subsidiaries and affiliated companies, and its and their respective officers, directors, shareholders, employees and agents. The amount of insurance carried in compliance with the above requirements is not to be construed as either a limitation on or satisfaction of the indemnification obligations in this Purchase Order.

26. **PERFORMANCE ASSURANCE PLAN.** If Buyer, in its sole discretion, determines there is a significant risk that Seller will fail to meet its performance or delivery requirements under this Purchase Order, Buyer may require Seller to perform under a Buyer Performance Assurance Plan. The Performance Assurance Plan may include specific reporting and performance requirements reasonably tailored to ensure Seller's adequate performance under identified provisions of this Purchase Order. Any failure by Seller to satisfy the terms of the Performance Assurance Plan is a material breach of this Purchase Order.

27. **INSOLVENCY.** If Seller shall become insolvent, file a petition in bankruptcy or make an assignment for the benefit of creditors, or if a receiver or trustee shall be appointed of or for any of Seller's property or business, this Purchase Order may be canceled at Buyer's option without liability.

28. **TAXES AND PERMITS.** Seller shall be solely responsible for: (a) all sales, occupational or use, gross receipts, F.I.C.A. (Social Security), unemployment compensation, personal property, income and other taxes and excises, all stated without limitation, upon the material and labor furnished under this Purchase Order, as required by the United States Government, the state in which the work is performed or any other government or municipal authority which may be applicable directly or indirectly to the work being performed by Seller; and (b) all permits, licenses and bonds required in connection with the work covered by this Purchase Order, which Seller shall obtain at its sole cost and expense and which shall be subject to the approval of Buyer.

29. **RELATIONSHIP OF PARTIES/INDEPENDENT CONTRACTOR.** Nothing in this Purchase Order will be construed to place Seller and Buyer in an agency, employment, franchise, joint venture or partnership relationship. Neither party has the authority to obligate or bind the other in any manner, and nothing contained in this Purchase Order will give rise or is intended to give rise to rights of any kind to any third parties. Neither party will make any representation to the contrary. The parties agree that Seller will perform its obligations under this Purchase Order as an independent contractor. Seller retains the right to exercise full control of, supervision over and responsibility for Seller's performance hereunder, including the employment, direction, compensation and discharge of Seller's personnel, as well as compliance with workers' compensation, unemployment, disability insurance, social security, withholding and all other laws, rules, codes, regulations and ordinances governing such matters.

31. **FOREIGN /INTERNATIONAL SHIPMENTS.** Foreign shipments must be preceded by all documentation necessary to allow shipment to enter or export the United States, must include all appropriate required documentation for that shipment. At time of shipment, ocean bills of lading, commercial invoices (in addition to commercial terms, commercial invoice must include INCO Terms 2010 HTS code and Country or origin for each part number on that invoice), packing list, or any other documentation required for foreign shipment, in triplicate, shall be forwarded directly to the Global Logistics Department at email: Intlship@grahampackaging.com.

All International shipments must include HTS code, Country of origin and any trade agreement certification (Ex: NAFTA, APTA, AFTA). Seller must provide Certificate of origin (COO) and trade agreement certifications for each shipment and each part number. Certifications for part numbers shall be provided upon initial shipment and updated annually for each such part number.

Seller will provide Buyer with (a) the Harmonized Tariff Schedule number, country of origin information or certificates, manufacturer's affidavits, applicable free trade agreement ("FTA") certificates, and any other documents or information Buyer may require to comply with international trade regulations or to lawfully minimize duties, taxes, and fees, and (b) FTA certificates for all Goods that qualify under one or more FTAs. Seller will provide Buyer all documents, records, and other supporting information necessary to substantiate the Goods' qualification under such FTA. Seller will exert reasonable efforts to qualify the Goods under FTAs.

32. **IMPORT/CUSTOMS COMPLIANCE.** Seller assumes all responsibility and liability for any shipments covered by this Purchase Order requiring any government import clearance. If government authorities declare or otherwise impose countervailing duties, antidumping duties, or retaliatory duties on the Goods imported under this Purchase Order, Buyer reserves the right to terminate this Purchase Order in accordance with the Termination provisions of this Purchase Order. Seller will be debited for any duties, fees, or freight incurred by Buyer due to Seller's failure to comply with the terms and conditions of this Purchase Order.

33. **DRAWBACK.** All drawback of duties, and rights thereto, related to duties paid by Seller or Buyer upon importation of the Goods or any materials or components that enter into the manufacture of the Goods will accrue to the exclusive benefit of Buyer. Such duty drawback rights include rights developed by substitution and duty drawback rights obtained from sub-tier suppliers related to the Goods. Seller will provide Buyer with all documents, records, and other supporting information necessary to obtain any duty drawback, and will reasonably cooperate with Buyer to obtain payment.

34. **GOVERNING LAW.** This Purchase Order shall be governed by the laws of the Commonwealth of Pennsylvania, without reference to its conflict of laws provisions. The United Nations Convention of Contracts for the International Sale of Goods (Vienna Convention) will not apply. Seller hereby agrees to the exclusive jurisdiction of the United States federal courts sitting in Harrisburg, Pennsylvania, or, if such courts lack jurisdiction, the courts of the Commonwealth of Pennsylvania sitting in Harrisburg, Pennsylvania, in connection with any action brought by it, and expressly submits to nonexclusive personal jurisdiction of (and hereby irrevocably waives any objection against laying of venue in) any such court in connection with any suit by Graham. The parties hereby agree to waive their respective rights to a jury trial of any claim or cause of action related to or arising out of the Agreement.

35. **MASTER CONTRACT.** If this Purchase Order is issued as shipping instructions and/or release document pursuant to the terms of an existing contract between Buyer and Seller, this Purchase Order shall be governed exclusively by the terms of said existing contract.

36. **AUDIT.** Seller will maintain suitably detailed records as may be necessary to adequately reflect Seller's compliance with the terms of this Purchase Order. Seller will permit Buyer's auditors to have access at all reasonable times to Seller's books and other pertinent records and Seller will require each of its sub-tier suppliers to do likewise with respect to their books and records. Seller and each sub-tier supplier will also furnish other information as may be needed by Buyer's representatives in auditing compliance. Buyer may perform audits up to two years following completion of this Purchase Order. If, as a result of an audit, any invoice submitted by Seller is found to be in error, an appropriate adjustment will be made to the invoice or the next succeeding invoice following the discovery of the error and will be paid promptly by Seller or Buyer, as the case may be. Seller will promptly correct any other Seller deficiencies discovered as a result of the audit.

37. **INDEMNIFICATION.** Seller assumes the entire responsibility and liability for, and agrees to indemnify, defend and hold harmless Buyer, its officers, agents, employees, successors, assigns, customers and users of the Goods purchased hereunder, from and against any and all losses, expenses (including without limitation, reasonable attorneys' and other professional fees), costs, damages (including consequential and incidental damages), demands, liabilities, suits and claims in connection with or

arising out of any actual or alleged personal injury (including death) or damage or destruction to property (including loss of use) by whomsoever suffered, sustained or alleged to have been sustained by reason of (a) any act, error or omission, whether negligent or not, of Seller or its agents, employees, suppliers, subcontractors and consultants, provided that such injury, death, damage or destruction is not occasioned by the sole negligence of Buyer or its agents, employees and subcontractors, or (b) any defect, whether latent or patent, in any product of Seller which was sold to Buyer hereunder, or (c) any failure of the Goods sold to the Buyer hereunder to comply with any warranty of Seller, or (d) any failure by Seller to comply with the terms and conditions of this Purchase Order.

38. **TERMINATION.** Buyer may terminate this Purchase Order if Seller commits a material breach and fails to remedy the breach within 30 calendar days following receipt of written notice specifying the grounds for the breach. A material breach includes, but is not limited to, failure to deliver, late delivery or delivery of non conforming Goods. Termination of Seller by Buyer under this paragraph will entitle Buyer to all damages and remedies available at law or equity. Additionally, Seller grants to Buyer a fully paid up, non-exclusive, irrevocable license to Seller's Intellectual Property rights embodied or used in the Goods for Buyer to make, have made, and sell Goods using such Intellectual Property rights to fulfill Buyer's obligations to Buyer's customer(s).

Notwithstanding any firm time period or quantity, Buyer may terminate this Purchase Order in whole or in part at any time with or without cause with respect to undelivered Goods or unperformed services upon 30 days' prior written notice.

If Buyer terminates this Purchase Order under either 23.1 or 23.2 above, Buyer's sole liability to Seller, and Seller's sole and exclusive remedy, is payment for Goods received and accepted by Buyer prior to the date of termination, payment for which can be set off against any damages to Buyer. Upon termination, Buyer may require Seller to transfer title and deliver to Buyer any completed Goods and Buyer will pay the Purchase Order price for such Goods subject to set off against any damages to Buyer. Buyer may also require Seller to transfer title and deliver to Buyer any or all property produced or procured by Seller for performance of this Purchase Order and Seller will be credited with the reasonable value thereof not to exceed Seller's actual cost or the Purchase Order value, whichever is less.

To the extent that any portion of this Purchase Order is not terminated by Buyer, Seller will continue performance of that portion.

39. **CONFIDENTIALITY.** All information, including without limitation specifications, samples, drawings, materials, know how, designs, processes and other technical, business or financial information, that: (a) has been or will be supplied to Seller hereunder by or on behalf of Buyer; or (b) Seller will design, develop or create in connection with this Purchase Order; both as to individual items and/or a combination of components and whether or not completed and all derivatives of (a) and (b) that Seller has or will design, develop or create are deemed to be "Confidential Information" of Buyer. All of the foregoing Confidential Information is deemed to be work made for hire and made in the course of services rendered and all rights thereto belong exclusively to Buyer, with Buyer having the sole right to obtain, hold and renew, in its own name or for its own benefit, patents, copyrights, registrations or other appropriate protection. To the extent that exclusive title or ownership rights in such Confidential Information may not originally vest in Buyer as contemplated hereunder, Seller irrevocably assigns transfers and conveys to Buyer all right, title and interest therein.

39.1. Buyer's Confidential Information will remain the property of Buyer, may not be used by Seller for any purpose other than for performing this Purchase Order, may not be disclosed to any third party, and will be returned to Buyer upon the earlier of Buyer's written request or completion of this Purchase Order. If, with Buyer's prior written approval, Seller furnishes Confidential Information to a sub-tier supplier, Seller will bind the sub-tier supplier to confidentiality requirements substantially identical to this provision and Seller will remain responsible to Buyer for any breach of this provision by its sub-tier suppliers. No disclosure, description or other communication of any sort will be made by Seller to any third person of the fact of Buyer's purchase of Goods hereunder, the terms of this Purchase Order, the substance of any discussions or negotiations concerning this Purchase Order, or either party's performance under this Purchase Order.

39.2. Seller acknowledges that Buyer is the owner of all right title and interest in, and to, any trademarks used in the provision of the Goods (the "Trademarks"). All goodwill resulting from the use of the Trademarks by Seller, including any additional goodwill that may develop because of Seller's use of the Trademarks, will inure solely to the benefit of Buyer, and Seller will not acquire any rights in the Trademarks except those rights specifically granted in this Purchase Order or a writing signed by Buyer. Seller will use the Trademarks in strict conformity with this Purchase Order, Buyer's directions and with Buyer's corporate policy regarding trademark usage. Seller shall not (a) use the Trademarks in any manner likely to diminish their commercial value; (b) knowingly use any name, domain name, logo or icon likely to cause confusion with the Trademarks; (c) make any representation to the effect that the Trademarks are owned by Seller rather than Buyer; (d) file or obtain, or cause any third party to file or obtain, any applications or registrations or domain names for the Trademarks or any terms confusingly similar to the Trademarks; or (e) challenge the validity of Buyer's ownership of the Trademarks. Seller further will not at any time, either during the life of or after the expiration of this Purchase Order, contest the validity of the Trademarks or assert a claim or any other right to manufacture, sell or offer for sale products under the Trademarks, or any trademark confusingly similar thereto.

40. **INTELLECTUAL PROPERTY INDEMNIFICATION.** With respect to the Goods provided hereunder, Seller will, at its expense, indemnify and hold harmless Buyer and its subsidiaries, affiliates and agents, and their respective officers, directors, shareholders, and employees, and Buyer's customers (collectively "Indemnitees") from and against any and all loss, cost, expense, damage, claim, demand or liability, including reasonable attorney and professional fees and costs and the cost of settlement, compromise, judgment or verdict incurred by or demanded from Indemnitees arising out of, resulting from, or occurring in connection with any alleged: (a) patent, copyright or trademark infringement; (b) unlawful disclosure, use or misappropriation of a trade secret; or (c) violation of any other third party intellectual property right, and from expenses incurred by Indemnitees in defense of such suit, claim or proceeding. Seller will have the right to conduct the defense of any such claim or action and, consistent with Indemnitees' rights hereunder, all negotiations for its settlement; provided, however, in no event will Seller enter into any settlement without Buyer's prior written consent, which will not be unreasonably withheld. Indemnitee may participate in such defense or negotiations to protect its interests. If any injunction or restraining order is issued, Seller will, at its expense, obtain for Indemnitee either the right to continue to make, use, offer to sell, sell or import the Goods or replace or modify the Goods to make them noninfringing.

41. **CHANGES/AMENDMENTS.** No modification to this Purchase Order will be binding upon Buyer unless agreed to in the form of a written amendment to this Purchase Order signed an authorized representative of Buyer. Special provisions typed, written, applied by rubber stamp, or otherwise applied hereon by Buyer supersede any conflicting printed provisions.

42. **PUBLICITY.** Any news release, public announcement, advertisement, publicity or any other disclosure concerning this Purchase Order to any third party except as may be necessary to comply with other obligations stated in this Purchase Order requires prior written approval of Buyer.

43. **WAIVER.** The failure of either party to enforce at any time any of the provisions of this Purchase Order will not be construed to be a continuing waiver of any provisions hereunder, nor will any such failure prejudice the right of such party to take any action in the future to enforce any provisions hereunder.

44. **SEVERABILITY.** If any provision of this Purchase Order is held to be illegal, invalid, or unenforceable by applicable law, that provision will be severed from this Purchase Order; the remaining provisions will remain in full force and effect; and a similar legal, valid and enforceable provision will be substituted in lieu of the severed provision.

45. **SURVIVAL.** All provisions of this Purchase Order which by their nature should apply beyond its term will remain in force after any termination or expiration of this Purchase Order including, but not limited to, those addressing the following subjects: Import/Customs Compliance, Price, Price: Most Favored Customer and Meet or Release, Spare Parts Pricing, Invoicing and Payment, Setoff, Warranty, Recall, General Indemnification, Intellectual Property Indemnification, Insurance, Confidentiality, Audit, Governing Law, Publicity, and Survival.

46. Equal Employment Opportunity, Employment of Veterans and Individuals with Disabilities. During the performance of this Order, unless exempt, the Seller shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a) incorporated herein. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity and/or expression, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO GOODS ONLY

1. **MISBRANDING.** Seller warrants that all materials covered by this Purchase Order are not altered or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, not an article which may not under provisions of Section 404 or 505 of said act be introduced into interstate commerce and not adulterated or misbranded within the meaning of the pure food or drug laws or the ordinances of any state or city which are applicable to such shipment or delivery, to the extent such laws are applicable to the Goods sold pursuant to this Order, and Seller hereby agrees to indemnify and save the Buyer harmless from and against all claims, charges, actions and proceedings brought against Buyer by any lawful government authority or by any person on account of any alleged adulteration or misbranding by Seller of any such material referred to above. Seller does not guarantee against any such material becoming adulterated or misbranded after delivery to Buyer by reason or causes beyond Seller's control.

2. **EQUIPMENT PURCHASES IN EXCESS OF \$100,000.00.** In the event this Purchase Order is for Goods in excess of \$100,000.00, Buyer's Performance Requirements shall apply and Seller agrees to be bound by its terms. A copy of the Performance Requirements document may be found at www.grahampackaging.com.

3. **CRITERIA FOR ACCEPTANCE.** Buyer has the right to perform Factory Acceptance Testing (FAT) and Site Acceptance Testing (SAT) on select machinery and tooling purchases. The type of testing and the corresponding acceptance criteria will be determined by Buyer and reviewed by the Seller. By accepting this Purchase Order,

Seller agrees to perform any requested testing and ensure the machinery or tooling conforms to the acceptance criteria designated by Buyer.

ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO SERVICES ONLY (including those services incidental to the sale of Goods)

1. **ADDITIONAL WORK.** Seller agrees that the fees and charges for any follow-on or additional work not covered in the scope of this Purchase Order shall be performed at the lesser of (1) hourly rates noted in Purchase Order, (2) Seller's then-current rates for such work or (3) the rates applicable to the work fixed by this Purchase Order, whether or not specific hourly rates are identified.
2. **QUALITY OF WORK.** Seller shall perform the services herein in accordance with industry best practices and with the degree of care and skill ordinarily exercised by similar professionals performing like services or providing similar products. The services shall be performed in compliance with all applicable statutes, laws, rules, ordinances and industry standards. Seller shall take every precaution to perform the services in a safe and workmanlike manner. Seller shall obey all of Buyer's safety rules and regulations, as well as any governmental requirements, at all times.
3. **LIEN WAIVER.** All requests by Seller and each sub-contractor for payments hereunder, whether partial or final, shall be duly executed and submitted by Seller or sub-contractor in duplicate, each copy to be accompanied with appropriate statements, under oath or verified, showing the names of all parties furnishing material and labor, the amounts previously paid, due and to become due to each of them, and waivers or releases of mechanic's lien. Seller further agrees to protect and indemnify Buyer fully against any and all claims or debts on account of which liens might be assessed. If any sub-contractor of Seller files any lien or claim for lien or brings suit to foreclose a lien, Seller will promptly and diligently and at its sole cost and expense, including, but not limited to, attorneys' fees, completely discharge or otherwise dispose of such lien or claim for lien, or defend such suit and pay any and all judgments established in favor of such sub-contractor; further, in such events, Seller shall cause such liens or claims for liens to be formally released or satisfied, and shall reimburse Buyer for all costs and expenses, including, but not limited to, attorneys' fees and bonding and title indemnity expenses, incurred by them in contesting, discharging, releasing, or satisfying such lien or claim for lien or defending or otherwise participating in such suit. Seller shall indemnify and protect and defend Buyer in respect of any lien or claim for lien in favor of Seller or any of its sub-contractors that may appear after all payments are made.
4. **GUARANTEE.** Unless a longer period of time is designated by Seller, or required by existing law in force and effect by statute or judicial determination, Seller hereby guarantees all work performed under this Purchase Order from such defects as shall appear within a period of one (1) year from the date of final payment by Buyer for all work performed in connection with the project or acceptance and occupancy of the project by Buyer, whichever is later, and Seller agrees to reimburse the damaged party, or parties, for any damage or loss to Buyer, or to other work resulting from such defects. Seller shall deliver to Buyer all required warranties and guarantees that may be required in the contract documents (i.e. proposal, bid, etc.) in connection with its work at the times and in the manner that may be prescribed therein.

MANDATORY INBOUND SHIPPING AND ROUTING INSTRUCTIONS

These instructions supersede all previous instructions either written, verbal or on purchase orders. Please provide these instructions to your Shipping Department. Additional costs resulting from failure to follow these instructions will be debited back to your company with a \$50 administration fee.

If your price does not include freight then all shipments are to be shipped FOB (origin) Freight Collect for small packages and Less than Truckload (LTL) shipments. See instructions below. No prepaid and add freight charges of any kind or handling fees will be allowed by GPC on Supplier's invoice unless previously authorized in writing by a GPC employee. Address all shipments to the street address indicated on the purchase order. Merchandise must be shipped exactly as ordered.

Supplier is to call designated carrier(s) local office or toll free number to arrange pick-up at Shipper's Dock. No pick-up charges will be allowed. GPC purchase order number(s) must be referenced in the shipper reference number or bills of lading, airbills, and on all shipping labels and packing slips.

1. SHIPPING INSTRUCTIONS—SMALL PACKAGES

- a. Surface Routings Bill FOB Freight Collect.
- b. Contact consignee if value of shipment is over \$2,000.00.
- c. In order to control transportation costs, GPC has committed to "Freight Collect" with UPS
- d. Use UPS service as specified on P.O. Please reference P.O. on UPS shipment.
- e. UPS is GPC's preferred carrier for small package shipments up to a combined weight of 150 pounds. Each individual package must fall within UPS size limits of:
 - Maximum weight of 150 pounds per package.
 - Maximum combined length and girth of 130 inches.
- f. Don't use cartons that will be charged large package rate. If you are not currently set up to ship UPS contact UPS at 800-742-5877 to set up an account.

2. SUMMARY

- a. All ground & AIR parcel orders 150 pounds or less shall be shipped Freight Collect.
- b. The UPS account number to be billed for each Graham Packaging Plant will be communicated via the Purchase Order.
- c. UPS Ground or Air Services, 800-PICKUPS or 800-742-5877.
- d. **Enter the Graham Packaging Purchase Order Number in a reference field.**

3. SHIPPING INSTRUCTIONS—LESS THAN TRUCKLOAD (LTL)

- a. All LTL Freight over 150 pounds shall be shipped via:
 - Fed Ex Freight, 866-393-4585
 - Ship collect to the GPC consignee address, an account # is not required.
 - PO# must be referenced on BOL
 - Contact consignee plant for any of the following:
 - any shipment over 10 pallets/20 linear ft
 - any shipment over 15,000 lbs total weight
 - any expedited shipment for written authorization to do so
 - If value of shipment exceeds \$25/lb

4. HAZ MAT

Ship in accordance w/ all applicable DOT or IATA regulations as they pertain to classifying documenting describing packaging labeling & markings.

5. CUSTOMS INFORMATION

Direct all customs related questions to our corporate customs department at Intlship@graahmpackaging.com. At the time shipment, GPC will provide in-house customs broker information to the Seller.

6. EMERGENCY AIR FREIGHT SHIPMENTS/ PREMIUM TRANSPORTATION

The cost of any premium freight service required due to late shipment on the part of your company shall be absorbed by your company. If a shipment qualifies free freight, the routing of your choice will be accepted. In the event this is required because of a suppliers past due delivery status we will require our supplier to use premium transportation at their expense.

7. WHEN PREMIUM TRANSPORTATION CHARGES ARE TO BE ABSORBED BY GPC.

- a. In cases of extreme emergency, GPC Purchasing determines that premium transportation requires airfreight shipments at no fault of the supplier a GPC authorized representative must approve the shipment.
 - i. GPC Consignee Plant will issue a Premium Freight Authorization.
 - ii. Supplier will ship Goods per GPC approved carrier.
- b. Shipments requiring an expedited service must be shipped via UPS Priority Overnight or First Overnight. GPC UPS account # must be entered on the appropriate space of the airway bill. In addition, GPC purchase order number must be entered on the airway bill.
- c. **IMPORTANT NOTE:** Emergency airfreight shipments must be authorized prior to shipment, and the purchase order number and the buyers name must appear on the airway bill. In the event of any unauthorized airfreight shipment costs, GPC will refuse payment and costs charged back to the supplier.

8. BACK – CHARGE POLICY

- a. All non-conformances to the routing guide will be brought to the attention of the GPC buyer and then transmitted to the supplier. If the problem continues, the GPC Logistics Department will inform the buyer that all freight charges are to be back-charged.
- b. The GPC Logistics Department will send the freight bill back to the carrier with instructions to collect payment from the supplier. This information will then be transmitted to the supplier. Freight charges will continue to be back-charged until the problem is corrected.
- c. This routing guide can be changed on a regular basis due to a multitude of factors. This routing guide may be formally re-issued on an annual basis, every January. It is the Supplier's responsibility to have the most current routing guide in their possession.

9. DAMAGED OR LOST FREIGHT

- a. Damaged freight will be handled according to the severity of the damage. If a FOB destination shipment arrives completely damaged, the shipment will be refused. If the damage is not too severe the shipment will be received and the damaged parts will be processed in material quality. If a shipment is lost, the agreed FOB terms will dictate which party is responsible for replacing material.

- b. GPC will not accept responsibility for damaged products due to a lack of proper packaging, palletizing, and/or shipment preparation. The following actions on the part of the Supplier will reduce potential damages.
 - i. Proper sized pallets (standard 40X48) to prevent overhang. Some of our Sellers use specialty sized pallets due to the nature of the product and specialty handling. All other "standard" handling materials should be shipped on standard sized pallets.
 - ii. Proper stacking height to avoid carton and product crushing. Carton stacking height is to be kept within the four to five foot height range.

10. FREIGHT CONSOLIDATION

- a. It is the responsibility of the supplier to consolidate all multiple same day shipments to a single destination.
- b. Multiple purchase orders must be consolidated when shipping the same day, to the same address, via the same mode of transportation.
- c. Consolidate all shipments on one bill of lading, airbill or other shipping document.
- d. Only consolidate shipments that are traveling via the same mode. All individual packages should be placed in an overpack box and shipped using the consolidated weight. If the overpack is too large to go UPS ground then ship using FEDEX Freight LTL carrier.

11. INSURANCE

Do not place insurance or declare a value on GPC's shipments regardless of the mode of transportation unless authorized in writing by GPC authorized representative. GPC will not accept insurance charges from carriers without such authorization. Charges billed by carriers for insurance will be debited from Supplier's invoice.

12. DECLARED OR RELEASED VALUE

On truck shipments subject to declared or released value ratings, shipper shall declare the value, which results in the lowest transportation charges.

13. C.O.D SHIPMENTS

GPC will not accept C.O.D shipments under any circumstances. GPC corporate policy does not allow the receiving department to pay C.O.D charges upon delivery. All freight, duty, and charges for import or export fees must be prepaid.

14. PACKING SLIPS

Every shipment must be accompanied by a packing slip affixed to the outside of the lead carton. All packing slips must show the following:

- a. GPC purchase order number, part number, and quantity shipped.
- b. If no purchase order number, name of person and department to receive shipment must be indicated on the shipping label, bill of lading, or airbill. In addition, GPC purchase order number(s) must be shown as the shipper's reference number on all shipping documents.
- c. Certificate of Conformance (When required).
- d. Suppliers invoice or packing slip number.

15. INCOMING DELIVERIES

- a. Appropriate buyer must be notified of over shipments and under shipments before shipping.
- b. Product is to be shipped to GPC via surface mode. Shipment must arrive on the due date (if given), or within (2) days before the date due.

16. MARKING REQUIREMENTS

Every article of freight must be fully identified with the following information, in addition to the packing slip requirements already specified:

- a. Supplier's name and complete shipping address.
- b. Our complete "ship to" address.
- c. If ordered on our purchase order form – our complete purchase order number.
- d. Item numbers and quantity in each carton.
- e. Purchase order number on air bill for air express shipments – only if authorized by GPC.
- f. If shipment contains multiple boxes or skids they must be labeled properly (e.g. 1 of 2, 2 of 2).

GRAHAM PACKAGING COMPANY SUPPLIER

Graham Packaging Company is committed to working with our valued suppliers to achieve on-time, accurate payments for all invoices. Graham is providing this notice to clarify the guidelines and to define our standard payment terms. Following these guidelines will ensure accurate and timely payment of invoices:

All invoices need to be sent to the "Bill To" address shown on each purchase order or emailed to vendorinvoices@grahampackaging.com. Faxed invoices are no longer accepted.

Invoice price must match or be less than the PO price and cannot contain more than two (2) decimal places.

Invoices quantities must match the PO quantities and cannot contain more than three (3) decimal places.

The line items on the invoice must match the line items on the PO. Graham will reject invoices with one line item representing a consolidation of two or more items on a purchase order.

If Graham's part number is referenced on the PO it must be referenced on the invoice.

IF the invoice you are going to send does not match the PO, please contact the requisitioner to have the PO corrected and approved BEFORE you submit the invoice. INVOICES THAT DO NOT MATCH THE PO WILL BE REJECTED AND LEAD TO PAYMENT DELAYS.

Any invoice not having a valid PO number and PO-matched information will be rejected.

When an acceptable invoice is received (see points above), the invoice will be date-stamped and that is the Invoice Date used to start the terms period. Checks are processed once a week.

Graham's standard payment terms are 2% 30 net 90 by ACH. Graham offers a few additional options including payment by virtual card when discussed and approved by a buyer in Global Sourcing. THE SPECIFIC PAYMENT TERMS GOVERNING A PARTICULAR ORDER WILL BE CLEARLY CALLED OUT ON EACH PURCHASE ORDER.

Upon receipt, each PO should be carefully reviewed as the terms specified are the conditions that will be used to pay the invoice. If there are any discrepancies, notify the requisitioner immediately for a corrected PO. Do not call accounts payable as they will not be able to help you.

UNLESS OTHERWISE SPECIFIED, THE PRICE SET FORTH ON THE PURCHASE ORDER WILL INCLUDE ANY AND ALL CHARGES AND NO EXTRA CHARGES OF ANY KIND WILL BE ALLOWED UNLESS PREVIOUSLY AGREED TO IN WRITING AND ARE INCLUDED ON THE PO.

Invoices must not include charges for freight unless previously agreed in writing and are included on the PO.

If you do not agree with anything on the purchase order, you have the following options:

- Notify the requisitioner, come to agreement on resolution and obtain a modified PO as appropriate. The requisitioner is the only person who can assist you.
- Reject the purchase order by contacting the requisitioner. E-mail is preferred method of communication of a rejected PO. If after following these guidelines, you have not received payment as expected, please contact the requisitioner.

###END OF TERMS AND CONDITIONS###