

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

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31 , 2023

or

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

COMMISSION FILE NUMBER: 001-33988

Graphic Packaging Holding Co mpany

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

26-0405422
(I.R.S. employer identification no.)

1500 Riveredge Parkway, Suite 100

Atlanta, Georgia
(Address of principal executive offices)

30328
(Zip Code)

(770) 240-7200

Registrant's telephone number, including area code:

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value per share	GPX	New York Stock Exchange

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

None

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

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

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

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

Indicate by check mark 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.

Large accelerated filer ☒ Accelerated filer ☐ Smaller reporting company ☐
Non-accelerated filer ☐ 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of voting and non-voting common equity held by non-affiliates at June 30, 2023 was approximately \$ 7.3 billion.

As of February 20, 2024 there were approximately 306,053,777 shares of the registrant's Common Stock, \$0.01 par value per share outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive Proxy Statement for the 2024 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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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, capital investment, depreciation and amortization expense and pension plan contributions for 2024, in this report constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and converters, product substitution, the Company's ability to implement its business strategies, 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 U.S. federal income tax attributes to offset taxable income or U.S. federal income taxes 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.

PART I

ITEM 1. BUSINESS

Overview

Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company") is committed to providing consumer packaging that makes a world of difference. The Company, a leading sustainable consumer packaging provider, operates on a global basis, is one of the largest producers of cartons and containers for the packaging of consumer goods and paperboard-based foodservice packaging solutions in the United States ("U.S.") and Europe, and holds leading market positions in paperboard used to produce consumer packaging solutions, including recycled, unbleached and bleached paperboard.

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 innovative paperboard packaging solutions preferred by consumers. The Company delivers marketing and performance benefits to its customers through its global packaging network, its proprietary carton and packaging designs, and its commitment to quality, service, and environmental stewardship.

Acquisitions, Closures, and Dispositions

The Company has successfully completed several acquisitions in the past three years and expects to pursue acquisition opportunities in the future as part of its overall growth strategy.

2023

In January 2023, the Company completed the acquisition of Tama Paperboard, LLC ("Tama"), a recycled paperboard manufacturing facility located in Tama, Iowa, from Greif Packaging LLC for approximately \$100 million. It is reported within the Paperboard Manufacturing reportable segment. Subsequently, in the second quarter of 2023, the Company closed this facility. For more information, see "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

During 2023, the Company decided to close multiple packaging facilities by the end of 2023 and early 2024. Production from these facilities has been consolidated into our existing packaging facilities. For more information, see "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

On September 8, 2023, the Company completed the acquisition of Bell Incorporated ("Bell") for \$264 million, adding three packaging facilities in Sioux Falls, South Dakota and Groveport, Ohio. Bell is reported within the Americas Paperboard Packaging reportable segment. For more information, see "Note 4 - Business Combinations" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

During the third quarter of 2023, the Company decided to discontinue its project in Texarkana to modify an existing paperboard machine to add swing capacity between bleached and unbleached paperboard in order to focus its growth investments in the strategic expansion of coated recycled paperboard capacity. For more information, see "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

During the third quarter of 2023, the Company announced its decision to permanently decommission the K3 recycled paperboard machine in Kalamazoo, Michigan as part of its recycled paperboard network optimization plan that the Company initiated in 2019. For more information, see "Note 1 - Business Combinations, Exit Activities and Other Special Charges, Net" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

During the second quarter of 2022, the Company began the process of divesting its interest in its two packaging facilities in Russia (the "Russian Operations"). The assets and liabilities to be disposed of in connection with this transaction met the held for sale criteria as of June 30, 2022 and each subsequent quarter end through the date of sale. On November 30, 2023, the Company completed the sale of its Russian Operations. For more information, see "Note 19 - Impairment and Divestiture of Russian Business" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

2022

In May 2022, the Company closed the Battle Creek, Michigan recycled paperboard manufacturing facility. For more information, see "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

In September 2022, the Company closed its Norwalk, Ohio carton facility, which closure had been announced in March 2022. For more information, see "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

2021

On July 1, 2021, the Company acquired substantially all the assets of Americraft Carton, Inc. ("Americraft"), the largest independent operator of packaging facilities in North America. The acquisition included seven packaging facilities across the United States and is reported within the Americas Paperboard Packaging reportable segment. For more information, see "Note 4 - Business Combinations" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

On November 1, 2021, the Company acquired all the shares of AR Packaging Group AB ("AR Packaging"), Europe's second largest producer of paperboard consumer packaging. The acquisition included 30 packaging facilities in 13 countries and is reported within the Europe Paperboard Packaging reportable segment. For more information, see "Note 4 - Business Combinations" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Share Repurchases and Dividends

On July 27, 2023, 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 "2023 share repurchase program"). The previous \$500 million share repurchase program was authorized January 28, 2019 (the "2019 share repurchase program").

Share repurchases are reflected as a reduction of common stock for the par value of the shares, with any excess of share repurchase price over par value allocated between capital in excess of par value and retained earnings.

The following presents the Company's share repurchases for the years ended December 31, 2023, 2022, and 2021:

Amount repurchased in millions, except share and per share amounts	Amount Repurchased	Number of Shares		Average Price per Share
		Repurchased		
2023	\$ 54	2,389,224	\$	22.80
2022	\$ 28	1,315,839	\$	20.91
2021	\$ —	—	\$	—

At December 31, 2023, the Company had \$565 million available for additional repurchases under the 2023 and 2019 share repurchase programs.

During 2023, 2022 and 2021, GPHC paid cash dividends of \$123 million, \$92 million and \$87 million, respectively. Though the decision to distribute cash dividends rests solely with the Board of Directors, the Company presently intends to maintain a quarterly cash dividend, subject to earnings and liquidity considerations.

Products

The Company has three reportable segments as follows:

Paperboard Manufacturing, previously referred to as the Paperboard Mills reportable segment, includes the seven North American paperboard manufacturing facilities that produce unbleached, bleached and recycled paperboard, which is consumed internally to produce paperboard consumer packaging for the Americas and Europe Packaging segments. Paperboard not consumed internally is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Manufacturing segment's 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 Manufacturing segment to reflect the economics of the integration of these segments.

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

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

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

For reportable segment and geographic area information for each of the last three fiscal years, see “ *Note 15 - Business Segment and Geographic Area Information*” in the Notes to Consolidated Financial Statements included herein under “Item 8. Financial Statements and Supplementary Data.”

Paperboard Packaging

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

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

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

- Beverage, including beer, seltzer, soft drinks, energy drinks, teas, water and juices;
- Food, including cereal, desserts, frozen, refrigerated, microwavable foods and pet food;
- Prepared food and drinks, including snacks, quick-serve food and drinks for restaurants and food service providers;
- Household products, including dishwasher and laundry detergent, tissues and papers;
- Air filter frames; and
- Healthcare and beauty aids.

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

Strength Packaging. The Company's products provide sturdiness to meet a variety of packaging, handling, and delivery needs, including wet and dry tear strength, puncture resistance, durability and compression strength (providing the ability to ship products in their own branded carton and stacking strength to meet store display packaging requirements).

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

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

- Beverage multiple-packaging — multi-packs for beer, soft drinks, energy drinks, teas, water and juices;
- Active microwave technologies — packages that improve the heating and browning of foods in the microwave; and
- Easy opening and closing features — dispensing features, pour spouts and sealable liners.

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

Paperboard Manufacturing and Packaging Operations Facilities

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

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

Below is the production at each of the Company's paperboard manufacturing facilities during 2023:

Location	Paperboard Product	# of Machines	2023 Net Tons Produced
West Monroe, LA	Unbleached	2	863,482
Macon, GA	Unbleached	2	693,847
Texarkana, TX	Bleached	2	570,720
Augusta, GA	Bleached	2	521,391
Kalamazoo, MI ^(a)	Recycled	2	956,276
Middletown, OH	Recycled	1	156,407
East Angus, Québec	Recycled	1	90,088
Tama, IA ^(b)	Recycled	1	15,407

^(a) During the third quarter of 2023, the Company announced its decision to permanently decommission the K3 recycled paperboard machine in Kalamazoo, Michigan as part of its recycled paperboard network optimization plan that the Company initiated in 2019.

^(b) Closed in the second quarter of 2023.

The Company consumes most of its paperboard output in its packaging operations, which is an integral part of the customer value proposition. In 2023, approximately 78% of combined paperboard production of unbleached, bleached and recycled paperboard was consumed internally.

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

Bleached Paperboard Production. The Company is one of the largest North American producers of bleached paperboard. Bleached paperboard is manufactured primarily from bleached pine and hardwood-based wood fiber and is the highest quality paperboard substrate, with excellent wet and dry strength characteristics and superior printability for high-end packaging. Both wood and recycled fibers are pulped, formed on paperboard machines, and clay-coated to provide an excellent printing surface for superior quality graphics and appearance characteristics. Bleached paperboard is also coated with resin for wet strength liquid and food packaging end uses.

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

The Company converts recycled, unbleached and bleached paperboard, as well as other grades of paperboard, into cartons, containers and other packaging for consumer goods products at packaging facilities the Company operates in various locations globally, including a packaging facility associated with the Company's joint venture in Japan, and at licensees outside the U.S. The packaging facilities print, cut, fold and glue paperboard into cartons and containers designed to meet customer specifications.

Joint Venture

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

Sales and Marketing

The Company markets its products principally to multinational beverage, food, quick-service restaurants, health/beauty and other well-recognized consumer products companies. The beverage companies include Anheuser-Busch, Inc., MillerCoors LLC, PepsiCo, Inc. and The Coca-Cola Company, among others. Consumer product customers include Kraft Heinz Company, General Mills, Inc., Nestlé USA, Inc., WK Kellogg Co, Kellanova and Kimberly-Clark Corporation, among others. Quick-service restaurant customers include Chick-fil-A, McDonald's, Wendy's, Panda Express, Dairy Queen, Chipotle, Panera and KFC. Health/beauty customers include GlaxoSmithKline, Bayer, Johnson & Johnson, Abbott, Novartis, L'Oréal S.A., Procter & Gamble, and Colgate. The Company also sells paperboard in the open market to independent and integrated paperboard packaging producers.

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

During 2023, 2022 and 2021, the Company did not have any one customer that represented 10% or more of its net sales.

Competition

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

In non-beverage consumer packaging and foodservice, the Company's paperboard competes with packaging utilizing unbleached paperboard, as well as recycled and bleached paperboard from numerous competitors, and, internationally, folding boxboard and white-lined chip. There are a large number of producers in the paperboard markets. Suppliers of paperboard packaging compete with paperboard and plastic packagers as well as other primary and secondary packaging on the basis of price, strength and printability of packaging materials, quality and customer service.

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

Raw Materials

The Company's main raw materials are pine and hardwood trees and recycled fibers. Pine pulpwood, hardwood pulp, paper and recycled fibers (including DLK, OCC and ONP) and energy used in the manufacture of paperboard, as well as poly sheeting, plastic resins and various chemicals used in the coating of paperboard, represent the largest components of the Company's variable costs of paperboard production (other than labor).

For the West Monroe, LA, Macon, Georgia, Texarkana, Texas, and Augusta, Georgia paperboard manufacturing facilities, the Company relies on private landowners and the open market for all of its pine and hardwood pulp and recycled fiber requirements, supplemented by clippings that are obtained from its packaging operations. The Company follows a due diligence process to ensure virgin fiber inputs are sourced from sustainably managed forests and do not contribute to deforestation or habitat loss for ecosystems with high conservation value. The Company believes that adequate supplies from both private landowners and open market fiber sellers currently are available in close proximity to its paperboard manufacturing facilities to meet its raw material needs.

The paperboard grades produced at the Kalamazoo, Michigan, Middletown, Ohio, Tama, Iowa, and East Angus, Quebec paperboard manufacturing facilities are made from 100% recycled fiber. The Company procures its recycled fiber from external suppliers and internal packaging operations. The market price of each of the various recycled fiber grades fluctuates with supply and demand. The Company's internal recycled fiber procurement function enables the Company to pay lower prices for its recycled fiber needs given the Company's highly fragmented supplier base. The Company believes there are adequate supplies of recycled fiber to serve its paperboard manufacturing facilities.

In North America, the Company also utilizes a variety of other paperboard grades in its packaging operations, in addition to paperboard that is supplied to its packaging operations from its own paperboard manufacturing facilities. The Company purchases such paperboard requirements, including additional recycled and bleached paperboard, from outside vendors. The majority of external paperboard purchases are acquired through long-term arrangements with other major industry suppliers. The Company's European packaging operations consume unbleached paperboard supplied from the Company's paperboard manufacturing facilities and utilize other paperboard grades such as white-lined chip and folding box board purchased from external suppliers in its packaging facilities.

Energy

Energy, including natural gas, fuel, oil and electricity, represents a significant portion of the Company's manufacturing and distribution costs. The Company has entered into contracts designed to manage risks associated with future variability in cash flows and price risk related to future energy cost increases for a portion of its natural gas requirements at its U.S. paperboard manufacturing facilities. The Company's hedging program for natural gas is discussed in "Note 10 - Financial Instruments, Derivatives and Hedging Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Seasonality

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

Research and Development

The Company's research and development team works directly with its sales, marketing and consumer insights personnel to understand long-term consumer and retailer trends and create relevant new packaging. These innovative solutions provide customers with differentiated packaging to meet consumer preferences. The Company's development efforts include, but are not limited to, developing sustainable consumer packaging made from renewable resources, packaging alternatives to replace plastic packaging; extending the shelf life of customers' products; reducing production and waste costs; enhancing the heat-managing characteristics of food packaging; improving the sturdiness and compression strength of packaging to allow goods to ship in their own branded container and to meet store display needs; and refining packaging appearance through new printing techniques and materials.

Consumer concerns regarding the growing plastic packaging waste problem represents one of the strongest trends in the packaging industry, and the Company focuses on developing innovative, sustainable consumer packaging solutions that are recyclable and help customers achieve their packaging sustainability goals. The Company's strategy is to combine functionality and innovative packaging design with a focus on packaging end of life to create circular packaging solutions for customers and consumers.

For more information on research and development expenses see " *Note 1 - Nature of Business and Summary of Significant Accounting Policies* " in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Patents and Trademarks

As of December 31, 2023, the Company had a large patent portfolio, presently owning, controlling or holding rights to more than 2,900 U.S. and foreign patents, with more than 850 U.S. and foreign patent applications currently pending. The Company's patent portfolio consists primarily of patents relating to packaging machinery, manufacturing methods, structural carton designs, active microwave packaging technology and barrier protection packaging. These patents and processes are significant to the Company's operations and are supported by trademarks such as Boardio™, Fridge Vendor™, IntegraPak™, KeelClip™, MicroFlex-Q™, MicroRite™, Quilt Wave™, Qwik Crisp™, Tite-Pak™, and Z-Flute™. The Company takes significant steps to protect its intellectual property and proprietary rights.

Human Capital

We believe that the Company's greatest asset is our workforce. Solving day-to-day operational and business challenges in order to drive positive results for stakeholders requires attracting, developing, and retaining talented individuals with different skills, ideas, and experiences. Our Vision 2030 outlines how we will be leaders in innovation, build a world-class culture, protect our planet, and deliver results for all of our stakeholders.

Culture is one of the pillars of our Vision 2030 and the safety and wellbeing of our employees is our top priority. Employee engagement is key to a safe and stable workforce. We are putting programs and initiatives in place to drive engagement to the 75% percentile (using the Gallup Q12® framework). In 2023 we conducted an employee engagement survey and we have executed a robust communication plan to ensure each employee hears results and a commitment for action from their leader. Action plans have been developed at the local level in locations around the globe as we strive to further engage our employees. Additionally, our talent acquisition, development, succession and diversity and inclusion strategies are all critical components of our multi-year plan to focus on our people and our culture.

We are enhancing the capabilities of our workforce as our business and strategy evolve. We have invested in innovation, research and development, and digital capabilities to position us to capture organic sales growth supported by consumer preferences for low impact, recyclable packaging. As our business continues to evolve, we will continue to invest in capability development areas that serve as a competitive advantage for the Company and we will adapt our workforce and invest in our employees to ensure that we have the necessary human capital capabilities in place to support our growth strategy.

As of December 31, 2023, the Company had approximately 23,500 employees based in 122 locations in 26 different countries around the world. Approximately 68% of our employees are in the Americas and 32% are in Europe and the rest of the world. Approximately 58% of our employees were represented by labor unions and covered by collective bargaining agreements or covered by works councils in Europe. As of December 31, 2023, 550 of the Company's employees were working under expired contracts, which are currently being negotiated, and 1,015 were covered under collective bargaining agreements that expire within one year. The Company considers its employee relations to be satisfactory.

Employee Health and Safety

Maintaining a safe work environment is vital to the Company, and we are committed to the health, safety and wellness of our employees. Our Total Recordable Incident Rate, which is the annual rate of workplace injuries per 100 full-time employees, is 1.0, reflecting better performance than the industry average. We strive to achieve an injury-free workplace through various safety initiatives and programs, and our Vision 2030 goal is zero life injuries.

Diversity and Inclusion

We believe that a diverse and inclusive working environment encourages creativity, innovation, and collaboration and that a diverse and inclusive culture propels our ability to serve our global customers and communities. Our commitment to diversity and inclusion is reflected in the definitions of our core values, which dictate our behavioral norms. In Vision 2030, we have set a goal of 40% ethnic diversity in our U.S. workforce, roughly equal to the diversity in the U.S. population as a whole. We are also committed to increasing women in leadership roles across the organization. At present, approximately one quarter of our senior leaders are women, and our target in Vision 2030 is to reach at least 35%.

The Compensation and Management Development Committee of our Board of Directors annually reviews the processes and practices related to workforce diversity and inclusion programs to ensure continued equitable treatment of all employees and a culture of inclusion. Our goal moving forward is to not only mirror the diversity of the communities where we operate, but also to excel in unlocking the potential that a diverse workforce can generate.

Community Engagement

Building connections between our employees, their families, and our communities creates a more meaningful, fulfilling and enjoyable workplace. Our employees around the world dedicate their time and talents to improve the communities in which we live and work. Driven by our core values, making a difference for our customers, our consumers, and our community is at the root of our community engagement strategy. The Company focuses on three pillars that guide the strategy for our community service activities and philanthropic commitments: (1) putting food on the table, (2) preserving the environment, and (3) investing in education.

Environmental and Regulatory Matters

The Company is subject to a broad range of foreign, federal, state and local environmental, health and safety, and other governmental regulations and employs a team of professionals in order to maintain compliance at each of its facilities. In 2023, the Company spent \$18 million of capital on projects to maintain compliance with environmental laws, regulations and the Company's permits granted thereunder. In 2024 and 2025, the Company estimates it will spend \$134 million and \$33 million respectively, for such projects as a new wastewater treatment system and upgrades to waste water treatment systems at certain of our paperboard manufacturing facilities. For additional information on such regulation and compliance, see "Environmental Matters" in "Item 7., Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Note 14 - Environmental and Legal Matter" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Climate change presents both challenges and opportunities for the Company and its communities. Climate change challenges for the Company are likely to be driven by changes in the physical climate where our facilities are located, as well as changes in laws and regulations, including restrictions on greenhouse gas ("GHG") emissions, cap and trade systems, and taxes on GHG emissions, fuel, and energy. Climate change also presents opportunities for the Company as it drives growth in demand for lower-carbon footprint products and manufacturing technologies. We believe the Company is well-positioned to take advantage of opportunities that may arise from increased consumer demand for and/or legislation mandating or incentivizing the use of products and technologies necessary to achieve a lower-carbon, lower-waste economy. Our costs of complying with complex environmental laws and regulations, as well as voluntary certification and disclosure programs, are significant and will continue to be significant for the foreseeable future. These laws and regulations and stakeholder driven voluntary certification and disclosure programs could become more stringent over time, which could result in significant additional compliance costs. Additionally, significant national or state differences in the imposition and enforcement of such laws and regulations could present competitive challenges in a global marketplace. By tracking and taking action to reduce our GHG emissions and energy use through efficiency programs and focused GHG management efforts, we can decrease the potential future impact of these regulatory matters.

The Company's Core Values underpin our commitment to our stakeholders and our strategy to deliver sustainable, recyclable packaging solutions. Our Vision 2030 plan outlines our targets for protecting the environment and include: achieving our approved 2032 Science Based Targets for Scope 1, 2, and 3 GHG emissions reductions; achieving 90% renewable fuel use in wood fiber paperboard manufacturing facilities; raising our purchased renewable electricity percentage to 50%; and ensuring that 100% of our purchased forest products come from sustainably managed sources.

Available Information

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

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

ITEM 1A. RISK FACTORS

Our operations and financial results could be affected by various risks, many of which are beyond our control. The following risks could affect (and in some cases have affected) the Company's actual results and could cause such results to differ materially from current estimates or expectations:

Industry Risks

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

Increases in the costs of raw materials, including secondary fiber, petroleum-based materials, energy, wood, transportation and other necessary goods and services, could have an adverse effect on the Company's financial results. Paperboard manufacturing processes require significant energy and raw materials, the costs of which are subject to worldwide supply and demand factors, supply chain disruptions that can affect availability and result in increased prices, as well as trade regulations and tariffs, GHG emissions-based regulations, and other factors beyond our control. Variations in the cost of energy, which primarily reflect market prices for oil and natural gas, and for raw materials may significantly affect our operating results from period to period. Because negotiated sales contracts and the market largely determine the pricing for our products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

The Company uses productivity improvements and other initiatives to reduce costs, offset inflation and maintain adequate raw material supplies. These actions include global continuous improvement initiatives that use best-in-class industry methodologies and statistical process control to help design and manage many types of activities, including planning, procurement, production and maintenance. These efforts result not only in cost reductions, but also build resilience in the overall supply chain. The Company's ability to realize anticipated savings from these improvements is subject to significant operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement cost savings plans, it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results.

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

The Company competes with consumer packaging companies, both domestically and internationally, including paperboard packaging producers. The Company's products compete with those made from other manufacturers' paperboard, as well as consumer packaging made primarily from plastic, shrink film, paper, corrugated containers, biobased materials and other packaging materials. Product substitution may occur in response to price, quality and service issues, as well as environmental and social concerns, such as the use of recycled post-consumer plastic and biobased materials in the production process.

In addition, to the extent the Company's operations are subject to labor, safety and climate change regulations and requirements not stringently imposed in the states and countries in which our competitors operate, our competitors could gain cost or other competitive advantages. While the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing such contracts on favorable terms or at all. The Company works to maintain market share through efficiency, product innovations and strategic sourcing to its customers; however pricing and other competitive pressures, such as providing the lowest-carbon footprint packaging solution or delivering on GHG emissions reduction targets, may occasionally result in the loss of a customer relationship.

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

Changing dietary habits and preferences have impacted sales growth for many of the food and beverage products the Company packages. Customer and consumer preferences are constantly changing based on, among other factors, the economy, convenience, cost and health considerations, as well as environmental, social concerns and perceptions, such as pressure to reduce packaging waste by switching to reusable containers versus single-use packaging options. If these trends continue and the Company is unable to adapt to them, then the Company's financial results could be adversely affected.

Operational Risks

The Company could experience material disruptions at our facilities, that could adversely impact the Company's financial results and could increase the cost of insurance and level of deductibles.

Although the Company takes appropriate measures to minimize the risk and effect of material disruptions to the business conducted at our facilities, natural disasters such as hurricanes, tornadoes, heat waves, freezing events, floods, droughts, fire and other extreme weather events, (all of which may be exacerbated by climate change), as well as other unexpected disruptions such as the unavailability of critical raw materials, power outages and equipment breakdowns or failures can reduce production and increase manufacturing costs. These types of disruptions, whether caused by climate change or other events, could materially adversely affect our earnings, depending upon the duration of the disruption and our ability to shift business to other facilities or find other sources of materials or energy. In addition, given the Company's integrated supply chain, managing board supply and properly planning for paperboard manufacturing outages and downtime must be integrated with the packaging facilities' forecasts. Any inability to do so could adversely affect the Company's financial results. Any losses due to these events may not be covered by our existing insurance policies and may be subject to significant deductibles. The premiums for insurance coverage have recently increased and may continue to increase, along with the level of deductibles.

Preparedness plans have been developed for vulnerable facilities and detail the actions needed in the event of unforeseen events or severe weather. We also obtain insurance coverage to mitigate losses from physical damages and business interruptions. These measures have historically been in place and such activities and associated costs are driven by normal operational preparedness. However, there can be no assurance that such measures will be effective for a particular event that we may experience.

In addition to the possible disruptions to our facilities' production as discussed above, because approximately 62% of the Company's employees are represented by unions, the Company could experience disruptions such as work slowdowns or strikes from time to time. If the Company is unable to prevent prolonged interruptions of the Company's operations at any of its' facilities due to slowdowns, strikes or other work interruptions, the Company may experience a negative impact to its' financial results.

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

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

The Company has been, and likely will continue to be, subject to computer hacking, acts of vandalism or theft, malware, ransomware, computer viruses or other malicious codes, phishing, employee error or malfeasance or other cyber-attack. To date, the Company has experienced no material impact on our business or operations from these types of attacks or events. Any future significant compromise or breach of data security, whether external or internal, or misuse of customer, employee, supplier or Company data, could result in significant costs, interrupted operations, lost sales, fines, lawsuits, and damage to the Company's reputation. These ever-evolving threats mean the Company and its third-party service providers and vendors must continually evaluate and adapt their respective systems and processes and overall security environment, as well as those of any business we acquire. There is no guarantee that these measures will be adequate to safeguard against all data security breaches, system compromises or misuses of data and insurance may not fully cover the costs of cyber incidents. In addition, the regulatory environment related to information security, data collection and use, and privacy is becoming increasingly rigorous, with new requirements applicable to the Company's business. Compliance with such requirements could also result in additional costs.

The Company's operations and financial results could be adversely impacted by events outside the Company's control, such as pandemics or other global health emergencies, or geopolitical conflicts and other social and political unrest or change.

As a result of events, such as pandemics or other global health emergencies and widespread military and geopolitical conflicts and other social and political unrest in Eastern Europe, Africa and the Middle East, there could be unpredictable disruptions to the Company's operations that could limit production, reduce its future revenues and negatively impact the Company's financial condition. These events may result in supply chain and transportation disruptions to and from our facilities and could impact the Company's ability to operate its facilities and distribute products to its customers in a timely or cost-effective fashion. In addition, these events may result in extreme volatility and disruptions in the capital and credit markets as well as widespread furloughs and layoffs for workers in the broader economy. This volatility and loss of employment may negatively impact consumer buying habits, which could adversely affect the Company's financial results.

The Company could be adversely impacted if the Company is unable to successfully integrate acquired businesses.

The Company has made a significant number of acquisitions throughout its history and expects to make additional acquisitions in the future. The Company's ability to integrate the acquired businesses successfully, including obtaining anticipated cost savings or synergies and expected operating results within a reasonable period of time, is an important factor in the Company's future performance. If the Company is unable to realize desired benefits from its acquisitions, the Company may be required to spend additional time or money on integration efforts that would otherwise have been spent on the development and expansion of its core business.

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

The Company works to increase market share and profitability through product innovation and the introduction of new products. The inability to develop new or better products that satisfy customer and consumer preferences in a timely manner may impact the Company's competitive position. The Company's future success and competitive position also depends, in part, upon its ability to obtain and maintain protection for certain proprietary carton and packaging machine technologies used in its value-added products, particularly those incorporating the Fridge Vendor, IntegraPak, KeelClip, MicroFlex-Q, MicroRite, Opti-Cycle, PaperSeal Slice and PaperSeal Wedge, PaperSeal Shapes, Boardio, Produce Pack, Quilt Wave, Qwik Crisp, Tite-Pak, and Z-Flute technologies. Failure to protect the Company's existing intellectual property rights may result in the loss of valuable technologies or may require the Company to license other companies' intellectual property rights. It is possible that any of the patents owned by the Company may be invalidated, rendered unenforceable, circumvented, challenged or licensed to others or any of its pending or future patent applications may not be issued within the scope of the claims sought by the Company, if at all. Further, others may develop technologies that are similar or superior to the Company's technologies, duplicate its technologies or design around its patents, and steps taken by the Company to protect its technologies may not prevent misappropriation of such technologies.

The Company's capital spending may not achieve the desired benefits, which could adversely impact future financial results.

The Company invests significant amounts of cash each year on capital projects, which have expected returns to the Company. The Company's ability to execute on these projects in order to achieve planned outcomes, including obtaining expected returns and strategic long-term goals within a reasonable period of time, is an important factor in the Company's financial results and commitments to the market. As these investments start up, the Company may experience unanticipated business disruptions and not achieve the desired benefits or timelines. In addition, the Company's acquisitions may require more capital than expected to achieve synergies or expected operating results. Additional spending and unachieved benefits may adversely affect the Company's cash flow and results of operations.

The Company may face a shortage of skilled workers and key management personnel.

The Company's ability to maintain or expand its business depends on our ability to attract, develop and retain a skilled workforce at all levels within our organization, including production employees and key managers. Changing demographics and workforce trends may result in a loss of knowledge and skills as experienced workers retire or resign. The Company may incur higher costs to hire and retain new workers, and the failure to attract and retain sufficient skilled workers may result in operational inefficiencies or require additional capital investments to reduce reliance on labor, which may adversely impact the Company's results.

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

The Company has packaging facilities and one paperboard manufacturing facility in 20 countries outside of the U.S. and sells its products worldwide. For 2023, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 30% of the Company's net sales. The Company's revenues from foreign sales fluctuate with changes in foreign currency exchange rates. In addition, at December 31, 2023, approximately 27% of the Company's total assets were denominated in currencies other than the U.S. dollar. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results.

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

- Export compliance;
- Compliance with and enforcement of environmental, health and safety, labor laws and data privacy and other regulations of the foreign countries in which the Company operates;
- Difficulties moving funds from certain countries back to the U.S.;
- Imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and
- Imposition of new or increases in capital investment requirements and other financing requirements by foreign governments.

Financial Risks

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

The Company had an aggregate principal amount of \$5,396 million of outstanding debt as of December 31, 2023.

Because of the Company's debt level, a portion of its cash flows from operations is dedicated to payments on indebtedness and the Company's ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be restricted in the future.

Additionally, the Company's Fourth Amended and Restated Credit Agreement (as amended, the "Current Credit Agreement") and the indentures governing the 0.821% Senior Notes due 2024, 4.125% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, 3.50% Senior Notes due 2029, 2.625% Senior Notes due 2029 and 3.75% Senior Notes due 2030 (the "Indentures"), limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Current 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. These restrictions could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The debt obligations and restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs.

As of December 31, 2023, approximately 20% of the Company's debt is subject to variable rates of interest and exposes the Company to increased debt service obligations in the event of increased market interest rates.

Legal and Regulatory Risks

The Company is subject to a broad range of foreign, federal, state, and local laws and regulations, including environmental, health and safety, sustainability, data privacy, labor and employment, corruption, tax, and healthcare, and costs to comply with such laws and regulations, or any liability or obligation imposed under new laws or regulations, could negatively impact its financial condition and results of operations.

The Company must comply with a wide variety of environmental, health and safety laws and regulations, including those governing GHG emissions and other discharges to air, soil and water and the management, treatment and disposal of hazardous substances, the investigation and remediation of contamination resulting from releases of hazardous substances, waste disposal, recycling of packaging, extended producer responsibilities, deforestation risks, and the health and safety of employees. These laws and regulations, particularly those that relate to GHG emissions, are evolving and expected to become more stringent over time, which could result in significant additional compliance costs (such as the installation or modification of emission control equipment), increased costs of purchased energy or other raw materials, increased transportation costs, restrictions on our operations, or additional costs associated with air and water emissions. The Company is tracking and taking actions to reduce our GHG and other air and water emissions to decrease the potential future impact of these regulatory matters. However, the Company cannot currently assess the impact that future emission standards, climate control initiatives, regulation changes and enforcement practices will have on the Company's operations and capital expenditure requirements.

Additionally, over the past few years, the number of data privacy laws and regulations has increased and become more complex and stringent in the U.S. and internationally. The improper handling and disclosure of or access to personal data in violation of privacy laws and regulations such as the European Union's General Data Protection Regulation ("GDPR"), the California Privacy Rights Act ("CPRA"), the Virginia Consumer Data Protection Act ("CDPA"), and Canada's Consumer Privacy Protection Act ("CPPA") could cause harm to the Company's reputation, cause loss of consumer confidence, subject the Company to government enforcement actions, or result in private litigation against the Company. Any of these outcomes could negatively impact the Company's financial condition and results of operations. Moreover, with no unifying standards for both U.S. and international data privacy laws and regulations, the Company could incur additional compliance cost in order to comply with the large number of data privacy laws and regulations, which could result in a negative impact to the Company's results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 1C. CYBERSECURITY

The Company has cybersecurity incident response policies and procedures for identifying, assessing, and managing material risks arising from cybersecurity incidents, including those arising from third-party service providers. Our cybersecurity program is based on components of the National Institute of Standards and Technology's ("NIST") Cybersecurity Framework. The Company's Vice President, Information Security, who has 15 years of experience in information security and has several industry certifications such as Certified Information Security Manager ("CISM"), Certified in Risk and Information Systems Control ("CRISC"), and Certified Information Privacy Professional ("CIPP"), is primarily responsible for managing and assessing cybersecurity risks. The Company uses a number of other internal and external resources to manage its information technology ("IT") and cybersecurity operations across the Company, including global managed service providers that provide 24/7 support for all of the Company's key IT systems and consultants who are engaged periodically to assist with the Company's evaluation of its systems and processes for preventing and mitigating cybersecurity incidents. The Company's global managed service providers also assess cybersecurity incidents and classify them by severity level in accordance with the Company's Incident Response Plan, which determines how each cybersecurity incident is managed and communicated. The Incident Response Plan also outlines the procedures that the Company then follows for evaluation and recovery from an incident, including containment of the affected systems, in order to restore our systems to normal operations. To date, the Company has not had a cybersecurity event that materially impacted its operations, financial position or the security of its proprietary data.

Cybersecurity incidents that are deemed Priority 1 (described in the Incident Response Plan as those incidents affecting key operational and financial systems), are reported to certain members of the Company's Executive Leadership Team including the Chief Executive Officer, Chief Financial Officer, General Counsel and Chief Information Officer ("CIO") for assessment of the materiality of the incident, which will be made using both quantitative and qualitative analysis to determine an incident's immediate and reasonably likely future impacts. Cybersecurity incidents that are deemed material, either individually or in aggregate, are reported to the Audit Committee of the Company's Board of Directors, which has been delegated the responsibility for oversight of cybersecurity risks. The Company also communicates material cybersecurity incidents to the Company's independent auditors and internal audit team.

Annually the Company conducts an Enterprise Risk Assessment during which management identifies and quantifies risks to the Company's operations, financial position and strategy, including cybersecurity risks. The conclusions of the annual Enterprise Risk Assessment are shared with the Audit Committee. Working with the CIO and the Vice President, Information Security, the Audit Committee periodically reviews the strategy, priorities, and goals of the cybersecurity program and the CIO and Vice President, Information Security, provide regular updates to the Audit Committee.

ITEM 2. PROPERTIES

Headquarters

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

Operating Facilities

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

Location	Related Products or Use of Facility
Paperboard Manufacturing Facilities:	
Augusta, GA	Bleached paperboard
East Angus, Québec	Recycled paperboard
Kalamazoo, MI	Recycled paperboard
Macon, GA	Unbleached paperboard
Middletown, OH	Recycled paperboard
Tama, IA ^(a)	Recycled paperboard
Texarkana, TX	Bleached paperboard
West Monroe, LA	Unbleached paperboard, Research and Development
Other:	
Atlanta, GA ^(b)	Headquarters, Research and Development, Packaging Machinery and Design
Clemson, SC ^(b)	Research and Development
Concord, NH ^(b)	Research and Development, Design Center
Crosby, MN	Packaging Machinery Engineering, Design and Manufacturing
Louisville, CO ^(b)	Research and Development
Menomonee Falls, WI	Foodservice Rebuild Center

^(a) Closed in the second quarter of 2023.

^(b) Leased facility.

North American Packaging Facilities:

Auburn, IN ^(d)	New Albany, IN ^(b)
Carol Stream, IL	Newton, IA
Centralia, IL	North Portland, OR
Charlotte, NC	Omaha, NE
Chicago, IL ^(a)	Oroville, CA ^(a)
Clarksville, TN	Pacific, MO
Cobourg, Ontario ^(a)	Perry, GA
Elgin, IL	Pineville, NC
Elk Grove, IL ^{(a)(b)}	Pittston, PA
Fort Smith, AR ^(b)	Prosperity, SC
Gordonsville, TN ^(a)	Querétaro, Mexico ^(a)
Grand Rapids, MI	Randleman, NC
Gresham, OR ^(a)	Shelbyville, IL
Groveport, OH ^(a)	Sioux Falls, SD ^{(a)(b)}
Hamel, MN	Solon, OH
Irvine, CA	St.-Hyacinthe, Québec ^(a)
Kalamazoo, MI	St. Paul, MN
Kendallville, IN	Staunton, VA
Kenton, OH	Stone Mountain, GA ^(a)
Kingston Springs, TN	Sturgis, MI
Lancaster, TX	Tijuana, Mexico ^(a)
Lawrenceburg, TN	Tuscaloosa, AL
Lebanon, TN ^(a)	Valley Forge, PA
Lowell, MA	Vancouver, WA ^(a)
Lumberton, NC	Visalia, CA
Marietta, GA	Wausau, WI
Marion, OH	Wayne, NJ
Memphis, TN	West Monroe, LA ^(b)
Mississauga, Ontario ^{(a)(b)(c)}	Winnipeg, Manitoba
Mitchell, SD	Winston Salem, NC
Monroe, LA ^(a)	Xenia, OH ^{(a)(c)}
Monterrey, Mexico ^(a)	

^(a) Leased facility.

^(b) Multiple facilities in this location.

^(c) Closed in the third quarter of 2023.

^(d) Sold in the fourth quarter of 2023.

^(e) Multiple facilities in this location which includes a leased facility and an owned facility.

International Packaging Facilities:

Aachen, Germany	Kanfanar, Croatia
Auckland, New Zealand ^(a)	Krakow, Poland
Augsburg, Germany	Leeds, United Kingdom
Bardon, United Kingdom ^(b)	Lund, Sweden ^{(a)(b)}
Bawen, Indonesia	Magdeburg, Germany ^(a)
Bekasi, Indonesia	Maliaño, Spain
Berlin, Germany ^(b)	Masnières, France ^(a)
Bremen, Germany ^(b)	Melbourne, Australia ^(a)
Bristol, United Kingdom ^(e)	Munich, Germany ^(a)
Cambridge, United Kingdom ^(a)	Newcastle Upon Tyne, United Kingdom ^(a)
Cholet, France ^(a)	Perth, Australia
Frankfurt, Germany ^(a)	Portlaoise, Ireland ^(a)
Gateshead, United Kingdom ^(a)	Poznan, Poland ^(b)
Graz, Austria	Requejada, Spain
Halmstad, Sweden ^(a)	Rotherham, United Kingdom ^(a)
Hannover, Germany	Sneek, Netherlands
Highbridge, United Kingdom ^(a)	St. Gallen, Switzerland ^(a)
Hoogerheide, Netherlands	St. Petersburg, Russia ^(d)
Ibadan, Nigeria	Sydney, Australia ^(a)
Igualada, Spain	Tabasalu, Estonia
Ingerois, Finland ^(a)	Tibro, Sweden
Jundiai, Sao Paulo, Brazil	Timashevsk, Russia ^(d)
	Winsford, United Kingdom ^(a)

ITEM 3. *LEGAL PROCEEDINGS*

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. See "Note 14 - *Environmental and Legal Matters*" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

ITEM 4. *MINE SAFETY DISCLOSURES*

Not Applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G.(3) of Form 10-K, the following list is included as an unnumbered item in Part I of this Report in lieu of being included in the definitive proxy statement that will be filed within 120 days after December 31, 2023.

Michael P. Doss, 57, is the President and Chief Executive Officer of Graphic Packaging Holding Company. He was elected to the Board of Directors on May 20, 2015. Prior to January 1, 2016, Mr. Doss held the position of President and Chief Operating Officer from May 20, 2015 through December 31, 2015 and Chief Operating Officer from January 1, 2014 until May 19, 2015. Prior to these positions he served as the Executive Vice President, Commercial Operations of Graphic Packaging Holding Company. Prior to this Mr. Doss held the position of Senior Vice President, Consumer Packaging Division. Prior to March 2008, he had served as Senior Vice President, Consumer Products Packaging of Graphic Packaging Corporation since September 2006. From July 2000 until September 2006, he was the Vice President of Operations, Universal Packaging Division. Mr. Doss was Director of Web Systems for the Universal Packaging Division prior to his promotion to Vice President of Operations. Since joining Graphic Packaging International Corporation in 1990, Mr. Doss has held positions of increasing management responsibility, including Plant Manager at the Gordonsville, TN and Wausau, WI plants.

Mr. Doss serves on the Board of Directors for the American Forest & Paper Association, the Sustainable Forest Initiative, the Paper Recycling Coalition, the Atlanta Area Council of the Boy Scouts of America, Metro Atlanta Chamber of Commerce, the Woodruff Art Center, American Bird Conservancy and Regal Rexnord Corporation (RRX).

Stephen R. Scherger, 59, is the Executive Vice President and Chief Financial Officer of Graphic Packaging Holding Company. From October 1, 2014 through December 31, 2014, Mr. Scherger was the Senior Vice President – Finance. From April 2012 through September 2014, Mr. Scherger served as Senior Vice President, Consumer Packaging Division. Mr. Scherger joined Graphic Packaging Holding Company in April of 2012 from MeadWestvaco Corporation, where he served as President, Beverage and Consumer Electronics. Mr. Scherger was with MeadWestvaco Corporation from 1986 to 2012 and held positions including Vice President, Corporate Strategy; Vice President and General Manager, Beverage Packaging; Vice President and Chief Financial Officer, Papers Group, Vice President Asia Pacific and Latin America, Beverage Packaging, Chief Financial Officer Beverage Packaging and other executive-level positions.

Maggie Bidlingmaier, 53, joined Graphic Packaging Holding Company as the Executive Vice President and President, Americas business unit on January 28, 2022. Maggie was most recently President, Performance Solutions for Invista, a subsidiary of Koch Industries, Inc., where she led numerous multimillion-dollar global businesses within the flooring, apparel and airbag fiber segments. Prior to that, she was Vice President, Surfaces at Invista, following a successful career with Avery Dennison in global sales and marketing roles of increasing responsibility.

Michael Farrell, 57, became the Executive Vice President, Mills Division of Graphic Packaging Holding Company in September 2018. Prior to that, he served as the Senior Vice President, Supply Chain from January to September 2018. Prior to January 2018, Mr. Farrell served as Vice President, Recycled Board Mills of Graphic Packaging International, Inc. and its predecessor companies from January 1, 2013; and Senior Manufacturing Manager of Graphic Packaging International, Inc. from October 28, 2009 until December 31, 2012. From December 11, 2008 until October 27, 2009, Mr. Farrell was the Manufacturing Manager of the West Monroe, Louisiana mill and from September 1, 2006 until December 10, 2008 he was the General Manager of the Middletown, Ohio mill.

Elizabeth Spence, 44, is the Executive Vice President, Human Resources. She joined the Company on April 1, 2022. Prior to this she was Vice President and Chief Human Resources Officer at Gypsum Management and Supply, following her role as Vice President of Human Resources at Assurant. Ms. Spence is a seasoned human resources executive, having also spent time at BellSouth/AT&T and The Coca-Cola Company.

Lauren S. Tashma, 57, is the Executive Vice President, General Counsel and Secretary of Graphic Packaging Holding Company. She joined the Company in February 2014. Previously, Ms. Tashma served as Senior Vice President, General Counsel and Secretary of Fortune Brands Home & Security, Inc., where she led the legal, compliance and EHS functions. Prior to that, Ms. Tashma had various roles with Fortune Brands, Inc., including Vice President and Associate General Counsel.

Joseph P. Yost, 56, is the Executive Vice President and President, International of Graphic Packaging Holding Company. Prior to January 5, 2022, he served as Executive Vice President and President, Americas. Prior to January 5, 2017, Mr. Yost served as Senior Vice President, Global Beverage and Europe from September 1, 2015 to January 4, 2017, Senior Vice President, Europe from March 1, 2014 to August 31, 2015 and Senior Vice President, European Chief Integration Officer/Chief Financial Officer from February 2013 until February 2014. From 2009 until February 2013, Mr. Yost was the Senior Vice President, Supply Chain of Graphic Packaging Holding Company. From 2006 to 2009, he served as Vice President, Operations Support – Consumer Packaging for Graphic Packaging International, Inc. Mr. Yost has also served in the following positions: Director, Finance and Centralized Services from 2003 to 2006 with Graphic Packaging International, Inc. and from 2000 to 2003 with Graphic Packaging Corporation; Manager, Operations Planning and Analysis – Consumer Products Division from 1999 to 2000 with Graphic Packaging Corporation; and other management positions from 1997 to 1999 with Fort James Corporation.

PART II

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

GPHC's common stock is traded on the New York Stock Exchange under the symbol "GPK."

On February 20, 2024, there were approximately 911 stockholders of record and approximately 126,193 beneficial holders of GPHC's common stock.

During 2023, 2022 and 2021, GPHC paid cash dividends of \$123 million, \$92 million and \$87 million, respectively. Though the decision to distribute cash dividends rests solely with the Board of Directors, the Company presently intends to maintain a quarterly cash dividend, subject to earnings and liquidity considerations.

On January 28, 2019, the Company's board of directors authorized a 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").

On July 27, 2023, 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 "2023 share repurchase program"). As of December 31, 2023, the Company had \$565 million available for additional repurchases under the 2023 and 2019 share repurchase programs.

Share repurchases are reflected as a reduction of common stock for the par value of the shares, with any excess of share repurchase price over par value allocated between capital in excess of par value and retained earnings.

The following presents the Company's share repurchases for the years ended December 31, 2023, 2022, and 2021:

<i>Amount repurchased in millions, except share and per share amounts</i>	Amount Repurchased	Number of Shares Repurchased	Average Price per Share
2023	\$ 54	2,389,224	\$ 22.80
2022	\$ 28	1,315,839	\$ 20.91
2021	\$ —	—	\$ —

2023

On February 7, 2023, Graphic Packaging International, LLC ("GPIL"), a Delaware limited liability company and a direct subsidiary of Graphic Packaging International Partners, LLC ("GPIP"), a Delaware limited liability company and a wholly-owned subsidiary of the Company entered into Amendment No. 3 to the Fourth Amended and Restated Credit Agreement (the "Third Amendment"). The Third Amendment provides for a future replacement floating interest rate benchmark (the Canadian Overnight Repo Rate Average) to take effect upon the cessation of the Canadian Dollar Offered Rate for Canadian Dollar borrowings under the domestic revolving credit facility. The Third Amendment also modified the borrowing mechanics for certain term Secured Overnight Financing Rate ("SOFR") loans under the domestic revolving line of credit.

2022

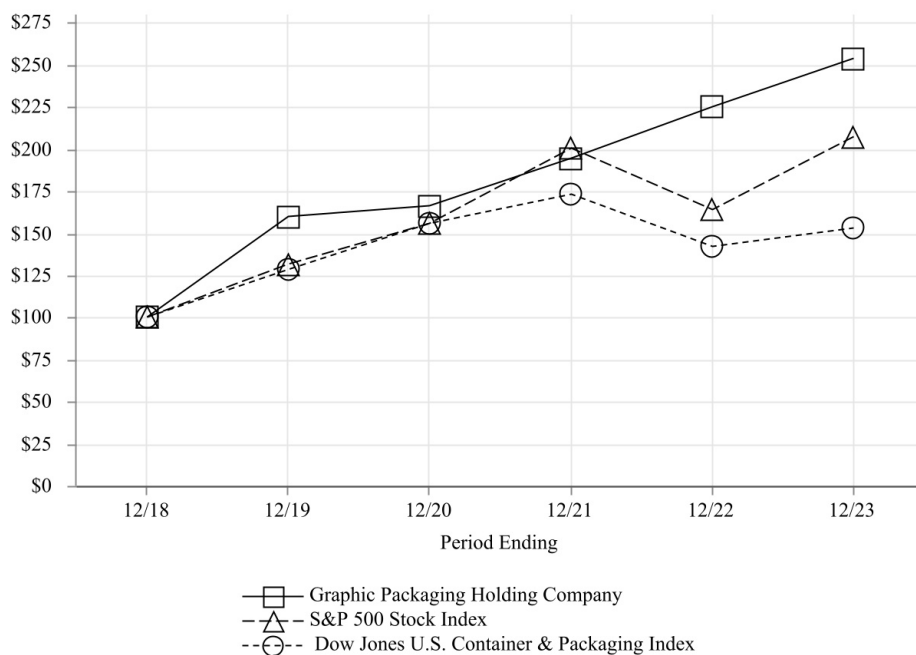
On November 4, 2022, GPIL entered into Amendment No. 2 to the Fourth Amended and Restated Credit Agreement (the "Second Amendment"). The Second Amendment provided for a change in the floating interest rate benchmark for the domestic revolving credit facility and the USD denominated term loans from LIBOR-based to Term SOFR plus 10bps. The Second Amendment also added JSC AR Packaging to the Schedule of Permitted Asset Sales to facilitate the sale of the Company's Russian operations.

On November 15, 2022, the Company drew \$250 million from the senior secured domestic revolving credit facilities and used the proceeds, together with cash on hand, to redeem its 4.875% Senior Notes due in 2022.

Total Return to Stockholders

The following graph compares the total returns (assuming reinvestment of dividends) of the common stock of Graphic Packaging Holding Company, the Standard & Poor's ("S&P") 500 Stock Index and the Dow Jones ("DJ") U.S. Container & Packaging Index. The graph assumes \$100 invested on December 31, 2018 in GPHC's common stock and each of the indices. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN



	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Graphic Packaging Holding Company	\$ 100.00	\$ 159.82	\$ 166.14	\$ 194.34	\$ 225.18	\$ 253.58
S&P 500 Stock Index	100.00	131.49	155.68	200.37	164.08	207.21
Dow Jones U.S. Container & Packaging Index	100.00	128.59	155.76	172.84	142.07	152.91

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF 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 2023 Results
- Results of Operations
- Financial Condition, Liquidity and Capital Resources
- Critical Accounting Policies
- New Accounting Standards
- Business Outlook

A detailed discussion of the fiscal 2023 year-over-year changes can be found below and a detailed discussion of fiscal 2022 year-over-year changes can be found in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

OVERVIEW OF BUSINESS

The Company's objective is to strengthen its position as a leading provider of consumer packaging made from renewable resources. To achieve this objective, the Company designs and delivers sustainable packaging solutions such as cartons, carriers, paperboard canisters, cups and lids preferred by consumers. Packaging offerings include a variety of laminated, coated and printed packaging structures that are produced from the Company's recycled, bleached and unbleached paperboard. Innovative designs and combinations of paperboard, films, foils, metallization, holographic 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 paperboard manufacturing and packaging facilities; (iii) to develop and market innovative, packaging products and applications that benefit from 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 and Results of Operations

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 increased year over year by \$175 million in 2023. The higher costs in 2023 were due to higher labor and benefits (\$96 million), other costs, net (\$73 million) and commodity inflation costs (\$6 million). Other costs, net include manufacturing supplies, property taxes, worker's compensation costs and other insurance costs. Commodity inflation was primarily due to external board (\$50 million), mill chemicals (\$38 million), factoring (\$36 million), converting chemicals (\$7 million) and other costs (\$15 million) offset by reduced costs for secondary fiber (\$55 million), energy (\$40 million), freight (\$27 million), and wood (\$18 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 2024. 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.

The Company's operations and financial results could be adversely impacted by global events outside of the Company's control. The Company's operations and financial results could be adversely impacted by global events outside of the Company's control, such as pandemics or other global health emergencies, or geopolitical conflicts and other social and political unrest or change. As a result of such global events, there could be unpredictable disruptions to the Company's operations that could limit production, reduce its future revenues and negatively impact the Company's financial condition. Global events may result in supply chain and transportation disruptions to and from 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, these global events may result in extreme volatility and disruptions in the capital and credit markets as well as widespread furloughs and layoffs for workers in the broader economy.

Commitment to Cost Reduction. 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 and the use of Lean Sigma principles in manufacturing and supply chain processes.

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 its 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 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' recycled, bleached and unbleached paperboard, folding box board, and recycled clay-coated news. Additional substitute products also include plastic, shrink film, corrugated containers and reusables. 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, improved circularity, service 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 are driven by consumer buying habits in the markets its customers serve. The Company has historically reported net organic sales growth supported by its introduction of new packaging products to meet the consumers' desire for recyclable, sustainable consumer packaging solutions. 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 can also impact its sales.

Debt Obligations. The Company had an aggregate principal amount of \$5,396 million of outstanding debt obligations as of December 31, 2023. 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. The Covenants in the Company's Fourth Amended and Restated Credit Agreement (as amended, the "Current Credit Agreement") and the indentures governing the 0.821% Senior Notes due 2024, 4.125% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, 3.50% Senior Notes due 2029, 2.625% Senior Notes due 2029 and 3.75% Senior Notes due 2030 (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, make other restricted payments and make acquisitions or other investments. The Current Credit Agreement also requires compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company's ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company's control. See "Covenant Restrictions" in "Financial Condition, Liquidity and Capital Resources" for additional information regarding the Company's debt obligations.

The debt and the restrictions under the Current 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.

OVERVIEW OF 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 in 2023 decreased by \$12 million or 0.1%, to \$9,428 million from \$9,440 million in 2022 due to lower organic sales and lower volume of open market sales, partially offset by higher pricing, new product introductions, the acquisition of Bell, and favorable foreign exchange.

- Income from Operations in 2023 increased by \$268 million or 30%, to \$1,174 million from \$906 million in 2022 due to higher pricing, cost savings from continuous improvement and other programs, and new product introductions, partially offset by lower open market volume, lower organic sales, a higher level of maintenance and market downtime, and unfavorable commodity inflation and other inflation (primarily labor and benefits). Income from Operations was also reduced by unfavorable foreign exchange, accelerated depreciation related to the closure of three smaller recycled paperboard manufacturing facilities, charges and accelerated depreciation related to the closures of multiple packaging facilities, charges and accelerated depreciation related to the Company's decision to decommission its K3 recycled Paperboard machine in Kalamazoo, Michigan and charges related to the discontinuation of the Texarkana swing capacity project. Income from Operations also increased due to a reduction in impairment charges in 2023 compared to 2022 related to the sale of its Russian Operations.

Acquisitions and Dispositions

- In January 2023, the Company completed the acquisition of Tama, a recycled paperboard manufacturing facility located in Tama, Iowa, from Greif Packaging LLC for approximately \$100 million. It is reported within the Paperboard Manufacturing reportable segment. Subsequently, in the second quarter of 2023, the Company closed this facility.
- During 2023, the Company decided to close multiple packaging facilities by the end of 2023 and early 2024. Production from these facilities will be consolidated into our existing packaging network.
- On September 8, 2023, the Company completed the acquisition of Bell, adding three packaging facilities in Sioux Falls, South Dakota and Groveport, Ohio for \$264 million. Bell is reported within the Americas Paperboard Packaging reportable segment.
- During the third quarter of 2023, the Company announced its decision to permanently decommission the K3 recycled paperboard machine in Kalamazoo, Michigan as part of its recycled paperboard network optimization plan that the Company initiated in 2019.
- During the third quarter of 2023, the Company decided to discontinue the project in Texarkana to modify an existing paperboard machine to add swing capacity between bleached and unbleached paperboard in order to focus growth investments in the strategic expansion of coated recycled paperboard capacity.
- During 2022, the Company began the process of divesting its interest in its two packaging facilities in Russia (the "Russian Operations"). The assets and liabilities to be disposed of in connection with this transaction met the held for sale criteria as of June 30, 2022 and each subsequent quarter end through the date of sale, resulting in cumulative impairment charges of \$106 million in 2022 and 2023, including \$12 million of goodwill impairment. On November 30, 2023, the Company completed the sale of its Russian Operations.
- In May 2022, the Company closed the Battle Creek, Michigan recycled paperboard manufacturing facility.
- In September 2022, the Company closed its Norwalk, Ohio packaging facility, which it had announced to close in March 2022.

Share Repurchases and Dividends

- On July 27, 2023, 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 "2023 share repurchase program"). The previous \$500 million share repurchase program was authorized January 28, 2019 (the "2019 share repurchase program").
- During 2023, the Company repurchased 2,389,224 shares of its common stock at an average price of \$22.80 under the 2019 share repurchase program. As of December 31, 2023, the Company has \$565 million available for additional repurchases under the 2023 and 2019 share repurchase programs.
- During 2023, the Company declared and paid cash dividends of \$123 million.

RESULTS OF OPERATIONS

<i>In millions</i>	Year Ended December 31,		
	2023	2022	2021
Net Sales	\$ 9,428	\$ 9,440	\$ 7,156
Income from Operations	\$ 1,174	\$ 906	\$ 407
Nonoperating Pension and Postretirement Benefit (Expense) Income	(3)	7	5
Interest Expense, Net	(239)	(197)	(123)
Income before Income Taxes and Equity Income of Unconsolidated Entity	\$ 932	\$ 716	\$ 289
Income Tax Expense	(210)	(194)	(74)
Income before Equity Income of Unconsolidated Entity	\$ 722	\$ 522	\$ 215
Equity Income of Unconsolidated Entity	1	—	1
Net Income	\$ 723	\$ 522	\$ 216

2023 COMPARED WITH 2022

Net Sales

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

<i>In millions</i>	Year Ended December 31,							
	Variances				2023	Decrease	Percent Change	
	2022	Price	Volume/Mix	Foreign Exchange				
Consolidated	\$ 9,440	\$ 556	\$ (580)	\$ 12	\$ 9,428	\$ (12)	(0.1)%	

The Company's Net Sales in 2023 decreased by \$12 million or 0.1%, to \$9,428 million from \$9,440 million for the same period in 2022, due to lower organic sales and lower volumes of open market sales. Such decrease was partially offset by higher pricing, new product introductions, favorable foreign exchange, primarily the Euro, Mexican Peso, and British Pound, partially offset by the Canadian Dollar and Australian Dollar and the acquisition of Bell in September 2023. Core packaging volumes were lower in beverage, cereal, dry foods, frozen foods, dairy, convenience, and healthcare, partially offset by higher packaging volumes in foodservice, tissue and beauty.

Income from Operations

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

<i>In millions</i>	Year Ended December 31,								
	Variances					2023	Increase	Percent Change	
	2022	Price	Volume/Mix	Inflation	Foreign Exchange Other ^(a)				
Consolidated	\$ 906	\$ 556	\$ (204)	\$ (175)	\$ (11)	\$ 1,174	\$ 268	30 %	

^(a) Includes the Company's cost reduction initiatives, planned mill maintenance costs and market downtime, expenses related to acquisitions and integration activities, exit activities, and other special charges.

The Company's Income from Operations for 2023 increased \$268 million or 30%, to \$1,174 million from \$906 million for the same period in 2022 due to higher pricing, cost savings from continuous improvement and other programs and new product introductions. The increase was partially offset by lower open market volume, lower organic sales, unfavorable commodity inflation and other inflation (primarily labor and benefits), higher levels of maintenance and market downtime, unfavorable foreign exchange, accelerated depreciation and charges related to the closure of three smaller recycled paperboard manufacturing facilities (refer to "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data," for additional information), accelerated depreciation, charges related to the Company's decision to decommission its K3 recycled paperboard machine in Kalamazoo, Michigan, and the discontinuation of the Texarkana swing capacity project during the third quarter of 2023. Income from Operations also increased due to a reduction in impairment charges in 2023 compared to 2022 related to the sale of the Company's Russian Operations. Refer to "Note 19 - Impairment and Divestiture of Russian Business" in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data," for additional information.

Inflation in 2023 increased due to higher labor and benefits (\$96 million), other costs, net (\$73 million) and commodity inflation costs (\$6 million). Other costs, net include manufacturing supplies, property taxes, worker's compensation costs and other insurance costs. Commodity inflation was primarily due to external board (\$50 million), mill chemicals (\$38 million), factoring (\$36 million), converting chemicals (\$7 million) and other costs (\$15 million), offset by secondary fiber (\$55 million), energy (\$40 million), freight (\$27 million), and wood (\$18 million).

Interest Expense, Net

Interest Expense, Net was \$239 million and \$197 million in 2023 and 2022, respectively. Interest Expense, Net increased due to higher interest rates and higher debt balances. As of December 31, 2023, approximately 20% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During 2023 and 2022, the Company recognized Income Tax Expense of \$210 million and \$194 million, on Income before Income Taxes of \$932 million and \$716 million, respectively.

The effective tax rate for 2023 was different from the statutory rate primarily due to a decrease in the Company's valuation allowances in Sweden, Norway and the Netherlands of \$22 million, the establishment of a valuation allowance against the net deferred tax assets in Nigeria of \$3 million, as well as tax benefits of \$22 million related to U.S. federal, state and foreign income tax credits.

The effective tax rate for 2022 was different from the statutory rate primarily due to impairment charges from the planned sale of the Company's Russian business that resulted in no corresponding tax benefit in addition to the mix of earnings between foreign and domestic jurisdictions, including those with and without valuation allowances. The Company also recognized \$10 million of tax expense to release the tax expense remaining in Other Comprehensive Income after the settlement of certain swaps during the period, which increased the effective tax rate.

Equity Income of Unconsolidated Entity

Equity Income of Unconsolidated Entity was \$1 million in 2023 and less than \$1 million in 2022 and is related to the Company's equity investment in the Rengo Riverwood Packaging, Ltd. joint venture.

Segment Reporting

The Company has three reportable segments as follows:

Paperboard Manufacturing, previously referred to as the Paperboard Mills reportable segment, includes the seven North American paperboard manufacturing facilities that produce recycled, unbleached and bleached paperboard, which is consumed internally to produce paperboard consumer packaging for the Americas and Europe Packaging segments. Paperboard not consumed internally is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Manufacturing segment's 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 Manufacturing segment to reflect the economics of the integration of these segments.

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

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

The Company allocates certain paperboard manufacturing 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 in "Note 1 - Nature of Business and Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."

In millions	Year Ended December 31,		
	2023	2022	2021
NET SALES:			
Paperboard Manufacturing	\$ 1,022	\$ 1,290	\$ 1,007
Americas Paperboard Packaging	6,200	6,015	4,996
Europe Paperboard Packaging	2,024	1,973	992
Corporate/Other/Eliminations ^(a)	182	162	161
Total	\$ 9,428	\$ 9,440	\$ 7,156
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Manufacturing ^{(b)(c)}	\$ (23)	\$ 45	\$ (10)
Americas Paperboard Packaging ^{(c)(d)}	1,088	800	456
Europe Paperboard Packaging ^{(c)(e)}	127	59	82
Corporate and Other ^(c)	(18)	2	(121)
Total	\$ 1,174	\$ 906	\$ 407

^(a) Includes revenue from contracts with customers for the Australia and Pacific Rim operating segments.

^(b) Includes accelerated depreciation related to exit activities in 2023, 2022, and 2021. See "Note 18 - Exit Activities" in the Notes to Condensed Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data," for further information.

^(c) Includes expenses related to business combinations, exit activities and other special charges. See "Note 1 - General Information" in the Notes to Condensed Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data," for further information.

^(d) Includes accelerated depreciation related to exit activities in 2023. See "Note 18 - Exit Activities" in the Notes to Condensed Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data," for further information.

^(e) Includes impairment charges related to Russia. See "Note 19 - Impairment and Divestiture of Russian Business" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data," for further information.

2023 COMPARED WITH 2022

Paperboard Manufacturing

Net Sales decreased due to lower open market volume, partially offset by higher pricing.

Income from Operations decreased due to lower open market volume, higher levels of maintenance and market downtime, accelerated depreciation and charges related to the closure of the three recycled paperboard manufacturing facilities (refer to "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data," for additional information), other inflation (primarily labor and benefits), accelerated depreciation and charges related to the Company's decision to decommission its K3 recycled paperboard machine, and charges related to the discontinuation of the Texarkana swing capacity project. The decrease was partially offset by higher pricing, productivity improvements, including benefits from capital projects, and commodity deflation, primarily secondary fiber, energy, wood and freight partially offset by chemicals.

Americas Paperboard Packaging

Net Sales increased due to higher pricing and new product introductions driven by conversions to our sustainable consumer packaging solutions and the acquisition of Bell in September 2023, partially offset by lower organic sales. Lower packaging volumes in beverage, cereal, dry foods, frozen foods, and dairy were partially offset by higher packaging volumes in foodservice and tissue. In beverage, packaging volumes decreased in big beer, craft beer, specialty beverages and soft drinks.

Income from Operations increased due to higher pricing and cost savings from continuous improvement and other programs, partially offset by commodity inflation and other inflation (primarily labor and benefits), higher levels of maintenance and market downtime and charges related to the closures of packaging facilities (refer to "Note 18 - Exit Activities" in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data," for additional information). The commodity inflation was primarily due to higher prices for external board, chemicals, and factoring, partially offset by lower costs for secondary fiber, energy, freight and wood.

Europe Paperboard Packaging

Net Sales increased due to higher pricing, mix, new product introductions driven by conversions to our sustainable consumer packaging solutions and favorable foreign currency exchange, partially offset by lower organic sales in beverage, convenience, healthcare and food partially offset by higher volumes in foodservice and beauty.

Income from Operations increased due to higher pricing and cost savings from continuous improvement and other programs, partially offset by commodity inflation primarily related to external board, energy and other inflation (primarily labor and benefits), unfavorable foreign currency exchange and lower organic sales. Income from Operations also increased due to a reduction in impairment charges related to the sale of its Russian operations. Refer to "Note 19 - Impairment and Divestiture of Russian Business" in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data," for additional information.

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.

Liquidity and Capital Resources

The Company expects its material cash requirements for the next twelve months will be for: capital expenditures, periodic required income tax payments, periodic interest and debt service payments on associated debt (as discussed in Note 5), lease agreements which have fixed lease payment obligations (as discussed in Note 6), and minimum purchase commitments (as discussed in Note 13) along with ongoing operating costs, working capital, share repurchases and dividend payments. The Company expects its primary sources of liquidity to be cash flows from sales and operating activities in the normal course of operations and availability from its revolving credit facilities, as needed. The Company expects that these sources will be sufficient to fund our ongoing cash requirements for the foreseeable future, including at least the next twelve months.

Principal and interest payments under the term loan facilities and the revolving credit facilities, together with principal and interest payments on the Company's 0.821% Senior Notes due 2024, 4.125% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, 3.50% Senior Notes due 2029, 2.625% Senior Notes due 2029 and 3.75% Senior Notes due 2030 (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.

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

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 (Income), Net line item in the Consolidated Statement of Operations. The following table summarizes the activity under these programs for the year ended December 31, 2023 and 2022, respectively:

<i>In millions</i>	Year Ended December 31,	
	2023	2022
Receivables Sold and Derecognized	\$ 3,696	\$ 3,299
Proceeds Collected on Behalf of Financial Institutions	3,646	3,179
Net Proceeds Received from Financial Institutions	28	152
Deferred Purchase Price at December 31 ^(a)	1	—
Pledged Receivables at December 31	150	197

^(a) Included in Other Current Assets on the Consolidated Balance Sheets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, were approximately \$770 million and \$753 million as of December 31, 2023 and 2022, respectively.

The Company also participates in supply chain financing arrangements offered by certain customers that qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. As of December 31, 2023 and 2022, the Company sold receivables of \$1,136 million and \$1,124 million, respectively, related to these arrangements.

The Company has arranged a supplier finance program ("SFP") with a financial intermediary, which provides certain suppliers the option to be paid by the financial intermediary earlier than the due date on the applicable invoice. The transactions are at the sole discretion of both the suppliers and financial institution, and the Company is not a party to the agreements and has no economic interest in the supplier's decision to sell a receivable. The range of payment terms negotiated by the Company with its suppliers is consistent, irrespective of whether a supplier participates in the program. The agreement with the financial intermediary does not require the Company to provide assets pledged as security or other forms of guarantees for the supplier finance program. Amounts due to the Company's suppliers that elected to participate in the SFP program are included in Accounts Payable on the Company's Consolidated Balance Sheets and payments made under the SFP program are reflected in Cash Flows from Operating Activities in the Consolidated Statements of Cash Flows.

The rollforwards of the Company's outstanding obligations confirmed as valid under its SFP for the years ended December 31, 2023, and 2022, are as follows:

<i>In millions</i>	Year Ended December 31,	
	2023	2022
Confirmed Obligations Outstanding at the Beginning of the Year	\$ 34	\$ 26
Invoices Confirmed During the Year	117	127
Confirmed Invoices Paid During the Year	(121)	(119)
Confirmed Obligations Outstanding at the End of the Year	\$ 30	\$ 34

Non-cash additions to Property, Plant and Equipment, Net included within Accounts Payable on the Company's Consolidated Balance Sheets were \$145 million, \$55 million and \$169 million as of December 31, 2023, 2022 and 2021, respectively.

Cash Flows

<i>In millions</i>	Years Ended December 31,	
	2023	2022
Net Cash Provided by Operating Activities	\$ 1,144	\$ 1,090
Net Cash Used in Investing Activities	\$ (1,025)	\$ (435)
Net Cash Used in Financing Activities	\$ (106)	\$ (666)

Net cash provided by operating activities in 2023 totaled \$1,144 million, compared to \$1,090 million in 2022. The favorable increase was mainly due to an increase in income from operations, offset by higher levels of working capital. Pension contributions in 2023 and 2022 were \$15 million and \$24 million, respectively. In the first quarter of 2022, the Company made a \$6 million contribution to its remaining U.S. defined benefit plan by effectively utilizing the excess balance related to its U.S. defined benefit plan terminated in 2020.

Net cash used in investing activities in 2023 totaled \$1,025 million, compared to \$435 million in 2022. The Company completed the acquisition of Tama on January 31, 2023 from Greif Packaging LLC for approximately \$100 million. The Company also completed the acquisition of Bell for approximately \$264 million on September 8, 2023 (including cash acquired of \$3 million). For further discussion of the Company's acquired recycled paperboard manufacturing facility and packaging facilities, see "Note 4 - Business Combinations" in the Notes to the Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data." Capital spending was \$804 million and \$549 million in 2023 and 2022, respectively. The increase in capital spending was driven by the construction of the Company's new recycled paperboard manufacturing facility in Waco, Texas. For more information on the construction of the new recycled paperboard manufacturing facility in Waco, Texas, refer to the Capital Investment section below. Net cash receipts related to the accounts receivable securitization and sale programs were \$139 million and \$119 million in 2023 and 2022, respectively.

Net cash used in financing activities in 2023 totaled \$106 million compared to \$666 million in 2022. Current year financing activities included borrowings under revolving credit facilities primarily for capital spending, repurchase of common stock of \$54 million and payments on debt of \$26 million. The Company also paid dividends of \$123 million and withheld \$22 million of restricted stock units to satisfy tax withholding obligations related to the payout of restricted stock units. During 2022, the Company also made borrowings under revolving credit facilities primarily for capital spending, repurchase of common stock of \$28 million and payments on debt of \$14 million. As further discussed in "Note 5 - Debt" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data," 2022 activities included the redemption of the 4.875% Senior Notes due 2022 of \$250 million. The Company also paid dividends and distributions of \$92 million and withheld \$18 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units.

Supplemental Guarantor Financial Information

As a result of International Paper Company's final exchange in 2021, the Company currently owns 100% of the outstanding interests in GPIIP. GPIIP continued to be treated as a partnership for U.S. federal and state income tax purposes despite IP's exit as a minority partner until September 1, 2022, when, due to an internal restructuring, GPIIP became a single member limited liability company, terminating the partnership for income tax purposes. Therefore, GPIIP is no longer subject to separate SEC filing requirements. As such, the Company has included Supplemental Guarantor disclosures herein that were previously included in the GPIIP SEC filings.

As discussed in "Note 5 - Debt" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data," the Senior Notes issued by GPIIP (the "Issuer") are guaranteed by certain domestic subsidiaries (the "Subsidiary Guarantors"), which consist of all material 100% owned subsidiaries of the issuer other than its foreign subsidiaries, and in certain instances by the Company (a Parent guarantee) (collectively "the Guarantors"). GPIIP's remaining subsidiaries (the "Nonguarantor Subsidiaries") include all of GPIIP's foreign subsidiaries and immaterial domestic subsidiaries. The Subsidiary Guarantors are jointly and severally, fully and unconditionally liable under the guarantees.

The results of operations, assets, and liabilities for GPHC and GPIIP are substantially the same. Therefore, the summarized financial information below is presented on a combined basis, consisting of the Issuer and Subsidiary Guarantors (collectively, the "Obligor Group"), and is presented after the elimination of: (i) intercompany transactions and balances among the Issuer and Subsidiary Guarantors, and (ii) equity in earnings from and investments in the Nonguarantor Subsidiaries.

In millions

Twelve Months Ended December 31, 2023

SUMMARIZED STATEMENTS OF OPERATIONS

Net Sales ^(a)	\$	7,166
Cost of Sales		5,458
Income from Operations		1,032
Net Income		631

^(a) Includes Net Sales to Nonguarantor Subsidiaries of \$520 million.

In millions

December 31, 2023

SUMMARIZED BALANCE SHEET

Current assets (excluding intercompany receivable from Nonguarantor)	\$	1,612
Noncurrent assets		6,463
Intercompany receivables from Nonguarantors		1,300
Current liabilities		2,067
Noncurrent liabilities		5,478

Covenant Restrictions

Covenants contained in the Current Credit Agreement and the Indentures may, among other things, limit the Company's ability to incur additional indebtedness, 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, as well as 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 Current Credit Agreement, the Company must comply with a maximum Consolidated Total Leverage Ratio covenant and a minimum Consolidated Interest Expense Ratio covenant.

The Current Credit Agreement requires that the Company maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At December 31, 2023, the Company was in compliance with such covenant and the ratio was 2.58 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At December 31, 2023, the Company was in compliance with such covenant and the ratio was 7.96 to 1.00.

As of December 31, 2023, 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 investments in 2023 were \$885 million (\$804 million was paid), compared to \$430 million (\$549 million was paid) in 2022. During 2023, the Company had capital spending of \$838 million for adding capacity and improving process capabilities, \$24 million for capital spares and \$23 million for manufacturing packaging machinery. The increase is primarily driven by the ongoing construction of the Company's new recycled paperboard manufacturing facility in Waco, Texas. For further discussion of the Company's new recycled paperboard manufacturing facility and continued investments made as part of the integration of acquisitions, see "Note 18 - Exit Activities" in the Notes to the Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data." In 2022, the capital investments were primarily due to planned asset upgrades at the U.S.-based paperboard manufacturing facilities, including the now completed recycled paperboard machine in Kalamazoo, Michigan.

Interest is capitalized on assets under construction for one year or longer with an estimated spending of \$1 million or more. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Capitalized interest was \$8 million and \$5 million as of December 31, 2023 and 2022, respectively.

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. 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.

For further discussion of the Company's environmental matters, see "Note 14 - Environmental and Legal Matters" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

International Operations

The Company has packaging facilities and one paperboard manufacturing facility in 20 countries outside of the U.S. and sells its products worldwide. For 2023, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 30% of the Company's net sales. The Company's revenues from export sales fluctuate with changes in foreign currency exchange rates. In addition, at December 31, 2023, approximately 27% of the Company's total assets were denominated in currencies other than the U.S. dollar. The Company has significant operations in countries that use the Euro, British pound sterling, Swedish krona, Polish zloty, the Australian dollar, the Canadian dollar, the Mexico peso or the Japanese yen as their functional currencies. The effect of changes in the U.S. dollar exchange rate against these currencies produced a net currency translation adjustment loss of \$65 million, which was recorded in Other Comprehensive (Loss) Income for the year ended December 31, 2023. The magnitude and direction of this adjustment in the future depends on the relationship of the U.S. dollar to other currencies. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results. See "Financial Instruments" below.

Financial Instruments

The Company pursues a currency hedging program which utilizes derivatives to reduce the impact of foreign currency exchange fluctuations on its consolidated financial results. Under this program, the Company has previously entered into forward exchange contracts in the normal course of business to hedge certain foreign currency denominated transactions. Realized and unrealized gains and losses on these forward contracts are included in the measurement of the basis of the related foreign currency transaction when recorded. The Company also pursues a hedging program that utilizes derivatives designed to manage risks associated with future variability in cash flows and price risk related to future energy cost increases. Under this program, the Company has entered into natural gas swap contracts to hedge a portion of its forecasted natural gas usage for 2024. Realized gains and losses on these contracts are included in the financial results concurrently with the recognition of the commodity consumed. In addition, the Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. The Company does not hold or issue financial instruments for trading purposes. See "Item 7A., Quantitative and Qualitative Disclosure About Market Risk."

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Acquisitions

The Company uses the acquisition method of accounting for acquired businesses. Under the acquisition method of accounting, the Company allocated the purchase consideration to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the date of the acquisition. Any excess of the purchase price over the estimated fair values of the identifiable net assets acquired is recorded as goodwill. Any excess of the estimated fair values of the identifiable net assets over the purchase price is recorded as a gain on bargain purchase. The estimates used to determine the fair value of long-lived assets, such as intangible assets, can be complex and require significant judgments. Therefore, we use information available to us to make fair value determinations and often engage independent valuation specialists, when necessary, to assist in the fair value determination of significant, acquired long-lived assets. The determination of fair value requires estimates about discount rates, growth and retention rates, royalty rates, expected future cash flows and other future events that are judgmental in nature. While we use our best estimates and assumptions as a part of the purchase price allocation process, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we are permitted to record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of income. The Company is also required to estimate the useful lives of intangible assets to determine the amount of acquisition-related intangible asset amortization expense to record in future periods. Such useful lives are determined based upon the expected period of future cash flows to be generated by the intangible asset. The Company periodically reviews the estimated useful lives assigned to our intangible assets to determine whether such estimated useful lives continue to be appropriate.

On November 1, 2021, the Company completed its acquisition of AR Packaging (the "AR Transaction"), through the acquisition of all of the shares of AR Packaging for cash of \$1,412 million, net of cash acquired of \$75 million. AR Packaging's results of operations have been included in the Company's financial results since the acquisition date. The Company allocated the fair value of purchase consideration transferred to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the date of the acquisition. The Company identified that the acquired assets included customer relationships, which were assigned a fair value of \$439 million using a discounted cash flow analysis. During the fourth quarter of 2022, the Company finalized acquisition accounting, which resulted in a decrease of \$38 million to customer relationships. Significant assumptions in valuing this asset included the discount rate, annual revenue growth rates, customer attrition rates, projected operating expenses, projected earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins, tax rate, depreciation, contributory asset charge, and future earnings projections among others. The Company believes the estimates applied to be based on reasonable assumptions, but which are inherently uncertain. As a result, actual results may differ from the assumptions and judgments used to determine fair value of the assets acquired, which could result in material impairment losses in the future. Additional information regarding our acquisitions is included in "Note 4 - Business Combinations" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Goodwill

The Company evaluates goodwill for potential impairment annually as of October 1, as well as whenever events or changes in circumstances suggest that the fair value of a reporting unit may no longer exceed its carrying amount. Potential impairment of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the estimated fair value of the reporting unit. As of October 1, 2023, the Company had seven reporting units, five of which had goodwill.

Periodically, the Company may perform a qualitative impairment analysis of goodwill associated with each of its reporting units to determine if it is more likely than not that the carrying value of a reporting unit exceeded its fair value. If the results of the qualitative analysis of any of the reporting units is inconclusive, or if significant changes in the business have occurred since the last quantitative impairment assessment, the Company will perform a quantitative analysis for those reporting units.

As of October 1, 2023, the Company performed a quantitative impairment test. The quantitative analysis involves calculating the fair value of each reporting unit by utilizing a discounted cash flow analysis based on the Company's business plans, discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of earnings before interest, taxes, depreciation and amortization ("EBITDA").

Estimating the fair value of the reporting unit involves uncertainties as it requires management to consider a number of factors, including but not limited to, future operating results, business plans, economic projections of revenues and operating margins, estimated future cash flows, and market data and analysis, including market capitalization. Fair value determinations are sensitive to changes in the factors described above. There are inherent uncertainties related to these factors and judgments used to estimate reporting unit fair value and the related analysis of potential goodwill impairment.

The variability of the assumptions that management uses to perform the goodwill impairment test depends on a number of conditions, including uncertainty about future events and cash flows. Accordingly, the Company's accounting estimates may materially change from period to period due to changing market factors. If the Company had used other assumptions and estimates or if different conditions occur in future periods, future operating results and cash flows could be materially impacted, and judgments and conclusions about the recoverability of goodwill could change. The assumptions used in the goodwill impairment testing process could also be adversely impacted by certain of the risks discussed in "Item 1A., Risk Factors" and thus could result in future goodwill impairment charges.

The Company performed its annual goodwill impairment tests as of October 1, 2023. The Company concluded that all reporting units with goodwill have a fair value that exceeded their carrying value, and thus goodwill was not impaired. The discount rate used for each reporting unit ranged from 8% to 9%, and we utilized a transaction multiple of 8.0 times to calculate terminal period cash flows. The Europe reporting unit had a fair value that exceeded its respective carrying value by 26%, whereas all other reporting units exceeded by more than 90%. If we had concluded that it was appropriate to increase the discount rate we used by 100 basis points to estimate the fair value of our respective reporting units, the fair value of each reporting unit would have continued to exceed its carrying amount. The Europe reporting unit had goodwill totaling \$462 million. The Company does not believe it is likely that there will be material changes in the assumptions or estimates used to calculate the reporting unit fair values.

Recovery of Long-Lived Assets

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

Deferred Income Taxes and Potential Assessments

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

As of December 31, 2023, the Company has a valuation allowance of \$37 million against its net deferred tax assets in certain foreign jurisdictions and against domestic deferred tax assets related to certain federal tax credit carryforwards. As of December 31, 2022, a total valuation allowance of \$57 million was recorded.

As of December 31, 2023, the Company has provided for deferred U.S. income taxes attributable to future withholding tax expense related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. In addition, the Company provided deferred income taxes for future Canadian withholding tax to the extent of excess cash available for distribution after consideration of working capital needs and other debt settlement of its Canadian subsidiary, Graphic Packaging International Canada, ULC. The Company continues to assert that it is permanently reinvested in the cumulative earnings of its Canadian subsidiary in excess of the amount of cash that is on hand and available for distribution after consideration of working capital needs and other debt settlement. The Company determined that no deferred tax liability should be recorded related to the outside basis difference of its Canadian subsidiary as of December 31, 2023.

The Company has not provided for deferred U.S. income taxes on outside basis differences of approximately \$92 million in its other international subsidiaries because of the Company's intention to indefinitely reinvest its earnings outside the U.S. The determination of the amount of the unrecognized deferred income tax liability (primarily withholding tax in certain jurisdictions) on the unremitted earnings or any other associated outside basis differences is not practicable because of the complexities associated with the calculation.

The Company has elected to recognize global intangible low-taxed income ("GILTI") as a period cost as incurred, therefore there are no deferred taxes recognized for basis differences that are expected to impact the amount of the GILTI inclusion upon reversal.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see " *Note 1 - Nature of Business and Summary of Significant Accounting Policies*" in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

BUSINESS OUTLOOK

Total capital investment for 2024 is expected to be approximately \$950 million.

The Company also expects the following in 2024:

- Depreciation and amortization expense between \$590 million and \$610 million.
- Pension plan contributions between \$10 million and \$20 million.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

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

Interest Rates

The Company is exposed to changes in interest rates, primarily as a result of its short-term and long-term debt, which include both fixed and floating rate debt. The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facilities. At December 31, 2023, the Company had active interest rate swap agreements with a notional amount of \$750 million expiring in April 2024.

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

	Long-Term Debt Principal Amount by Maturity-Average Interest Rate							
	Expected Maturity Date							
<i>In millions</i>	2024	2025	2026	2027	2028	Thereafter	Total	Fair Value
Total Debt								
Fixed Rate	\$719	\$27	\$960	\$300	\$1,125	\$1,071	\$ 4,202	\$ 4,036
Average Interest Rate	2.34%	7.60%	4.05%	4.75%	3.87%	3.33%		
Variable Rate	\$20	\$16	\$978	\$—	\$—	\$1	\$ 1,015	\$ 1,003
	SOFR+Spread	SOFR+Spread	SOFR+Spread	SOFR+Spread	SOFR+Spread	SOFR+ Spread		

Net Investment Hedge

On October 29, 2021 and November 19, 2021, the Company drew the full amount of the €210 million delayed draw term loan facility and completed a private offering of €290 million aggregate principal amount of the 2.625% senior unsecured notes due 2029, respectively. The Company designated this Euro-denominated debt as a non-derivative net investment hedge of a portion of our net investment in Euro functional currency denominated subsidiaries to offset currency fluctuations.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all receivables resulting from transactions denominated in foreign currencies. The purpose of these forward exchange contracts is to protect the Company from the risk that the eventual functional currency cash flows resulting from the collection of these receivables will be adversely affected by changes in exchange rates. At December 31, 2023, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those forward currency exchange contracts outstanding at December 31, 2023, when aggregated and measured in U.S. dollars at December 31, 2023 contractual rates, had net notional amounts totaling \$131 million. The Company continuously monitors these forward exchange contracts and adjusts accordingly to minimize the exposure.

Deal Contingent Hedge

On May 14, 2021, in connection with the AR Packaging acquisition, the Company entered into deal contingent foreign exchange forward contracts, with no upfront cash cost, to hedge €700 million of the acquisition price. These forward contracts settled October 29, 2021, immediately prior to the acquisition of AR Packaging and are accounted for as derivatives under ASC 815, Derivatives and Hedging. Realized losses of \$48 million for the year ended December 31, 2021 resulting from these contracts are recognized in Business Combinations, Exit Activities and Other Special Charges, Net in the Consolidated Statements of Operations. For more information, see "Note 1 - General Information" of the Company's 2021 Annual Report on Form 10-K for the year ended December 31, 2021.

Natural Gas Contracts

The Company has hedged a portion of its expected natural gas usage for 2024. The carrying value and fair value of the natural gas swap contracts is a net liability of \$7 million as of December 31, 2023. Such contracts are designated as cash flow hedges and are accounted for by deferring the quarterly change in fair value of the outstanding contracts in Accumulated Other Comprehensive Loss in Shareholders' Equity. The resulting gain or loss is reclassified into Cost of Sales concurrently with the recognition of the commodity consumed.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2023	2022	2021
<i>In millions, except per share amounts</i>			
Net Sales	\$ 9,428	\$ 9,440	\$ 7,156
Cost of Sales	7,311	7,610	6,085
Selling, General and Administrative	805	774	528
Other Expense (Income), Net	64	19	(2)
Business Combinations, Exit Activities and Other Special Charges, Net	74	131	138
Income from Operations	1,174	906	407
Nonoperating Pension and Postretirement Benefit (Expense) Income	(3)	7	5
Interest Expense, Net	(239)	(197)	(123)
Income before Income Taxes and Equity Income of Unconsolidated Entity	932	716	289
Income Tax Expense	(210)	(194)	(74)
Income before Equity Income of Unconsolidated Entity	722	522	215
Equity Income of Unconsolidated Entity	1	—	1
Net Income	\$ 723	\$ 522	\$ 216
Net Income Attributable to Noncontrolling Interest	—	—	(12)
Net Income Attributable to Graphic Packaging Holding Company	\$ 723	\$ 522	\$ 204
Net Income Per Share Attributable to Graphic Packaging Holding Company — Basic	\$ 2.35	\$ 1.69	\$ 0.69
Net Income Per Share Attributable to Graphic Packaging Holding Company — Diluted	\$ 2.34	\$ 1.69	\$ 0.68

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

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year Ended December 31,
2023

<i>In millions</i>	Graphic Packaging Holding Company	Noncontrolling Interest	Total
Net Income	\$ 723	\$ —	\$ 723
Other Comprehensive Income (Loss), Net of Tax			
Derivative Instruments	3	—	3
Pension and Postretirement Benefit Plans	(4)	—	(4)
Currency Translation Adjustment	65	—	65
Total Other Comprehensive Income, Net of Tax	64	—	64
Total Comprehensive Income	\$ 787	\$ —	\$ 787

Year Ended December 31,
2022

Net Income	\$ 522	\$ —	\$ 522
Other Comprehensive Income (Loss), Net of Tax:			
Derivative Instruments	4	—	4
Pension and Postretirement Benefit Plans	(9)	—	(9)
Currency Translation Adjustment	(148)	(1)	(149)
Total Other Comprehensive Loss, Net of Tax	(153)	(1)	(154)
Total Comprehensive Income (Loss)	\$ 369	\$ (1)	\$ 368

Year Ended December 31,
2021

Net Income	\$ 204	\$ 12	\$ 216
Other Comprehensive Income (Loss), Net of Tax:			
Derivative Instruments	5	1	6
Pension and Postretirement Benefit Plans	45	—	45
Currency Translation Adjustment	(28)	—	(28)
Total Other Comprehensive Income, Net of Tax	22	1	23
Total Comprehensive Income	\$ 226	\$ 13	\$ 239

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

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2023	2022
<i>In millions, except share and per share amounts</i>		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 162	\$ 150
Receivables, Net	835	879
Inventories, Net	1,754	1,606
Other Current Assets	94	71
Total Current Assets	2,845	2,706
Property, Plant and Equipment, Net	4,992	4,579
Goodwill	2,103	1,979
Intangible Assets, Net	820	717
Other Assets	415	347
Total Assets	\$ 11,175	\$ 10,328
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	\$ 764	\$ 53
Accounts Payable	1,094	1,123
Compensation and Employee Benefits	273	295
Interest Payable	63	51
Other Accrued Liabilities	395	411
Total Current Liabilities	2,589	1,933
Long-Term Debt	4,609	5,200
Deferred Income Tax Liabilities	731	668
Accrued Pension and Postretirement Benefits	104	111
Other Noncurrent Liabilities	360	266
Commitments (Note 13)		
SHAREHOLDERS' EQUITY		
Preferred Stock, par value \$.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	—	—
Common Stock, par value \$.01 per share; 1,000,000,000 shares authorized; 306,058,815 and 307,116,089 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	3	3
Capital in Excess of Par Value	2,062	2,054
Retained Earnings	1,029	469
Accumulated Other Comprehensive Loss	(313)	(377)
Total Graphic Packaging Holding Company Shareholders' Equity	2,781	2,149
Noncontrolling Interest	1	1
Total Equity	2,782	2,150
Total Liabilities and Shareholders' Equity	\$ 11,175	\$ 10,328

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

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock		(Accumulated	Accumulated Other			
			Capital in Excess of	Deficit) Retained	Comprehensive	Noncontrolling	
<i>In millions, except share amounts</i>	Shares	Amount	Par Value	Earnings	(Loss) Income	Interests	Total Equity
Balances at December 31, 2020	267,726,373	\$ 3	\$ 1,715	\$ (48)	\$ (246)	\$ 416	\$ 1,840
Net Income	—	—	—	204	—	12	216
Distribution of Membership Interest	—	—	—	—	—	(6)	(6)
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	5	1	6
Pension and Postretirement Benefit Plans	—	—	—	—	45	—	45
Currency Translation Adjustment	—	—	—	—	(28)	—	(28)
Redemption of IP's Ownership Interest	38,080,072	—	319	—	—	(423)	(104)
Dividends Declared	—	—	—	(90)	—	—	(90)
Investment in Subsidiaries	—	—	—	—	—	2	2
Recognition of Stock-Based Compensation	—	—	12	—	—	—	12
Issuance of Shares for Stock-Based Awards	1,297,106	—	—	—	—	—	—
Balances at December 31, 2021	307,103,551	\$ 3	\$ 2,046	\$ 66	\$ (224)	\$ 2	\$ 1,893
Net Income	—	—	—	522	—	—	522
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	4	—	4
Pension and Postretirement Benefit Plans	—	—	—	—	(9)	—	(9)
Currency Translation Adjustment	—	—	—	—	(148)	(1)	(149)
Repurchase of Common Stock	(1,315,839)	—	(8)	(20)	—	—	(28)
Dividends Declared	—	—	—	(99)	—	—	(99)
Recognition of Stock-Based Compensation	—	—	16	—	—	—	16
Issuance of Shares for Stock-Based Awards	1,328,377	—	—	—	—	—	—
Balances at December 31, 2022	307,116,089	\$ 3	\$ 2,054	\$ 469	\$ (377)	\$ 1	\$ 2,150
Net Income	—	—	—	723	—	—	723
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	3	—	3
Pension and Postretirement Benefit Plans	—	—	—	—	(4)	—	(4)
Currency Translation Adjustment	—	—	—	—	65	—	65
Repurchase of Common Stock	(2,389,224)	—	(14)	(40)	—	—	(54)
Dividends Declared	—	—	—	(123)	—	—	(123)
Recognition of Stock-Based Compensation	—	—	22	—	—	—	22
Issuance of Shares for Stock-Based Awards	1,331,950	—	—	—	—	—	—
Balances at December 31, 2023	306,058,815	\$ 3	\$ 2,062	\$ 1,029	\$ (313)	\$ 1	\$ 2,782

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

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In millions</i>	Year Ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 723	\$ 522	\$ 216
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	619	553	489
Amortization of Deferred Debt Issuance Costs	6	9	9
Deferred Income Taxes	22	131	55
Amount of Postretirement Expense Less Than Funding	(5)	(18)	(24)
Asset Impairment Charges	29	96	—
Other, Net	58	15	93
Changes in Operating Assets and Liabilities, Net of Acquisitions (See Note 4)	(308)	(218)	(229)
Net Cash Provided by Operating Activities	1,144	1,090	609
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Spending	(781)	(522)	(775)
Packaging Machinery Spending	(23)	(27)	(27)
Acquisition of Businesses, Net of Cash Acquired	(361)	—	(1,704)
Beneficial Interest on Sold Receivables	184	125	130
Beneficial Interest Obtained in Exchange for Proceeds	(45)	(6)	(11)
Other, Net	1	(5)	(5)
Net Cash Used in Investing Activities	(1,025)	(435)	(2,392)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repurchase of Common Stock	(54)	(28)	—
Payments on Debt	(26)	(14)	(16)
Proceeds from Issuance of Debt	—	—	2,965
Retirement of Long-Term Debt	—	(250)	(1,626)
Redemption of Noncontrolling Interest	—	—	(150)
Borrowings under Revolving Credit Facilities	4,449	3,929	4,485
Payments on Revolving Credit Facilities	(4,314)	(4,195)	(3,649)
IP Tax Receivable Agreement Payment	—	—	(109)
Debt Issuance Costs	—	—	(27)
Repurchase of Common Stock related to Share-Based Payments	(22)	(18)	(15)
Dividends paid to shareholders and Distributions paid to GPIP Partner	(123)	(92)	(92)
Other, Net	(16)	2	12
Net Cash (Used in) Provided by Financing Activities	(106)	(666)	1,778
Increase (Decrease) in cash and cash equivalents, including cash classified within assets held for sale	13	(11)	(5)
Less Cash reclassified to Assets Held for Sale	—	5	—
Effect of Exchange Rate Changes on Cash	(1)	(6)	(2)
Net Increase (Decrease) in Cash and Cash Equivalents	12	(22)	(7)
Cash and Cash Equivalents at Beginning of Year	150	172	179
Cash and Cash Equivalents at End of Year	\$ 162	\$ 150	\$ 172
Non-cash Investing Activities:			
Beneficial Interest Obtained in Exchange for Trade Receivables	\$ 141	\$ 118	\$ 121
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 70	\$ 52	\$ 118
Non-cash Financing Activities:			
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ —	\$ 42	\$ 11
Non-cash Exchange of Stock Issuance for Redemption of Noncontrolling Interest	\$ —	\$ —	\$ (652)

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

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Business

Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company") is committed to providing consumer packaging that makes a world of difference. The Company, a leading sustainable consumer packaging provider, operates on a global basis, is one of the largest producers of cartons and containers for the packaging of consumer goods and paperboard-based foodservice packaging solutions in the United States ("U.S.") and Europe, and holds leading market positions in paperboard used to produce consumer packaging solutions, including recycled, unbleached and bleached paperboard.

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 innovative paperboard packaging solutions preferred by consumers. The Company delivers marketing and performance benefits to its customers through its global packaging network, its proprietary carton and packaging designs, and its commitment to quality, service, and environmental stewardship.

Basis of Presentation and Principles of Consolidation

The Company's Consolidated Financial Statements include all subsidiaries in which the Company has the ability to exercise direct or indirect control over operating and financial policies. Intercompany transactions and balances are eliminated in consolidation.

The Company is a party to a Japanese joint venture, Rengo Riverwood Packaging, Ltd. in which it holds a 50 % ownership interest that is accounted for using the equity method.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, pension benefits, retained insurable risks, slow-moving and obsolete inventory, allowance for doubtful accounts, useful lives for depreciation and amortization, impairment testing of goodwill and long-lived assets, fair values related to acquisition accounting, fair value of derivative financial instruments, share based compensation, deferred income tax assets and potential income tax assessments, and loss contingencies.

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits and other marketable securities that are highly liquid with maturities of three months or less.

Accounts Receivable and Allowances

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

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

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 included in Other Expense (Income), Net in the Consolidated Statements of Operations. The following table summarizes the activity under these programs for the year ended December 31, 2023 and 2022, respectively:

<i>In millions</i>	Year Ended December 31,	
	2023	2022
Receivables Sold and Derecognized	\$ 3,696	\$ 3,299
Proceeds Collected on Behalf of Financial Institutions	3,646	3,179
Net Proceeds Received from Financial Institutions	28	152
Deferred Purchase Price at December 31 ^(a)	1	—
Pledged Receivables at December 31	150	197

^(a) Included in Other Current Assets on the Consolidated Balance Sheets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, were \$ 770 million and \$ 753 million as of December 31, 2023 and 2022, respectively.

The Company also participates in supply chain financing arrangements offered by certain customers that qualify for sale accounting in accordance with the Transfers and Servicing topic of the FASB Codification. As of December 31, 2023 and 2022, the Company sold receivables of \$ 1,136 million and \$ 1,124 million, respectively, related to these arrangements.

Accounts Payable and Supplier Finance Program

The Company has arranged a supplier finance program ("SFP") with a financial intermediary, which provides certain suppliers the option to be paid by the financial intermediary earlier than the due date on the applicable invoice. The transactions are at the sole discretion of both the suppliers and financial institution, and GPHC is not a party to the agreements and has no economic interest in the supplier's decision to sell a receivable. The range of payment terms negotiated by the Company with its suppliers is consistent, irrespective of whether a supplier participates in the program. The agreement with the financial intermediary does not require GPHC to provide assets pledged as security or other forms of guarantees for the supplier finance program. Amounts due to the Company's suppliers that elected to participate in the SFP program are included in Accounts Payable on the Consolidated Balance Sheets and payments made under the SFP program are reflected in Cash Flows from Operating Activities in the Consolidated Statements of Cash Flows.

The rollforward of the Company's outstanding obligations confirmed as valid under its supplier finance program for the years ended December 31, 2023 and 2022 are as follows:

<i>In millions</i>	Year Ended December 31,	
	2023	2022
Confirmed Obligations Outstanding at the Beginning of the Year	\$ 34	\$ 26
Invoices Confirmed During the Year	117	127
Confirmed Invoices Paid During the Year	(121)	(119)
Confirmed Obligations Outstanding at the End of the Year	\$ 30	\$ 34

Non-cash additions to Property, Plant and Equipment, Net included within Accounts Payable on the Consolidated Balance Sheets were \$ 145 million, \$ 55 million, and \$ 169 million as of December 31, 2023, 2022 and 2021, respectively.

Concentration of Credit Risk

The Company's cash, cash equivalents, and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with financial institutions that management believes are of high credit quality. Accounts receivable are derived from revenue earned from customers located in the U.S. and internationally and generally do not require collateral. For the years ended December 31, 2023, 2022, and 2021, no customer accounted for more than 10% of net sales.

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

Inventories

Inventories are stated at the lower of cost and net realizable value with cost determined based on standard (which approximates actual), average or actual cost. Work in progress and finished goods inventories are valued at the cost of raw material consumed plus direct manufacturing costs (such as labor, utilities and supplies) as incurred and an applicable portion of manufacturing overhead. Inventories are stated net of an allowance for slow-moving and obsolete inventory.

Property, Plant and Equipment

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

Interest is capitalized on assets under construction for one year or longer with an estimated spending of \$ 1 million or more. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Capitalized interest was \$ 8 million, \$ 5 million and \$ 14 million for the years ended December 31, 2023, 2022 and 2021, respectively.

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

Depreciation and Amortization

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

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

Depreciation expense, including the depreciation expense of assets under finance leases, for 2023, 2022 and 2021 was \$ 528 million, \$ 463 million and \$ 420 million, respectively.

Intangible Assets

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

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

Goodwill is the Company's only intangible asset not subject to amortization. The following table displays the intangible assets that continue to be subject to amortization and accumulated amortization expense as of December 31, 2023 and 2022:

	December 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>In millions</i>						
Amortizable Intangible Assets:						
Customer Relationships ^(a)	\$ 1,574	\$ (796)	\$ 778	\$ 1,382	\$ (706)	\$ 676
Non-Compete Agreements ^(a)	3	—	3	—	—	—
Patents, Trademarks, Licenses, Leases and Developed Technology	157	(118)	39	152	(111)	41
Total	\$ 1,734	\$ (914)	\$ 820	\$ 1,534	\$ (817)	\$ 717

^(a) Please see "Note 4 - Business Combinations" for the intangibles acquired with the Tama Paperboard, LLC ("Tama") and Bell Incorporated ("Bell") acquisitions.

The Company recorded amortization expense for the years ended December 31, 2023, 2022 and 2021 of \$91 million, \$90 million and \$69 million, respectively. The Company expects amortization expense for the next five consecutive years to be approximately as follows: \$89 million, \$64 million, \$59 million, \$57 million, and \$56 million.

Goodwill

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

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

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

Periodically, the Company may perform a qualitative impairment analysis of goodwill associated with each of its reporting units to determine if it is more likely than not that the carrying value of a reporting unit exceeded its fair value. However, the Company performed a quantitative impairment test as of October 1, 2023, and concluded goodwill was not impaired for any of its reporting units.

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

The following is a rollforward of goodwill by reportable segment:

In millions	Americas Paperboard		Europe Paperboard		Corporate/Other ^(a)	Total		
	Paperboard Manufacturing	Packaging	Packaging					
Balance at December 31, 2021	\$	506	\$	968	\$	13	\$	2,015
Acquisition of Businesses		—		10		11		21
Impairment of Russian Business ^(b)		—		—		(12)		(12)
Foreign Currency Effects		—		2		(46)		(45)
Balance at December 31, 2022	\$	506	\$	980	\$	481	\$	1,979
Acquisition of Businesses ^(c)		59		42		—		101
Foreign Currency Effects		—		6		18		23
Balance at December 31, 2023	\$	565	\$	1,028	\$	499	\$	2,103

^(a) Includes Australia operating segment.

^(b) Relates to the Company's divestiture of its Russian business. Please see "Note 19 - Impairment and Divestiture of Russian Business" for more information.

^(c) Represents goodwill related to the Tama and Bell acquisitions.

Retained Insurable Risks

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

Asset Retirement Obligations

Asset retirement obligations are accounted for in accordance with the provisions of the *Asset Retirement and Environmental Obligations* topic of the FASB Codification. A liability and asset are recorded equal to the present value of the estimated costs associated with the retirement of long-lived assets where a legal or contractual obligation exists and the liability can be reasonably estimated. The liability is accreted over time and the asset is depreciated over the remaining life of the asset. Upon settlement of the liability, the Company will recognize a gain or loss for any difference between the settlement amount and the liability recorded. Asset retirement obligations with indeterminate settlement dates are not recorded until such time that a reasonable estimate may be made. The Company's asset retirement obligations consist primarily of landfill closure and post-closure costs at certain of our paperboard manufacturing facilities. At December 31, 2023 and 2022, the Company had liabilities of \$ 14 million and \$ 13 million, respectively. The liabilities are primarily reflected as Other Noncurrent Liabilities on the Consolidated Balance Sheets.

International Currency

The functional currency of the international subsidiaries is usually the local currency for the country in which the subsidiaries own their primary assets. The translation of the applicable currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average exchange rate during the period. Any related translation adjustments are recorded directly to a separate component of Shareholders' Equity, unless there is a sale or substantially complete liquidation of the underlying foreign investments. Gains and losses on foreign currency transactions are included in Other Expense (Income) in the Consolidated Statements of Operations, Net for the period in which the exchange rate changes.

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

Revenue Recognition

The Company has two primary activities, manufacturing and the converting of paperboard for and into consumer packaging made from renewable resources, from which it generates revenue from contracts with customers. Revenue is disaggregated primarily by geography and type of activity as further explained in "Note 15 - Business Segment and Geographic Area Information." 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.

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

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 years ended December 31, 2023, 2022 and 2021, the Company recognized \$ 9,383 million, \$ 9,410 million and \$ 7,131 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 standard 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 December 31, 2023 and 2022, contract assets were \$ 28 million and \$ 8 million, respectively. The Company's contract liabilities consist principally of rebates, and as of December 31, 2023 and 2022 were \$ 60 million and \$ 65 million, respectively.

Shipping and Handling

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

Research and Development

Research and development costs, which relate primarily to the development and design of new packaging machines and products and are recorded as a component of Selling, General and Administrative expenses, are expensed as incurred. Expenses for the years ended December 31, 2023, 2022 and 2021 were \$ 16 million, \$ 14 million, and \$ 10 million, respectively.

Business Combinations, Exit Activities and Other Special Charges, Net

The following table summarizes the transactions recorded in Business Combinations, Exit Activities and Other Special Charges, Net in the Consolidated Statements of Operations for the year ended December 31:

<i>In millions</i>	2023	2022	2021
Charges Associated with Business Combinations ^(a)	\$ 4	\$ 23	\$ 84
Exit Activities ^(b)	47	10	21
Charges Associated with a Divestiture ^(c)	14	96	—
Other Special Charges ^(d)	9	2	33
Total	\$ 74	\$ 131	\$ 138

^(a) These costs relate to the Americraft Carton, Inc. ("Americraft"), AR Packaging Group AB ("AR Packaging"), Tama, and the Bell acquisitions (see " Note 4 - Business Combinations").

^(b) Relates to the Company's closures of its three smaller recycled paperboard manufacturing facilities (which includes Tama), the closures of multiple packaging facilities, and the discontinuation of the Texarkana swing capacity project (see "Note 18 - Exit Activities").

^(c) Relates to the sale of the Company's Russian operations (see " Note 19 - Impairment and Divestiture of Russian Business").

^(d) These costs include \$ 9 million related to the devaluation of the Nigerian Naira in 2023.

2023

On January 31, 2023, the Company completed the acquisition of Tama, a recycled paperboard manufacturing facility located in Tama, Iowa. The costs associated with this acquisition were less than \$ 1 million and are included in Charges Associated with Business Combinations in the table above. For more information, see "Note 4 - Business Combinations". Subsequently, in the second quarter of 2023, the Company closed this facility. Charges associated with this project are included in Exit Activities in the table above. For more information, see "Note 18 - Exit Activities".

On February 7, 2023, the Company announced an approximately \$ 1 billion investment in a new recycled paperboard manufacturing facility in Waco, Texas. In conjunction with the completion of this project, the Company expects to close two additional smaller recycled paperboard manufacturing facilities in order to strategically expand capacity while lowering costs. Charges associated with these closures are included in Exit Activities in the table above. For more information, see "Note 18 - Exit Activities".

During 2023, the Company decided to close multiple packaging facilities by the end of 2023 and early 2024. Production from these facilities will be consolidated into our existing packaging network. Charges associated with this project are included in Exit Activities in the table above. For more information, see "Note 18 - Exit Activities".

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

On September 8, 2023, the Company completed the acquisition of Bell, an independent packaging company for \$ 264 million, subject to customary working capital adjustments. The acquisition included three packaging facilities located in South Dakota and Ohio and is reported within the Americas Paperboard Packaging reportable segment. Charges Associated with this acquisition are included in Charges Associated with Business Combinations in the table above. For more information, see *"Note 4 - Business Combinations"*.

During the third quarter of 2023, the Company decided to discontinue its previously announced project in Texarkana to modify an existing paperboard machine to add swing capacity between bleached and unbleached paperboard in order to focus growth investments in the strategic expansion of coated recycled paperboard capacity. Through December 31, 2023, the Company incurred charges of \$ 16 million related to the write-off of assets, which were primarily engineering, permitting, and consulting costs for this project. Charges associated with this project are included in Exit Activities in the table above. For more information, see *"Note 18 - Exit Activities"*.

During the third quarter of 2023, the Company decided to permanently decommission the K3 recycled paperboard machine in Kalamazoo, Michigan as part of its recycled paperboard network optimization plan that the Company initiated in 2019. As of December 31, 2023, the Company incurred charges of \$ 20 million related to the write-off of inventory and accelerated depreciation for the assets included in Costs of Sales in the Company's Consolidated Statements of Operations. The Company expects to incur additional charges of \$ 5 million to \$ 10 million as it relates to the dismantling of the K3 recycled paperboard machine through 2024.

During the second quarter of 2022, the Company began the process of divesting its interest in its two packaging facilities in Russia (the "Russian Operations"). The assets and liabilities to be disposed of in connection with this transaction met the held for sale criteria as of June 30, 2022 and each subsequent quarter end through the date of sale. On November 30, 2023, the Company completed the sale of its Russian Operations. Impairment charges associated with this divestiture are included in Charges Associated with a Divestiture in the table above. For more information, see *"Note 19 - Impairment and Divestiture of Russian Business"*.

2022

In March 2022, the Company announced its decision to close the Norwalk, Ohio, packaging facility and closed the facility in September 2022. Charges associated with this project are included in Exit Activities in the table above. For more information, see *"Note 18 - Exit Activities"*.

2021

During 2019, the Company announced its plans to invest in a new recycled paperboard machine in Kalamazoo, Michigan. At the time of the announcement, the Company expected to close two of its smaller recycled paperboard manufacturing facilities in 2022 in order to remain capacity neutral. During the third quarter of 2021, the Company decided to continue to operate one of the two original smaller recycled paperboard manufacturing facilities. In the second quarter 2022, the Company closed the Battle Creek, Michigan recycled paperboard manufacturing facility. Severance, retention, start-up costs, and other charges associated with this project are included in Exit Activities in the table above. For more information, see *"Note 18 - Exit Activities."*

On May 14, 2021, in connection with the AR Packaging acquisition, the Company entered into deal contingent foreign exchange forward contracts, with no upfront cash cost, to hedge € 700 million of the acquisition price. These forward contracts settled October 29, 2021, immediately prior to the acquisition of AR Packaging and are accounted for as derivatives under ASC 815, Derivatives and Hedging. Unrealized losses of \$ 48 million for the year ended December 31, 2021 resulting from these contracts are recognized in Charges Associated with Business Combinations in the table above. For more information, see *"Note 10 - Financial Instruments, Derivatives and Hedging Activities."*

On July 1, 2021, the Company acquired substantially all the assets of Americraft, the largest independent operator of packaging facilities in North America for \$ 292 million. The acquisition included seven packaging facilities across the United States and is reported within the Americas Paperboard Packaging reportable segment. Charges associated with this acquisition are included in Charges Associated with Business Combinations in the table above. For more information, see *"Note 4 - Business Combinations"*.

On November 1, 2021, the Company acquired all the shares of AR Packaging, Europe's second largest producer of paperboard consumer packaging, for \$ 1,412 million in cash, net of cash acquired of \$ 75 million. The acquisition included 30 packaging facilities in 13 countries and is reported within the Europe Paperboard Packaging reportable segment. The costs associated with this acquisition are included in Charges Associated with Business Combinations in the table above. For more information, see *"Note 4 - Business Combinations"*.

Share Repurchases and Dividends

On July 27, 2023, 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 "2023 share repurchase program"). The previous \$ 500 million share repurchase program was authorized January 28, 2019 (the "2019 share repurchase program").

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

Share repurchases are reflected as a reduction of common stock for the par value of the shares, with any excess of share repurchase price over par value allocated between capital in excess of par value and retained earnings.

The following presents the Company's share repurchases for the years ended December 31, 2023, 2022, and 2021:

<i>Amount repurchased in millions, except share and per share amounts</i>	Amount Repurchased	Number of Shares Repurchased	Average Price, per Share
2023	\$ 54	2,389,224	\$ 22.80
2022	\$ 28	1,315,839	\$ 20.91
2021	\$ —	—	\$ —

At December 31, 2023, the Company had \$ 565 million available for additional repurchases under the 2023 and 2019 share repurchase programs.

During 2023, 2022 and 2021, GPHC paid cash dividends of \$ 123 million, \$ 92 million and \$ 87 million, respectively. Though the decision to distribute cash dividends rests solely with the Board of Directors, the Company presently intends to maintain a quarterly cash dividend, subject to earnings and liquidity considerations.

Adoption of New Accounting Standards

In September 2022, the FASB issued ASU 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which is intended to enhance the transparency of supplier finance programs and requires buyers in a supplier finance program to disclose sufficient information about the program to allow a user of the financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The Company adopted this standard in the first quarter of fiscal 2023 and did not result in any changes in accounting principle upon transition. The adoption of this accounting standard did not have an impact on the Company's financial position, results of operations and cash flows.

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Acquired Contract Assets and Contract Liabilities*. Under the new guidance, the acquirer should determine what contract assets and/or contract liabilities it would have recorded under ASC 606 as of the acquisition date, as if the acquirer had entered into the original contract at the same date and on the same terms as the acquiree. The recognition and measurement of those contract assets and contract liabilities will likely be comparable to what the acquiree has recorded on its books under ASC 606 as of the acquisition date. The Company adopted this standard in the first quarter of fiscal 2023 with no material impact on the Company's financial position and results of operations.

Accounting Standards Not Yet Adopted

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. This ASU clarifies that contractual sale restrictions should not be considered in measuring the fair value of equity securities. This ASU is effective for fiscal years beginning after December 15, 2023, including interim periods therein, with early adoption permitted. The Company will continue evaluating the impact of this ASU on its disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company will continue evaluating the impact of this ASU on its disclosures.

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

NOTE 2. SUPPLEMENTAL BALANCE SHEET DATA

The following tables provide disclosure related to the components of certain line items included on the Consolidated Balance Sheets.

Receivables, Net:

<i>In millions</i>	2023	2022
Trade	\$ 739	\$ 825
Less: Allowance	(23)	(21)
	716	804
Other	119	75
Total	\$ 835	\$ 879

Inventories, Net by major class:

<i>In millions</i>	2023	2022
Finished Goods	\$ 602	\$ 515
Work in Progress	201	218
Raw Materials	684	645
Supplies	267	228
Total	\$ 1,754	\$ 1,606

Property, Plant and Equipment, Net:

<i>In millions</i>	2023	2022
Property, Plant and Equipment, at Cost:		
Land and Improvements	\$ 195	\$ 187
Buildings ^(a)	1,122	1,067
Machinery and Equipment ^(b)	7,686	7,383
Construction-in-Progress	657	234
	9,660	8,871
Less: Accumulated Depreciation ^{(a)(b)}	(4,668)	(4,292)
Total	\$ 4,992	\$ 4,579

^(a) Includes gross assets under finance lease of \$ 146 million and related accumulated depreciation of \$ 31 million as of December 31, 2023, and gross assets under finance lease of \$ 146 million and related accumulated depreciation of \$ 22 million as of December 31, 2022.

^(b) Includes gross assets under finance lease of \$ 51 million and related accumulated depreciation of \$ 21 million as of December 31, 2023, and gross assets under finance lease of \$ 51 million and related accumulated depreciation of \$ 16 million as of December 31, 2022.

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

Other Accrued Liabilities:

<i>In millions</i>	2023	2022
Operating Lease Liabilities, current portion	\$ 62	\$ 66
Accrued Payables	61	66
Other Accrued Taxes	49	51
Accrued Customer Rebates	48	44
Dividends Payable	31	31
Deferred Revenue	30	32
Income Tax Payable	15	7
Fair Value of Derivatives, current portion	13	12
Accrued Severance	6	3
Unfavorable Supply Agreement	2	2
Other ^(a)	78	97
Total	\$ 395	\$ 411

^(a) Other accrued expenses include several types of expenses such as accrued bonus, external outside services and production costs.

Other Noncurrent Liabilities:

<i>In millions</i>	2023	2022
Operating Lease Liabilities, noncurrent portion	\$ 189	\$ 184
FIN48 Liabilities	38	4
Deferred Compensation	30	19
Multi-Employer Plans	17	18
Workers Compensation Reserve	8	8
Deferred Revenue	8	8
Unfavorable Supply Agreement	2	3
Other	68	22
Total	\$ 360	\$ 266

NOTE 3. SUPPLEMENTAL CASH FLOW INFORMATION

Cash Flow (Used In) Provided by Operations Due to Changes in Operating Assets and Liabilities, net of acquisitions:

<i>In millions</i>	2023	2022	2021
Receivables, Net	\$ (39)	\$ (184)	\$ (106)
Inventories, Net	(117)	(268)	(80)
Other Current Assets	(15)	2	(12)
Other Assets	(19)	(1)	(22)
Accounts Payable	(140)	132	77
Compensation and Employee Benefits	(25)	87	(15)
Income Taxes	7	(2)	(6)
Interest Payable	12	16	4
Other Accrued Liabilities	(22)	(11)	3
Other Noncurrent Liabilities	50	11	(72)
Total	\$ (308)	\$ (218)	\$ (229)

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

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

<i>In millions</i>	2023	2022	2021
Interest	\$ 221	\$ 176	\$ 116
Income Taxes	\$ 157	\$ 43	\$ 25

NOTE 4. BUSINESS COMBINATIONS

The Company accounts for acquisitions as business combinations using the acquisition method of accounting in accordance with ASC 805, Business Combinations ("ASC 805").

Bell Incorporated

On September 8, 2023, the Company completed the acquisition of Bell, adding three packaging facilities in Sioux Falls, South Dakota and Groveport, Ohio for \$ 264 million, subject to customary working capital adjustments, using existing cash and borrowings under its revolving credit facility. The acquisition is reported within the Americas Paperboard Packaging reportable segment.

The preliminary purchase price allocation as of December 31, 2023 is as follows:

<i>In millions</i>	Amounts Recognized as of Acquisition Date (as adjusted)
Purchase Price	\$ 264
Cash & Cash Equivalents	3
Receivables, Net	19
Inventories, Net	17
Property, Plant and Equipment	30
Intangible Assets ^(a)	161
Other Assets	15
Total Assets Acquired	245
Current Liabilities	11
Other Noncurrent Liabilities	12
Total Liabilities Assumed	23
Net Assets Acquired	222
Goodwill	42
Purchase Consideration Transferred	\$ 264

^(a) Intangible Assets primarily consists of Customer Relationships with a weighted average life of approximately 15 years.

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 further adjustments in subsequent periods. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, which is expected to be deductible for tax purposes.

Tama Paperboard, LLC

On January 31, 2023, the Company completed the acquisition of Tama, a recycled paperboard manufacturing facility located in Tama, Iowa, from Greif Packaging LLC for approximately \$ 100 million, using existing cash and borrowings under its revolving credit facility.

During the second quarter of 2023, the Company finalized the acquisition accounting adjustments for Tama and the purchase price has been allocated to assets acquired and liabilities assumed based on the fair values as of the acquisition date. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, which is expected to be deductible for tax purposes, and is reported within the Paperboard Manufacturing reportable segment.

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

Americraft

On July 1, 2021, the Company acquired substantially all of the assets of Americraft. The Company paid approximately \$ 292 million, using existing cash and borrowings under its revolving credit facility. The acquisition included seven packaging facilities across the United States.

The purchase price for Americraft was allocated to assets acquired and liabilities assumed based on the fair values as of the acquisition date. Tangible assets and liabilities were valued as of the acquisition date using the indirect and direct methods of the cost approach and intangible assets were valued using a discounted cash flow analysis, which represents a Level 3 measurement. The assigned goodwill, which is deductible for tax purposes, is reported within the Americas Paperboard Packaging reportable segment.

The final purchase price allocation is as follows:

<i>In millions</i>	Amounts Recognized as of Acquisition Date (as adjusted)
Purchase Price	\$ 292
Receivables, Net	22
Inventories, Net	36
Property, Plant and Equipment, Net	94
Intangible Assets, Net ^(a)	74
Other Assets	1
Total Assets Acquired	227
Current Liabilities	13
Total Liabilities Assumed	13
Net Assets Acquired	214
Goodwill	78
Total Estimated Fair Value of Net Assets Acquired	\$ 292

^(a) Intangible Assets, Net, primarily consists of Customer Relationships with a weighted average life of approximately 15 years.

During the second quarter of 2022, the Company finalized the acquisition accounting for Americraft.

Proforma disclosures were omitted for the Bell, Tama and Americraft acquisitions as they do not have a significant impact on the Company's financial results.

AR Packaging

On November 1, 2021, the Company completed the acquisition of AR Packaging, Europe's second largest producer of paperboard consumer packaging, by acquiring all the AR Packaging Group AB shares that were issued and outstanding as of the date of acquisition. The acquisition included 30 packaging facilities in 13 countries and enhances the Company's global scale, innovation capabilities, and value proposition for customers throughout Europe and bordering regions.

The total cash consideration for the AR Packaging acquisition was \$ 1,412 million net of cash acquired of \$ 75 million, paid in Euros through the use of deal contingent, foreign exchange forward contracts, purchased through the use of available borrowing capacity on the Company's Senior Secured Revolving Credit Facilities and the \$ 400 million Incremental Facility Amendment to the Fourth Amended and Restated Credit Agreement. For more information, see " Note 5 - Debt."

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

The purchase price was allocated to the assets acquired and liabilities assumed based on the estimated fair values as of the date of acquisition. The fair values of the tangible assets acquired and liabilities assumed were determined using the income and cost approaches. In many cases, the determination of the fair values required estimates about discount rates, future expected cash flows and other future events that are judgmental and subject to change. The fair value measurements were primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement of the fair value hierarchy as defined in ASC 820, Fair Value Measurements ("ASC 820"). Intangible assets consisting of customer relationships, technology, and trade names were valued using a discounted cash flow analysis. The significant assumptions used to estimate the value of the customer relationships intangible assets included the discount rate, annual revenue growth rates, customer attrition rates, projected operating expenses, projected EBITDA margins, tax rate, depreciation, and contributory asset charge. Management believes that the purchase price attributable to goodwill represents the benefits expected, including enhanced revenue growth from expanded capabilities and geographic presence as well as substantial cost savings from reduction of duplicative overhead, streamlined operations and enhanced operational efficiency. The assigned goodwill, which is not deductible for tax purposes, is reported within the Europe Paperboard Packaging reportable segment.

The final purchase price allocation is as follows:

<i>In millions</i>	Amounts Recognized as of Acquisition Date (as adjusted)^(a)
Total Purchase Consideration	\$ 1,487
Cash Acquired	75
Receivables, Net	206
Inventories	166
Other Current Assets	12
Property, Plant and Equipment ^(b)	556
Intangible Assets ^(c)	409
Other Assets	62
Total Assets Acquired	1,486
Accounts Payable	109
Compensation and Employee Benefits	12
Other Accrued Liabilities	99
Short-Term Debt and Current Portion of Long-Term Debt	9
Long-Term Debt	17
Deferred Income Tax Liabilities	139
Accrued Pension and Postretirement Benefits	55
Other Noncurrent Liabilities	43
Noncontrolling Interests	2
Total Liabilities Assumed	485
Net Assets Acquired	1,001
Goodwill	486
Total Estimated Fair Value of Net Assets Acquired	\$ 1,487

^(a) The amounts were translated from Euro to USD using the rate at the acquisition date of 1.1539 .

^(b) Property, Plant and Equipment primarily consists of Machinery and Equipment of \$ 374 million with a weighted average life of approximately 13 years.

^(c) Intangible Assets primarily consists of Customer Relationships of \$ 401 million with a weighted average life of approximately 15 years.

During the fourth quarter of 2022, the Company finalized the acquisition accounting for AR Packaging.

The Consolidated Statements of Operations include \$ 1,135 million of Net Sales and \$ 17 million of Loss from Operations for AR Packaging for the year ended December 31, 2022 and \$ 176 million of Net Sales and \$ 8 million of Loss from Operations for the year ended December 31, 2021. The year ended December 31, 2022 included \$ 96 million of impairment charges related to the divestiture of its two packaging facilities in Russia. See "Note 19 - Impairment and Divestiture of Russian business" for further information.

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

NOTE 5. DEBT

Short-Term Debt and Current Portion of Long-Term Debt is comprised of the following:

<i>In millions</i>	2023		2022	
Short Term Borrowings	\$	18	\$	16
Current Portion of Finance Leases		7		11
Current Portion of Long-Term Debt ^(a)		739		26
Total Short-Term Debt and Current Portion of Long-Term Debt	\$	764	\$	53

^(a)Includes the 0.821 % and 4.125 % Senior Notes due 2024.

Short-term borrowings are principally at the Company's international subsidiaries. The weighted average interest rate on short-term borrowings as of December 31, 2023 and 2022 was 6.5 % and 6.2 %, respectively.

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

Long-Term Debt is comprised of the following:

<i>In millions</i>	2023	2022
Senior Notes with interest payable semi-annually at 0.821 %, effective rate of 0.82 %, payable in 2024 ^(a)	\$ 400	\$ 400
Senior Notes with interest payable semi-annually at 4.125 %, effective rate of 4.13 %, payable in 2024 ^(b)	300	300
Senior Notes with interest payable semi-annually at 1.512 %, effective rate of 1.52 %, payable in 2026 ^(a)	400	400
Senior Notes with interest payable semi-annually at 4.75 %, effective rate of 4.78 %, payable in 2027 ^(a)	300	300
Senior Notes with interest payable semi-annually at 3.50 %, effective rate of 3.53 %, payable in 2028 ^(a)	450	450
Senior Notes with interest payable semi-annually at 3.50 %, effective rate of 3.53 %, payable in 2029 ^(a)	350	350
Senior Notes (€ 290 million) with interest payable semi-annually at 2.625 %, effective rate of 2.65 %, payable in 2029 ^(a)	321	311
Senior Notes with interest payable semi-annually at 3.75 %, effective rate of 3.79 %, payable in 2030 ^(a)	400	400
Green Bond, net of unamortized premium with interest payable at 4.00 %, effective rate of 1.72 %, payable in 2026 ^(a)	106	108
Senior Secured Term Loan A-2 Facility with interest payable quarterly at 2.67 %, effective rate of 2.68 % payable in 2028 ^(a)	425	425
Senior Secured Term Loan A-3 Facility with interest payable monthly payable at floating rates (6.57 % at December 31, 2023), effective rate of 6.59 %, payable in 2028 ^(a)	250	250
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (6.32 % at December 31, 2023) payable through 2026 ^(a)	508	529
Senior Secured Term Loan Facility (€ 206 million) with interest payable at various dates at floating rates (5.23 % at December 31, 2023) payable through 2026 ^(a)	227	225
Senior Secured Revolving Credit Facilities with interest payable at floating rates (6.96 % at December 31, 2023) payable in 2026 ^{(a)(c)}	774	634
Finance Leases	161	170
Other	6	15
Total Long-Term Debt Including Current Portion	5,378	5,267
Less: Current Portion	746	37
Total Long-Term Debt Excluding Current Portion	4,632	5,230
Less: Unamortized Deferred Debt Issuance Costs	23	30
Total Long-Term Debt	\$ 4,609	\$ 5,200

^(a) Guaranteed by Graphic Packaging International Partners, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company ("GPIP") and certain domestic subsidiaries.

^(b) Guaranteed by GPHC and certain domestic subsidiaries.

^(c) The weighted average effective interest rates for the Company's Senior Secured Revolving Credit Facilities were 6.61 % and 3.52 % as of December 31, 2023 and 2022, respectively.

2023

On February 7, 2023 Graphic Packaging International, LLC, a Delaware limited liability company and a direct subsidiary of GPIP ("GPIL") entered into Amendment No. 3 to the Fourth Amended and Restated Credit Agreement (the "Third Amendment"). The Third Amendment provides for a future replacement floating interest rate benchmark (the Canadian Overnight Repo Rate Average "CORRA") to take effect upon the cessation of the Canadian Dollar Offered Rate ("CDOR") for Canadian Dollar borrowings under the domestic revolving credit facility. The Third Amendment also modified the borrowing mechanics for certain term Secured Overnight Financing Rate ("SOFR") loans under the domestic revolving line of credit.

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

2022

On November 4, 2022, GPIL entered into Amendment No. 2 to the Fourth Amended and Restated Credit Agreement (the “Second Amendment”). The Second Amendment provided for a change in the floating interest rate benchmark for the domestic revolving credit facility and the USD denominated term loans, from LIBOR-based to Term SOFR plus 10bps. The Second Amendment also added JSC AR Packaging to the Schedule of Permitted Asset Sales to facilitate the sale of the Company’s Russian operations.

On November 15, 2022, the Company drew \$ 250 million from the senior secured domestic revolving credit facilities and used the proceeds, together with cash on hand, to redeem its 4.875 % Senior Notes due in 2022.

The following describes the Company’s senior secured term loans and revolving credit facilities within the Fourth Amended and Restated Credit Agreement:

Document ^(a)	Provision	Expiration
Fourth Amended and Restated Credit Agreement	<ul style="list-style-type: none"> • Increased the domestic revolving credit facility by \$ 400 million to \$ 1,850 million. • Increased the European revolving credit facility by € 7 million to € 145 million. • Decreased the Japanese revolving credit facility by ¥ 850 million to ¥ 1,650 million, and • Reduced the term loan by approximately \$ 5 million to \$ 550 million. LIBOR plus variable spread (between 125 basis points and 200 basis points) depending on consolidated total leverage ratio. 	April 2026
Amendment 1	Increased the European revolving credit facility by € 25 million to € 170 million. Added Incremental EUR Term Loan Facility of € 210 million.	April 2026
Incremental Term A-2 Facility Amendment	Incremental \$ 425 million term loan facility under the Fourth Amended and Restated Credit Agreement with a delayed draw feature, which was exercised in January 2021.	January 2028
Incremental Term A-3 Facility Amendment	Incremental \$ 250 million term loan facility under the Fourth Amended and Restated Credit Agreement, which was exercised in July 2021.	July 2028
Second Incremental Term A-4 Facility Amendment	Incremental \$ 400 million term loan facility under the Fourth Amended and Restated Credit Agreement, which was funded in October 2021, and settled in November 2021.	November 2021

^(a) The Company’s obligations under the Fourth Amended and Restated Credit Agreement (as amended by the Incremental Term A-3 Facility Amendment, the First Amendment, the Incremental Term A-4 Facility Amendment and the Second Amendment (collectively, the “Current Credit Agreement”) are secured by substantially all of the Company’s domestic assets.

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

At December 31, 2023, the Company and its U.S. and international subsidiaries had the following commitments, amounts outstanding and amounts available under revolving credit facilities:

<i>In millions</i>	Total Commitments	Total Outstanding	Total Available
Senior Secured Domestic Revolving Credit Facility ^(a)	\$ 1,850	\$ 774	\$ 1,071
Senior Secured International Revolving Credit Facilities	200	—	200
Other International Facilities	53	24	29
Total	\$ 2,103	\$ 798	\$ 1,300

^(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 \$ 5 million as of December 31, 2023. These letters of credit are primarily used as security against its self-insurance obligations and workers' compensation obligations. These letters of credit expire at various dates throughout 2024 unless extended.

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

<i>In millions</i>	
2024	\$ 739
2025	43
2026	1,938
2027	300
2028	1,125
After 2028	1,072
Total	\$ 5,217

Covenant Agreements

The Covenants in the Company's Fourth Amended and Restated Credit Agreement (the "Current Credit Agreement") and the indentures governing the 0.821 % Senior Notes due 2024, 4.125 % Senior Notes due 2024, 1.512 % Senior Notes due 2026, 4.75 % Senior Notes due 2027, 3.50 % Senior Notes due 2028, 3.50 % Senior Notes due 2029, 2.625 % Senior Notes due 2029 and 3.75 % Senior Notes due 2030 (the "Indentures"), limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Current 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 December 31, 2023, the Company was in compliance with the covenants in the Current Credit Agreement and the Indentures.

NOTE 6. LEASES

The Company determines if a contract is or contains a lease at inception. The Company has operating and finance leases for warehouses, corporate and regional offices, and machinery and equipment. The Company enters into lease contracts ranging from one to 25 years with the majority of leases having terms of three to seven years, many of which include options to extend in various increments. Variable lease costs consist primarily of variable warehousing costs, common area maintenance, taxes, and insurance. The Company's leases do not have any significant residual value guarantees or restrictive covenants.

As the implicit rate is not readily determinable for most of the Company's leases agreements, the Company uses an estimated incremental borrowing rate to determine the initial present value of lease payments. These discount rates for leases are calculated using the Company's credit spread adjusted for current market factors, including fixed rate swaps, EURIBOR, and foreign currency rates.

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

The components of lease costs are as follows:

<i>In millions</i>	Year Ended December 31,	
	2023	2022
Finance lease costs:		
Amortization of right-of-use asset	\$ 14	\$ 11
Interest on lease liabilities	9	8
Operating lease costs	86	82
Short-term lease costs	29	21
Variable lease costs	14	16
Total lease costs, net	\$ 152	\$ 138

Supplemental cash flow information related to leases was as follows:

<i>In millions</i>	Year Ended December 31,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 84	\$ 83
Operating cash flows from finance leases	9	8
Financing cash flows from finance leases	9	9
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	70	52
Finance leases	—	42

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

Supplemental balance sheet information related to leases was as follows:

In millions, except lease term and discount rate	Balance Sheet Classification	December 31,	
		2023	2022
Operating Leases:			
Operating lease right-of-use asset	Other Assets	\$ 228	\$ 245
Current operating lease liabilities	Other Accrued Liabilities	\$ 62	\$ 66
Noncurrent operating lease liabilities	Other Noncurrent Liabilities	189	184
Total operating lease liabilities		\$ 251	\$ 250
Finance Leases:			
Property, Plant and Equipment		\$ 197	\$ 197
Accumulated depreciation		(52)	(38)
Property, Plant and Equipment, net		\$ 145	\$ 159
Current finance lease liabilities	Short-Term Debt and Current Portion of Long-Term Debt	\$ 7	\$ 11
Noncurrent finance lease liabilities	Long-Term Debt	154	159
Total finance lease liabilities		\$ 161	\$ 170
Weighted Average Remaining Lease Term (Years):			
Operating leases		6	7
Finance leases		16	16
Weighted Average Discount Rate:			
Operating leases		4.10 %	3.76 %
Finance leases		5.17 %	5.31 %

Maturities of lease liabilities are as follows:

<i>In millions</i>		Operating Leases	Finance Leases
Year ending December 31,			
2024	\$	69	\$ 16
2025		56	15
2026		43	14
2027		34	15
2028		21	16
Thereafter		59	165
Total lease payments	\$	282	\$ 241
Less imputed interest		(31)	(80)
Total	\$	251	\$ 161

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

NOTE 7. 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"). The 2014 Plan allows for granting shares of stock, options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), restricted stock awards ("RSAs"), and other types of stock-based and cash awards. Awards under the 2014 Plan vest and expire in accordance with terms established at the time of grant. Shares issued pursuant to awards under the 2014 Plan are from GPHC'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. As of December 31, 2023, there were 8.9 million shares remaining available to be granted under the 2014 Plan.

Stock Awards, Restricted Stock and Restricted Stock Units

Under the 2014 Plan and related RSU grant agreements, RSUs granted to employees generally vest and become payable in three years from the 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. RSUs granted as deferred compensation for non-employee directors are fully vested but not payable until the distribution date elected by the director. Stock awards issued to non-employee directors as part of their compensation for service on the Board are unrestricted on the grant date.

Data concerning RSUs and Stock Awards granted in the years ended December 31 is as follows:

	2023	2022	2021
RSUs — Employees and Non-Employee Directors	1,780,345	1,943,769	1,680,997
Weighted-average grant date fair value	\$ 23.74	\$ 20.19	\$ 16.14
Stock Awards — Board of Directors	25,588	34,160	55,055
Weighted-average grant date fair value	\$ 25.01	\$ 20.49	\$ 17.80

A summary of the changes in the number of unvested RSUs from December 31, 2020 to December 31, 2023 is presented below:

	RSUs	Weighted Average Grant Date Fair Value
Outstanding — December 31, 2020	5,141,706	\$ 14.02
Granted ^(a)	1,680,997	16.14
Released	(2,121,203)	14.88
Forfeited	(359,100)	14.39
Performance adjustment ^(b)	587,461	15.09
Outstanding — December 31, 2021	4,929,861	\$ 14.47
Granted ^(a)	1,943,769	20.19
Released	(2,180,435)	12.34
Forfeited	(193,145)	17.59
Performance adjustment ^(b)	324,814	12.52
Outstanding — December 31, 2022	4,824,864	\$ 17.48
Granted ^(a)	1,780,345	23.74
Released	(2,313,891)	15.62
Forfeited	(102,583)	20.21
Performance adjustment ^(b)	753,702	15.59
Outstanding — December 31, 2023	4,942,437	\$ 20.20

^(a) Grant activity for all performance-based RSUs is disclosed at target.

^(b) Reflects the number of RSUs paid out above target levels based on actual performance measured at the end of the performance period.

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

The initial value of the service-based RSUs is generally based on the closing market value of GPHC's common stock on the date of grant, discounted to reflect that the RSUs do not accrue dividends during the vesting period. The 2023 performance-based RSU grants were valued using a Monte Carlo simulation as the total shareholder return contains a market condition. RSUs are recorded in Shareholders' Equity. The unrecognized expense at December 31, 2023 is approximately \$ 49 million and is expected to be recognized over a weighted average period of 2 years.

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

During 2023, 2022, and 2021, \$ 44 million, \$ 34 million and \$ 27 million, respectively, were charged to compensation expense for stock incentive plans and such amounts are included in Selling, General and Administrative expenses in the Consolidated Statements of Operations.

During 2023, 2022, and 2021, RSUs with an aggregate fair value of \$ 54 million, \$ 44 million and \$ 35 million, respectively, vested and were paid out. The RSUs vested and paid out in 2023 were granted primarily during 2020.

NOTE 8. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

DEFINED BENEFIT PLANS

The Company maintains both defined benefit pension plans and postretirement health care plans that provide medical and life insurance coverage to eligible salaried and hourly retired employees in North America and their dependents. The Company maintains international defined benefit pension plans which are 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. Currently, the North American plans are closed to newly-hired employees.

Pension and Postretirement Expense

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

	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
<i>In millions</i>	2023	2022	2021	2023	2022	2021
Components of Net Periodic Cost:						
Service Cost	\$ 9	\$ 14	\$ 15	\$ —	\$ —	\$ —
Interest Cost	22	12	10	2	1	1
Expected Return on Plan Assets	(23)	(21)	(19)	—	—	—
Amortization of Actuarial Loss (Gain)	5	3	5	(3)	(2)	(2)
Net Periodic Cost (Benefit)	\$ 13	\$ 8	\$ 11	(1)\$	(1)\$	(1)

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

	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
	2023	2022	2021	2023	2022	2021
Weighted Average Assumptions:						
Discount Rate	4.86 %	2.46 %	2.11 %	5.12 %	2.92 %	2.52 %
Rate of Increase in Future Compensation Levels	3.16 %	1.80 %	3.62 %	—	—	—
Expected Long-Term Rate of Return on Plan Assets	5.59 %	3.86 %	3.59 %	—	—	—
Initial Health Care Cost Trend Rate	—	—	—	7.25 %	6.15 %	6.40 %
Ultimate Health Care Cost Trend Rate	—	—	—	4.50 %	4.50 %	4.50 %
Ultimate Year	—	—	—	2032	2031	2028

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

Funded Status

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

<i>In millions</i>	Pension Benefits		Postretirement Benefits	
	2023	2022	2023	2022
Change in Benefit Obligation:				
Benefit Obligation at Beginning of Year	\$ 471	\$ 627	\$ 26	\$ 33
Service Cost	9	14	—	—
Interest Cost	22	12	2	1
Net Actuarial Loss (Gain)	10	(152)	—	(7)
Foreign Currency Exchange	10	(27)	—	—
Benefits Paid	(28)	(24)	(2)	(1)
Acquisition	—	12	—	—
Other	—	9	—	—
Benefit Obligation at End of Year	\$ 494	\$ 471	\$ 26	\$ 26
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	\$ 397	\$ 557	\$ —	\$ —
Actual Return on Plan Assets	34	(149)	—	—
Employer Contributions	14	24	2	1
Foreign Currency Exchange	10	(27)	—	—
Benefits Paid	(28)	(24)	(2)	(1)
Acquisition	—	7	—	—
Other	—	9	—	—
Fair Value of Plan Assets at End of Year	\$ 427	\$ 397	\$ —	\$ —
Plan Assets Less than Projected Benefit Obligation	\$ (67)	\$ (74)	\$ (26)	\$ (26)
Amounts Recognized on the Consolidated Balance Sheets Consist of:				
Pension Assets	\$ 18	\$ 19	\$ —	\$ —
Accrued Pension and Postretirement Benefits Liability — Current	\$ (4)	\$ (5)	\$ (3)	\$ (3)
Accrued Pension and Postretirement Benefits Liability — Noncurrent	\$ (81)	\$ (88)	\$ (23)	\$ (23)
Accumulated Other Comprehensive Income:				
Net Actuarial Loss (Gain)	\$ 83	\$ 82	\$ —	\$ (1)
Prior Service Cost (Credit)	\$ 4	\$ 3	\$ (19)	\$ (21)
Weighted Average Calculations:				
Discount Rate	4.69 %	4.86 %	4.96 %	5.12 %
Rates of Increase in Future Compensation Levels	2.90 %	3.16 %	—	—
Initial Health Care Cost Trend Rate	—	—	8.50 %	7.25 %
Ultimate Health Care Cost Trend Rate	—	—	4.45 %	4.50 %
Ultimate Year	—	—	2033	2032

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

The Company determined pension expense using both the fair value of assets and a calculated value that averages gains and losses over a period of years. Investment gains or losses represent the difference between the expected and actual return on assets. As of December 31, 2023, the net actuarial loss in accumulated other comprehensive loss was \$ 83 million. These net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, or (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the “corridor” determined under the *Compensation — Retirement Benefits* topic of the FASB Codification. For the largest plan, the actuarial loss is amortized over the average remaining service period of employees expected to receive benefits.

The discount rate used to determine the present value of future pension obligations at December 31, 2023 was based on a yield curve constructed from a portfolio of high-quality corporate debt securities with maturities ranging from 1 year to 30 years. Each year's expected future benefit payments were discounted to their present value at the spot yield curve rate thereby generating the overall discount rate for the Company's pension obligations. The weighted average discount rate used to determine the pension obligations was 4.69 % and 4.86 % in 2023 and 2022, respectively.

The pension net actuarial loss of \$ 10 million was primarily due to changes in the discount rate. The weighted average discount rate at December 31, 2023 was 4.69 % compared to 4.86 % at December 31, 2022.

Accumulated Benefit Obligation

The accumulated benefit obligation, (“ABO”), for all defined benefit pension plans was \$ 491 million and \$ 465 million at December 31, 2023 and 2022, respectively. The projected benefit obligation (“PBO”) and fair value of plan assets where the PBO exceeded plan assets were \$ 323 million and \$ 311 million at December 31, 2023 and 2022, respectively. The ABO and fair value of plan assets where the ABO exceeded plan assets were \$ 319 million and \$ 304 million at December 31, 2023 and 2022, respectively.

Employer Contributions

The Company made \$ 15 million and \$ 24 million of contributions to its pension plans during 2023 and 2022, respectively. During 2022, the Company made a \$ 6 million contribution to the remaining U.S. defined benefit plan by effectively utilizing the excess balance related to the U.S. defined benefit plan terminated in 2020. The Company expects to make contributions in the range of \$ 10 million to \$ 20 million in 2024.

The Company also made postretirement health care benefit payments of \$ 2 million and \$ 1 million during 2023 and 2022, respectively. For 2024, the Company expects to make approximately \$ 2 million of contributions to its postretirement health care plans.

Pension Assets

The Company's overall investment strategy is to achieve a mix of investments for long-term growth and near-term benefit payments through diversification of asset types, fund strategies and fund managers. Investment risk is measured on an on-going basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews. The plans invest in the following major asset categories: cash, equity securities, fixed income securities, real estate and diversified growth funds. At December 31, 2023 and 2022, pension investments did not include any direct investments in the Company's stock or the Company's debt.

The Company implemented a de-risking or liability driven investment strategy for its North America. and U.K. pension plans. This strategy moved assets from return seeking (equities) to investments that mirror the underlying benefit obligations (fixed income).

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

	Target	2023	2022
Cash	4 %	2 %	4 %
Equity Securities	17	25	26
Fixed Income Securities	78	65	45
Other Investments	1	8	25
Total	100 %	100 %	100 %

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

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

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

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

The following tables set forth, by category and within the fair value hierarchy, the fair value of the Company's pension assets at December 31, 2023 and 2022:

		Fair Value Measurements at December 31, 2023				
		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value at December 31, 2023(b)
<i>In millions</i>	Total					
Asset Category:						
Cash	\$ 7	\$ 2	\$ 2	\$ —	\$ 3	
Equity Securities:						
Domestic	101	3	1	—	97	
Foreign	6	6	—	—	—	
Fixed Income Securities	281	21	259	1	—	
Other Investments:						
Diversified growth fund ^(a)	23	—	15	8	—	
Insurance Contracts	9	—	—	9	—	
Total	\$ 427	\$ 32	\$ 277	\$ 18	\$ 100	

		Fair Value Measurements at December 31, 2022				
		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value at December 31, 2022 ^(b)
<i>In millions</i>	Total					
Asset Category:						
Cash	\$ 15	\$ 10	\$ 2	\$ —	\$ —	3
Equity Securities:						
Domestic	94	5	1	—	—	88
Foreign	7	7	—	—	—	—
Fixed Income Securities	180	15	165	—	—	—
Other Investments:						
Real estate	4	—	4	—	—	—
Liability Driven Investment	56	35	21	—	—	—
Diversified growth fund ^(a)	32	—	8	24	—	—
Insurance Contracts	9	—	—	9	—	—
Total	\$ 397	\$ 72	\$ 201	\$ 33	\$ —	91

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

^(b) Investments that are measured at net asset value (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

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

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

<i>In millions</i>	2023		2022	
Balance at January 1,	\$	33	\$	33
Purchases		—		11
Transfers Out, Net		(17)		(7)
Foreign Currency Exchange		2		(4)
Balance at December 31,	\$	18	\$	33

Estimated Future Benefit Payments

The following represents the Company's estimated future pension and postretirement health care benefit payments through the year 2033:

<i>In millions</i>	Pension Plans		Postretirement Health Care Benefits	
2024	\$	29	\$	2
2025		30		2
2026		32		2
2027		33		2
2028		34		2
2029— 2033		183		9

Multi-Employer Plans

Certain of the Company's employees participate in multi-employer plans that provide both pension and other postretirement health care benefits to employees under union-employer organization agreements.

Estimated liabilities have been established related to the partial or complete withdrawal from certain multi-employment benefit plans for facilities that have been closed. At December 31, 2023 and December 31, 2022, the Company has withdrawal liabilities of \$ 17 million and \$ 18 million, respectively, related to these plans, which is recorded as Compensation and Employee Benefits and Other Noncurrent Liabilities on the Consolidated Balance Sheets, which represents the Company's best estimate of the expected withdrawal liability.

DEFINED CONTRIBUTION PLANS

The Company provides defined contribution plans for certain eligible employees. The Company's contributions to the plans are based upon employee contributions, a percentage of eligible compensation, and the Company's annual operating results. Contributions to these plans for the years ended December 31, 2023, 2022 and 2021 were \$ 87 million, \$ 73 million and \$ 69 million, respectively.

NOTE 9. INCOME TAXES

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

<i>In millions</i>	Year Ended December 31,					
	2023		2022		2021	
U.S.	\$	852	\$	683	\$	237
International		80		33		52
Income before Income Taxes and Equity Income of Unconsolidated Entity	\$	932	\$	716	\$	289

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

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

<i>In millions</i>	Year Ended December 31,		
	2023	2022	2021
Current Expense:			
U.S.	\$ (150)	\$ (25)	(2)
International	(38)	(38)	(17)
Total Current	\$ (188)	\$ (63)	(19)
Deferred (Expense) Benefit:			
U.S.	(49)	(137)	(57)
International	27	6	2
Total Deferred	\$ (22)	\$ (131)	(55)
Income Tax Expense	\$ (210)	\$ (194)	(74)

A reconciliation of Income Tax Expense (Benefit) on Income before Income Taxes and Equity Income of Unconsolidated Entity at the federal statutory rate of 21.0 % compared with the Company's actual Income Tax (Expense) Benefit is as follows:

<i>In millions</i>	Year Ended December 31,					
	2023	Percent	2022	Percent	2021	Percent
Income Tax Expense at U.S. Statutory Rate	\$ (196)	21.0 %	\$ (150)	21.0 %	\$ (61)	21.0 %
U.S. State and Local Tax Expense	(34)	3.6	(29)	4.1	(12)	4.1
Permanent Items	2	(0.3)	2	(0.3)	(9)	3.2
Provision to Return Adjustments	(3)	0.3	4	(0.5)	4	(1.4)
Change in Valuation Allowance	19	(2.1)	(21)	2.9	(1)	0.4
Unrealized Foreign Exchange	(7)	0.8	22	(3.1)	5	(1.7)
International Tax Rate Differences	(4)	0.5	(6)	0.8	(3)	1.0
U.S. Federal & State Tax Credits	22	(2.3)	9	(1.3)	13	(4.5)
Domestic Minority Interest	—	—	—	—	2	(0.7)
Deferred Adjustment due to IP Exit	—	—	—	—	(4)	1.5
Russia Impairment	(3)	0.3	(20)	2.8	—	—
Tax Effects Released from OCI	—	—	(10)	1.4	—	—
Other	(6)	0.7	5	(0.6)	(8)	2.8
Income Tax Expense	\$ (210)	22.5 %	\$ (194)	27.2 %	\$ (74)	25.7 %

The effective tax rate for 2023 is different from the statutory rate primarily due to a decrease in the Company's valuation allowances in Sweden, Norway and the Netherlands of \$ 22 million, the establishment of a valuation allowance against certain net deferred tax assets in Nigeria of \$ 3 million, as well as tax benefits of \$ 22 million related to U.S. federal, state and foreign income tax credits. The Company also recognized income tax expense of \$ 7 million related to unrealized foreign currency activity for intercompany loans where the entity's functional currency and the loan denomination are different than the tax reporting currency (primarily in Sweden).

During 2022, tax expense differs from the amount at the statutory rate by \$ 20 million due to impairment charges from the planned sale of the Company's Russian business that resulted in no corresponding tax benefit and due to the recording of \$ 10 million of tax expense to release the tax expense remaining in Other Comprehensive Income after the settlement of certain swaps. The Company also recognized tax benefits of approximately \$ 22 million related to deferred tax assets and liabilities recognized on unrealized foreign currency activity for intercompany loans where the entity's functional currency and the loan denomination currency are different than the tax reporting currency (primarily in Sweden). However, a valuation allowance of approximately \$ 25 million was recorded during the year against deferred tax assets in Sweden, including the deferred tax asset related to the unrealized foreign currency activity. Additionally, the Company recorded a tax benefit of approximately \$ 5 million related to the release of a valuation allowance recorded against the net deferred tax assets of its Brazilian subsidiary based on historic earnings.

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

As a result of the North America Consumer Packaging (“NACP”) Combination, during 2021, federal and state income taxes are not recorded with respect to consolidated domestic earnings attributable to the Company’s minority interest partner, resulting in a difference between the effective tax rate and the statutory tax rate.

In addition, during 2021, the Company recognized tax expense of approximately \$ 4 million related to the remeasurement of deferred tax assets for executive compensation as a result of IP’s exchange of its remaining shares in GPIIP during the period and approximately \$ 3 million related to the remeasurement of its net deferred tax liability for its UK subsidiaries due to the statutory tax rate increase enacted during the second quarter.

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

<i>In millions</i>	2023	2022
Deferred Income Tax Assets:		
Compensation Based Accruals	\$ 34	\$ 37
Net Operating Loss Carryforwards	74	103
Postretirement Benefits	24	26
Tax Credits	8	26
Capitalized Research & Development Costs	64	44
Unrealized Foreign Exchange	—	28
Other	89	81
Valuation Allowance	(37)	(57)
Total Deferred Income Tax Assets	\$ 256	\$ 288
Deferred Income Tax Liabilities:		
Property, Plant and Equipment	(672)	(661)
Goodwill & Other Intangibles	(263)	(280)
Other	(3)	—
Net Noncurrent Deferred Income Tax Liabilities	\$ (938)	\$ (941)
Net Deferred Income Tax Liability	\$ (682)	\$ (653)

The Company has evaluated the need to maintain a valuation allowance for deferred tax assets based on its assessment of whether it is more likely than not that deferred tax assets will be realized through the generation of future taxable income. Appropriate consideration was given to all available evidence, both positive and negative, in assessing the need for a valuation allowance. The Company reviewed its deferred income tax assets as of December 31, 2023 and 2022, respectively, and determined that it is more likely than not that a portion will not be realized. A valuation allowance of \$ 37 million and \$ 57 million as of December 31, 2023 and 2022, respectively, is maintained on the deferred income tax assets for which the Company has determined that realization is not more likely than not. Of the total valuation allowance at December 31, 2023, \$ 10 million relates to net deferred tax assets in Sweden, \$ 24 million relates to net deferred tax assets in various other foreign jurisdictions and \$ 3 million relates to credit carryforwards in certain U.S. states as well as U.S. foreign tax credit carryforwards. The need for a valuation allowance is made on a jurisdiction-by-jurisdiction basis. As of December 31, 2023, the Company concluded that due to cumulative pretax losses and the lack of sufficient future taxable income of the appropriate character, realization is not more likely than not on the net deferred income tax assets related primarily to the Company’s operations in Australia as well as certain operations in Germany and Nigeria.

The following table represents a summary of the valuation allowances against deferred tax assets as of and for the three years ended December 31, 2023, 2022, and 2021, respectively:

<i>In millions</i>	Additions			Deductions			Balance at End of Period
	December 31, Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Credited to Costs and Expenses	Credited to Other Accounts		
2023	\$ 57	\$ 6	\$ 1	\$ (25)	\$ (2)		\$ 37
2022	38	29	1	(8)	(3)		57
2021	34	4	4	(3)	(1)		38

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

During 2023, the Company utilized its remaining U.S. federal net operating loss carryforwards. The Company's U.S. state net operating loss carryforwards total \$ 52 million and expire in various years through 2041. International net operating loss carryforward amounts total \$ 296 million, of which substantially all have no expiration date.

Tax Credit carryforwards total \$ 8 million which expire in various years through 2042.

Uncertain Tax Positions

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

<i>In millions</i>	2023	2022	2021
Balance at January 1,	\$ 26	\$ 24	\$ 20
Additions for Tax Positions of Current Year	2	2	1
Additions for Tax Positions of Prior Years	8	1	3
Reductions for Tax Positions of Prior Years	(2)	(1)	—
Balance at December 31,	\$ 34	\$ 26	\$ 24

At December 31, 2023, \$ 30 million of the total gross unrecognized tax benefits, if recognized, would affect the annual effective income tax rate. As of December 31, 2023, none of the total gross unrecognized tax benefits recorded are related to indefinite lived deferred tax assets and did not have an impact on total tax expense.

The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits within its global operations in Income Tax Expense. The Company had an immaterial accrual for the payment of interest and penalties at December 31, 2023.

The Company anticipates that an immaterial portion of the total unrecognized tax benefits at December 31, 2023 could change within the next twelve months.

The Company files income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions and our income tax filings are regularly examined by federal, state and non-U.S. tax authorities. The Company's 2018 U.S. federal corporate and partnership income tax filings are currently under examination by the Internal Revenue Service. With few exceptions, the Company is no longer subject to U.S. federal, state and local tax examinations for years before 2018.

As of December 31, 2023, the Company has provided for deferred income taxes attributable to future foreign withholding tax expense related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. In addition, Company provides deferred income taxes for future Canadian withholding tax to the extent of excess cash available for distribution after consideration of working capital needs and other debt settlement of its Canadian subsidiary, Graphic Packaging International Canada, ULC. The Company continues to assert that it is permanently reinvested in the cumulative earnings of its Canadian subsidiary in excess of the amount of cash that is on hand and available for distribution after consideration of working capital needs and other debt settlement. The Company determined that no deferred tax liability should be recorded related to the outside basis difference of its Canadian subsidiary as of December 31, 2023.

The Company has not provided for deferred U.S. income taxes on approximately \$ 92 million of its undistributed earnings in other international subsidiaries because of the Company's intention to indefinitely reinvest these earnings outside the U.S. The determination of the amount of the unrecognized deferred U.S. income tax liability (primarily withholding tax in certain jurisdictions) on the unremitted earnings or any other associated outside basis difference is not practicable because of the complexities associated with the calculation.

The Company has elected to recognize global intangible low-taxed income ("GILTI") as period cost as incurred, therefore there are no deferred taxes recognized for basis differences that are expected to impact the amount of the GILTI inclusion upon reversal.

NOTE 10. FINANCIAL INSTRUMENTS, DERIVATIVES AND HEDGING ACTIVITIES

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

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

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 facilities. 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 facilities.

The following table summarizes the Company's current interest rate swap positions as of December 31, 2023:

Start	End	Notional Amount (In Millions)	Weighted Average Interest Rate
04/03/2023	04/01/2024	\$ 750	4.71 %

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. Ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs. During 2023 and 2022, there were no amounts of ineffectiveness. Additionally, there were no amounts excluded from the measure of effectiveness.

As of December 31, 2021, the Company had interest rate swap positions with a notional value of \$ 200 million, which matured in January 2022. As discussed in "Note 9 - Income Taxes", a \$ 10 million expense was recorded to release the tax expense remaining in Other Comprehensive Income after the settlement of these swaps in the first quarter of 2022.

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 65 % of its expected natural gas usage for 2024.

During 2023 and 2022, there were no 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.

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 December 31, 2023 and 2022, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at December 31, 2023 and 2022, when aggregated and measured in U.S. dollars at contractual rates at December 31, 2023 and 2022, respectively, had net notional amounts totaling \$ 131 million and \$ 111 million. Unrealized gains and losses resulting from these contracts are recognized in Other Expense (Income), Net and approximately offset corresponding recognized but unrealized gains and losses on the remeasurement of these accounts receivable.

Deal Contingent Hedge

On May 14, 2021, in connection with the AR Packaging acquisition, the Company entered into deal contingent foreign exchange forward contracts, with no upfront cash cost, to hedge € 700 million of the acquisition price. These forward contracts settled October 29, 2021, immediately prior to the acquisition of AR Packaging and are accounted for as derivatives under ASC 815, Derivatives and Hedging. Realized losses of \$ 48 million for the year ended December 31, 2021 resulting from these contracts are recognized in Business Combinations, Exit Activities and Other Special Charges, Net in the Consolidated Statements of Operations. For more information, see "Note 1 - General Information" of the Company's 2021 Annual Report on Form 10-K for the year ended December 31, 2021.

Foreign Currency Movement Effect

For the year ended December 31, 2023, 2022 and 2021 net currency exchange losses included in determining Income from Operations were \$ 6 million, \$ 3 million, and \$ 3 million, respectively.

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

NOTE 11. FAIR VALUE MEASUREMENT

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

The FASB's guidance defines fair value, establishes a framework for measuring fair value and expands the fair value disclosure requirements. The accounting guidance applies to accounting pronouncements that require or permit fair value measurements. It indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The guidance defines fair value based upon an exit price model, whereby fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance clarifies that fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

Valuation Hierarchy

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

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

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

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

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

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

Fair Value of Financial Instruments

As of December 31, 2023 and 2022, 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. As of December 31, 2023 and December 31, 2022, the Company had commodity contract derivative liabilities, which were included in Other Accrued Liabilities on the Consolidated Balance Sheets, of \$ 7 million and \$ 12 million, respectively.

The fair values of the Company's other financial assets and liabilities at December 31, 2023 and 2022 approximately equal the carrying values reported on the Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding finance leases and deferred financing fees) was \$ 5,039 million and \$ 4,749 million, as compared to the carrying amounts of \$ 5,217 million and \$ 5,097 million as of December 31, 2023 and 2022, 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.

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

Effect of Derivative Instruments

The pre-tax effect of derivative instruments in cash flow hedging relationships in the Consolidated Statements of Operations for the year ended December 31, 2023 and 2022 is as follows:

In millions	Amount of Loss (Gain) Recognized in Accumulated Other Comprehensive Loss			Location in Statement of Operations	Amount of Loss (Gain) Recognized in Statement of Operations		
	Year Ended December 31,				Year Ended December 31,		
	2023	2022	2021		2023	2022	2021
Commodity Contracts	\$ 32	\$ 2	\$ (11)	Cost of Sales	\$ 35	\$ (12)	\$ (11)
Foreign Currency Contracts	—	—	(2)	Other Expense (Income), Net	—	—	2
Interest Rate Swap Agreements	(4)	—	—	Interest Expense, Net	(3)	—	6
Total	\$ 28	\$ 2	\$ (13)		\$ 32	\$ (12)	\$ (3)

At December 31, 2023, the Company expects to reclassify \$ 8 million of pre-tax loss 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.

The pre-tax effect of derivative instruments not designated as hedging instruments in the Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021 is as follows:

In millions		2023	2022	2021
Foreign Currency Contracts	Other Expense (Income), Net	\$ (3)	\$ (9)	\$ (5)
Deal Contingent Foreign Exchange Hedge ^(a)	Business Combinations, Exit Activities and Other Special Charges, Net	\$ —	\$ —	\$ 48

^(a) For more information, see "Note 10 - Financial Instruments, Derivatives and Hedging Activities".

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

In millions	Year Ended December 31,								
	2023			2022			2021		
	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount
Derivative Instruments Gain (Loss)	\$ 4	\$ (1)	\$ 3	\$ 22	\$ (18)	\$ 4	\$ 7	\$ (2)	\$ 5
Pension and Postretirement Benefit Plans (Loss) Gain	(5)	1	(4)	(22)	13	(9)	53	(8)	45
Currency Translation Adjustment Gain (Loss)	61	4	65	(156)	8	(148)	(28)	—	(28)
Other Comprehensive Income (Loss)	\$ 60	\$ 4	\$ 64	\$ (156)	\$ 3	\$ (153)	\$ 32	\$ (10)	\$ 22

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

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

<i>In millions</i>	December 31,	
	2023	2022
Accumulated Derivative Instruments Loss	\$ (1)	\$ (4)
Pension and Postretirement Benefit Plans	(107)	(103)
Currency Translation Adjustment	(205)	(270)
Accumulated Other Comprehensive Loss	\$ (313)	\$ (377)

NOTE 13. COMMITMENTS

The Company has entered into other long-term contracts principally for the purchase of fiber and chip processing along with commitments associated with building a new recycled paperboard manufacturing facility in Waco, Texas. The minimum purchase commitments extend beyond 2028. At December 31, 2023, total commitments under these contracts were as follows:

<i>In millions</i>	
2024	\$ 713
2025	296
2026	19
2027	9
2028	8
Thereafter	24
Total	\$ 1,069

NOTE 14. 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, the recycling of packaging 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 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 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.

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

NOTE 15. BUSINESS SEGMENT AND GEOGRAPHIC AREA INFORMATION

The Company has three reportable segments as follows:

Paperboard Manufacturing, formerly referred to as the Paperboard Mills reportable segment, includes the seven North American paperboard facilities that produce recycled, unbleached and bleached paperboard, which is consumed internally to produce paperboard consumer packaging for the Americas and Europe Packaging segments. Paperboard not consumed internally is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Manufacturing segment's 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 Manufacturing segment to reflect the economics of the integration of these segments.

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

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

The Company allocates certain paperboard manufacturing 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 - Nature of Business and Summary of Significant Accounting Policies."

The Company did not have any one customer who accounted for 10% or more of the Company's net sales during 2023, 2022 or 2021.

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

Business segment information is as follows:

<i>In millions</i>	Year Ended December 31,		
	2023	2022	2021
NET SALES:			
Paperboard Manufacturing	\$ 1,022	\$ 1,290	\$ 1,007
Americas Paperboard Packaging	6,200	6,015	4,996
Europe Paperboard Packaging	2,024	1,973	992
Corporate/Other/Eliminations ^(a)	182	162	161
Total	\$ 9,428	\$ 9,440	\$ 7,156
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Manufacturing ^{(b)(c)}	\$ (23)	\$ 45	\$ (10)
Americas Paperboard Packaging ^{(c)(d)}	1,088	800	456
Europe Paperboard Packaging ^{(c)(e)}	127	59	82
Corporate and Other ^(c)	(18)	2	(121)
Total	\$ 1,174	\$ 906	\$ 407
CAPITAL EXPENDITURES:			
Paperboard Manufacturing	\$ 479	\$ 336	\$ 615
Americas Paperboard Packaging	144	131	113
Europe Paperboard Packaging	101	43	37
Corporate and Other	80	39	37
Total	\$ 804	\$ 549	\$ 802
DEPRECIATION AND AMORTIZATION:			
Paperboard Manufacturing ^(b)	\$ 284	\$ 242	\$ 231
Americas Paperboard Packaging ^(d)	186	173	176
Europe Paperboard Packaging	113	109	53
Corporate and Other	36	29	29
Total	\$ 619	\$ 553	\$ 489

^(a) Includes revenue from customers for the Australia and Pacific Rim operating segments.

^(b) Includes accelerated depreciation related to exit activities in 2023, 2022, and 2021 (see " Note 18 - Exit Activities").

^(c) Includes expenses related to business combinations, other special charges, and exit activities (see " Note 1 - General Information").

^(d) Includes accelerated depreciation related to exit activities in 2023 (see " Note 18 - Exit Activities").

^(e) Includes impairment charges related to Russia. (see " Note 19 - Impairment and Divestiture of Russian Business").

<i>n millions</i>	December 31,		
	2023	2022	2021
ASSETS AT DECEMBER 31:			
Paperboard Manufacturing	\$ 3,905	\$ 3,516	\$ 3,482
Americas Paperboard Packaging	4,220	3,822	3,682
Europe Paperboard Packaging	2,484	2,474	2,669
Corporate and Other	566	516	624
Total	\$ 11,175	\$ 10,328	\$ 10,457

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

Business geographic area information is as follows:

<i>In millions</i>	Year Ended December 31,		
	2023	2022	2021
NET SALES:			
United States	\$ 6,646	\$ 6,741	\$ 5,543
International ^(a)	2,782	2,699	1,613
Total	\$ 9,428	\$ 9,440	\$ 7,156
LONG-LIVED ASSETS AT DECEMBER 31:			
United States	\$ 4,178	\$ 3,813	\$ 3,865
International ^(a)	814	766	812
Total	\$ 4,992	\$ 4,579	\$ 4,677

^(a) Net Sales and long-lived assets of individual countries outside of the United States are not material.

NOTE 16. EARNINGS PER SHARE

<i>In millions, except per share data</i>	Year Ended December 31,		
	2023	2022	2021
Net Income Attributable to Graphic Packaging Holding Company	\$ 723	\$ 522	\$ 204
Weighted Average Shares:			
Basic	308.2	308.8	297.1
Dilutive effect of RSUs	0.9	0.7	0.8
Diluted	309.1	309.5	297.9
Earnings Per Share — Basic	\$ 2.35	\$ 1.69	\$ 0.69
Earnings Per Share — Diluted	\$ 2.34	\$ 1.69	\$ 0.68

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

NOTE 17. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS

The following represents changes in Accumulated Other Comprehensive Loss attributable to Graphic Packaging Holding Company by component for the year ended December 31, 2023:

<i>In millions</i>	Derivatives Instruments	Pension and Postretirement Benefit Plans	Currency Translation Adjustments	Total
Balance at December 31, 2022	\$ (4)	\$ (103)	\$ (270)	\$ (377)
Other Comprehensive (Loss) Income before Reclassifications	(21)	(6)	65	38
Amounts Reclassified from Accumulated Other Comprehensive Loss ^(a)	24	2	—	26
Net Current-period Other Comprehensive Income (Loss)	3	(4)	65	64
Balance at December 31, 2023	\$ (1)	\$ (107)	\$ (205)	\$ (313)

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

The following represents reclassifications out of Accumulated Other Comprehensive Loss for the year ended December 31, 2023:

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	\$ 35	Cost of Sales
Interest Rate Swap Agreements	(3)	Interest Expense, Net
	32	Total before Tax
	(8)	Tax Expense
	<u>\$ 24</u>	Total, Net of Tax
Amortization of Defined Benefit Pension Plans:		
Actuarial Losses	\$ 5 ^(a)	Total before Tax
	(1)	Tax Benefit
	<u>\$ 4</u>	Total, Net of Tax
Amortization of Postretirement Benefit Plans:		
Actuarial Gains	\$ (3) ^(a)	Total before Tax
	1	Tax Expense
	<u>\$ (2)</u>	Total, Net of Tax
Total Reclassifications for the Period	<u>\$ 26</u>	Total, Net of Tax

^(a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (see “ Note 8 - Pensions and Other Postretirement Benefits”).

NOTE 18. EXIT ACTIVITIES

On February 7, 2023, the Company announced its plan to invest approximately \$ 1 billion in a new recycled paperboard manufacturing facility in Waco, Texas. In conjunction with this project, the Company announced the closure of three smaller recycled paperboard manufacturing facilities to manage capacity while lowering costs. The costs associated with these exit activities are included in the table below for the year ended December 31, 2023.

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

In the second quarter of 2023, the Company announced its decision to accelerate the closure of one of these three recycled paperboard manufacturing facilities that is in Tama, Iowa and closed the facility in the second quarter of 2023. The costs associated with this closure are included in the table below for the year ended December 31, 2023.

During 2023, the Company decided to close multiple packaging facilities by the end of 2023 and early 2024. Production from these facilities will be consolidated into our existing packaging network. The costs associated with these exit activities are included in the table below for the year ended December 31, 2023.

During the third quarter of 2023, the Company decided to discontinue the project in Texarkana to modify an existing paperboard machine to add swing capacity between bleached and unbleached paperboard in order to focus growth investments in the strategic expansion of recycled paperboard capacity. The Company incurred charges of \$ 16 million within the Paperboard Manufacturing reportable segment related to the write-off of assets, which were primarily engineering, consulting, and permitting costs for this project. The costs associated with this project are included in the table below for the year ended December 31, 2023.

In March 2022, the Company announced its decision to close the Norwalk, Ohio packaging facility and closed the facility in September 2022. The Company incurred charges associated with this exit activity for post-employment benefits, retention bonuses and incentives, which are included in the Severance Costs and Other line item in the table below for the year ended December 31, 2022.

During 2019, the Company announced its plans to invest in a new recycled paperboard machine in Kalamazoo, Michigan. At the time of the announcement, the Company expected to close two of its smaller recycled paperboard manufacturing facilities in 2022 in order to remain capacity neutral. During the third quarter of 2021, the Company decided to continue to operate one of the two original smaller recycled paperboard manufacturing facilities. In the second quarter of 2022, the Company closed the Battle Creek, Michigan recycled paperboard manufacturing facility. The Company incurred charges associated with this exit activity for post-employment benefits, retention bonuses and incentives, which are included in the Severance Costs and Other line item in the table below for the year ended December 31, 2022.

During the years ended December 31, 2023, 2022, and 2021, the Company recorded \$ 89 million, \$ 17 million and \$ 38 million of exit costs, respectively, associated with these restructurings. Other costs associated with the start-up of the new recycled paperboard machine recorded in the period in which they are incurred.

The following table summarizes the costs incurred during 2023, 2022 and 2021 related to these restructurings:

<i>In millions</i>	Location in Statement of Operations	Year Ended December 31,		
		2023	2022	2021
Severance Costs and Other ^(a)	Business Combinations, Exit Activities and Other Special Charges, Net	\$ 25	\$ 1	\$ 21
Asset Write-offs and Start-Up Costs ^(b)	Business Combinations, Exit Activities and Other Special Charges, Net	22	9	—
Accelerated Depreciation	Cost of Sales	42	7	17
Total		\$ 89	\$ 17	\$ 38

^(a) Costs incurred include activities for post-employment benefits, retention bonuses, incentives and professional services. (see " Note 1 - Business Combinations, Exit Activities and Other Special Charges, Net").

^(b) Costs incurred include non-cash write-offs for items such as machinery, supplies and inventory.

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

<i>In millions</i>	Total
Balance at December 31, 2021	\$ 8
Costs Incurred	1
Payments	(6)
Adjustments ^(a)	(2)
Balance at December 31, 2022	\$ 1
Costs Incurred	25
Payments	(4)
Adjustments ^(a)	(1)
Balance at December 31, 2023	\$ 21

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

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

Due to the closure of Tama in the second quarter of 2023, the Company incurred charges within the Paperboard Manufacturing reportable segment for post-employment benefits, retention bonuses and incentives of \$ 3 million, and accelerated depreciation and inventory and asset write-offs of \$ 27 million through December 31, 2023. No further charges or accelerated depreciation are expected related to Tama.

In addition, due to the expected closures of the additional two recycled paperboard manufacturing facilities, the Company incurred charges within the Paperboard Manufacturing reportable segment for post-employment benefits, retention bonuses and incentives of \$ 13 million, and accelerated depreciation and inventory and asset write-offs of \$ 5 million through December 31, 2023. The Company expects to incur total charges associated with these exit activities for post-employment benefits, retention bonuses and incentives in the range of \$ 20 million to \$ 25 million and for accelerated depreciation and inventory and asset write-offs in the range of \$ 15 million to \$ 20 million through 2026.

Due to the expected closures of the packaging facilities, the Company incurred charges within the Americas Paperboard Packaging and Europe Paperboard Packaging reportable segments for post-employment benefits, retention bonuses and incentives of \$ 9 million through December 31, 2023. The Company also incurred charges within the Americas Paperboard Packaging reportable segment for accelerated depreciation and inventory and asset write-offs of \$ 10 million through December 31, 2023. The Company expects to incur total charges associated with these exit activities for post-employment benefits, retention bonuses and incentives in the range of \$ 10 million to \$ 15 million and for accelerated depreciation and inventory and asset write-offs in the range of \$ 15 million to \$ 20 million through 2024.

Additionally, the Company has incurred start-up charges within the Paperboard Manufacturing reportable segment for the new recycled paperboard manufacturing facility in Waco of \$ 2 million through December 31, 2023. The Company expects to incur total start-up charges of approximately \$ 25 million to \$ 30 million for the new recycled paperboard manufacturing facility through 2026.

NOTE 19. IMPAIRMENT AND DIVESTITURE OF RUSSIAN BUSINESS

In the second quarter of 2022, the Company began the process of divesting its interests in its two packaging facilities in Russia (the "Russian Operations"), which met the criteria to be considered a business, through a sale of 100 % of the outstanding shares. The assets and liabilities to be disposed of in connection with this transaction met the held for sale criteria as of June 30, 2022 and each subsequent quarter end through the date of sale. During 2022 and 2023, the Company incurred \$ 106 million of impairment losses associated with the Russian Operations including \$ 96 million in 2022, which includes \$ 12 million of goodwill impairment initially recognized in Q2 2022 and \$ 10 million in 2023, all of which are included in the Business Combinations, Exit Activities, and Other Special Charges, Net line in the Consolidated Statement of Operations.

On November 30, 2023, the Company completed the sale to former members of management of its Russian Operations (the "Buyer") for total consideration of \$ 62 million, which was primarily a long-term loan to the Buyer with a maturity date in 2038 (the "Vendor Loan"). Given the current government sanctions and restrictions on movement of currency out of Russia to satisfy payments on the notes, the Company placed a valuation allowance of \$ 48 million against the Vendor Loan receivable. The Vendor Loan, along with the other transaction agreements, grants the Buyer full power to direct the activities that most significantly impact the Russian Operations and economic rights over the Russian Operations, with no power or participating rights granted to the Company. There are, however, security rights in place to protect and facilitate the repayment of the Vendor Loan. Other rights included in the sale are contingent in nature and the Company does not believe such rights have significant value nor do they confer power to Company in evaluating which party is the primary beneficiary of this VIE. We will continue to monitor such rights and their impacts to the Company, if any, in the future. The Company has concluded that it is not the primary beneficiary of the business upon closing of the sale, and the Russian Operations were deconsolidated as of that date. The Vendor Loan, net is included in Other Assets on the Consolidated Balance Sheet. On the date of the sale, the Company recorded a final additional loss on the sale of \$ 4 million, which is recorded in the Business Combinations, Exit Activities, and Other Special Charges, Net line in the Consolidated Statement of Operations. The operating results of the Russian Operations for the eleven months ended November 30, 2023 are included in the Company's Sales and Net Income in the Consolidated Statements of Operations. Total Net Sales and Net Income for the Russian Operations during this time were \$ 90 million and \$ 8 million, respectively.

In addition, the Company historically had an intercompany payable to the Russian Operations. As of the date of the sale, the intercompany payable was converted to an external third-party loan payable (the "Loan Payable"). The Loan Payable will mature in 2037. The Loan Payable totaling \$ 35 million is reflected in the Other Noncurrent Liabilities on the Consolidated Balance Sheet.

NOTE 20. RELATED PARTY TRANSACTIONS

In connection with the NACP Combination, the Company entered into agreements with International Paper Company, a New York corporation ("IP") for transition services, fiber procurement fees, and corrugated products and ink supply. Payments to IP for the twelve months ended December 31, 2021 were \$ 4 million for fiber procurement fees (related to pass through wood purchases of \$ 81 million) and \$ 13 million for corrugated products. IP has no ownership interest remaining in GPIIP as of May 21, 2021.

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

NOTE 21. SUBSEQUENT EVENTS

On February 16, 2024, the Company announced that its Board of Directors declared a quarterly dividend of \$ 0.10 per share of common stock to stockholders of record at the close of business on March 15, 2024. The dividend is payable on April 5, 2024.

On February 20, 2024, the Company entered into a definitive agreement with Clearwater Paper Corporation to sell all of the assets associated with its Augusta, Georgia paperboard manufacturing facility for approximately \$ 700 million in cash. The transaction is expected to close in the second quarter of 2024, subject to regulatory approvals and other customary closing conditions.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Graphic Packaging Holding Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Graphic Packaging Holding Company and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations, of comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded Bell Incorporated ("Bell") from its assessment of internal control over financial reporting as of December 31, 2023 because it was acquired by the Company in a purchase business combination during 2023. We have also excluded Bell from our audit of internal control over financial reporting. Bell is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 2.4% and 0.6%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2023.

Definition and Limitations of Internal Control over Financial Reporting

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

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

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment - Europe Reporting Unit

As described in Note 1 to the consolidated financial statements, the Company's consolidated goodwill balance was \$2,103 million as of December 31, 2023. As disclosed by management, the goodwill associated with the Europe reporting unit was \$499 million as of December 31, 2023. Management tests goodwill for impairment annually as of October 1, as well as whenever events or changes in circumstances suggest that the estimated fair value of a reporting unit may no longer exceed its carrying amount. Potential goodwill impairment is measured at the reporting unit level by comparing the reporting unit's carrying amount (including goodwill), to the fair value of the reporting unit. When performing the quantitative analysis, the estimated fair value of each reporting unit is determined by utilizing a discounted cash flow analysis based on the Company's forecasts, discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of EBITDA. In determining fair value of the Europe reporting unit, management relies on and considers a number of factors, including but not limited to, future operating results, business plans, economic projections of revenues and operating margins, forecasts including future cash flows, and market data and analysis, including market capitalization.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment for the Europe reporting unit are a critical audit matter are (i) the high degree of auditor judgment and subjectivity in performing procedures related to the fair value of the reporting unit due to the significant judgment by management when determining the estimated fair value of the Europe reporting unit; (ii) the significant audit effort in evaluating management's significant assumption related to economic projections of operating margins; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the Company's Europe reporting unit and the development of the significant assumption related to economic projections of operating margins. These procedures also included, among others, testing management's process for determining the fair value of the Europe reporting unit; evaluating the appropriateness of the discounted cash flow analysis; and evaluating the reasonableness of the significant assumption related to economic projections of operating margins. Evaluating the assumption related to economic projections of operating margins involved evaluating whether the assumption used by management was reasonable considering (i) the current and past performance of the Europe reporting unit; (ii) the consistency with external market and industry data; and (iii) whether this assumption was consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow analysis.

/s/ PricewaterhouseCoopers LLP
Atlanta, Georgia
February 21, 2024

We have served as the Company's auditor since 2020.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management has established disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within time periods specified in the Securities and Exchange Commission rules and forms. Such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure. Based on management's evaluation as of the end of the period covered by this Annual Report on Form 10-K, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d15(e) promulgated under the Exchange Act) were effective as of December 31, 2023, the end of the period covered by this Annual Report on Form 10-K.

Management's Report on Internal Control Over Financial Reporting

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. The Company's management did not include in its assessment the internal controls of Bell Incorporated ("Bell"), which was acquired by the company in business combinations in 2023 and is included in the Company's results for the year ended December 31, 2023. As of December 31, 2023, the Bell acquisition total assets represent 2.4% of the Company's consolidated total assets. Net Sales attributable to the Bell acquisition represented less than 0.6% of the Company's consolidated Net Sales for the twelve months ended December 31, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Pursuant to Instruction G(3) to Form 10-K, the information relating to Directors of the Registrant, compliance with Section 16(a) of the Exchange Act, compliance with the Company's Code of Ethics, and certain other information required by Item 10 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2023.

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 11 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2023.

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

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 12 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2023.

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

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 13 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2023.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 14 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2023.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- a. Financial statements, financial statement schedule and exhibits filed as part of this report:
1. Consolidated Statements of Operations for each of the three years in the period ended December 31, 2023

Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2023

Consolidated Balance Sheets as of December 31, 2023, and 2022

Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2023

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2023

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm
 2. All schedules are omitted as the information required is either included elsewhere in the consolidated financial statements herein or is not applicable.
 3. Exhibits to Annual Report on Form 10-K for Year Ended December 31, 2023.

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of New Giant Corporation. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
3.2	Bylaws of Graphic Packaging Holding Company, as amended on May 20, 2015. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on May 27, 2015 and incorporated herein by reference.
3.3	Certificate of Formation of Graphic Packaging International, LLC. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.
3.4	Amended and Restated Limited Liability Company Operating Agreement of Graphic Packaging International, LLC. Filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.
4.1	Indenture dated as of November 6, 2014, by and among Graphic Packaging International, Inc., the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
4.2	First Supplemental Indenture dated as of November 6, 2014 by and among Graphic Packaging International, Inc. the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
4.3	Second Supplemental Indenture dated as of August 11, 2016 by and among Graphic Packaging International Inc., Graphic Packaging Holding Company, the other guarantors named therein and U.S. Bank National Association as trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on August 11, 2016 and incorporated herein by reference.
4.4	Supplemental Indenture among Graphic Packaging International, Inc., Graphic Packaging Holding Company, the other guarantors party thereto and U.S. Bank National Association, as Trustee, with respect to the 4.875% Senior Notes due 2022. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on October 24, 2017 and incorporated herein by reference.
4.5	Supplemental Indenture among Graphic Packaging International, Inc., Graphic Packaging Holding Company, the other guarantors party thereto and U.S. Bank National Association, as Trustee, with respect to the 4.125% Senior Notes due 2024. Filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on October 24, 2017 and incorporated herein by reference.

- 4.6 [Third Supplemental Indenture dated as of June 25, 2019, by and among Graphic Packaging International, LLC, the guarantors listed therein and U.S. Bank, National Association. Filed as Exhibit 4.2 to Graphic Packaging Holding Company and Graphic Packaging International, LLC's current report on Form 8-K filed on June 25, 2019 and incorporated herein by reference.](#)
- 4.7 [Fourth Supplemental Indenture dated March 6, 2020, by and among Graphic Packaging International, LLC, the guarantors listed therein and U.S. Bank National Association, as Trustee, with respect to the 3.5% Senior Notes due 2028. Filed as Exhibit 4.2 to the Registrant's Form 8-K filed on March 6, 2020 and incorporated herein by reference.](#)
- 4.8 [Fifth Supplemental Indenture dated August 20, 2020, by and among Graphic Packaging International, LLC, the guarantors listed therein and U.S. Bank National Association, as Trustee, with respect to the 3.5% Senior Notes due 2029. Filed as Exhibit 4.2 to the Registrant's Form 8-K filed on August 31, 2020 and incorporated herein by reference.](#)
- 4.9 [Sixth Supplemental Indenture dated as of March 8, 2021, by and among Graphic Packaging International, LLC, Graphic Packaging International Partners, LLC, the guarantors listed therein and U.S. Bank, N.A. \(including the form of Note attached as an exhibit thereto\). Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on March 8, 2021 and incorporated herein by reference.](#)
- 4.10 [Seventh Supplemental Indenture, dated as of November 19, 2021, by and among Graphic Packaging International, LLC, Graphic Packaging International Partners, LLC, the guarantors listed therein and U.S. Bank, National Association \(including the form of Note attached as an exhibit thereto\). Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on November 19, 2021 and incorporated herein by reference.](#)
- 4.11 [Eighth Supplemental Indenture, dated as of November 19, 2021, by and among Graphic Packaging International, LLC, Graphic Packaging International Partners, LLC, the guarantors listed therein, U.S. Bank, National Association, Elavon Financial Services DAC, UK Branch, and Elavon Financial Services DAC \(including the form of Note attached as an exhibit thereto\). Filed as Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on November 19, 2021 and incorporated herein by reference.](#)
- 10.1* [GPI U.S. Consolidated Pension Plan Master Document as amended and restated, effective January 1, 2017. Filed as exhibit 10.1 to the Registrant's Annual Report on Form 10-K filed on February 8, 2017 and incorporated herein by reference.](#)
- 10.2* [Amended and Restated Employment Agreement dated as of November 19, 2015 by and among Graphic Packaging International, Inc., the Registrant and Michael P. Doss. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 19, 2015 and incorporated herein by reference.](#)
- 10.3* [Graphic Packaging Excess Benefit Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.22 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.](#)
- 10.4* [Graphic Packaging Supplemental Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.23 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.](#)
- 10.5* [Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan effective as of May 21, 2014. Filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 10, 2014 and incorporated herein by reference.](#)
- 10.6* [Graphic Packaging International, LLC Management Incentive Plan, effective as of January 1, 2024.](#)
- 10.7* [Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.36 to the Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.](#)
- 10.8 [Amended and Restated Form of Indemnification Agreement for Directors. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 4, 2010 and incorporated herein by reference.](#)
- 10.9* [First Amendment to the Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 24, 2012 and incorporated herein by reference.](#)
- 10.10* [Employment Agreement dated as of April 1, 2012 by and among Graphic Packaging International, Inc., Graphic Packaging Holding Company and Stephen Scherger. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 5, 2012 and incorporated herein by reference.](#)
- 10.11* [Amended and Restated Employment Agreement among the Registrant, Graphic Packaging International, Inc. and Joseph P. Yost effective September 1, 2015. Filed as Exhibit 10.38 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.12* [Graphic Packaging International, Inc. Executive Severance Plan dated as of February 25, 2014. Filed as Exhibit 10.39 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)

- 10.13* [First Amendment to the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan effective January 1, 2017. Filed as exhibit 10.33 to the Registrant's Annual Report on Form 10-K filed on February 8, 2017 and incorporated herein by reference.](#)
- 10.14* [First Amendment to the GPI US Consolidated Pension Plan, dated as of May 19, 2017 and effective as of January 1, 2017. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on July 26, 2017 and incorporated herein by reference.](#)
- 10.15* [Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, as amended and restated effective November 1, 2017. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on October 25, 2017 and incorporated herein by reference.](#)
- 10.16* [First Amendment to the Amended and Restated Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan effective January 1, 2018. Filed as Exhibit 10.51 to the Registrant's Annual Report on Form 10-K filed on February 7, 2018 and incorporated herein by reference.](#)
- 10.17* [Second Amendment to the GPI US Consolidated Pension Plan dated as of November 8, 2017. Filed as Exhibit 10.52 to the Registrant's Annual Report on Form 10-K filed on February 7, 2018 and incorporated herein by reference.](#)
- 10.18* [Third Amendment to the GPI US Consolidated Pension Plan effective as of January 1, 2018. Filed as Exhibit 10.53 to the Registrant's Annual Report on Form 10-K filed on February 7, 2018 and incorporated herein by reference.](#)
- 10.19* [Fourth Amendment to the GPI US Consolidated Pension Plan dated as of December 20, 2018. Filed as Exhibit 10.50 to the Registrant's Annual Report on Form 10-K filed on February 13, 2019 and incorporated herein by reference.](#)
- 10.20* [Fifth Amendment to the GPI US Consolidated Pension Plan effective as of January 1, 2017. Filed as Exhibit 10.44 to the Registrant's Annual report on Form 10-K filed on February 11, 2020 and incorporated herein by reference.](#)
- 10.21 [Non-Participating Single Premium Group Annuity Contract Proposal dated January 16, 2020 by and among Graphic Packaging International, LLC, American General Life Insurance Company and The United States Life Insurance Company in the City of New York. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on April 21, 2020 and incorporated herein by reference.](#)
- 10.22* [Directors' Non-Qualified Deferred Compensation Plan effective January 1, 2021. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed on April 27, 2021 and incorporated herein by reference.](#)
- 10.23 [Consent and Waiver Agreement dated as of February 16, 2021 by and among Graphic Packaging International Partners, LLC, Graphic Packaging Holding Company, GPI Holding III, LLC and International Paper Company. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on February 16, 2021 and incorporated herein by reference.](#)
- 10.24 [Fourth Amended and Restated Credit Agreement dated as of April 1, 2021 by and among Graphic Packaging International, LLC and certain subsidiaries thereof as Borrowers, the lenders and agents named therein, and Bank of America, N.A., as Administrative Agent. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on April 1, 2021 and incorporated herein by reference.](#)
- 10.25 [Share Purchase Agreement dated May 12, 2021 among Sarcina Holdings S.a.r.l., the other sellers named therein and Graphic Packaging International Europe Holdings B.V. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 14, 2021 and incorporated herein by reference.](#)
- 10.26 [Consent and Waiver Agreement dated as of May 19, 2021 by and among Graphic Packaging International Partners, LLC, Graphic Packaging Holding Company, GPI Holding I, Inc. and International Paper Company. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 20, 2021 and incorporated herein by reference.](#)
- 10.27 [Incremental Facility Amendment by and among Graphic Packaging International, LLC, as Borrower, Graphic Packaging International Partners, LLC and Field Container Queretaro \(USA\), L.L.C., as Guarantors, Bank of America, N.A. as Administrative Agent and CoBank, ACB, as Incremental Term A-3 Lead Arranger and Incremental Term A-3 Lender. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 21, 2021 and incorporated herein by reference.](#)
- 10.28 [Amendment No. 1 to the Fourth Amended and Restated Credit Agreement and Fourth Amended and Restated Guarantee and Collateral Agreement and Incremental Facility Amendment \(Incremental Euro Tranche Increase and Incremental Euro Term Facility\), by and among Graphic Packaging International, LLC and certain subsidiaries thereof as Borrowers, the lenders and agents named therein and Bank of America, N.A., as Administrative Agent. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on July 21, 2021 and incorporated herein by reference.](#)

10.29	<u>Incremental Facility Amendment by and among Graphic Packaging International, LLC, as Borrower, Graphic Packaging International Partners, LLC and Field Container Queretaro (USA), L.L.C. as Guarantors, Bank of America, N.A., as Administrative Agent and the Incremental Term A-4 Lenders party thereto, and acknowledged and agreed to by Graphic Packaging Holding Company. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 6, 2021 and incorporated herein by reference.</u>
10.30*	<u>Amended and Restated GPI Savings Plan dated December 16, 2022 and effective January 1, 2023. Filed as Exhibit 10.55 to the Registrant's Annual Report on Form 10-K filed on February 9, 2023 and incorporated herein by reference.</u>
10.31	<u>Amendment No. 2 to Fourth Amended and Restated Credit Agreement dated November 4, 2022 among Graphic Packaging International, LLC, certain subsidiaries of Graphic Packaging International, LLC, Graphic Packaging International Partners, LLC, Graphic Packaging Holding Company, the several banks and other financial institutions parties to the amendment, and Bank of America, N.A., as administrative agent. Filed as Exhibit 10.56 to the Registrant's Annual Report on Form 10-K filed on February 9, 2023 and incorporated herein by reference.</u>
10.32	<u>Amendment No. 3 to the Fourth Amended and Restated Credit Agreement dated as of February 7, 2023 by and among Graphic Packaging International, LLC and certain subsidiaries thereof as borrowers and guarantors, Graphic Packaging International Partners, LLC, the lenders and agents named therein, Bank of America, N.A. as Administrative Agent, and acknowledged and agreed to by Graphic Packaging Holding Company. Filed as Exhibit 10.57 to the Registrant's Annual Report on Form 10-K filed on February 9, 2023 and incorporated herein by reference.</u>
10.33	<u>Amended and Restated Master Services Agreement between Graphic Packaging International, LLC and NTT Data Americas, Inc. dated December 15, 2023.</u>
10.34*	<u>Second Amendment dated December 12, 2023 to the GPI Savings Plan (As Amended and Restated effective January 1, 2023).</u>
14.1	<u>Code of Business Conduct and Ethics dated as of December 23, 2020. Filed as Exhibit 14.1 to the Registrant's Form 10-K filed on February 22, 2022 and incorporated herein by reference.</u>
19.1	<u>Policy on Trading in Securities of Graphic Packaging Holding Company (As Amended and Restated as of July 27, 2023).</u>
21.1	<u>List of Subsidiaries.</u>
22.1	<u>Guarantors and Issuers of Guaranteed Securities.</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm.</u>
24.1	<u>Power of Attorney. Incorporated by reference to the signature page of this Annual Report on Form 10-K.</u>
31.1	<u>Certification required by Rule 13a-14(a).</u>
31.2	<u>Certification required by Rule 13a-14(a).</u>
32.1	<u>Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.</u>
32.2	<u>Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.</u>
97.1	<u>Graphic Packaging Holding Company Compensation Recoupment Policy effective November 15, 2023.</u>
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).

* Executive compensation plan or agreement

ITEM 16. FORM 10-K SUMMARY

None.

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)

<u>/s/ Stephen R. Scherger</u> Stephen R. Scherger	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 21, 2024
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Pursuant to the requirements of the Securities Exchange Act of 1934, this report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ Michael P. Doss</u> Michael P. Doss	President and Chief Executive Officer (Principal Executive Officer)	February 21, 2024
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<u>/s/ Stephen R. Scherger</u> Stephen R. Scherger	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 21, 2024
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<u>/s/ Charles D. Lischer</u> Charles D. Lischer	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 21, 2024
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POWER OF ATTORNEY

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

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Aziz Aghili</u> Aziz Aghili	Director	February 21, 2024
<u>/s/ Laurie Brlas</u> Laurie Brlas	Director	February 21, 2024
<u>/s/ Michael P. Doss</u> Michael P. Doss	Director, President and Chief Executive Officer	February 21, 2024
<u>/s/ Robert A. Hagemann</u> Robert A. Hagemann	Director	February 21, 2024
<u>/s/ Philip R. Martens</u> Philip R. Martens	Chairman of the Board	February 21, 2024
<u>/s/ Mary K. Rhinehart</u> Mary K. Rhinehart	Director	February 21, 2024
<u>/s/ Dean A. Scarborough</u> Dean A. Scarborough	Director	February 21, 2024
<u>/s/ Larry M. Venturelli</u> Larry M. Venturelli	Director	February 21, 2024
<u>/s/ Lynn A. Wentworth</u> Lynn A. Wentworth	Director	February 21, 2024





Management Incentive Plan Document

Amended and Restated January 1, 2024

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I. Purpose of the Plan

The purpose of the Management Incentive Plan (the "Plan") is to offer a short-term incentive award opportunity for eligible global employees ("Participants") who make significant contributions to the growth and profitability of Graphic Packaging Holding Company (together with its subsidiaries, the "Company") and who demonstrate the performance that the Company desires to encourage. The Plan is designed to emphasize management's commitment to financial success and to a superior return on investment of its stockholders.

Each "Plan Year" is January 1st to December 31st.

II. Eligibility

Regular full-time and regular part-time salaried employees will be advised of their eligibility for the Plan based on their position. In addition, eligibility for participation in the Plan for a Plan Year will be subject to the following conditions:

1. Date of hire – A Participant must be employed by the Company on or before September 30 of the Plan Year in a Salaried, eligible position and have actively worked for the Company for at least 90 days during the Plan Year.
2. Employed on Date of Distribution – A Participant must be an active employee on the date of the management incentive plan payment or if not active, terminated under a status that allows for payout.

Company employees who work outside the United States or who are not paid on a U.S.-based payroll ("International Employees") are eligible to participate in the Plan to the extent permitted under rules and guidelines for such participation as established by the Compensation and Management Development Committee.

III. Financial Performance

The amounts of any award payouts under the Plan are substantially financially driven and will be based in large part on the results of the Company as a whole and/or any subsidiary, affiliate or business unit of the Company, or a combination of these results. One or a combination of the following performance measures may be used to measure such results:

- Net earnings or net income (before or after taxes)
- Earnings per share
- Net sales growth
- Net operating profit
- Return measures (including, but not limited to, return on assets, capital, equity, or sales)
- Cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital)
- Earnings before or after taxes, interest, depreciation and/or amortization
- Gross or operating margins
- Productivity ratios
- Share price (including, but not limited to, growth measures and total shareholder return)
- Expense targets
- Margins
- Operating efficiency
- Customer satisfaction
- Working capital targets
- Cost eliminations
- Debt reduction
- Employee engagement and cultural effectiveness
- Ratios combining any of the performance measures

The performance measures may, without limitation, be based upon the attainment of specified levels of performance under one or more of the measures described above during the Plan Year, relative to performance in prior periods, relative to pre-established targets, or relative to the performance of other entities (or indices covering multiple entities).

Each Participant's incentive award opportunity for any given Plan Year is based on the specific corporate performance measures established during the annual operating plan approval process and approved by the Company's Compensation and Management Development Committee for that Plan Year.

IV. Award Determination and Approval

The Plan is specifically designed to create substantial incentive opportunity for the achievement of the Company's most important financial goals and for continued service and sustained effort through the date of payment of any award (the "Payment Date"). After the conclusion of a Plan Year, the President, and Chief Executive Officer ("CEO") will make a recommendation to the Compensation and Management Development Committee of Graphic Packaging Holding Company regarding the payout under the Plan. This recommendation will be based upon the President and CEO's assessment of the degree to which the Company achieved the performance measures applicable to that Plan Year. The Compensation and Management Development Committee approves the percentage of target payout under the Plan and the award payout amounts for those officers designated as Executive Officers by the Board of Directors, except for the President and CEO. Separately, the Company's Compensation and Management Development Committee will make a recommendation to the full Board of Directors regarding the payout under the Plan for the President and CEO.

V. Individual and Team Performance Factors

Award opportunities (before individual and team performance factors) range from 0% to 200% of an individual's target award. The CEO will determine team performance adjustments, if any, which can range from 65% to 135%. Managers will have discretion to further modify a Participant's award payout based on Individual performance factors with potential values ranging from 65% to 135% or 0%. All adjustments to award payouts based on individual performance factors are reviewed and approved by the President and CEO.

VI. Currency

All financial results will be stated on a U.S. dollar reporting basis for purposes of determining actual performance against the applicable performance measures for any given Plan Year.

VII. Participation Level and New Participants

Participation level is defined as the "target" incentive award opportunity provided to Participants under the Plan. Each Participant's approved participation level is determined and communicated annually. The target incentive award opportunity is expressed as a percentage of a Participant's annual base salary as of December 31 of the applicable Plan Year.

Participation level changes during the Plan Year will result in any awards earned being calculated on a prorated basis for the number of days assigned to each participation level during that Plan Year. New Participants and Participants who take a continuous leave of absence of 90 or more calendar days, for any reason, shall have any awards earned prorated by the number of days of participation in the applicable Plan Year, subject to eligibility guidelines.

VIII. Revisions to Plan

Revisions to applicable performance goals and the resulting payout percentage for any given Plan Year may be considered to recognize circumstances beyond the control of Participants. Such revisions will be rare in practice and only respond to extraordinary and unforeseeable

events. It is understood that revisions may adjust for positive windfalls as well as negative shortfalls. Revisions must be approved by the President and CEO of the Company, the Compensation and Management Development Committee of the Board of Directors and the full Board of Directors.

IX. Form and Timing of Awards

All awards under the Plan will be paid in cash and in local currency. Awards will be subject to all applicable social insurance, income tax and other withholding requirements effective at the time of payment.

Awards paid to Participants in hyper-inflationary countries may be monetarily corrected to adjust for currency devaluation between the close of the plan year and the award payment date.

All awards will be paid between January 2 and March 15 of the calendar year following the close of each Plan Year.

X. Termination, Death or Disability

- A. Annual incentive awards for a given Plan Year will be paid only to Participants who are actually employed by the Company on the Payment Date. A Participant whose Company employment terminates, whether by resignation or by discharge, for any reason (or no reason) prior to the Payment Date for a Plan Year shall not earn or have any right to an annual incentive award under the Plan for such Plan Year and shall not be deemed to have earned or become vested in any such award,
- B. Exceptions to the foregoing requirement include the following "Special Circumstance Participants":
 - (i) Participants who terminate employment due to death, disability (*"disability"* for this purpose means an employment termination with eligibility for disability benefits under a Company-sponsored disability program or policy), or retirement (*"retirement"* for this purpose means an employee whose age on the effective date of termination is at least 55 and whose combination of age and years of service on that date is equal to or greater than 65); or
 - (ii) Participants who, at the time of employment termination, are eligible for benefits under the Graphic Packaging International, Inc. Supplemental Unemployment Benefits Plan, the Graphic Packaging International, Inc. Executive Severance Plan, or who have employment agreements with the Company that provide for payment of a Plan benefit upon the Participant's employment termination and who sign and return (and do not revoke) a release agreement with the Company

Special Circumstances Participants may be paid a pro-rata portion of any annual incentive award earned for the Plan Year in which they terminate, prorated for the number of days they were actively employed during the Plan Year. Special Circumstances Participants who terminate due to death, disability, or the provisions in Section B (ii) above will be paid a pro-rata portion of the award at target within 60 days of termination. Individuals who meet the retirement criteria in Section B (i) above will be paid their pro-rata payment, if any, at the same time and in the same form received by all other Participants. Special Circumstances Participants whose employment terminates prior to the Payment Date for the Plan Year immediately prior to the date of termination, shall be entitled to receive that annual incentive payment at the time it is paid to all other eligible Plan participants. Notwithstanding the foregoing, any Participant who is entitled to a payment in lieu of annual incentive compensation for the Plan Year upon termination of employment under an employment agreement or any similar arrangement with the Company shall not also be entitled to an annual incentive award under the Plan for such year.

XI. Other Plan Design Considerations

The Plan will be administered by the EVP, Human Resources. Each determination of financial performance or other action made or taken by the Compensation and Management Development Committee hereunder will be final and conclusive for all purposes and upon all persons.

No Participant shall have the right to anticipate, alienate, sell, transfer, assign, pledge, or encumber his or her right to receive any award payable under the Plan.

No Participant shall have any lien on any assets of the Company by reason of any award payable under the Plan.

The Company specifically reserves the right to amend, modify, or terminate the Plan at any time for any reason. Neither the Plan nor any award under the Plan shall create any employment contract or imply any relationship between the Company and any Participant, other than employment terminable by either party at will.

The terms of the Plan are governed by the laws of the State of Georgia without regard to conflict of laws principles.

The Company reserves the right for the President and Chief Executive Officer to recommend to the Compensation and Management Development Committee and Board of Directors of Graphic Packaging Holding Company that the Company increase, decrease, or eliminate any and all Plan awards, including but not limited to any individual award, if, in the exercise of his business judgment, such modifications would be in the best interest of the Company. The Board of Directors of Graphic Packaging Holding Company (with respect to an award to the President and Chief Executive Officer) and the Compensation and Management Development Committee (with respect to all other awards) shall have absolute discretion in determining whether or not to issue an award and in determining the amount of each award paid.

XII. Internal Revenue Code Section 409A

The Plan is designed and intended to provide only for payments that are exempt from Section 409A of the Internal Revenue Code (the "Code") under the exception in Treasury Regulation Section 1.409A-1(b)(4) for certain short-term deferrals. Nevertheless, if any amount under the Plan is subject to 409A of the Code, the Plan shall be interpreted and administered so as not to cause the acceleration of (or the imposition of additional) taxes provide for in Section 409A of the Code.

XIII. Recoupment of Awards

Awards under the Plan shall be subject to any compensation recoupment policy that the Company may adopt from time to time that is applicable by its terms to the Participant. In addition, a Participant's rights, payments and benefits with respect to an award granted under the Plan is subject to reduction, cancellation, forfeiture or recoupment upon (i) termination of employment for cause, (ii) violation of material Company or Affiliate policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, (iv) other conduct by the Participant that is detrimental to the business or reputation of the Company or any Affiliate, or (v) a later determination that the vesting of, or amount realized from, a performance-based Award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the Participant caused or contributed to such material inaccuracy, all as determined by the Compensation and Management Development Committee. Nothing contained herein or in any Award Agreement prohibits the Participant from: (1) reporting possible violations of federal law or regulations, including any possible securities laws violations, to any governmental agency or entity; (2) making any other disclosures that are protected under the whistleblower provisions of federal law or regulations; or (3) otherwise fully participating in any federal whistleblower programs, including but not limited to any such programs managed by the U.S. Securities and Exchange Commission.

XIV. Effectiveness of Amendment and Restatement

The Management Incentive Plan as amended and restated as set forth herein, shall be effective for the 2024 Plan year and thereafter until terminated or further amended by the Compensation and Management Development Committee of the Board of Directors of the Company.

* * * *

AMENDED AND RESTATED MASTER SERVICES AGREEMENT

between

GRAPHIC PACKAGING INTERNATIONAL, LLC

and

NTT DATA AMERICAS, INC.

December 15, 2023

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MASTER SERVICES AGREEMENT

THIS AMENDED AND RESTATED MASTER SERVICES AGREEMENT, consisting of the terms and conditions set forth below and the attached schedules (this "Agreement") is made and entered into as of December 15, 2023 (the "Effective Date"), by and between Graphic Packaging International, LLC, a corporation formed in accordance with the laws of Delaware ("GPI"), NTT DATA Americas, Inc. (formerly known as NTT DATA Services, LLC) a corporation formed in accordance with the laws of Delaware ("NTT DATA").

The Parties (entered into a Master Agreement for Services dated November 29, 2007.

The Parties desire to further amend and restated such Master Agreement for Services, together with certain schedules and related attachments on the terms and conditions set forth herein.

The Parties agree that the terms and conditions governing the agreement of the Parties for the Services (as defined herein) are comprised of those set forth in the Agreement (as defined herein).

BACKGROUND

GPI desires that a third party experienced and expert in performing and managing information technology and related services and functions perform for GPI certain such services and functions currently performed by GPI for itself. GPI believes that by engaging such a qualified third party to perform such services and functions, GPI can achieve certain economic efficiencies, performance improvements and operational advantages. NTT DATA offers the types of services and functions required by GPI, and NTT DATA desires to provide such services to GPI. This Agreement documents the terms and conditions pursuant to which GPI will purchase, and NTT DATA will provide, such services and functions.

For ease of reference, capitalized terms used in this Agreement are defined, and Rules of Interpretation are set forth, in Schedule A hereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GPI and NTT DATA agree as follows:

AGREEMENT

ARTICLE I – CONTRACTING PARTIES, TERM AND EXTENSION

1.1 Contracting Parties.

- (a) In addition to receiving Designated Services under this Agreement, GPI will act as purchasing agent on behalf of and will be responsible for all obligations of the Affiliates of GPI receiving services under the terms of this Agreement (the "Service Recipients"). The Service Recipients as of the Effective Date are set forth in Schedule 1.1(a). GPI may unilaterally amend Schedule 1.1(a) from time to time to add additional Service Recipients, provided that such entities are Affiliates of GPI. The Parties will agree upon any Changes required to the Designated Services as a result of, and any one-time charges associated with, the addition of a Service Recipient in accordance with the Change Control Procedures. The Parties may elect, in the case of the addition of Service Recipients located outside of the United States, to enter into local country agreements pursuant to which such Service Recipients would receive Designated Services and in which the allocation of responsibility for taxes shall be negotiated separately and shall not be governed by Article VI of this Agreement. Unless otherwise agreed by the Parties, the volume of Designated Services for additional Service Recipients will be included in the calculation of overall volumes for Designated Services for purposes of calculating Charges, renegotiation triggers and other relevant aspects of this Agreement.
- (b) GPI will have a written agreement with each of the Service Recipients prior to NTT DATA' provision of Designated Services to such Service Recipients that provides, for the benefit of NTT DATA, that the Service Recipients will not make any claim or be a party to any action or lawsuit, directly or indirectly, against Perot Systems or its Affiliates or their employees, officers, or directors arising under this Agreement. GPI is fully responsible for the performance of GPI's obligations under this Agreement with respect to the Designated Services provided to such Service Recipients. Subject to Section 11.1(f) (Effect of Divestitures, Mergers and Acquisitions), in the event a Service Recipient makes a claim or brings an action against NTT DATA, GPI will cause such Service Recipient to end the claim or action, or GPI will bring the claim or action in GPI's name.

1.2 Term. The term of this Agreement (the "Term") will begin on the Effective Date and, unless terminated earlier pursuant to Article XV (Termination) or extended pursuant to Section 1.3 (Extension), will continue until 11:59 p.m. Atlanta, Georgia on January 31, 2029 (the "Term Expiration Date").

1.3 Extension.

- (a)** Upon request by GPI made no less than eighteen (18) months prior to the Term Expiration Date, NTT DATA will promptly prepare and deliver to GPI, within thirty (30) days after receipt of GPI's request, a proposal for the extension of the Term (the "Renewal Proposal"). The Renewal Proposal will provide GPI with sufficient detail to allow GPI to make an informed decision as to whether to extend the Term. GPI will provide NTT DATA Notice at least six (6) months prior to the Term Expiration Date as to whether GPI desires to negotiate to extend the Term. If GPI indicates in such Notice that it desires to extend the Term, the Parties will negotiate the terms and conditions applicable to, and the duration of, such extension. Subject to Section 1.3(b), if the Parties are unable to agree upon the applicable terms and conditions with respect to such extension by the date three (3) months prior to the Term Expiration Date or any agreed upon extension thereof, this Agreement will expire on the Term Expiration Date (subject to Section 21.3 (Entire Agreement; Survival)).
- (b)** Notwithstanding Section 1.3(a), GPI shall have two (2) options to extend the Term for a period of up to twelve (12) months each (each such twelve (12) month period, an "Option Period"), resulting in aggregate Option Periods of up to twenty-four (24) months. If GPI elects to exercise its right to extend the Term for the Option Periods, it will do so by providing NTT DATA with Notice of such election no less than ninety (90) days prior to the original Term Expiration Date (in the case of GPI's exercise of its right to extend the Term for the first Option Period), and no less than ninety (90) days prior to the expiration of the first Option Period (in the case of GPI's exercise of its right to extend the Term for the second Option Period). Each such extension shall be at the Charges and terms and conditions in effect (i) as of the Term Expiration Date, in the case of the first Option Period; and (ii) as of the expiration of the first Option Period, in the case of the second Option Period.

ARTICLE II – DESIGNATED SERVICES

- 2.1 Designated Services.** NTT DATA shall be responsible for delivery of the following services (the “Designated Services”) on the Commencement Date, as such services are segregated into the towers of service (“Service Towers”) set forth in Schedule 2.1.1: (1) those functions described in the Statement of Work; (2) any New Services added to the Designated Services pursuant to Section 2.6(a) (New Services); and (3) Projects (other than New Scope Projects) described in, and added pursuant to the terms of, this Agreement. The Parties acknowledge and agree that GPI shall retain authority over strategic direction for the Designated Services and the right to determine, alter and define GPI’s Responsibilities in connection therewith, subject to the Change Control Procedures in cases where changes in GPI’s strategic direction require Changes to the Designated Services or resources from NTT DATA not already involved in the performance of the Designated Services to accommodate such modifications to GPI’s strategic direction.
- 2.2 Statement of Work.**
- (a) NTT DATA will provide the Designated Services in accordance with the Statement of Work (the “Statement of Work”), as set forth in Schedules 2.2(a), (b), and (c) hereto. The Statement of Work describes each Party’s Responsibilities with respect to the Designated Services, the functions being performed, and other terms specific to the applicable Designated Services.
- 2.3 Responsibilities.** NTT DATA and GPI will perform their respective duties, obligations and responsibilities as set forth in this Agreement and the Statement of Work (“Responsibilities”). NTT DATA’ obligation to perform its Responsibilities will be excused where NTT DATA’ performance of its Responsibilities was adversely affected by a NTT DATA Excuse and NTT DATA demonstrates that (a) such NTT DATA Excuse was the primary cause of NTT DATA’ inability to perform and (b) NTT DATA could not have continued performance by using commercially reasonable methods, activities and procedures (collectively, “Workarounds”). In the event of (a) and (b), NTT DATA will be excused from performance only to the extent that, and for so long as, the cause giving rise to the NTT DATA Excuse prevents, delays, or impairs NTT DATA’ performance, and provided that NTT DATA takes reasonable steps to mitigate the effects of such cause(s). To the extent possible, GPI will notify in writing the NTT DATA Client Executive and if relevant NTT DATA’ manager of the Service Tower of circumstances of which GPI is aware that will prevent GPI from performing its Responsibilities and that will require NTT DATA to implement a Workaround. Regardless of whether GPI is able to provide such advance notice, to the extent NTT DATA is aware of circumstances which would require it to implement a Workaround, NTT DATA will proactively develop and implement the necessary Workarounds. Where a Workaround is necessitated from a NTT DATA Excuse, GPI will reimburse NTT DATA for its reasonable costs incurred in performing the Workarounds, provided that (a) such costs are in excess of the costs NTT DATA would incur in performing its Responsibilities absent the occurrence of the event giving rise to the NTT DATA Excuse, (b) NTT DATA is able to demonstrate the nature and amount of such costs to GPI, and (c) the labor component of such assistance is charged to GPI at rates no higher than the applicable rates (if any) set forth in the Charges Schedule. In the case where GPI is financially responsible for the cost of a Workaround: (x) except in the case of an emergency, to the extent NTT DATA must acquire additional Equipment necessary to perform a Workaround, NTT DATA must obtain GPI’s prior written Consent; (y) NTT DATA will use commercially reasonable efforts to minimize the costs of a Workaround, including attempting to absorb the excess cost related to the Workaround with the use of resources then allocated to GPI; and (z) NTT DATA acknowledges that it will not charge GPI additional fees for resources then assigned to the GPI account who are engaged in creating and implementing a Workaround. If NTT DATA performs a Workaround in accordance with this Section 2.3, NTT DATA shall be relieved from failures to perform its related obligations under this Agreement resulting from failures caused by the Workaround if NTT DATA notified GPI of the potential of the occurrence of such failures (if NTT DATA knew, or should reasonably have known of such potential), and GPI nonetheless approved the implementation of the Workaround.

2.4 Transformation. The transformation of the Designated Services (including all activities associated therewith) includes two (2) main components: (a) NTT DATA's activities associated with modifying some of the Designated Services in their present mode of operations; and (b) NTT DATA's activities associated with its future mode of operations for the GPI account, which includes the migration out of the NTT DATA Plano, Texas, location to publicly-available commercial cloud services and an alternate data center location (all such activities the "Transformation"). Schedule 2.4 sets forth the transformation and migration plan, including each of the Parties' respective Responsibilities (the "Transformation Plan"). The Parties acknowledge (i) NTT DATA Transformation activities began on October 1, 2023, (ii) a Transformation Plan has already been delivered, and (iii) will negotiate, in good faith, the terms of the final Transformation Plan.

2.5 Reserved.

2.6 New Services.

(a) The Parties may agree that NTT DATA will provide to GPI, as requested by GPI in writing from time to time, services that (1) unless otherwise agreed, will be subject to all terms and conditions of this Agreement and (2) fall outside of the then-current scope of the Designated Services (the "New Services"). New Services can either be (a) activities that are performed on a continuous basis for the remainder of the Term; or (b) activities that are performed in relation to projects with approved Project Plans in accordance with the guidelines set out in Schedule 2.7 and for which the Project Plans were approved after the Effective Date (the "New Scope Projects"). The written agreement of the Parties that NTT DATA will provide a New Service will be made through the Change Control Procedures and will be documented (i) in the form of an amendment to an existing Statement of Work or the addition of a new Statement of Work, if such New Services are not a New Scope Project, and (ii) through a Project Plan, if such New Services are a New Scope Project. To determine whether a service is a New Service, the Parties will first review the Statement of Work for guidance as to whether the requested service is included within (or inherent in) the Responsibilities assigned to NTT DATA in the Statement of Work such that it will qualify as a Designated Service. If review of the Statement of Work does not provide sufficient guidance, the Parties will determine whether a charging mechanism exists in the Charges Schedule that would reasonably be associated with (or closely approximates a reasonable charging mechanism for) such Service. If the Statement of Work or applicable charging mechanism indicates (whether expressly or by means of a close approximation) that such service is included within the Designated Service, NTT DATA will perform such service in accordance with its existing obligation to perform the Designated Services for the Charges associated with that Designated Service, and, the Parties will normalize the existing charging mechanism such that it would ideally apply to such service. If the service does not qualify as a Designated Service in accordance with such criteria, then that service will be deemed a New Service.

(b) Upon NTT DATA's receipt of a request from GPI that NTT DATA provide additional services and a determination on behalf of GPI that such additional services constitute a New Service, NTT DATA will within five (5) Business Days provide GPI with an initial response indicating whether NTT DATA will provide a proposal to perform the New Services. If NTT DATA elects to provide a proposal to perform the New Services, Perot Systems will within thirty (30) Business Days (or such shorter period as required by a Service Level) prepare, at no additional charge beyond the Base Fees, a written proposal that will include the following information, to the extent relevant:

- (i) a written description of the work that NTT DATA anticipates performing in connection with such New Service;
- (ii) a schedule for commencing and implementing such New Service;
- (iii) a project plan for implementing such New Service;
- (iv) NTT DATA's proposed charges for such New Service, including a detailed breakdown of any such charges;
- (v) proposed service levels applicable to such New Service;
- (vi) an estimate of the human resources necessary to provide the New Service;
- (vii) a description of any new software, tools or Equipment to be provided by NTT DATA in connection with such New Service;

- (viii) a description of the software, tools and Equipment and run-time requirements necessary to develop and operate any new software;
 - (ix) a list of any existing software, tools or Equipment included in or to be used in connection with such New Service;
 - (x) acceptance test criteria and procedures for any new software, tools or any products, packages or services to be used in connection with such New Service;
 - (xi) the name and title of the NTT DATA employee who would serve as project manager in connection with the implementation of the New Service or the management of a New Scope Project;
 - (xii) a list of all jurisdictions (with a level of specificity as requested by GPI) from which such New Service will be provided if such New Service will be performed other than at a Service Location; and
 - (xiii) any other information reasonably requested by GPI.
- (c) NTT DATA will not begin performing any New Service until (i) the Parties have agreed upon the terms and conditions of the New Service pursuant to the Operational Change Control Procedures, (ii) the relevant documentation pertaining to the New Service has been completed in accordance with the Contract Charge Control Procedures, and (iii) GPI has provided NTT DATA with written authorization to perform the New Service.

2.7 Projects. Except with respect to Projects qualifying as Included Projects, In-flight Projects, or as otherwise expressly agreed by the Parties in a Project Plan, all Projects agreed to by the Parties after the Effective Date will be charged to GPI on a time and materials basis, subject to the labor rates set forth in the Charges Schedule. All work that NTT DATA will perform as a Project (other than Included Projects) will be agreed to and documented by the Parties in a written project plan (a "Project Plan") in accordance with the guidelines set forth in Schedule 2.7. Included Projects will be performed by NTT DATA at no additional Charge to GPI for NTT DATA' labor. Unless otherwise agreed in the Project Plan, Projects will be terminable at any time by GPI without obligation to pay any Termination Fees or similar charges or fees except that GPI will be responsible for payment of fees for work performed on the Project through the date of termination of the Project and out-of-pocket costs or investments made by providers associated with the performance of such Projects. NTT DATA' performance of an Included Project shall be subject to agreement of the Parties in accordance with the guidelines set forth in Schedule 2.7.

2.8 Third Party Services.

- (a) **Cooperation by NTT DATA.** If GPI contracts with a Third Party to perform any services that in any way impact or are impacted by the Designated Services, NTT DATA will cooperate with GPI and any such Third Party, to the extent reasonably requested by GPI. Such cooperation will include: (i) providing reasonable physical and electronic access to facilities and technical documentation related to the Designated Services; (ii) providing such information regarding the operating environment, system constraints and other operating parameters as is reasonably necessary for the work product of the Third Party to be compatible with the Designated Services; (iii) performing integration services with respect to integrating any Third Party Software or hardware into the operating environment supporting the Designated Services; and (iv) such other cooperation as may be reasonably requested by GPI. GPI acknowledges that NTT DATA may require the Third Party to enter into a commercially reasonable confidentiality agreement prior to NTT DATA sharing any NTT DATA Confidential Information with such Party. GPI further acknowledges that any such cooperation may qualify as a Project, including an Included Project.
- (b) **Managed Agreements.** GPI hereby appoints NTT DATA as the agent of GPI, and NTT DATA accepts such appointment as a part of the Designated Services, for the limited purposes of administering, managing, supporting, operating, billing and ordering under certain Third Party agreements (the "Managed Agreements") in furtherance of the Designated Services. Schedule 2.8(b) identifies each of the Managed Agreements. NTT DATA will perform its obligations and responsibilities as an agent under the Managed Agreements subject to the provisions of this Agreement. As part of its monthly reporting obligations, NTT DATA will provide to GPI all material information and documentation related to its activities as GPI's agent with respect to the Managed Agreements. GPI may terminate or provide additional restrictions on NTT DATA' agency appointment with respect to the Managed Agreements at any time in GPI's discretion, provided that any Changes to the Designated Services necessitated by such termination or

restrictions will be made in accordance with the Change Control Procedures. The Parties may, by mutual agreement, add any Third Party agreements to the list of Managed Agreements.

2.9 Financial Commitments/Alternative Sourcing.

- (a) GPI will not be obligated to pay NTT DATA any minimum Charges or other payment (subject to the Charges Schedule) in the event of reductions in GPI's usage of the Designated Services, including, without limitation any volume reductions caused by Outsourcing, Insourcing or the divesting, by GPI, of any entity in accordance with Article XI (Divestitures, Mergers and Acquisitions).
- (b) GPI may during the Term retain Third Parties, without penalty, to perform any service, function, responsibility or task that is within the scope of the Designated Services ("Outsource") or would constitute New Services, or to perform any such services, functions, responsibilities or tasks internally ("Insource"). GPI's election to Outsource or Insource will not affect GPI's right to receive Reduced Resource Credits pursuant to the Charges Schedule. If GPI Insources or Outsources Designated Services, then GPI will receive any applicable Reduced Resource Credits associated with its continued usage, and to the extent that GPI's reduced usage triggers a renegotiation right in accordance with Section 5.2 (Charges Renegotiation), the Parties will renegotiate the Base Fees, ARCs, RRCs and Termination Fees associated with such Service Tower. NTT DATA will assist a Third Party provider in providing Outsourced services to GPI in accordance with Section

2.8 (Third Party Services). Any Changes required to be made with respect to the remaining Designated Services as a result of the Insourcing or Outsourcing of Designated Services by GPI will be subject to the Change Control Procedures.

- 2.10 Service Levels.** Beginning on the Commencement Date NTT DATA' performance of the Designated Services will meet or exceed the Service Levels as set forth in the service level agreement attached hereto as Schedule 2.10 (the "Service Level Agreement"). Subject to the terms and conditions of the Service Level Agreement, NTT DATA' failure to perform Service Levels can result in GPI receiving credits against Charges in the form of Service Level Credits, all in accordance with the terms of the Service Level Agreement.
- 2.11 Inherent Services.** If any services, functions or responsibilities not specifically described in this Agreement or the Statement of Work are required for the proper performance and provision of the Designated Services, or are an inherent part of or necessary sub-task included within the Designated Services (collectively, "Inherent Services"), they will be deemed to be implied by and included within the scope of the Designated Services to the same extent and in the same manner as if specifically described in the Statement of Work. Unless otherwise expressly provided in this Agreement, NTT DATA will furnish all necessary management, supervision, labor, facilities, furniture, equipment, supplies and materials necessary to provide the Designated Services.
- 2.12 Evolution of Designated Services.** NTT DATA will cause the Designated Services to evolve and to be modified, enhanced, supplemented and replaced as necessary for the Designated Services to keep pace with technological advances and advances in methods of delivering services similar to the Designated Services. Adjustments in the Designated Services in accordance with this Section 2.12 will be deemed to be included within the scope of the Designated Services to the same extent and in the same manner as if expressly described in the Statement of Work.
- 2.13 Reports.** The reports that NTT DATA will provide to GPI that detail NTT DATA' compliance with this Agreement are listed in Schedule 2.13. GPI may request, and NTT DATA will provide, additional reports that are necessary in GPI's reasonable discretion for GPI to assess either NTT DATA' performance of the Designated Services or GPI's internal operations related to the Designated Services. Reports and other documentation must be available in both hardcopy and electronic format. Unless otherwise agreed by GPI, meetings at which reports will be discussed will be scheduled so that GPI has at least five (5) Business Days prior to the meeting to review the reports. With regard to reports documenting NTT DATA' performance, NTT DATA will explain any deviations from the Service Levels and other performance requirements and include a plan for corrective action where appropriate. In addition, NTT DATA will provide GPI with such documentation and other information as may be reasonably requested by GPI from time to time in order to verify that NTT DATA' performance of the Designated Services is in compliance with this Agreement.

ARTICLE III – RELATIONSHIP MANAGEMENT; GOVERNANCE

3.1 Account Managers.

- (a) During the Term, NTT DATA will maintain an account manager who will be dedicated to GPI's account (the "NTT DATA Client Executive"). The NTT DATA Client Executive will be deemed a "Key Person" under Section 9.2(a)(i) (Key Personnel and Critical Personnel). The NTT DATA Client Executive (i) will be the primary contact for GPI in dealing with NTT DATA under this Agreement, (ii) will have overall responsibility for managing and coordinating the delivery of the Designated Services, (iii) will meet regularly with the GPI Representative, and (iv) will have the power and authority to make decisions with respect to actions to be taken by NTT DATA in the ordinary course of day-to-day management of GPI's account in accordance with this Agreement. The NTT DATA Client Executive may designate in writing additional employees of NTT DATA to be points of contact for GPI with respect to particular matters relating to this Agreement, and for purposes of performing activities relating to the Designated Services, GPI personnel may rely upon information provided by the NTT DATA Client Executive and, as to the particular matters, any of his or her designees.
- (b) During the Term, GPI will designate an individual who will serve as GPI's primary contact for NTT DATA in dealing with GPI under this Agreement (the "GPI Representative") and who will have the power and authority to make decisions with respect to GPI's day-to-day management of the provision of the Designated Services under this Agreement. The GPI Representative may designate in writing additional GPI employees to be points of contact for NTT DATA with respect to particular matters relating to this Agreement, and NTT DATA may rely upon the direction given by such persons as it relates to those matters.

3.2 Account Governance. GPI's account will be governed in accordance with Schedule 3.2.

3.3 Operating Procedures. NTT DATA will maintain standard operating procedures in accordance with the Services under the SOW, as applicable.

3.4 Reserved.

3.5 Change Control Procedures.

- (a) **Operational Change Control.** The procedures (the "Operational Change Control Procedures") that will govern (i) the process by which a Party may propose or request Operational Changes, (ii) the process to be followed by the Parties in analyzing the effects of, and deciding whether to implement, any such Operational Change, and (iii) the manner in which any agreed upon Operational Changes are to be implemented will (i) during the period prior to completion of the Procedures Manual, be in accordance with GPI's Operational Change Control Procedures in effect as of the Effective Date (the "Interim Operational Change Control Procedures"), a copy of which has been provided to NTT DATA prior to the Effective Date and which may be modified upon agreement of the Parties to address the effect of the Designated Services on such Interim Operational Change Control Procedures, and (ii) after completion of the Procedures Manual, be in accordance with the Operational Change Control Procedures set forth in the Procedures Manual. In addition to and notwithstanding anything to the contrary in the Operational Change Control Procedures, the following guidelines will apply to all Operational Change Control Procedures:
- (i) no Operational Change that could have a financial, operational or qualitative impact on GPI will be implemented without GPI's prior written approval, except as may be necessary on a temporary basis to maintain the continuity of the Designated Services; provided that such approval may be in the form of GPI's entry, as to an individual Operational Change, in GPI's electronic change management system IT Service Management Platform/System, or in the form of an approved GPI Change Request providing approval of Operational Changes (such as those approved in weekly CAB meetings).
- (ii) with respect to all Operational Changes other than those Operational Changes made on a temporary basis to maintain the continuity of the Designated Services, NTT DATA will (a) schedule Operational Changes so as not to unreasonably interrupt GPI's business operations, (b) prepare and deliver to GPI each month a rolling schedule for ongoing and planned Changes for the next three (3) month period, and (c) monitor and

report to GPI the status of Changes that are in- progress against the applicable schedule; and

- (iii) with respect to any Operational Change made on a temporary basis to maintain the continuity of the Designated Services, NTT DATA will document and provide to GPI notification (which may be given orally, provided that any oral notice must be confirmed in writing to GPI within one (1) Business Days) of the Operational Change no later than the next Business Day after the Operational Change is made.
- (b) **Contract Change Control.** The procedures (the "Contract Change Control Procedures") that will govern (i) Contract Changes, (ii) the manner in which a Party may propose or request Contract Changes, (iii) the process to be followed by the Parties in analyzing the effects of, and deciding whether to adopt, any such Contract Changes, and (iv) the manner in which any agreed upon modifications are to be reflected in this Agreement are set forth in Schedule 3.5(b). The Contract Change Control Procedures apply also to any modifications required to be made to this Agreement to reflect modifications agreed upon by the Parties pursuant to the Operational Change Control Procedures.
- (c) **Changes to Procedures.** The Parties will update and revise the Operational Change Control Procedures and the Contract Change Control Procedures (collectively, the "Change Control Procedures") as they deem necessary or advisable from time to time, in each case in accordance with the Contract Change Control Procedures as then in effect.

ARTICLE IV – CHARGES AND INVOICING

4.1 Charges. GPI will make payments for the Designated Services in accordance with Schedule 4.1 (the "Charges Schedule") and the terms of this Article IV. Except as otherwise expressly stated in this Agreement, GPI will not be obligated to pay NTT DATA any amounts in addition to the Charges for NTT DATA' performance of the Designated Services. NTT DATA will utilize the resources and services necessary to provide the Designated Services in an efficient manner such that the Charges to GPI are minimized.

4.2 Invoicing and Payment.

- (a) **Monthly Invoice.** Not before the fifteenth (15th) calendar day of each calendar month (the "Base Month"), NTT DATA will provide GPI with an invoice (the "Monthly Invoice") setting forth the following: (i) the Monthly Service Charges for the Designated Services to be provided by NTT DATA during that Base Month; and (ii) Adjustments to the Charges relating to Designated Services performed during the month prior to the Base Month (e.g., if the Base Month is April, the Adjustments will be made to Charges for Designated Services performed in March). Together with each Monthly Invoice, NTT DATA will deliver to GPI such reports as are necessary for GPI to understand, evaluate and independently calculate the Adjustments reflected in the Monthly Invoice and to track its internal use of the Designated Services for charge-back purposes. Subject to Section

4.3 (Disputed Invoices), GPI will pay all amounts on the Monthly Invoice within seventy- five (75) days after receipt, by means of a wire transfer or other electronic means reasonably acceptable to NTT DATA. Interest will accrue on unpaid undisputed invoiced Charges, and on unpaid disputed invoiced Charges that are in excess of the Disputed Charges Limitation, at the rate of one percent (1%) per month, commencing on the first day after such Charges were due.

- (b) **Content of Invoices.**

- (i) In addition to the foregoing, the Monthly Invoices shall include or be accompanied by information (that is deemed to be a part of the Monthly Invoice for all legal purposes) detailing the allocation of Monthly Service Charges, Adjustments and miscellaneous items to individual Designated Services used by the Service Recipients in the tax jurisdictions where the individual Service Recipient is benefited by the particular service, as well as any applicable Taxes that NTT DATA is collecting. Failure by NTT DATA to allocate in accordance with this Section 4.2(b)(ii) will not, by itself, grant GPI a right to treat amounts as not invoiced; provided, however that NTT DATA will provide GPI a corrected Monthly Invoice as soon as reasonably practicable; and provided further that NTT DATA will credit GPI any amount of taxes it overpays as a result of NTT DATA' failure to allocate Monthly Service Charges, Adjustments and miscellaneous items in accordance with this Section 4.2(b)(ii).

- (c) **Late Invoices.** Except for Taxes for which GPI is responsible under the terms of this Agreement, GPI will not be obligated to pay any Charges that are not invoiced to GPI within 120 days of the date upon which the Designated Services giving rise to such amounts payable are completed and should have been invoiced in accordance with Section 4.2(a) (Monthly Invoice).

4.3 Disputed Invoices. If GPI disputes the applicability of a Charge, credit or other item contained in a Monthly Invoice, then GPI may withhold payment of the amount in Dispute subject to the following:

- (a) GPI will pay all undisputed amounts;
- (b) GPI will provide NTT DATA with a reasonably detailed explanation of the basis of the Dispute, including an indication of the Monthly Invoice to which the Dispute pertains;
- (c) the Parties will use reasonable efforts pursuant to the internal procedures of the Dispute Resolution Procedure to resolve the Dispute;
- (d) If the aggregate amount of all Charges then in dispute exceeds one month's Charges (the "Disputed Charges Limitation"), then GPI shall pay any such excess to NTT DATA under protest. In case of such a payment or if there has been a dispute with respect to Charges for the same specific Designated Services for at least six (6) consecutive months regardless of the aggregate amount in dispute, then either Party may submit the dispute for resolution in accordance with the Dispute Resolution Procedure described in Section 4.2 of Schedule 20.1;
- (e) If it is finally determined, pursuant to the Dispute Resolution Procedures, that GPI owes NTT DATA any withheld disputed amounts, then GPI will pay NTT DATA such amounts, plus interest thereon accruing from the date such amounts were actually due (i.e., seventy- five (75) days following the date such amounts were invoiced) at the rate of one percent (1%) per month;
- (f) If it is finally determined, pursuant to the Dispute Resolution Procedures, that NTT DATA owes GPI any disputed amounts paid by GPI in excess of the Disputed Charges Limitation, then NTT DATA shall credit GPI, on the next Monthly Invoice following the determination, such amounts, plus interest thereon accruing from the date such amounts were paid at the rate of one percent (1%) per month; and
- (g) in no event will a Party's adherence to the provisions of paragraphs (a) through (d) of this Section 4.3 be construed as constituting a waiver by either Party of any claims against the other Party.

4.4 Expenses. All Pass Through Charges related to the Designated Services are set forth in the Charges Schedule. Except as expressly set forth in the Charges Schedule, all out-of-pocket costs and expenses relating to the Designated Services are NTT DATA's responsibility and will not be reimbursed by GPI except that GPI will reimburse NTT DATA for the actual cost of all travel, travel-related (including food, lodging and incidental) and out-of-pocket expenses incurred by NTT DATA in the performance of projects where travel is expressly requested by GPI, provided that GPI has agreed in advance to reimburse such expenses, and such expenses are (i) reasonable, (ii) evidenced by sufficient documentation provided to GPI and (iii) in accordance with GPI's reimbursement guidelines.

4.5 Rights of Set-Off. With respect to any amount that (a) should be reimbursed to either GPI or NTT DATA under this Agreement or (b) is otherwise payable to a Party pursuant to this Agreement, a Party may, upon not less than fifteen (15) days' prior Notice to the other Party, deduct the entire amount owed to the other Party against the charges otherwise payable or expenses owed to the other under this Agreement. Any amounts so set off that are in dispute shall be treated in accordance with Section 4.3.

4.6 Unpaid Amounts. Any amounts or unused credits owed by one Party to the other Party under this Agreement at the time of expiration or termination of this Agreement will be paid to the other Party within sixty (60) days of the expiration or termination of this Agreement, respectively. Nothing in this Section 4.6 shall be deemed to extend the time for payment of an amount due by one Party to the other as expressly provided in this Agreement.

4.7 Refunds and Credits.

- (a) If NTT DATA should receive any refund, credit or other rebate for goods, services or other obligations paid for by GPI that are included in the Designated Services, NTT DATA will promptly notify GPI of such refund, credit or rebate and will promptly credit the full amount of such refund, credit or rebate, as the case may be, against its next Invoice to GPI (or promptly pay such amount to GPI if there will be no further Invoices to GPI under this Agreement). If GPI should receive any refund, credit or other rebate for goods or services or other obligations that are included in the Designated Services and which were not paid for by GPI, GPI will promptly notify NTT DATA of such refund, credit or rebate and will include the full amount of such refund, credit or rebate, as the case may be, in its payment of the next Invoice (or promptly pay such amount to NTT DATA if there will be no further Invoices to GPI under this Agreement).
- (b) If NTT DATA pays for goods, services or other obligations for which GPI has financial responsibility under this Agreement (including any payments prior to the Effective Date for which GPI has agreed to assume financial responsibility or to reimburse NTT DATA under this Agreement), NTT DATA will promptly notify GPI of such payment and will promptly invoice the full amount of such payment on NTT DATA' next Invoice to GPI. If GPI pays for goods, services or other obligations for which NTT DATA has financial responsibility under this Agreement (including any payments prior to the Effective Date for which NTT DATA has agreed to assume financial responsibility or to reimburse GPI under this Agreement), GPI will promptly notify NTT DATA of such payment and NTT DATA will promptly credit the full amount of such payment against its next Invoice to GPI.

- 4.8 Payment For Re-Runs.** If a Re-Run of the Designated Services is required, and the need to perform such Re-run resulted primarily from NTT DATA' performance of any of such Designated Services incorrectly, such Re-Run will not count toward any utilization of a resource, and NTT DATA will not charge GPI for the incorrectly performed Designated Service, but NTT DATA will only charge GPI for the properly performed Designated Service resulting from a successful Re- Run as if no failure had occurred. For purposes of this Section 4.8, the word "incorrectly" means a failure by NTT DATA to provide the Designated Services in accordance with its Responsibilities that results in the necessity to perform a Re-Run.

ARTICLE V - ADJUSTMENTS TO CHARGES

- (i) The form and content of the Monthly Invoices and the reports that NTT DATA will provide to GPI to support the Monthly Invoices will be substantially in the form as set forth in Schedule 4.2(b). During the Transition, the Parties will agree upon the Monthly Invoices, which will include at least the level of detail set forth in Schedule 4.2(b). GPI will assist NTT DATA in promptly obtaining the information necessary for preparation of the detail to be included in or to accompany the Invoices. Alternatively, at GPI's request on reasonable advance notice, NTT DATA will issue non-itemized Monthly Invoices or combine the itemization on such Monthly Invoices of any of the Designated Services provided under this Agreement. If any Taxes are assessed on the provision of any of the Designated Services, including telecommunications services, or any portion of the Designated Services is treated as a sale or rental of tangible personal property to GPI, the Parties will work together to segregate all payments under this Agreement into three (3) payment streams: (i) those for taxable Designated Services (separated into types of taxable Designated Services) and taxable sale or rental of tangible personal property; (ii) those for nontaxable Designated Services; and (iii) those in which NTT DATA functions merely as a payment agent for GPI in receiving goods, supplies, or services (including, among others, telecommunications services) that otherwise are nontaxable or have previously been subject to tax. Notwithstanding the foregoing, any portion of the Monthly Invoice NTT DATA delivers that (1) materially fails to meet the requirements of this Section 4.2(b)(i) in such a way that GPI is unable to (y) determine whether the amount is due or (z) pay the appropriate tax, or (2) fails to segregate the payments as provided in this Section 4.2(b)(i) as agreed upon by the Parties will not be deemed to have been invoiced until NTT DATA re-issues the corrected portion of such invoice; provided, however that if the Parties agree upon a modified method of segregating payments then such modified methodology shall not take effect until thirty (30) days after agreement on the modification is reached by the Parties and within such thirty (30) day period NTT DATA may invoice amounts under the prior segregation methodology.

5.2 Benchmarking.

- (a) GPI may, beginning in the 18th month following the Agreement Effective Date, measure the Charges under this Agreement as compared to other organizations receiving similar services (a "Benchmark"). At the option of GPI, for each Benchmark, GPI may Benchmark (a) all Designated Services or (b) the Designated Services under one or more Service Towers (the "Benchmarked Services"). GPI may not perform a Benchmark more frequently than twice during the Term. Furthermore, GPI may not Benchmark a New Service during the first twelve (12) months after NTT DATA commences delivery of such New Services; provided that GPI may Benchmark the Service Tower that includes the New Service during such twelve (12) month period, but may not include such New Service in the Benchmark.
- (b) GPI will engage, and the Benchmark will be conducted by, a Person expert in an objective measurement and comparison process (a "Benchmarker"). The Parties hereby agree that Gartner, Inc., Compass America and Forrester are qualified as Benchmarkers. If GPI desires to engage a Benchmarker that is not listed in the previous sentence, it will propose such Person to NTT DATA, and NTT DATA will Consent to such Person so long as such Person (i) is not a competitor of NTT DATA, (ii) has substantial expertise in the benchmarking of IT services, and (iii) would not have a conflict of interest or bias with respect to GPI or NTT DATA, including but not limited to factors such as whether such Person is a consultant specializing in representing customers or providers of outsourced services. GPI will pay all fees and expenses payable to the Benchmarker in connection with Benchmarks. GPI shall not engage a Benchmarker on a contingent fee basis.
- (c) The Benchmark will be based upon and consistent with, in all material respects, the benchmarking methodology, principles and approach (the "Benchmark Methodology") as set forth in Schedule 5.1(c). Not less than thirty (30) days prior to the commencement date of any Benchmark, GPI will notify NTT DATA of its intent to commence the Benchmark. The Notice will include all required information as set forth in the Benchmark Methodology.
- (d) The Parties will cooperate with each other and the Benchmarker to facilitate the Benchmark, which will include performing their respective responsibilities set forth in the Benchmark Methodology and providing the Benchmarker with all information reasonably requested by the Benchmarker in accordance with the terms of the Benchmark Methodology. Prior to conducting the Benchmark, the Benchmarker will execute appropriate confidentiality agreements, as reasonably requested by the Parties, including a designation of any report by the Benchmarker as confidential information.
- (e) The Parties will cause the Benchmarker to deliver the results of the Benchmark (the "Benchmark Results") in written reports as set forth in the Benchmark Methodology.
- (f) For a period of sixty (60) days following delivery of the Benchmark Results from the Benchmarker (the "Benchmark Review Period"), GPI and NTT DATA will review the Benchmark Results, and schedule one or more meetings (which will include the Benchmarker) to address any disagreements either Party may have over the Benchmark Results. In such meetings, NTT DATA may dispute whether the Benchmark was conducted in accordance with the agreed Benchmarking Process, but may not dispute the Benchmarking Process itself. If NTT DATA disputes the Benchmark Results, then the Parties will attempt to reach agreement upon the Benchmark Results, applying the correct Benchmarking Process within thirty (30) days after the Benchmark Review Period. If the Parties are not able to reconcile the Benchmark Results with the correct Benchmarking Process, the matter will automatically be submitted to the Dispute Resolution Process. Notwithstanding the duration of the Benchmark Review Period, the adjustment to the Charges as contemplated under Section (g) and as finally agreed upon will be retroactive to the date that is thirty (30) days after the delivery of the final Benchmark Results reflecting any adjustments.
- (g) If the Benchmark shows that the Charges are more than five percent (5%) higher than the highest price paid by comparable users of services similar to the Designated Services which are in the top quartile for paying the lowest price for such services (the "Benchmark Charges"), then subject to the dispute process in Section 5.2(f), NTT DATA will reduce the Charges to an amount equal to the Benchmark Charges within thirty (30) days after the Benchmarker has delivered the final Benchmark Results to the Parties.

5.3 Charges Renegotiation.

- (a) **Underutilization of Resource Units.** If either (i) the consumption of any Resource Unit is less than the lower limit of the Renegotiation Band for such Resource Unit for three (3) consecutive months or for five (5) months in any seven (7) month period and such reduced resource utilization is anticipated by GPI to continue on a long term basis, or (ii) GPI anticipates that

changes in its business will result in such a sustained decrease in its utilization of such Resource Unit, then either Party may request a renegotiation of the Charges for such Resource Unit. Upon such request, the Parties will renegotiate the associated Charges. In addition, with respect to Windows Server Services such renegotiation right will be triggered when the consumption for all types of Windows LPARs is less than sixty-five percent (65%) of the cumulative Baselines for all types of Windows LPARs for three (3) consecutive months or for five (5) months in any seven (7) month period, and such reduced resource utilization is anticipated by GPI to continue on a long term basis.

- (b) **Excess Utilization of Resource Units.** If either (i) the consumption of any Resource Unit is more than the upper limit of the Renegotiation Band for such Resource Unit for three (3) consecutive months or for five (5) months in any seven (7) month period and such resource utilization is anticipated by GPI to continue on a long term basis, or (ii) GPI anticipates that changes in its business will result in such a sustained increase in its utilization of such Resource Unit, then either Party may request a renegotiation of the Charges for such Resource Unit. Upon such request, the Parties will renegotiate the associated Charges. In addition, with respect to Windows Server Services such renegotiation right will be triggered when the consumption for all types of Windows LPARs is greater than 135% of the cumulative Baselines for all types of Windows LPARs for three (3) consecutive months or for five (5) months in any seven (7) month period, and such excess resource utilization is anticipated by GPI to continue on a long term basis.
- (c) **Total Contract Underutilization.** If for three (3) consecutive months or for five (5) months in any seven (7) month period, the aggregate of the Monthly Service Charges, ARCs and RRCs for all of the Designated Services is less than sixty-five percent (65%) of the sum of the Monthly Service Charges for the twelve (12) month period beginning on the Commencement Date for all Designated Services, then either Party may request a renegotiation of, and the Parties will renegotiate, the Charges as a whole. For purposes of this subsection 5.2(c), the annualized Monthly Service Charges will be pro-rated to take into account the three (3) or five (5) month period, as applicable. For purposes of the comparison under this subsection (c), the Monthly Service Charges will not include (i) any Economic Change Adjustment applied to such Charges and (ii) any Charges for Projects.
- (d) **Total Contract Excess Utilization.** If for three (3) consecutive months or for five (5) months in any seven (7) month period, the aggregate of the Monthly Service Charges, ARCs and RRCs for all of the Designated Services is more than 135% of the sum of the Monthly Service Charges for the twelve (12) month period beginning on the Commencement Date for all Designated Services, then either Party may request a renegotiation of, and the Parties will renegotiate, the Charges as a whole. For purposes of this subsection 5.2(d), the annualized Monthly Service Charges will be pro-rated to take into account the three (3) or five (5) month period, as applicable. For purposes of the comparison under this subsection (d), the Monthly Service Charges will not include (i) any Economic Change Adjustment applied to such Charges and (ii) any Charges for Projects.
- (e) With respect to Sections 5.2(a) and 5.2(b), a renegotiation of the Charges requires a renegotiation of the Baselines, Base Fees, ARCs and RRCs associated with the applicable Resource Unit(s). With respect to Sections 5.2(c) and 5.2(d), a renegotiation of the Charges requires a renegotiation of (i) the scope of the Designated Services and (ii) the Baselines, ARCs, RRCs, Base Fees and Termination Fees.

ARTICLE VI – TAXES

- 6.1 Allocation of Responsibility.** Except as provided in Section 6.5, GPI will be financially responsible for Taxes imposed on, based on, or measured by any consideration for any provision of services or transfer of property by NTT DATA to GPI pursuant to this Agreement and for which NTT DATA has an obligation under Law to collect such Taxes from GPI. GPI shall not be financially responsible for (i) any penalties, interest and other charges related to Taxes, (ii) except as provided in Section 6.3, any taxes (including related interest, penalties, and additions to tax) not within the scope of the term Taxes as defined in this Agreement, including but not limited to, any and all non-U.S. value added taxes, non-U.S. goods and services taxes, non-U.S. sales taxes and similar types of non-U.S. taxes which are imposed on, based on, or measured by any consideration for any provision of services or transfer of property by NTT DATA to GPI as a result of NTT DATA' decision to provide any services from, or otherwise undertake any action in, a non-U.S. jurisdiction, provided that this clause (ii) shall not apply to non-U.S. Taxes due on the delivery of services to places of business of Service Recipients located outside the United States (iii) any Taxes on any amounts (including but not limited to taxes) previously paid or incurred by NTT DATA and that are passed through to and reimbursed by GPI, including but not limited to amounts passed through to and reimbursed by GPI pursuant to Section 4.4, (iv) any Taxes that are imposed on NTT DATA' acquisition, ownership, or use of property or services in the course of providing property or services to GPI, (v) any Taxes imposed on, based on, or measured by any consideration for any provision of services by NTT DATA to GPI pursuant to this Agreement and for which NTT DATA has an obligation under Law to collect such Taxes from GPI and that arise as a result of NTT DATA' decision to provide any services, including any New Service, in a jurisdiction other than the jurisdictions listed in Section (A) of Schedule 10.2 (the NTT DATA Service Locations) and (vi) any Taxes on any amounts owed by NTT DATA to any subcontractor pursuant to Section 9.2.
- 6.2 Exemptions.** Notwithstanding anything to the contrary in this Agreement, GPI will not pay or reimburse NTT DATA for any Taxes related to the provision of goods or services for which GPI provides NTT DATA with a valid and applicable exemption certificate, multi-state benefit certificate, resale certificate, direct pay permit, or other reasonable evidence of exemption. Each Party will make all reasonable efforts to accurately determine each Party's tax liability and to minimize such liability to the extent legally permissible.
- 6.3 Property and Ad Valorem Taxes.** NTT DATA will be responsible for reporting and payment of any real or personal property or ad valorem taxes due on property it owns and property or ad valorem taxes it otherwise has a responsibility under law to remit, and GPI will be responsible for reporting and payment of any real or personal property or ad valorem taxes due on property it owns and property or ad valorem taxes it otherwise has a responsibility under law to remit. Each Party will bear sole responsibility for all taxes for franchise and privilege taxes on its business, and for taxes based on its net income.
- 6.4 Withholding Taxes.** NTT DATA shall be financially responsible for any Withholding Tax liability asserted by any tax authority against GPI as a result of payments made by GPI to NTT DATA under the terms of this Agreement. GPI shall provide notice to NTT DATA of any assertion of Withholding Tax liability by any tax authority and shall make available to NTT DATA on a timely basis valid evidence of any Withholding Tax paid by GPI to such tax authority.
- 6.5 Assessments.** Notwithstanding any other provision of this Agreement, if NTT DATA receives notice from any taxing authority with respect to an assessment or potential assessment or imposition of any Tax that GPI would be financially responsible pursuant to this Article XI (an "Assessed Tax"), NTT DATA shall promptly send notice to GPI of such notice. NTT DATA shall also provide the GPI tax department a copy of any such notice, which notice will be directed to the director of state taxes or comparable position. To the extent directed by GPI in a notice sent to NTT DATA, NTT DATA shall timely contest (at GPI's direction and expense relating to all actions to be taken to contest) such Assessed Tax with GPI's participation, or, if GPI so directs, permit GPI to contest, to the extent permissible under applicable tax law and procedures, such Assessed Tax, at GPI's expense, in a forum selected by GPI, and with counsel selected by GPI and reasonably acceptable to NTT DATA, until GPI has decided to settle the matter or all appeals have been exhausted. To the extent NTT DATA contests an Assessed Tax at GPI's direction, and such contest involves claims with respect to taxes or Taxes for which GPI would not be financially responsible pursuant to this Article XI, GPI shall be responsible only for that portion of NTT DATA' expenses as are reasonably allocable to the contest of the Assessed Tax. NTT DATA may not compromise, settle, or resolve a contest with respect to such Assessed Tax under this Section 6.5 without GPI's Consent. Notwithstanding any provision in this Agreement to the contrary, with respect to any Assessed Tax, if NTT DATA fails to comply with any of the requirements of this Section 6.5, such Assessed Tax shall not be a Tax for which GPI is financially responsible under Article XI.

- 6.6 Refunds and Rebates.** GPI will be entitled to any Tax refunds or rebates granted to the extent such refunds or rebates are of Taxes that were the responsibility of GPI under this Agreement. GPI may require NTT DATA to choose and perform one of the following: (i) apply for and diligently pursue, at GPI's expense, a refund of Taxes paid by GPI; (ii) if permitted by Law, assign its rights to a refund claim for such Taxes to GPI; or (iii) in the event that NTT DATA has already received a refund or rebate of any Tax for which GPI was responsible under this Agreement, pay to GPI the amount of such Taxes refunded to NTT DATA and any interest received thereon.
- 6.7 Cooperation.** The Parties agree to reasonably cooperate with each other to enable each to more accurately determine its own Tax Liabilities and to minimize such Taxes incurred in connection with this Agreement to the extent legally possible. Such cooperation shall include, but not be limited to, preparation of Invoices in accordance with Section 4.2(b), the delivery of software in a manner other than through a tangible medium (e.g., electronic delivery or delivery via the load and leave or other similar method, noted on Invoice set forth in Section 4.2 (b) (i)), and maintaining data, as reasonably necessary for Tax compliance purposes, making such data available to the other Party (or permitting the other Party to copy, at the requesting Party's expense, such data), and making information in its possession and employees with technical expertise available (at the providing Party's reasonable cost) as reasonably necessary in connection with the preparation of any Tax returns or any audit, contest or refund claim related to Taxes.
- 6.8 Survival.** The Parties' obligations under this Article 6 survive any expiration or termination of the Agreement.
- 6.9** The Parties agree to negotiate in good faith the terms of (i) local country agreements pursuant to Section 1.1(a) of the Agreement to allocate responsibility for any taxes that may arise in Canada and Mexico due to certain Service Recipients' receipt of Designated Services in those countries, consistent with the allocation of responsibility for Taxes stated in Article VI (Taxes), and (ii) modifications to the Parties' respective tax indemnities contained in Section 17.1(h) (Taxes) and 17.2(g) (Taxes) to reflect such agreed allocation of responsibility. No Party shall be indemnified under Section 17.1(h) (Taxes) or 17.2(g) (Taxes) by the other Party for taxes that such Party (or an Affiliate of such Party) has assumed responsibility for in a local country agreement. The Parties will attempt to reach agreement on such terms within the first ninety (90) days following the Second Amendment Effective Date and, when such terms are agreed, promptly execute such local country agreements and add such terms as outlined in (ii) above to the Agreement pursuant to an amendment.

ARTICLE VII – RESERVED ARTICLE VIII – TECHNOLOGY

8.1 Planning.

- (a) **Semi-Annual Technology Review.** At least once every six (6) months during the Term, NTT DATA will meet (a “Semi-Annual Technology Review Meeting”) with GPI to (i) discuss any new information technology, methodologies or processes NTT DATA is developing or information technology trends, and directions of which either Party is otherwise aware that could reasonably be expected to have an impact on GPI's business (relating to the Designated Services or otherwise), and (ii) identify, jointly with GPI, cost- efficient methods to implement technological and operational changes and methodologies that could be beneficial to GPI in connection with the Designated Services. At each such meeting, NTT DATA will report to GPI on initiatives that have resulted or are anticipated to result in increased efficiency in service delivery or account management for NTT DATA, together with proposals for proportionate reductions in the Charges resulting from such efficiencies.
- (b) **Technology Plan** GPI and NTT DATA will jointly prepare a technology plan that addresses GPI's service and technology requirements (the “Technology Plan”). The Technology Plan will include, among other things (i) a comprehensive assessment and strategic analysis of the Designated Services, (ii) an analysis of the Software and Equipment then utilized in connection with the Designated Services and whether modifications are necessary, and (iii) performance discussion of Key Personnel. The Technology Plan will also include a three (3) year roadmap setting direction and planning for the Designated Services and the technologies used by NTT DATA therein (including all Equipment and Software used therein), taking into account GPI's business priorities and strategies, and competitive market forces. At each Semi-Annual Technology Review Meeting, the Parties will update the Technology Plan. Such updates should include specific information regarding requirements, upcoming Projects and such other information that the Parties believe should be included in short-term planning. At the second Semi-Annual Technology Review Meeting for a Contract Year, the Parties will review the Technology Plan and update, as appropriate, the three (3) year technology roadmap. The Parties agree that they will use reasonable commercial efforts to use the resources theretofore allocated to the GPI account to accommodate any change to the Technology Plan, and that NTT DATA will attempt to mitigate increases, if any, to the Charges to accommodate such change. Notwithstanding the foregoing and except as set forth in Section 8.1(c) (Changes to Technology Plan) the Parties will agree at the Semi- Annual Technology Review Meetings, upon any increased Charges for a change to the Technology Plan, and unless any such changes to Charges are agreed upon at the Semi- Annual Technology Review Meetings, all work related to a change to the Technology Plan will be included in the then-existing Charges. The Parties agree to cooperate in good faith to prepare and finalize the Technology Plan within the first ninety (90) days following the Fifth Amendment Effective Date.
- (c) **Changes to Technology Plan.** Changes made to the Technology Plan, other than those made at a Semi-Annual Technology Review Meeting, may be made only in accordance with the Change Control Procedures.
- (d) **Implementation of Technology Initiatives.** Unless otherwise expressly agreed by the Parties, the implementation of technology and methodologies by NTT DATA will occur pursuant to the Technology Plan. With respect to technologies and methodologies not specifically addressed in the Technology Plan, NTT DATA must provide GPI sufficient written notice of NTT DATA' intent to implement any new technologies or methodologies, along with sufficient information in order that GPI may analyze the effect of the new technologies or methodologies on GPI's internal systems and Applications, and any such technologies or methodologies may be implemented only in accordance with the Change Control Procedures. GPI will be given sufficient opportunities to acceptance test any such implementation.

8.2 Assets and Financial Responsibilities. Attached hereto as Schedule 8.2 is a listing of the Software and Equipment that NTT DATA will use to provide the Designated Services. Subject to Section 8.7 (Intellectual Property), Schedule 8.2 also sets forth the ownership and operational and financial responsibility for the purchase and maintenance of Equipment, Software and other assets used in connection with the Designated Services (the "Financial Responsibilities Matrix"). The Financial Responsibilities Matrix may be modified only in accordance with the Change Control Procedures.

8.3 Equipment Refresh.

(a) **Refreshes.** NTT DATA will implement the refresh of Equipment in accordance with the following requirements:

- (i) NTT DATA will refresh GPI Equipment in accordance with an agreed-to Project.
- (ii) NTT DATA will refresh NTT DATA Equipment, NTT DATA Tools, NTT DATA Software and NTT DATA Third Party Software as necessary to ensure that (x) NTT DATA Equipment, NTT DATA Tools, NTT DATA Software and NTT DATA Third Party Software have sufficient capacity and capabilities to allow NTT DATA to perform its obligations under this Agreement, and (y) NTT DATA remains at all times a Tier One Provider with respect to the Designated Services.

(b) **Refresh Notice.** NTT DATA will provide the GPI Representative with written notice at least sixty (60) days (or as soon as practicable) prior to initiating any refresh of Equipment and NTT DATA will cooperate with GPI in any acceptance testing of the refreshed Equipment reasonably requested by GPI. NTT DATA will minimize disruption to GPI and GPI's costs in connection with any refresh of NTT DATA Assets. GPI may request, and NTT DATA will reasonably agree to defer the implementation of refreshes of NTT DATA Assets as set forth in this Section 8.3(b).

8.4 Software Currency.

- (a) NTT DATA will maintain reasonable currency of Maintenance Releases and Versions of NTT DATA Software and the NTT DATA Third Party Software residing on GPI Equipment. "Reasonable currency" means that Maintenance Releases and Versions are installed to the NTT DATA Software and NTT DATA Third Party Software residing on GPI Equipment to allow GPI Applications resident on GPI Equipment to function properly.
- (b) As to NTT DATA Software and the NTT DATA Third Party Software residing on GPI Equipment, NTT DATA will comply with any request from GPI that NTT DATA install a Maintenance Release or Version that is not necessary to meet the standard set forth in Section 8.4(a) or, subject to the Change Control Procedures, operate and maintain multiple Versions of NTT DATA Software and NTT DATA Third Party Software. Further, subject to NTT DATA obtaining Service Level relief as a result of a NTT DATA Excuse, GPI may delay or forego the installation of a Maintenance Release or Version of specific NTT DATA Software or NTT DATA Third Party Software on GPI Equipment that is recommended by NTT DATA.
- (c) NTT will perform in-place upgrades of the operating systems for GPI Equipment. NTT DATA shall have no obligation to refresh any operating system that is no longer supported by the applicable software vendor. Any upgrade that both Parties agree is not considered an in-place upgrade will be performed in accordance with an agreed-to Project or as otherwise provided in a SOW.

8.5 Procurement and Maintenance.

- (a) Where NTT DATA's Responsibilities include the procurement or lease of assets on GPI's behalf, unless otherwise agreed, NTT DATA will, acting as GPI's agent, procure or lease such assets from vendors or lessors and under contracts specified by GPI. GPI will reimburse NTT DATA for the assets procured by NTT DATA on GPI's behalf, but will not be responsible for any additional fee or other administrative charge associated with NTT DATA's procurement activities. Any assets procured will be used solely for the benefit of GPI in the delivery of the Designated Services.
- (b) NTT DATA is responsible for the administration of all Equipment maintenance.
- (c) Maintenance Responsibility for Software shall be in accordance with the Financial Responsibilities Matrix.

- (d) Where NTT DATA' Responsibilities include the purchase of maintenance and warranty obligations as an agent of GPI, NTT DATA will make such purchases from vendors selected by GPI.

8.6 Third Party Software.

- (a) NTT DATA acknowledges that in providing the Designated Services it will use GPI Third Party Software. NTT DATA will cooperate with GPI and any Third Party licensor of GPI Third Party Software in the configuration, design, development and enhancement of GPI Software or GPI Third Party Software that will be operated on GPI Assets or NTT DATA Assets, and will operate such GPI Software and GPI Third Party Software on the NTT DATA Assets, all in accordance with this Agreement. GPI acknowledges that any such cooperation with a Third Party licensor may qualify as a Project, including if applicable, an Included Project.
- (b) NTT DATA will not, without the prior written Consent of GPI, introduce any NTT DATA Third Party Software, other than Software that is commercially available "off the shelf," onto GPI Equipment for which NTT DATA has not obtained the right to sublicense to GPI upon any expiration or termination of this Agreement.

8.7 Intellectual Property.

- (a) No interest in Inventions or the patent rights therein (including rights in patent applications) or other Intellectual Property Rights will transfer except as expressly set forth in this Section 8.7, a Project Plan or other written instrument between the Parties. Inventions created under this Agreement and reduced to practice will be treated as follows: (1) if solely made by personnel of one of the Parties, it and all patent applications therefor and all patents therein will be the property of that Party ("NTT DATA Sole Invention" in the case of NTT DATA, and "GPI Sole Invention" in the case of GPI); and (2) if made by personnel of both Parties, it and all patent applications filed therefore and all patents issued thereon will be jointly owned by the Parties (without accounting) as defined by United States patent laws. A Party's rights in Inventions created under this Agreement and not reduced to practice will be governed by applicable United States patent laws. As used herein, "Invention" means ideas, concepts, know-how, techniques, inventions, discoveries or improvements, regardless of whether patentable, to the extent conceived during the Term and Termination Assistance Period (and any extension thereof) and in performance of this Agreement or a Project. Nothing in this Agreement provides a Party with ownership rights to the other Party's pre-existing or independently developed Intellectual Property Rights.
- (b) NTT DATA will retain all of its right, title and interest in and to the NTT DATA Tools and NTT DATA Software. NTT DATA hereby grants to GPI during the Term and Termination Assistance Period (and any extension thereof), a global, fully-paid-up, non-exclusive license to use, perform, display and copy, for GPI's and each of the Service Recipients' internal purposes with respect to their receipt of the Designated Services, the NTT DATA Tools and the NTT DATA Software provided by NTT DATA under this Agreement, solely to the extent necessary for GPI and the Service Recipients to receive the benefit of the Designated Services. As between NTT DATA and GPI, NTT DATA will own all Intellectual Property Rights in Derivative Works, improvements or modifications of NTT DATA Tools and/or NTT DATA Software created or developed by either Party under this Agreement, and NTT DATA hereby grants to GPI during the Term and the Termination Assistance Period (and any extension thereof) a fully paid-up, non-exclusive license to use, perform, display and copy Derivative Works of such items for GPI's and each of the Service Recipients' internal use with respect to their receipt of the Designated Services.
- (c) GPI will retain all of its right, title and interest in and to the GPI Tools and the GPI Software. GPI hereby grants to NTT DATA during the Term and the Termination Assistance Period (and any extension thereof), a global, fully paid-up, non-exclusive license to use, perform, display, copy and make Derivative Works of the GPI Tools and the GPI Software, solely to the extent necessary for NTT DATA to provide the Designated Services under this Agreement. As between NTT DATA and GPI, GPI will own the Intellectual Property Rights in Derivative Works, improvements or modifications of GPI Tools and/or GPI Software created or developed by either Party under this Agreement. GPI hereby grants to NTT DATA during the Term and the Termination Assistance Period (and any extension thereof) a fully paid-up, limited, non-exclusive license to use, perform, display, copy and make Derivative Works of, the Derivative Works, improvements and modifications of GPI Tools and GPI Software created or developed by NTT DATA under this Agreement, only for purposes of NTT DATA providing the Designated Services.
- (d) With respect to any Derivative Works, improvements or modifications of Third Party Software created by either Party under this Agreement, ownership of the Intellectual Property Rights in such

items will be determined on a case-by-case basis with each Party participating in the negotiation of these terms such that the interests of all parties are addressed.

- (e) With respect to newly created or developed Software (which is not a Derivative Work, improvement or modification of any existing Software) that is created or developed pursuant to an agreed upon Project Plan, Statement of Work or other similar agreement, the ownership of Intellectual Property Rights in such Software (including any ownership in Inventions and patents and patent applications therein) will be negotiated by the Parties prior to the development of such Software, the terms of which will be evidenced in the Project Plan or applicable Statement of Work. Notwithstanding the immediately preceding sentence, unless otherwise agreed to in writing by the Parties, in the event that the negotiated ownership relating to the Software which is the subject of this Section 8.7(e) does not result in GPI owning all Intellectual Property Rights in such Software, then NTT DATA hereby grants to GPI a fully paid-up, royalty free, perpetual, irrevocable, license to use, perform, display, copy, distribute and make Derivative Works of such Software. NTT DATA hereby irrevocably and perpetually covenants not to sue GPI under any Intellectual Property Right owned by NTT DATA with respect to the making, having made, using, selling, distributing, modifying, copying, importing or otherwise commercializing or exploiting, throughout the world any of the Software created by NTT DATA under this Section 8.7(e) for which GPI does not own all of the Intellectual Property Rights.
- (f) With respect to newly created or developed Software (which is not a Derivative Work, improvement or modification of any existing Software) that either (a) is created or developed pursuant to a written Project Plan, Statement of Work or similar agreement between the Parties which fails to delineate ownership of such Software or (b) is created under this Agreement without the Parties entering into a written Project Plan, Statement of Work or similar agreement between the Parties, then GPI will own all of the Intellectual Property Rights in such Software. GPI hereby grants to NTT DATA during the Term and the Termination Assistance Period (and any extension thereof) a fully paid-up, limited, non-exclusive license to use, perform, display, copy and make Derivative Works of, the Derivative Works, improvements and modifications of such developed Software only for purposes of NTT DATA providing the Designated Services.
- (g) If any of the Software, reports or other tangible items created or developed by NTT DATA under this Agreement for the benefit of GPI and provided to GPI pursuant to a Project ("Deliverables") for which GPI is contractually granted ownership rights, are not deemed a "work for hire" by operation of law, NTT DATA hereby irrevocably assigns, transfers and conveys (and in the case of Deliverables not yet developed, hereby covenants upon their development to irrevocably assign, transfer and convey) to GPI, without further consideration, all of the Intellectual Property Rights transferred in accordance with the provisions of this Section 8.7 in and to such Deliverables. NTT DATA acknowledges, and will cause all of its employees, agents and subcontractors to acknowledge, that GPI will have the right to obtain and hold in its own name such Intellectual Property Rights in and to the Deliverables. NTT DATA agrees to execute any documents or take any other actions as may reasonably be necessary, or as GPI may request, to perfect GPI's ownership of any such Deliverables. If any NTT DATA Software or NTT DATA Tools are embedded in the Deliverables, NTT DATA hereby grants to GPI a global, fully paid-up, royalty fee, irrevocable, perpetual, non-exclusive license to use, perform, display, copy, create Derivative Works based upon, and distribute, for GPI's internal purposes, such embedded NTT DATA Software and NTT DATA Tools and any modifications and Derivative Works thereof, but only so long as such NTT DATA Software and NTT DATA Tools remain embedded in the Deliverables.

8.8 GPI Equipment and Software. GPI Equipment and GPI Software will be accessed and utilized by NTT DATA solely for purposes of performing the Designated Services for GPI and otherwise performing NTT DATA' obligations under this Agreement. NTT DATA shall not access or utilize, or allow any agent, contractor, subcontractor or other Third Party, to access or utilize any GPI Equipment or GPI Software for any purpose other than performing the Designated Services for GPI and otherwise performing NTT DATA' obligations under this Agreement.

ARTICLE IX – MANAGEMENT OF RESOURCES

9.1 Reserved.

9.2 Personnel Resources.

(a) Key Personnel and Critical Personnel.

- (i) - The Parties have designated (a) as “Key Personnel” those NTT DATA employees serving in management positions critical to the management of the GPI account, which management positions are listed in Schedule 9.2(a)(i)(A) and (b) as “Critical Personnel” those NTT DATA employees serving in operational positions whose knowledge of the elements of the GPI account are critical to the everyday operations of the GPI business, which positions are listed in Schedule 9.2(a)(i)(A). The Key Personnel and Critical Personnel will be highly qualified and capable of fulfilling the responsibilities of their positions. Except for the Critical Personnel specifically designated on Schedule 9.2(a)(i)(A) as not being dedicated, all Key Personnel and Critical Personnel will be dedicated to the provision of the Designated Services. The Parties may, from time to time in accordance with the Contract Change Control Procedures, change the positions designated to be filled by Key Personnel and Critical Personnel or the number of Key Personnel and Critical Personnel. NTT DATA will use commercially reasonable efforts to retain Key Personnel and Critical Personnel in their respective positions for at least two (2) years and may not remove such persons from their respective positions without GPI’s prior written Consent unless GPI has requested such removal, or such Key and Critical Personnel: (A) voluntarily resigns from NTT DATA; (B) is dismissed by NTT DATA for misconduct (e.g., fraud, drug abuse, theft); (C) materially fails to perform his or her duties and responsibilities pursuant to this Agreement; (D) dies or is unable to work due to his or her disability; or (E) is placed on an approved leave of absence in accordance with NTT DATA personnel policies. Where removal is not required because of the reasons set forth in (A) through (E) above, GPI will not unreasonably withhold its Consent of a request by NTT DATA if (y) the reason for removal involves the professional advancement of the individual within NTT DATA or (z) NTT DATA reasonably believes that such individual may resign if not removed from the GPI account; provided, however that GPI’s withholding of Consent will be deemed reasonable if the reason for removal is to accommodate another NTT DATA customer account. NTT DATA will ensure that Key Personnel and Critical Personnel do not work on accounts of GPI Competitors while such employees are Key Personnel and Critical Personnel and for twelve (12) months thereafter. “GPI Competitors” means those entities described in Schedule 9.2(a)(i)(B) (and their successors in interest as a result of merger, acquisition, divestiture or restructuring), as such Schedule may be modified annually by GPI to reflect any other entities that GPI reasonably deems to be competitors.
- (ii) Before assigning an individual to serve as a Key Personnel or Critical Personnel, NTT DATA will (a) notify GPI of the proposed assignment, (b) introduce the individual to appropriate GPI representatives (and, upon request, provide such representatives with the opportunity to interview the individual), and (c) provide GPI with a résumé and other information about the individual requested by GPI. If GPI reasonably objects for any reason that is not unlawful to the proposed assignment, the Parties will discuss the basis of and methods for addressing GPI’s concern. If, notwithstanding such discussions, GPI maintains its reasonable objection, NTT DATA will not assign the individual as a Key Personnel or Critical Personnel and will promptly propose to GPI another highly qualified individual to serve in such position. Key Personnel and Critical Personnel may not be transferred or re-assigned until a suitable replacement has been approved by GPI. Any replacement of Key Personnel or Critical Personnel must be conducted in accordance with a mutually agreed upon transition plan in accordance with Section 9.2(b). If any Key Personnel or Critical Personnel leaves his or her employment with NTT DATA for reasons that are beyond the reasonable control of NTT DATA (e.g., death, disability, illegal or wrongful activity, etc.), NTT DATA may temporarily replace such person with a qualified person without GPI’s prior approval until a permanent replacement has been identified and approved by GPI. GPI’s approval of replacements for Key Personnel or Critical Personnel will not be unreasonably withheld or delayed so long as a transition plan has been agreed upon by the Parties pursuant to Section 9.2(b).

(b) NTT DATA Personnel Transition Plan.

- (i) NTT DATA will notify the GPI Representative promptly upon determining or being notified that any NTT DATA management personnel assigned to the GPI account will no longer be serving in their assigned positions. Where practicable, notice will be delivered to GPI at least thirty (30) Business Days prior to the date on which such Person will cease to serve in such role.
- (ii) In addition to providing notice to GPI pursuant to subsection 9.2(b)(i), NTT DATA will cause Key Personnel and Critical Personnel not to be removed or re- assigned from their positions and to continue to provide Designated Services until the Parties reach mutual agreement regarding a transition plan, unless (A) otherwise requested by GPI or (B) the removal is for a reason specified in Section 9.2(a)(i)(A-E). The Parties will promptly begin to negotiate the terms of the transition plan for the departing personnel immediately following NTT DATA' delivery of notice pursuant to Subsection 9.2(b)(i). Each transition plan will be developed by the Parties on a case-by-case basis for any departing personnel and will be mutually agreed upon in writing by the Parties. All transition plans will include at least the following: (1) technical requirements (if not already defined); (2) a timetable for integration of the replacement personnel into their positions, as the case may be; and (3) replacement methodology designed to minimize the loss of knowledge as a result of losing the Key Personnel or Critical Personnel.
- (iii) NTT DATA will assume all costs and expenses associated with the (A) departure or re-assignment of all Key Personnel or Critical Personnel and (B) development and implementation of the transition plan, including costs and expenses associated with "knowledge transfer," integration and training of replacement personnel.

(c) GPI Requested Replacement of NTT DATA Personnel. If GPI determines, in its reasonable discretion and for reasons that are not unlawful, that the continued assignment to the GPI account of any NTT DATA personnel is not in the best interests of GPI, then the GPI Representative may request by written notice to the NTT DATA Client Executive that NTT DATA replace any such personnel with other qualified personnel. In such event, the Parties will discuss the basis of and methods for addressing GPI's concern. If, notwithstanding such discussions, GPI maintains its objection, NTT DATA will remove the personnel from the GPI account and replace them with other qualified personnel.

(d) Turnover Rate; Reassignment. NTT DATA will annually measure and report to GPI the turnover rate of NTT DATA employees involved in providing the Designated Services.

(e) Background Checks. NTT DATA will not employ, and will cause its Affiliates not to employ, any individual to perform Designated Services who has not successfully passed a drug screening and background check in accordance with NTT DATA' standard policies and practices. NTT DATA will not engage and will cause its Affiliates not to engage, any employee in the performance of Designated Services if the results of such person's background check are not consistent with the standards applicable under NTT DATA' employment policies and practices.

9.3 Subcontracting.

(a) Permitted Subcontracting. Subject to the restrictions set forth in this Section 9.3, NTT DATA may subcontract any of the Designated Services without GPI's Consent.

(b) Financial Limitations on Subcontracting. NTT DATA may not, without GPI's Consent

- (i) subcontract any of the Designated Services to any one entity other than an Affiliate of NTT DATA in an annual amount in excess of One Hundred Thousand Dollars (\$100,000); or (ii) subcontract other than to an Affiliate of NTT DATA Designated Services in any Service Tower that generate more than ten percent (10%) of the sum of the Monthly Service Charges for the immediately prior twelve (12) month period related to such Service Tower; provided, however that NTT DATA may enter into a subcontract that exceeds the foregoing limitations if necessary to (A) reduce the impact of a Force Majeure Event or a Disaster or (B) avoid an emergency situation, except that in such case NTT DATA will use its commercially reasonable efforts to limit the use of subcontractors in excess of such percentage. Notwithstanding the foregoing, Schedule 9.3(b) sets forth NTT DATA subcontractors that the Parties have agreed, as of the Effective Date, NTT DATA may use in its provision of the Designated Services although the use of such subcontractors may exceed the limitations set forth in (i) or (ii) above.

- (c) **Other Limitations on Subcontracting.** In addition to the restrictions set forth in subsection (b), NTT DATA may not, without the Consent of GPI (1) subcontract any of the Designated Services to a GPI Competitor, (2) subcontract any of the Designated Services that may not, or in GPI's reasonable judgment should not, be subcontracted for regulatory or similar reasons or (3) subcontract any of the Critical Services to a Third Party other than an Affiliate of NTT DATA.
- (d) **NTT DATA Retained Responsibility.**
- (i) Notwithstanding its right to subcontract, NTT DATA retains responsibility, with respect to subcontracted Designated Services, for its obligation to perform the Designated Service and to meet or exceed Service Levels. Furthermore, NTT DATA is responsible for the performance of all of its subcontractors to the same extent as if NTT DATA were performing those functions itself, and NTT DATA will continually monitor and manage such subcontractors.
 - (ii) Even if an inadequacy in a subcontractor's performance does not amount to a breach of this Agreement, if GPI is reasonably dissatisfied with the performance of any subcontractor that NTT DATA hires, GPI will promptly provide notice to the NTT DATA Client Executive, and NTT DATA will, as soon as practicable, replace such subcontractor with a Person that meets GPI's standards, or perform the activities itself.
 - (iii) NTT DATA will be responsible for the payment of all subcontractors hired by NTT DATA.
 - (iv) NTT DATA will include in its agreements with subcontractors such written provisions as are sufficient to enable NTT DATA to comply with the provisions of this Agreement. Such provisions will include the subcontractor's obligation to keep confidential GPI's Confidential Information to the same extent NTT DATA is obligated to do so, and to assign to GPI any Intellectual Property Rights to the extent that such rights are to be assigned to or owned by GPI pursuant to the terms of this Agreement. NTT DATA will ensure that agreements it enters into with subcontractors providing any of the Designated Services include service level requirements relating to the Designated Services performed by the subcontractor that are no less stringent than the Service Levels under this Agreement for those Designated Services.
- (e) **Background Checks.** NTT DATA will not assign any subcontractor personnel who will have access to any GPI facilities, GPI Data or GPI Confidential Information to perform any of the Designated Services unless such individual has successfully passed a background check that meets the standards applicable to NTT DATA's employment policies and practices.
- (f) **Organizational Conflict of Interest.** NTT DATA will use its best efforts to identify and prevent a potential subcontractor Organizational Conflict of Interest (defined below) and will inform GPI of any activity or relationship that NTT DATA has reason to believe may create an Organizational Conflict of Interest. As used herein, "Organizational Conflict of Interest" means that because of other activities or relationships with other Persons, (1) a Person is unable to render impartial assistance or advice to GPI, (2) the Person's objectivity in performing the Designated Services under this Agreement is or might be otherwise impaired, or (3) the Person has, or attempts to create, an unfair competitive advantage against GPI.

ARTICLE X – FACILITIES, CONSENTS, REGULATORY REQUIREMENTS

10.1 Access to Facilities and Related Services.

- (a) Each Party will provide to the other Party necessary access to its facilities for the other Party to perform its obligations under this Agreement. The Parties agree that any such access will be subject to any applicable regulations, lease restrictions and security procedures of that facility.
- (b) NTT DATA may occupy space at a GPI facility subject to the following:
 - (i) Reserved.
 - (ii) GPI will designate and provide, upon reasonable notice from NTT DATA, such other space at its facilities as reasonably required by NTT DATA to provide the Designated Services.
 - (iii) In the use of such space, GPI agrees to supply water, sewer, heat, lights, air conditioning, electricity, daily janitorial services, office equipment, and furniture for NTT DATA employees; provided, however, that NTT DATA personnel will supply their own personal computers except that Transitioned Employees will retain the personal computers, on loan from GPI to NTT DATA, they were using as of the Commencement Date; provided, however that NTT DATA will return the personal computers of Dedicated Transitioned Employees to GPI at the earlier of (A) the time such Transitioned Employees cease to be dedicated to the GPI account; (B) the termination of such Transitioned Employees employment with NTT DATA or (C) the time that the personal computer is no longer used by such Transitioned Employee as a result of refresh, replacement or any other reason. GPI will be responsible for providing wireless and other Internet connectivity for NTT DATA' personnel working at a GPI facility, provided that GPI will not be responsible for providing such NTT DATA personnel wireless or Internet connectivity while not at GPI facility, even if such persons are working on GPI matters (e.g., for cell phones, home broadband use, etc). Office space will be provided in accordance with GPI's space standards, which GPI may revise from time to time in its sole discretion provided that it treats NTT DATA personnel on the same basis as GPI personnel, other things being equal. GPI will provide, at no charge to NTT DATA, reasonable local and long distance telephone service for NTT DATA personnel for calls relating to NTT DATA' provision of the Designated Services when they are using GPI facilities to conduct business for GPI pursuant to this Agreement.
- (c) GPI will provide a safe working environment at the GPI Service Locations. NTT DATA will be responsible for the conduct of its employees, subcontractors and agents while in such GPI Service Locations and will take all reasonable precautions to prevent the occurrence of any injury to persons or property or any interference with GPI's operations while occupying such space. NTT DATA agrees to cause its employees, agents and representatives to comply with any security requirements and other rules and regulations established by GPI applicable to all similarly situated employees of GPI.

- 10.2 Location Changes.** The Designated Services will initially be provided from those NTT DATA locations specified in Section (A) of Schedule 10.2 (the "NTT DATA Service Locations") to those GPI locations specified in Section (B) of Schedule 10.2 (the "GPI Service Locations"; and together with the NTT DATA Service Locations, the "Service Locations"). NTT DATA may change, consolidate, eliminate or add to the NTT DATA Service Locations (each, a "Location Change"); provided that (i) NTT DATA shall give the GPI Representative written notice at least 120 days in advance of any Location Change, (ii) the Location Change shall not degrade the physical or operational environment from which the Designated Services are provided, and (iii) NTT DATA develops, in consultation with GPI, a plan to prevent any material disruption to GPI's IT operations. Notwithstanding the foregoing, NTT DATA may not implement any Location Change without the Consent of GPI, which GPI may withhold at its discretion, if (y) such Location Change involves Help Desk Services or customer-facing functions or (z) such Location Change would, in the reasonable judgment of GPI result in a material reduction in the quality of the Designated Services, provided that GPI may not withhold its Consent pursuant to this subsection (z) if such Location Change involves a move to a comparable facility, as measured by technical sufficiency and service quality. In the event of any Location Change, NTT DATA will reimburse GPI for any of its one- time or recurring increased costs (including any increase or change to the taxes incurred by GPI) that result from implementing such Location Change.

10.3 Assistance, Consents and Governmental Approvals.

- (a) GPI hereby designates NTT DATA as its agent to manage all GPI Assets that are owned by GPI and used by NTT DATA in accordance with its Responsibilities in its provision of the Designated Services, and GPI will provide written evidence of such agency authority as NTT DATA may reasonably request.
- (b) The Parties will cooperate with each other in seeking all Required Consents. NTT DATA will pay any fees, such as transfer or upgrade fees, required to obtain any consent required to be obtained for the Software and Equipment (the "NTT DATA Required Consents"), provided that NTT DATA was given sufficient access, prior to the Effective Date, of all materials related to such Required Consents in order that NTT DATA may assess the costs associated with the Required Consents. To the extent GPI did not give NTT DATA access to such materials, GPI will pay any fees, such as transfer or upgrade fees, required to obtain any consent required to be obtained for the associated Software and Equipment, but only to the extent the withholding of materials hindered NTT DATA from making a fair assessment of the associated Required Consent costs. NTT DATA (or GPI, if the Parties have not been able to obtain any associated NTT DATA Required Consent) will exercise termination, extension, or other similar rights in accordance with the terms of Third Party leases, licenses and other contracts related to the Designated Services, as NTT DATA, after consultation with GPI, reasonably directs; and all costs, charges and fees associated with the exercise of such rights will be allocated in accordance with the Financial Responsibilities Matrix.
- (c) If any Required Consent is not obtained with respect to any lease governing Leased Equipment, any license or other agreement governing Third Party Software or any Third Party service contract, then, unless and until such Required Consent is obtained, the Parties will cooperate with each other in achieving a reasonable alternative arrangement for NTT DATA to continue performing the Designated Services which does not degrade service to GPI or result in any additional cost or expense to GPI. If and when requested by GPI, NTT DATA will provide GPI with evidence of Required Consents obtained by NTT DATA for which it is responsible.

10.4 Export Controls.

- (a) Except as otherwise provided in this Agreement, neither NTT DATA, nor any of its subcontractors, may, without the express written Consent of GPI, perform any of the Designated Services outside of the United States.
- (b) Each Party agrees to comply with (i) all United States export laws and regulations issued by any U.S. Governmental Authority that govern the export or reexport of Software, hardware or technology provided hereunder (the "Products") and any of the Designated Services, including without limitation the U.S. Export Administration Regulations, the International Traffic in Arms Regulations ("ITAR") and any regulations administered by the Department of the Treasury's Office of Foreign Assets Control, and (ii) any applicable Laws and regulations of countries other than the United States that govern the importation, use, export or reexport of the Products and Designated Services. Each Party further agrees
 - (a) to obtain appropriate export authorizations, consents or licenses that may apply to such Party's export of any Products or Designated Services, and
 - (b) to comply with any conditions that are contained in any export licenses pertaining to the Products upon notice of such conditions by the other Party. Without limiting the generality of the foregoing, neither Party will export or reexport, directly or indirectly, any of the Products or Designated Services to Cuba, Iran, Libya, Syria, Sudan or North Korea. Each Party agrees to comply with any reporting requirements that may apply to the export or reexport of the Products and Designated Services and to provide to the other Party or the appropriate Governmental Authority any periodic reports containing such information as may be required under applicable Law. NTT DATA further agrees to provide GPI with Notice of any federal, state, or local U.S. taxes or tariffs that may apply to import, export or reexport of any Products or Designated Services, and, either GPI will pay such taxes or tariffs or, at the request of GPI, NTT DATA will pay any such taxes or tariffs and GPI will promptly reimburse NTT DATA for the amount so paid by NTT DATA. Notwithstanding the foregoing, the Parties do not anticipate the need to disclose technical data that is subject to ITAR. Accordingly, each Party agrees that it will shall not provide any ITAR-controlled information to the other Party unless (1) the disclosing Party provides prior Notice to the receiving Party specifically identifying the type of [TAR-controlled information to be disclosed and the purpose for the disclosure, and (2) the receiving Party, upon receipt of the requisite Notice, gives its Notice to the disclosing Party of its consent to receive the ITAR-controlled information.
- (c) Upon request from GPI in writing, NTT DATA will have the responsibility under this Agreement to obtain any specific approvals, consents, licenses, and/or permits required for any export or

import of the Products, including, but not limited to making the appropriate filings with the Bureau of Industry and Security ("BIS"). GPI will reimburse NTT DATA for the actual costs and expenses NTT DATA incurred in making such filings. Each Party will reasonably cooperate with the other in making the appropriate filings with the BIS and any Governmental Authority and will, to the fullest extent permitted by law, provide any information, certificates or documents as are reasonably requested.

10.5 Regulatory Compliance.

- (a) NTT DATA will comply, and will cause each of its employees, agents and subcontractors to comply, with all Laws applicable to all corporations generally, and specifically to NTT DATA in its capacity as a provider of the Designated Services (the "NTT DATA Regulatory Requirements").
- (b) GPI will comply, and will cause each of its employees, agents and subcontractors to comply, with all Laws applicable to all corporations generally, and specifically to GPI in its lines of business, and any specific laws which GPI directs NTT DATA to comply with pursuant to Section 10.5(c) of this Agreement (the "GPI Regulatory Requirements").
- (c) To the extent that GPI informs NTT DATA that NTT DATA must comply with any specific law, NTT DATA will comply therewith, as directed by GPI.

10.6 Privacy Policy. NTT DATA acknowledges that GPI may in the future implement a privacy policy designed to communicate to GPI's customers its policies and procedures regarding its use of personal information of such Persons (a "Privacy Policy"). NTT DATA will at all times perform the Designated Services in a manner that is in compliance and consistent with any such Privacy Policy. Once implemented GPI may, from time to time, make modifications to the Privacy Policy. Upon making such modifications, GPI will provide NTT DATA with a copy of the modified Privacy Policy pursuant to Section 21.8 (Notices).

10.7 Security Requirements.

- (a) Reserved.
- (b) Attached hereto as Schedule 10.7(b) are GPI's guidelines for logical security (the "Logical Security Guidelines") existing as of the Effective Date. Beginning on the Agreement Effective Date, NTT DATA will comply, and will ensure that its agents and subcontractors comply, in all material respects, with the Logical Security Guidelines applicable to the Designated Services, as the same may be modified from time to time. The Parties will agree upon modifications to the Logical Security Guidelines as reasonably necessary to accommodate the use of NTT DATA Tools in providing the Designated Services. GPI may make such changes to the Logical Security Guidelines as it deems necessary and appropriate. If NTT DATA or its agents or subcontractors discover or are notified of a breach, or potential breach, of security relating to any GPI Data, or become aware of any unauthorized access or unauthorized use of GPI's computer systems and Software, including but not limited to, the spread of a Virus, denial of service or other similar acts, NTT DATA will promptly but in no event later than forty-eight (48) hours at no additional Charge: (i) notify GPI; (ii) investigate the breach or potential breach; and to the extent NTT DATA or its subcontractors' breach of its obligations in this Section 10.7 caused the security breach, NTT DATA shall (iii) take commercially reasonable steps to mitigate the effects of the breach or potential breach; and (iv) make necessary changes to ensure that such breach, or potential of breach, does not re-occur.
- (c) Reserved.

10.8 Required Changes to Designated Services. NTT DATA will modify its provision of the Designated Services if necessary to comply with changes in the NTT DATA Regulatory Requirements, GPI Regulatory Requirements, Privacy Policy, Physical Security Guidelines, or Logical Security Guidelines. All such modifications will be made in accordance with the Contract Change Control Procedures. NTT DATA will be financially responsible for Changes resulting from modifications to the Designated Services required as a result of (a) Changes in NTT DATA Regulatory Requirements and (b) Changes in the Physical Security Guidelines or Logical Security Guidelines initiated by NTT DATA. GPI will be financially responsible for Changes resulting from modifications to the Designated Services required as a result of (x) Changes in GPI Regulatory Requirements, (y) Changes to the Privacy Policy, or (z) Changes in the Physical Security Guidelines or Logical Security Guidelines initiated by GPI; provided that (A) NTT DATA must demonstrate to GPI's reasonable satisfaction the nature and amount of any incremental cost for which GPI is responsible under this Section 10.8, (B) any labor resources required by NTT DATA to complete such modifications must be charged to GPI at labor rates no higher than the applicable rates (if any) set forth in

the Charges Schedule (except to the extent the labor required meets the parameters of an Included Project), and (C) NTT DATA will use commercially reasonable efforts to minimize any increase in the Charges related to any such Operational Change; provided further that, if any other NTT DATA customer requires similar modifications to the services that NTT DATA provides to them to account for changes in the same requirements affecting GPI, then NTT DATA will use commercially reasonable efforts to apportion additional charges for the modified Designated Services among the affected NTT DATA customers on a pro rata basis.

10.9 Data Processing Agreement. The Parties will comply with their respective data transfer obligations in Schedule 10.9 as applicable to the Services.

ARTICLE XI – DIVESTITURES, MERGERS AND ACQUISITIONS

11.1 Effect of Divestitures, Mergers and Acquisitions.

- (a) In the event that GPI, directly or indirectly through or in cooperation with an Affiliate, merges with or otherwise acquires a Third Party (a “GPI Acquisition Event”), then such entity’s operations requiring use of the Designated Services will become subject to this Agreement if requested by GPI in its sole discretion. If so requested by GPI, such entity will become a Service Recipient under this Agreement on the date specified by GPI, subject to the provisions of Section 1.1 and this Section 11.1(a) and (b). At GPI’s election, in the event of any GPI Acquisition Event, the Parties will renegotiate affected Base Fees, Baselines, Additional Resource Charges and Reduced Resource Credits to account for the increased volume. NTT DATA acknowledges that any such renegotiation should result in decreases in Charges for the Designated Services, commensurate with the increase in volumes. Any modifications resulting from such renegotiation will be made in accordance with the Change Control Procedures. If the Parties are unable to reach agreement regarding such matters through negotiations, the matter will be resolved pursuant to the Dispute Resolution Procedure.
- (b) If, as a result of any GPI Acquisition Event, a Third Party’s operations become subject to this Agreement pursuant to Section 11.1(a), NTT DATA will have a reasonable period of time in which to develop a mutually agreeable transition plan to provide the Designated Services and to transfer such entity’s operations and services to NTT DATA, and NTT DATA will not charge GPI for its work in creating the integration design and solution relating to such transfer. NTT DATA will provide the Designated Services to the acquired or merged entity at the Charges set forth in this Agreement and, subject to any renegotiation pursuant to Section 11.1(a), such entity’s volumes will be included in GPI’s volumes for purposes of calculating Additional Resource Charges and for determining triggers for any renegotiation under this Agreement and the Charges Schedule. If implementation of the transition plan related to any such GPI Acquisition Event requires NTT DATA to perform functions not included within its Responsibilities, the Parties will agree on a Project Plan. If implementation of the transition plan requires NTT DATA to incur costs it would not otherwise incur in performing its Responsibilities, GPI will reimburse NTT DATA the amount of such incremental costs, provided that (i) such costs are identified in the transition plan and have been approved by GPI, (ii) NTT DATA demonstrates to GPI the nature and amount of such costs and (iii) charges for the labor component of such assistance are charged to GPI at rates no higher than any applicable rates set forth in the Charges Schedule. NTT DATA will use commercially reasonable efforts to minimize such costs.
- (c) In the event of a GPI Acquisition Event or if GPI is acquired by a Third Party, whether as a result of an acquisition of the equity interests or assets of GPI or as a result of a merger, share exchange, consolidation or other transaction (the acquired entity or acquiring entity, in either case, the “Target Entity”), the following terms shall apply:
 - (i) If the Target Entity or an Affiliate of the Target Entity receives services from a Third Party provider that is similarly situated to NTT DATA and the Third Party’s services are similar to the Designated Services and are provided at rates lower than the Charges then payable by GPI pursuant to this Agreement, GPI may request that NTT DATA reduce the Charges to a level no higher than the rates charged by such Third Party service provider to the Target Entity or its Affiliate. If NTT DATA refuses such request, GPI will be permitted to terminate this Agreement subject to payment of the Termination Fee.
 - (ii) If the Target Entity or an Affiliate of the Target Entity is party to an agreement with NTT DATA pursuant to which the Target Entity or its Affiliate receive services from NTT DATA that are similar to the Designated Services, GPI may elect, in its discretion, to combine the Designated Services then provided to GPI and the Service

Recipients pursuant to this Agreement with the services then provided to the Target Entity and its Affiliates pursuant to their agreement with NTT DATA. In such event, either GPI will be permitted to terminate this Agreement, or the Target Entity will be permitted to terminate the existing agreement between the Target Entity (or its Affiliates) and NTT DATA, in either case without obligation to pay any Termination Fee or similar fee or charge to NTT DATA (such terminated agreement, the "Terminated Agreement"). The agreement that GPI and the Target Entity retain is hereinafter called the "Retained Agreement." The services that were previously rendered under the Terminated Agreement will, after termination of the Terminated Agreement, be charged at the Charges under the Retained Agreement, subject to any normalization required to account for different charging methodologies. To the extent that a service under the Terminated Agreement is not included in the Designated Services, the Parties will negotiate pricing for that service, and will consider as a key factor in such negotiations, the intended level of cost savings GPI or the Target Entity was able to achieve in the Retained Agreement.

- (d) If GPI or a GPI Affiliate transfers, by sale, consolidation, merger, share exchange, or otherwise, equity interests of a Service Recipient to a Third Party ("GPI Stock Divestiture Event") such that the Service Recipient is no longer an Affiliate of GPI, NTT DATA will, if requested by GPI, continue to provide the Designated Services to such Service Recipient, if such Service Recipient is the surviving legal entity, at the then-current Charges for the Divestiture Service Period, and such divested Service Recipient will continue to be deemed a Service Recipient of the Designated Services. If the Service Recipient is not the surviving legal entity, NTT DATA will, if requested by GPI, provide the Designated Services to the Third Party that acquired the Service Recipient for the Divestiture Service Period, and such Third Party will be deemed under this Agreement as a Service Recipient. If, during any Divestiture Service Period, such Service Recipient or such Third Party, as the case may be, requests that NTT DATA provide services to such Service Recipient or Third Party, as the case may be, in addition to the Designated Services, NTT DATA and the Service Recipient or Third Party, as the case may be, must mutually agree upon a separate written agreement that sets forth the price and scope of such services.
- (e) If GPI or a GPI Affiliate transfers the business of a Service Recipient, by means of a sale of the assets of such Service Recipient, to a Third Party ("GPI Asset Divestiture Event"), NTT DATA will, if requested by GPI, provide the Designated Services to, or for the benefit of, such Third Party at the then-current Charges for the Divestiture Service Period; provided, however, that GPI (or any successor thereto) will continue to be the contracting Party under this Agreement, and such Third Party will be deemed under this Agreement as a Service Recipient. If, during any Divestiture Service Period, such Third Party requests that NTT DATA provide services to such Third Party in addition to the Designated Services, NTT DATA and such Third Party must mutually agree upon a separate written agreement that sets forth the price and scope of such services.
- (f) In the case of a GPI Stock Divestiture Event or a GPI Asset Divestiture Event where NTT DATA is providing Designated Services to a Service Recipient who is a Third Party, GPI will cause such Third Party Service Recipient to bring any claims or actions against NTT DATA relating to this Agreement through GPI. If any such Third Party Service Recipient brings a claim or action directly or indirectly (i.e., not through GPI) against NTT DATA relating to this Agreement, GPI will reimburse NTT DATA its reasonable attorneys' fees associated with such claim or action, along with other reasonable costs associated with Perot System's defense of such claim.
- (g) For purposes of Sections 11.1(d) and (e), the "Divestiture Service Period" shall mean a period of time equal to the lesser of (i) the remaining Term of this Agreement, (ii) twelve (12) months from the date of the closing of any GPI Stock Divestiture Event or GPI Asset Divestiture Event, plus a period during which the Service Recipient or Third Party, as the case may be, would reasonably require any Termination Assistance Services from NTT DATA, or (iii) until such time as NTT DATA and such Service Recipient or Third Party, as the case may be, enter into a separate agreement.
- (h) GPI and its Affiliates may disclose Confidential Information to Third Parties engaged in discussions with GPI regarding GPI Acquisition Events, GPI Stock Divestiture Events or GPI Asset Divestiture Events without the prior written Consent of NTT DATA; provided, that GPI and its Affiliates may discuss only so much of the NTT DATA Confidential Information with a potential acquired or acquiring entity as is reasonable in the context of the transaction under consideration. GPI shall communicate to such Third Parties the duty of confidentiality regarding such Confidential Information as set forth in Article XIII (Data and Confidentiality) of this Agreement and shall require such Third Parties to comply with restrictions at least as restrictive

as those contained in Article XIII regarding the Confidential Information. Such disclosure will constitute a permitted disclosure under Section 13.2(g) (Permitted Disclosures).

ARTICLE XII – BUSINESS CONTINGENCIES

12.1 Disaster Recovery.

- (a) At all times during the Term, NTT DATA will maintain a plan for Disaster recovery for the data center Service Locations from which it delivers the Designated Services.

Furthermore, the Statement of Work includes a disaster recovery plan (the “Disaster Recovery Plan”) that is specific to the Designated Services that will be implemented in accordance with the terms of the Statement of Work, to the extent practicable and applicable, upon the occurrence of a Disaster, Force Majeure Event or other similar event. NTT DATA acknowledges that the Disaster Recovery Plan complements each of NTT DATA' plans for Disaster recovery for the data centers from which the Designated Services are performed.

- (b) Any changes to the Disaster Recovery Plan will be made in accordance with the Change Control Procedures.

12.2 Disaster Recovery Plan Testing.

Prior to conducting any test of the Disaster Recovery Plan NTT DATA will deliver to GPI the success criteria associated with the test, which criteria must be reasonably designed to show failure if implementation of the Disaster Recovery Plan would not have averted material adverse impacts to GPI's business if an actual Disaster had occurred. NTT DATA will test the Disaster Recovery Plan no less than once per Contract Year with sufficient written notice to GPI and cooperation by NTT DATA to allow GPI to monitor the effect of tests on the Designated Services. NTT DATA will as soon as reasonably practicable provide GPI with the results of such tests. If the Disaster Recovery Plan fails to meet its success criteria by more than a de minimis amount, NTT DATA will at no additional Charge and as soon as reasonably practicable fix any identified material failures. In addition, if any identified failure occurring during an actual Disaster would have resulted in an adverse impact on GPI's business, then NTT DATA at no additional Charge will within fifteen (15) Business Days retest the portions of the Disaster Recovery Plan test that failed, provided that NTT DATA will perform a full retest if a full retest is required to mitigate any potential material risk to GPI's business. The testing process will be repeated until any failure to meet the success criteria is de minimis and, if the failure occurred during an actual Disaster, would not have resulted in an adverse impact to GPI's business. If a test of the Disaster Recovery Plan has failed three (3) times such that if the failures occurred during an actual Disaster GPI would have suffered a material adverse impact to its business, then NTT DATA will be deemed to be in material breach of its obligations under this Agreement.

12.3 Effects of Disasters.

- (a) If a Disaster occurs at a NTT DATA Service Location, NTT DATA (i) will promptly implement the Disaster Recovery Plan; (ii) will otherwise be responsible for mitigating the effects of the Disaster on its performance of the Designated Services; and (iii) will notify GPI as soon as reasonably practicable.
- (b) If a Disaster occurs at a GPI Service Location, NTT DATA will perform its Responsibilities as set forth in the Statement of Work to the best of its ability, and will otherwise implement the Disaster Recovery Plan to the extent applicable. In addition to the foregoing, NTT DATA will take all commercially reasonable steps to assist GPI in maintaining or restoring, as the case may be, normal operations at the affected GPI Service Location(s).
- (c) During a Disaster, the Parties will (i) perform any Responsibilities set forth in the Statement of Work that are specified therein to be performed in the event of a Disaster, and (ii) adhere to any procedures and protocols set forth in the Procedures Manual that are specified therein to be followed in the event of a Disaster.
- (d) During any Disaster, NTT DATA will notify GPI daily of the status of the Disaster. Furthermore, during a Disaster, NTT DATA will not give any of its other similarly situated customers higher priority for recovery of services than it gives to GPI.
- (e) NTT DATA will not be excused from performance of its Responsibilities or its obligation to meet Service Levels during a Disaster unless the underlying cause of the Disaster gives rise to NTT DATA Excuse.

- (f) If, after the occurrence of a Disaster, NTT DATA, after using commercially reasonable efforts, is unable to perform its Responsibilities and such inability to perform has a material adverse effect on GPI's business for more than twenty-four (24) consecutive hours or more than thirty-six (36) hours in any thirty (30) day period then, to the extent NTT DATA is unable to perform, GPI may procure replacement services from an alternate source. Unless the underlying cause of the Disaster gave rise to NTT DATA Excuse, NTT DATA will be financially responsible, subject to the limitations of liability set forth in Article XVIII (Liability) and the exceptions therefrom, for payment for such replacement services until such time as NTT DATA is fully able to resume performance of its Responsibilities. GPI will continue to pay NTT DATA the Charges set forth in the Charges Schedule and NTT DATA will continue to use commercially reasonable efforts to resume performance of its Responsibilities. Where NTT DATA is financially responsible for the payment for replacement services, GPI will use commercially reasonable efforts to minimize the charges to be incurred for such replacement services.

12.4 Force Majeure.

- (a) Each Party will be excused from performance under this Agreement (other than obligations to make payments pursuant to this Agreement and, in the case of NTT DATA, its obligation to perform Disaster Recovery Services in accordance with the Statement of Work, but only to the extent such Force Majeure Event does not prevent performance of such Disaster Recovery Services) for the period and to the extent that it is prevented from performing any obligations pursuant to this Agreement, in whole or in part, as a result of a Force Majeure Event. If either Party is prevented from, or delayed in performing any of its obligations under this Agreement by a Force Majeure Event, it will promptly, or as soon as reasonably practicable, notify the other Party (which notice may be given orally, provided that any oral notice must be confirmed in writing within five (5) days of the inception of the delay) of the occurrence of a Force Majeure Event and describe, in reasonable detail, the circumstances constituting the Force Majeure Event and of delays or anticipated delays in the performance of such Party's obligations. Such Party will continue to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay.
- (b) A "Force Majeure Event" will mean the occurrence of fires, floods, earthquakes, elements of nature, acts of God, acts of war, terrorism, riots, civil disorders, rebellions or revolutions in the United States, sabotage, embargo, government action or order, blackouts, epidemic or quarantine, strikes/labor difficulties (except strikes/labor difficulties by the employees of the non-performing Party), or any other similar cause beyond the reasonable control of such Party. Force Majeure Events do not include occurrences where the non-performing Party is at fault for causing a delay and the delay could have been prevented by reasonable precautions or could have been circumvented by the non-performing Party through the use of alternate sources, work-around plans, or other reasonable means.
- (c) If a Force Majeure Event substantially prevents, hinders or delays NTT DATA' performance of the Designated Services for more than seventy-two (72) hours, then GPI may procure replacement services from an alternate source and subject to the remainder of this subsection (c), NTT DATA will be liable for payment for such replacement services from the alternate source for so long as the prevention, hindrance, or delay in performance continues. GPI will use commercially reasonable efforts to minimize the charges to be incurred for such replacement services. During such time, GPI will continue to pay NTT DATA the Charges set forth in the Charges Schedule for the Designated Services being replaced.

- 12.5 **Other Business Contingencies.** In each instance under Sections 10.7(b)(iii) (Security Requirements), 12.3(b) and 12.3(f) (Effects of Disasters), 16.1(g) ("Viruses and Denial of Service Attacks"), 16.2(e) ("Disabling Devices"), and 16.2(h) ("Viruses and Denial of Service Attacks") for which either Party has an obligation to use commercially reasonable efforts to perform, NTT DATA will be excused from meeting its Responsibilities, Service Level obligations and other service related obligations to the extent that (A) NTT DATA is unable to meet such obligations because the underlying event (e.g., a denial of service attack) made it unfeasible to meet those obligations, notwithstanding its use of commercially reasonable efforts to perform and (B) NTT DATA has otherwise performed its obligations under this Agreement pertaining the underlying event (e.g., in the case of a Disaster, it has performed its obligations related to Disasters and the Disaster Recovery Plan in addition to its obligations to use commercially reasonable efforts pursuant to Sections 12.3(b) and 12.3(f)).

ARTICLE XIII – DATA AND CONFIDENTIALITY

13.1 Data.

- (a) **Ownership and Use of Data.** As between NTT DATA and GPI, GPI Data is the exclusive property of GPI. NTT DATA will use the GPI Data only in connection with providing the Designated Services and conducting necessary testing pursuant to this Agreement, all in accordance with NTT DATA' obligations under this Agreement. GPI has and will have the right to transfer to NTT DATA such GPI Data that GPI transfers to NTT DATA that constitutes personal data. NTT DATA has and will have the right to transfer to GPI the personal data that NTT DATA transfers to GPI hereunder or that NTT DATA otherwise requires to transfer to GPI to administer lawful business processing by NTT DATA, except to the extent such personal data is GPI Data covered by GPI instructions. Except as otherwise expressly agreed in writing, NTT DATA will not, and will not attempt to, sell, license, provide, disclose, use, pledge, hypothecate and/or in any other way transfer the GPI Data. All such attempts by NTT DATA will be void, without legal effect and deemed a material breach of this Agreement. All access to GPI Data will be subject to the Confidentiality provisions set forth in Section 13.2 (Confidentiality).
- (b) **Risk of Data Loss.** When GPI Data is in NTT DATA' possession or under NTT DATA' control and an event occurs that prevents or hinders the access to or reliable use of such GPI Data (including loss of such GPI Data, in whatever form or format) (a "Data Loss Event"), NTT DATA will re-create or restore such data and cure (to the extent practicable) such Data Loss Event, in each case, as soon as reasonably practicable, in accordance with its Responsibilities set forth in the Statement of Work applicable to Disaster Recovery Services. If a Data Loss Event results from a Force Majeure Event, the Parties will share equally the actual cost incurred by NTT DATA in re-creating or restoring the data. If a Data Loss Event results from a NTT DATA Excuse (other than a NTT DATA Excuse resulting from a Force Majeure Event), then NTT DATA may charge GPI for actual costs incurred by NTT DATA in re-creating and restoring the data to the extent such costs result from activities in addition to the Responsibilities NTT DATA is obligated to perform in accordance with the applicable Statement of Work. In the case of each of the foregoing events, NTT DATA will consult with GPI before performing such re-creation or restoration, and GPI may, at its discretion, direct NTT DATA not to restore or recreate the data.
- (c) **Data Security.** NTT DATA will maintain safeguards for protecting against the loss and disclosure of the GPI Data in accordance with the security procedures of the Logical Security Guidelines. GPI will safeguard all data owned by NTT DATA in GPI's possession.
- (d) **Copies of Data for GPI.** Upon written request to NTT DATA, NTT DATA will return the GPI Data to GPI on such media as reasonably requested by GPI. Except to the extent prevented from providing GPI with the GPI Data due to circumstances beyond NTT DATA' reasonable control, NTT DATA will never refuse for any reason, including GPI's material breach of this Agreement, to provide GPI with the GPI Data in accordance with this Section. NTT DATA hereby agrees that GPI may obtain injunctive relief to enforce the provisions of this Section 13.1(d).

13.2 Confidentiality.

- (a) **Confidential Information Defined.** For purposes of this Agreement, "Confidential Information" will include, whether acquired under or in connection with this Agreement or obtained in connection with the relationship of GPI and NTT DATA or any of their Affiliates, subcontractors or predecessors before or after the Effective Date:
- (i) Information relating to a Party's, a Party's Affiliate's or any Service Recipient's business, affairs, customers, employees, service providers, financial condition, marketing or development plans, strategies, inventions, discoveries, ideas, concepts, processes, techniques, methodologies, know-how, forecasts and forecast assumptions and volumes, performance, or operations that such Party treats as confidential or proprietary;
 - (ii) The terms and conditions of this Agreement and all matters related thereto;
 - (iii) Information concerning any breach under or any Dispute regarding this Agreement;
 - (iv) The Parties' or any Service Recipient's conduct, decisions, documents, and negotiations as part of, and the status of, any Dispute resolution proceedings under the Dispute Resolution Procedure;

- (v) Information that is the confidential information of a Third Party and disclosed to a Party or a Service Recipient subject to an obligation of confidentiality;
 - (vi) A Party's or Service Recipient's Trade Secrets;
 - (vii) A Party's or Service Recipient's Software and all GPI Data; and
 - (viii) Any other information, whether in a tangible medium or oral and whether proprietary to the other Party or not, that is reasonably understood to be confidential or proprietary, whether or not identified as such at the time of its disclosure.
- (b) **Excluded Information.** Information is not considered Confidential Information if such information:
- (i) Is or becomes publicly available or available in the industry other than as a result of any breach of this Agreement or of any other duty of a Party;
 - (ii) Was previously known to a Party free of any obligation to keep it confidential;
 - (iii) Is independently developed without the use of or reference to the Confidential Information of the other Party; or
 - (iv) Is or becomes available to that Party from a source that is lawfully in possession of the information and that is not subject to a duty of confidentiality, whether to the other Party or any other Person(s).
- (c) **Trade Secrets.** A Trade Secret must be identified as such by the disclosing Party within two (2) years of its disclosure to the receiving Party.
- (d) **Use of Confidential Information.** Except as otherwise provided in this Agreement, information gathered or compiled by either Party for the other is proprietary and the Party gathering or compiling such information may not disclose, license, allow access to or sell such information to any other Person(s). Neither Party will disclose the Confidential Information of the other Party to any Third Party, except as permitted under Sections 13.2(g) (Permitted Disclosures) or 13.2(h) (Required Disclosures). All Confidential Information will be held and protected by the recipient in strict confidence in accordance with 13.2(e) (Standard of Care) below and will be used and disclosed by the recipient only as required to render performance or to exercise rights and remedies under this Agreement, but only in strict compliance with the terms of this Article XIII and Section 11.1 (Effect of Divestitures, Mergers and Acquisitions). In the event of any disclosure or loss of, or inability to account for, any material Confidential Information of the disclosing Party, the recipient will promptly, at its own expense: (i) notify the disclosing Party in writing; (ii) take such actions as may be necessary or reasonably requested by the disclosing Party to minimize any violation of the terms of this Section 13.2; and (iii) cooperate in all reasonable respects with the disclosing Party to minimize any violation and any damage resulting therefrom.
- (e) **Standard of Care.** Each Party will use at least the same degree of care in maintaining the confidentiality of the other Party's Confidential Information as that Party uses with respect to its own proprietary or confidential information of a similar nature, and in no event less than reasonable care.
- (f) **Survival.** Each Party will protect the other Party's Confidential Information as provided for in this Article XIII for the longer of (i) three (3) years following the date of expiration or termination of this Agreement or (ii) (A) in the case of Trade Secrets, so long as such Confidential Information remains a Trade Secret; (B) in the case of personally identifiable GPI Data, in perpetuity; (C) in the case of personnel or employment related information, in perpetuity; (D) in the case of Third Party Software and Related Documentation, until expiration of the restrictions on the disclosure of such materials imposed by the Third Party; and (E) in the case of any materials that are marked or otherwise indicated in writing to be treated as confidential, restricted or proprietary until a certain date, until such date.
- (g) **Permitted Disclosures.** A Party may disclose Confidential Information to its Affiliates, officers, directors, employees, legal representatives, accountants, tax advisors, agents and contractors, on a need-to-know basis for purpose of providing or receiving, as the case may be, the Designated Services. Each Party must inform each such Person to whom any Confidential Information is so

communicated of the duty of confidentiality regarding that information under this Agreement and impose on that Person the obligation to comply with restrictions at least as restrictive as those contained in this Article XIII regarding the Confidential Information.

- (h) **Required Disclosures.** Each Party may disclose Confidential Information in response to a request for disclosure by a court or another Governmental Authority, including a subpoena, court order, or audit-related request by a taxing authority or other Governmental Authority, or if so obligated under applicable Laws or regulatory authority, if that Party:
- (i) Promptly notifies the other Party of the terms and the circumstances of that request;
 - (ii) Consults with the other Party, and cooperates with the other Party's reasonable requests to resist or narrow that request;
 - (iii) Furnishes only information that, according to advice (which need not be a legal opinion) of its legal counsel, that Party is compelled by Law or regulatory authority to disclose; and
 - (iv) Uses reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded the information disclosed.
- (i) **Title to and Disclosure of Confidential Information.** The Confidential Information disclosed by one Party to the other Party will remain the property of the disclosing Party, and nothing in this Article XIII grants or confers any ownership rights in or license to any of that information to the other Party. Nothing contained in this Section 13.2 will be construed as obligating a Party to disclose any Confidential Information to the other Party.
- (j) **Return of Confidential Information.** Promptly upon expiration or termination of this Agreement, each Party will either (i) return to the other Party all of its Confidential Information in the first party's possession, or (ii) at the other Party's option, destroy all of such other Party's Confidential Information in the first Party's possession and certify to such destruction in writing.

13.3 Irreparable Harm. The Parties acknowledge that any disclosure or misappropriation (including NTT DATA' failure to provide GPI Data under Section 13.1(d) (Copies of Data for GPI)) of GPI Data or Confidential Information in violation of this Agreement could cause irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Each Party therefore agrees that the other Party will have the right to apply to any court of competent jurisdiction for a temporary or provisional order restraining any breach or impending breach of Section 13.1 (Data) or Section 13.2 (Confidentiality) without the necessity of posting bond. This right will be in addition to any other remedy available under this Agreement, at law or in equity.

ARTICLE XIV – AUDIT RIGHTS

- 14.1 Operational Audits.** Not more than once per Contract Year, including the Contract Year following the Term or the Termination Assistance Period, GPI or its authorized Third Party auditors (either, a "GPI Auditor") may audit systems, processes and NTT DATA Records of NTT DATA and, subject to Section 14.6 below, of NTT DATA' subcontractors (including making copies of NTT DATA Records) and inspect the NTT DATA Service Locations in connection with all matters related to this Agreement, including, but not limited to NTT DATA' compliance with the terms, conditions and requirements of this Agreement; provided, that audits described in this section shall not include audits described in Section 14.4. GPI will provide NTT DATA at least seven (7) days' Notice of its intent to conduct any such audit. Audits will be conducted during normal business hours. GPI Auditors may conduct audits in addition to the one (1) ordinarily allowed if (a) the audit reveals discrepancies between the status of the operations and NTT DATA' obligations under this Agreement and GPI reasonably determines that any such discrepancies could have an adverse impact on its business; or (b) GPI reasonably determines that an audit is warranted to determine the cause for documented failures. The limitation on the number of audits hereunder will not apply to audits of NTT DATA' compliance with the Physical Security Guidelines or the Logical Security Guidelines, and GPI may audit NTT DATA' compliance with the Physical Security Guidelines or the Logical Security Guidelines at any time without the giving of Notice. GPI acknowledges that all Third Party GPI Auditors must not be a competitor of NTT DATA, and must enter into a confidentiality agreement with NTT DATA prior to conducting such audits, provided that NTT DATA acknowledges that such confidentiality agreement will be reasonable and have confidentiality terms no more stringent than the confidentiality terms set forth in Section 13.2 (Confidentiality) of this Agreement.
- 14.2 Regulatory Audits.** Upon written request made by a Governmental Authority to NTT DATA or to GPI, or by GPI on behalf of a Governmental Authority, NTT DATA will (i) promptly make available to the requesting entity or GPI Auditors any and all information relating to NTT DATA' or any of its subcontractors' compliance with the Regulatory Requirements and, if so requested, (ii) allow the requesting Governmental Authority to visit an NTT DATA Service Location for purposes of observing NTT DATA' or any of its subcontractors' compliance with the Regulatory Requirements.
- 14.3 Operational Audit Results.** If the audits under Sections 14.1 (Operational Audits) or Section 14.2 (Regulatory Audits) uncover a discrepancy between NTT DATA' operations and NTT DATA' Responsibilities under this Agreement, or any other failure of NTT DATA to comply with its obligations under this Agreement or Laws, then NTT DATA will, at its expense, and will cause each of its subcontractors, employees and agents to, promptly take action to alleviate the discrepancy or comply with such requirements or Laws.
- 14.4 Financial Audits.** A GPI Auditor may from time to time, but not more than once per Contract Year, upon the giving of reasonable Notice, audit the NTT DATA Records to determine the accuracy of the Charges. Such audits may be conducted during the Term and Termination Assistance Period, and for a period of twelve (12) months thereafter. If, as a result of a financial audit, it is established that NTT DATA has overcharged GPI on a net basis, GPI will notify NTT DATA of the net amount of such overcharge and NTT DATA will promptly pay to GPI the net amount of the overcharge, plus any interest accrued which will be calculated as set forth herein. If NTT DATA disagrees with such audit findings, then such dispute will be handled in accordance with the Dispute Resolution Procedure. For the purposes of this Section, interest on any net overcharge will be calculated from the date of receipt by NTT DATA of the overcharged amount until the date of re-payment to GPI at the rate of one percent (1%) per month.
- 14.5 NTT DATA Records.** "NTT DATA Records" will include, but not be limited to, accounting and other records and supporting evidence reasonably deemed necessary by GPI to substantiate the Charges, the Designated Services or other obligations of NTT DATA under this Agreement; provided, however that NTT DATA Records will not include information regarding NTT DATA' cost of providing the Designated Services unless such costs are the basis for Charges for Designated Services (including any Charges calculated on a pass-through basis). Throughout the Term and for a period of three (3) years after final payment by GPI under this Agreement, NTT DATA will provide GPI and GPI Auditors with access to the NTT DATA Records and all of NTT DATA' facilities, and GPI and GPI Auditors will be allowed to interview any of NTT DATA' employees. NTT DATA will retain all NTT DATA Records in accordance with GPI's document retention policy as set forth in the Procedures Manual. NTT DATA will provide adequate and appropriate work space during such period for GPI Auditors to conduct audits in compliance with this Article XIV, and will provide such assistance as they reasonably require.
- 14.6 Access to Third Parties.** To the extent permitted by NTT DATA' agreements with its subcontractors, NTT DATA will require all of its subcontractors performing Designated Services, and to the extent reasonably practicable, their subcontractors to comply with the provisions of this Article XIV as if such subcontractors were NTT DATA.

- 14.7 Cooperation and Assistance.** NTT DATA will, at no additional Charge, cooperate with GPI and the GPI Auditors and provide such assistance as may reasonably be requested in connection with audits performed by GPI or GPI Auditors pursuant to this Agreement.
- 14.8 No Unreasonable Disruption.** GPI audits will be conducted in a manner that does not unreasonably disrupt or delay NTT DATA' performance of services for its other customers.
- 14.9 SSAE 16 Reviews.**
- (a) NTT DATA will perform no fewer than one (1) SAS 70 Type II Review (a "SAS 70 Review") per calendar year for each NTT DATA Service Location that is a data center. NTT DATA will provide GPI with reports of the findings from the SAS 70 Reviews (each, a "SAS 70 Report") on approximately November 1 in that Contract Year. NTT DATA will cause its independent auditor to perform no fewer than one (1) Service Organization Controls 1 ("SOC 1") Type II Review (a "SOC 1 Review") under Statement on Standards for Attestation Engagements (SSAE) No. 16 (or its successor standard) per calendar year for each Dell Service Location that is a data center from which the Designated Services are provided. Dell will provide GPI with SOC1 reports from the SOC 1Reviews (each, a "SOC 1 Report") within thirty (30) days of receipt of the SOC I Reports from the independent auditor on approximately November 1 of each year. The audit period covered by the SOC I is January I to September 30 of each year.
 - (b) Prior to initiating the SOC 1 Review in subsection (a). Dell will Notify GPI if the scope of the upcoming review differs, in any material respect, from the scope of the prior year's SOCI Review. GPI may request that NTT DATA modify the scope of the SOC 1 Review such that GPI can reasonably rely upon the SOC 1 Review as evidence (assuming a favorable result from such review) that NTT DATA' internal controls are effective in order that GPI and the GPI Auditors can make their necessary or required attestations, certifications or other statements that GPI's internal controls over its financial reporting are adequate in accordance with Section 404 of Sarbanes Oxley ("Section 404"). NTT DATA will consider GPI's request, and if practicable NTT DATA will incorporate any such scope modifications; provided that it will not be deemed practical for NTT DATA to implement such scope changes if doing so would cause NTT DATA to incur additional costs or would have a negative impact on its other customers in the applicable data center. If NTT DATA does not incorporate such modifications in accordance with the previous sentence, or if after GPI receives the SOC 1 Report and determines that an additional audit is necessary for it to meet its control requirements, then NTT DATA, at the request of GPI, will request its external auditor performing the SOC 1 Review in subsection (a) to coordinate with GPI and its auditors to perform a supplementary audit to NTT DATA' SOC 1 Review that includes GPI's requested modifications. Any incremental costs related to the supplemental audit will be borne by GPI.
 - (c) NTT DATA will cause its subcontractors who control a data center from which Designated Services are being performed to perform SOC 1 Reviews that Complement the SOC 1 Reviews performed pursuant to this Agreement. If NTT DATA is unable to cause its subcontractors to perform SOC 1 Reviews, then NTT DATA will perform audits of the internal controls of its subcontractors' that perform the Designated Services to ensure that such internal controls Complement the internal controls of NTT DATA. For purposes of this Section 14.9(c), "Complement" means that the internal controls of the subcontractors, when taken in combination with the internal controls of NTT DATA represents the entire control environment applicable to the Service Location that is the subject of the SOC 1 Review.
 - (d) During the period in which NTT DATA external auditors are conducting the SOC 1 Review, NTT DATA will provide GPI periodic updates on the status of the review, and specifically notify GPI of any significant weaknesses that are identified in the internal controls at the applicable Service Location(s).
 - (e) Upon completion of each SOC 1 Review, NTT DATA will provide GPI the SOC 1 Report within the time frames set forth in subsection (a). If the NTT DATA independent auditor conducting the SOC 1 Report concludes that any control issue has not been met in the SOC 1 Report (i.e. the SOC 1 Report auditor opinion is qualified for failure to achieve a control objective relating to the Designated Services) (a "Control Deficiency") and to the extent that such Control Deficiency relates to the Designated Services and Dell has reasonable control over such Control Deficiency, then Dell's failure to promptly remedy the Control Deficiency will be deemed a material breach of this Agreement. Dell shall provide GPI with a written plan for remediating all Control Deficiencies promptly upon discovery, including the remediation activities to be taken by Dell and the target date for the completion of such remediation activities; and shall remediate all Control Deficiencies as promptly as is reasonably possible.

ARTICLE XV – TERMINATION

- 15.1 Termination for Convenience.** Not sooner than the first anniversary of the Agreement Effective Date GPI may terminate (a) this Agreement or (b) one or more Service Towers, for convenience by providing NTT DATA with at least 120 days' prior Notice of GPI's intent to terminate and paying NTT DATA the Termination Fees set forth in Schedule 15. In the case of the termination of this Agreement as a whole for convenience, upon its payment of the appropriate Termination Fee, GPI will be under no further obligation to pay any Charges arising from and after the date of termination. In the case of the termination for convenience of less than this Agreement as a whole, upon its payment of the appropriate Termination Fee, GPI will be under no further obligation to pay any Charges arising from and after the date of termination with respect to the terminated Service Tower(s).
- 15.2 Reserved.**
- 15.3 Termination for Change in Control of NTT DATA.** In the event of a Change in Control of NTT DATA, GPI may terminate this Agreement as a whole by giving NTT DATA Notice of the termination no more than ninety (90) days after the effective date of the Change in Control and at least sixty (60) days prior to the termination date specified in the Notice. If GPI terminates this Agreement pursuant to this Section 15.3, and if the Person acquiring Control is not listed as one of the GPI Competitors on Schedule 9.2(a)(i)(B) on the effective date of the Change in Control, GPI will pay NTT DATA the Termination Fee, provided that the portion of the Termination Fee set forth in Schedule 15.1 shall be reduced by 50%. If, however, GPI terminates this Agreement pursuant to this Section 15.3, and if the Person acquiring Control is listed as one of the GPI Competitors on Schedule 9.2(a)(i)(B) on the effective date of the Change in Control, GPI will not be required to pay any Termination Fee.
- 15.4 Termination for Cause.**
- (a) If NTT DATA defaults in the performance of any of its material obligations under this Agreement and does not cure such default within thirty (30) days of receipt of a Notice of default, then GPI may, by giving Notice to NTT DATA, terminate this Agreement, as a whole or any affected Service Tower(s) as of the termination date specified in the Notice; provided that, if the nature of the breach is such that it cannot be cured within thirty (30) days, NTT DATA shall be permitted a longer period to cure such breach (not to exceed sixty (60) days from receipt of Notice of default from GPI), provided that NTT DATA commences efforts to cure the breach within thirty (30) days of receipt of the Notice of default and continues to diligently pursue efforts to cure the breach.
 - (b) If there exists repeated material breaches resulting from the same or substantially similar underlying cause by NTT DATA that are cured within the permissible periods in accordance with Section 15.4, (a), then GPI may, by giving Notice to NTT DATA, terminate this Agreement, as a whole or any affected Service Tower(s) as of the termination date specified in the Notice.
 - (c) GPI's right to give Notice of termination under this Section 15.4 shall expire sixty (60) days after GPI's right to give such Notice arises.
 - (d) If GPI rightfully terminates this Agreement for cause pursuant to this Section 15.4 and 15.6, it will not be obligated to pay NTT DATA any Termination Fee or penalties with respect to such termination except those agreed by the Parties in accordance with Schedule 4.1 (Charges).
- 15.5 NTT DATA' Right to Terminate**
- (a) If GPI defaults in its obligation to pay NTT DATA under Section 4.3 (a, d, & e) of this Agreement and does not cure such default within ten (10) days after a Notice of failure to pay from NTT DATA, then NTT DATA may, by giving Notice to GPI, terminate this Agreement as of the termination date specified in the Notice. NTT DATA shall continue to perform all Designated Services in accordance with this Agreement during such cure period and shall, if requested by GPI, perform Termination Assistance Services pursuant to Section 15.12; provided that GPI will be obligated to pay NTT DATA' good-faith estimate of any Charges for Termination Assistance Services in advance for the month that such Termination Assistance will be rendered, with actual Charges to be reconciled in arrears, and NTT DATA shall not be obligated to provide Termination Assistance Services if it has not received such payment in advance. NTT DATA' right to give Notice of termination under this Section 15.5(a) shall expire upon GPI's payment of all amounts due to NTT DATA.

- (b) If GPI defaults in its material obligations under Section 13.2 (Confidentiality) and does not cure such default within thirty (30) days of receipt of a Notice of default, then NTT DATA may terminate this Agreement as a whole as of the termination date specified in the Notice; provided that, if the breach cannot be cured within thirty (30) days, GPI shall be permitted a longer period to cure such breach (not to exceed sixty (60) days from receipt of Notice of default from NTT DATA), provided GPI commences efforts to cure the breach within thirty (30) days of receipt of the Notice of default and continues to diligently pursue efforts to cure the breach. NTT DATA' right to give Notice of termination under this Section 15.5(b) shall expire upon GPI's cure of the default(s) giving rise to the right to terminate.

15.6 Service Level Termination Event. Upon the occurrence of any one of the following events (each, a "Service Level Termination Event" or "SLTE"), other than as a result of NTT DATA Excuse, GPI may terminate this Agreement as a whole, or as to any affected Service Tower, upon Notice to NTT DATA and without providing NTT DATA a right to cure, effective as of the date specified in the Notice: (i) a Service Level Failure for the same Service Level deemed SLTE eligible in Schedule 2.10 Attachment A for any three (3) consecutive months, or for any five (5) out of a twelve (12) month period; (ii) if GPI has earned Service Level Credits that equal the At Risk Amount for three (3) consecutive months, or for any five (5) out of a twelve (12) month period. If GPI terminates this Agreement pursuant to this Section 15.6, it will not be obligated to pay NTT DATA the Termination Fee (for cause) or penalties with respect to such termination as set forth in Schedule 15 unless otherwise agreed by the Parties in Schedule 4.1 (Charges). GPI's right to give Notice of termination under this Section 15.6 shall expire ninety (90) days after GPI's right to give such Notice arises.

15.7 Termination for Force Majeure Event. GPI may terminate this Agreement as a whole, or any affected Service Towers on Notice to NTT DATA if any Force Majeure Event prevents, hinders, or delays NTT DATA' performance of any Designated Services for more than 180 days, which termination will be effective on the date given in the Notice. GPI's right to give Notice of termination under this Section 15.7 shall expire on the earlier to occur of (i) the expiration of sixty (60) days after GPI's right to give such Notice arises or (ii) the date, if any, that NTT DATA recommences substantial performance of the Designated Services.

15.8 Termination for Disaster. GPI may terminate this Agreement as a whole, or any affected Service Towers on Notice to NTT DATA if a Disaster which materially prevents, hinders or delays NTT DATA' performance of any Designated Services has a material adverse effect on GPI's business for more than ten (10) consecutive days or for more than thirty (30) days in any twelve (12) month period, unless the cause of the Disaster gave rise to NTT DATA Excuse, which termination will be effective on the date given in the Notice. GPI's right to give Notice of termination under this Section 15.8 shall expire on the earlier to occur of (i) the expiration of sixty (60) days after GPI's right to give such Notice arises or (ii) the date, if any, that NTT DATA recommences substantial performance of the Designated Services.

15.9 Termination for Insolvency. In the event that either Party (i) files for bankruptcy; (ii) becomes or is declared insolvent, or is the subject of any proceedings related to its liquidation, insolvency or the appointment of a receiver or similar officer for it; (iii) makes an assignment for the benefit of all or substantially all of its creditors; or (iv) enters into an agreement for the cancellation, extension, or readjustment of substantially all of its obligations, then the other Party may, by giving Notice of termination to the first Party, terminate this Agreement as of a date specified in such Notice of termination; provided, however, that NTT DATA will not have the right to exercise such termination so long as GPI remains current in its obligations to pay for the Designated Services in accordance with this Agreement.

15.10 Reserved.

15.11 Effect of Termination.

- (a) All Termination Fees will be calculated and paid in accordance with the following:
- (i) The portion of the Termination Fee set forth in Schedule 15 will be calculated and invoiced on the effective date of the termination as set forth in GPI's Notice of termination.
 - (ii) Except as expressly set forth in this Agreement, no Termination Fee , charge or penalty will be payable by GPI in connection with its termination of this Agreement as a whole or with respect to any Service Tower.
- (b) Notwithstanding anything to the contrary in this Agreement, regardless of the grounds for any termination, GPI shall pay NTT DATA for all Charges payable by GPI arising prior to the effective date of termination, any Charges for Termination Assistance (which could include

payment for Designated Services), and any expenses incurred by NTT DATA prior to the effective date of termination for which GPI is financially responsible under this Agreement, and GPI will continue to be responsible for all Taxes for which it is responsible under this Agreement.

- (c) The Parties acknowledge that if GPI terminates less than all of the Designated Services under this Agreement, the Parties will modify the remaining Designated Services, in accordance with the Change Control Procedures, to take into account any dependencies and inter-relationships between the remaining Designated Services and the terminated Designated Services.

15.12 Termination Assistance.

- (a) For a period specified by GPI in its discretion, commencing on the date designated by GPI, which may be no earlier than the first to occur of (i) the date on which GPI provides notice of termination, or (ii) ninety (90) days prior to the applicable date of expiration, and ending no later than twenty-four (24) months following the expiration or termination of this Agreement or any Service Tower for any reason (the "Termination Assistance Period"), NTT DATA will perform, at the request of GPI, the terminated or expired Designated Services and provide to GPI or a Successor Provider any and all assistance reasonably requested by GPI to allow the terminated or expired Designated Services to continue without interruption or adverse effect, to mitigate any disruption to GPI's business, and to facilitate the orderly transfer of responsibility for the terminated or expired Designated Services to GPI or one or more Successor Providers (collectively, the "Termination Assistance Services"). GPI acknowledges that NTT DATA may require the Successor Provider to enter into a commercially reasonable confidentiality agreement prior to NTT DATA sharing any NTT DATA Confidential Information with such Successor Provider.
- (b) Notwithstanding anything to the contrary in this Agreement, if GPI elects to receive Termination Assistance Services, during such period GPI will pay NTT DATA: (1) for continued performance of the expired or terminated Designated Services, the Charges applicable to those Designated Services as set forth in the Charges Schedule (i.e., Monthly Service Charges subject to the appropriate Adjustments); provided that in the event of Termination Assistance Services that will be performed after the expiration or termination date of this Agreement, the Charges applicable to the expired Designated Services at the end of the Term or the extended Term will apply subject to any increases for resulting from an Economic Change Adjustment in accordance with the terms of the Charges Schedule; and (2) for activities associated with the transition of Designated Services to GPI or a Third Party that are not within the scope of the Designated Services, unless otherwise agreed by the Parties on a time and materials basis no higher than the Labor Rates set forth in the Charges Schedule. Any resources involved in the transition whose Labor Rates are not set forth in the Charges Schedule will be charged at NTT DATA's then-standard hourly rates; provided, however that to the extent that the Termination Assistance Services can be provided using existing NTT DATA resources then allocated to GPI, NTT DATA will use such resources and will not charge GPI in addition to the Monthly Service Charges, as adjusted by the Adjustments.
- (c) The Termination Assistance Services will be carried out pursuant to a written plan prepared by NTT DATA as soon as reasonably practicable after it has received Notice of Termination from GPI (or in the case of a termination by NTT DATA as soon as reasonably practical after NTT DATA has given its Notice of Termination), and approved by GPI (the "Termination Assistance Plan"). The Termination Assistance Plan will also set forth the dates, within the Termination Assistance Period, determined by GPI that NTT DATA will cease performing the Designated Services as to each Service Tower (each, a "Cessation Date") and the date, within the Termination Assistance Period, that NTT DATA will cease its performance of all Designated Services (the "Final Cessation Date"); provided that GPI may, at any time, expedite any Cessation Date by giving NTT DATA at least sixty (60) days prior Notice.
- (d) If GPI determines, in its reasonable discretion, that it will be unable to complete the transition of the Designated Services within the Termination Assistance Period without adverse effect or disruption to GPI's business, GPI may extend the Termination Assistance Period for an additional period not to exceed six (6) months (the "Transition Extension Period") by giving NTT DATA at least thirty (30) days Notice prior to the expiration of the original Termination Assistance Period. If GPI exercises its right to extend the Termination Assistance Period for the Transition Extension Period, the Final Cessation Date will be extended until the end of the Transition Extension Period, subject to GPI's right to expedite Cessation Dates pursuant to Section 15.12(c).

- (e) Notwithstanding the prohibition on solicitation set forth in Sections 16.2(f) (Non- Solicitation), GPI or its designee will be permitted to undertake, and NTT DATA will not interfere, and will ensure that its Affiliates do not interfere, in efforts of GPI or its designee, to hire any employee of NTT DATA (other than Key Personnel) or its Affiliates who spent the majority of their working time in the performance of Designated Services during the six (6) month period prior to the termination or expiration of this Agreement. To the extent any such employee covered by the preceding sentence has signed any employment agreement or other arrangement precluding or hindering such employee's ability to be recruited or hired by GPI, NTT DATA agrees, and will ensure that its Affiliates agree, not to seek to enforce such restriction or to otherwise preclude or hinder such employee from being recruited or hired by GPI or its designee. NTT DATA will provide, and will ensure that its Affiliates provide, GPI and its designee reasonable access to such employees for the purposes of interviews, evaluations and recruitment. NTT DATA will provide GPI with the names, resumes and other information reasonably requested by GPI for the purpose of exercising its rights under this Section.
- (f) With respect to Software then being utilized in performing the Designated Services, NTT DATA will provide GPI with the following rights, each exercisable in GPI's discretion:
- (i) for NTT DATA Third Party Software, NTT DATA will, without additional charge to GPI, at the expiration or termination of this Agreement:
 - (A) to the extent assignable (as related to NTT DATA Third Party Software dedicated to the performance of Designated Services) or sublicensable under the relevant license, assign or sublicense its license to GPI for such NTT DATA Third Party Software that is used in providing the Designated Services, provided that GPI reimburses NTT DATA for any one-time license fees in an amount equal to the unamortized remaining value of such license; and
 - (B) to the extent not assignable or sublicensable under the relevant license (after using reasonable commercial efforts to obtain assignment rights), assist GPI in obtaining a license from the licensor of such NTT DATA Third Party Software.
 - (ii) for proprietary NTT DATA Software that is used in the performance of the Designated Services and that is necessary for the continuity of replacement services for the Designated Services, NTT DATA hereby grants to GPI, as of the expiration or termination of this Agreement and for a reasonable period after completion of Termination Assistance Services, a worldwide, fully paid up, royalty-free, nonexclusive license to use, execute, reproduce, display, and perform, such Software, for use internally within GPI and its Affiliates, including the right to sublicense to Third Parties to perform any of the foregoing for the sole benefit of GPI and its Affiliates. GPI's use of such proprietary NTT DATA Software will be subject to the terms of Section 13.2 (Confidentiality), provided that GPI will be permitted to disclose such Software to Third Parties as reasonably necessary in connection with any sublicense of such Software to Third Parties for the sole benefit of GPI and its Affiliates. GPI acknowledges that NTT DATA may also require such Third Parties to enter into a commercially reasonable confidentiality agreement prior to any access to or use of the NTT DATA Software.
- (g) NTT DATA will make available to GPI or its designee, pursuant to reasonable terms and conditions, any Third Party services then being utilized by NTT DATA in the performance of the Designated Services. NTT DATA will retain the right to utilize any such Third Party services in connection with the performance of services for any other NTT DATA customer. NTT DATA will use commercially reasonable efforts to obtain in its agreements with its subcontractors solely supporting the Designated Services the right to assign, pursuant to reasonable terms and conditions, such agreements to GPI. For any agreements with such subcontractors that NTT DATA does not have rights to assign to GPI, NTT DATA will, during the Termination Assistance Period, use commercially reasonable efforts to cause such subcontractors to assign such agreements to GPI or its designee, pursuant to reasonable terms and conditions. If NTT DATA is not able to cause the assignment of such agreements, then NTT DATA will assist GPI in procuring reasonable substitute services.
- (h) GPI will have the right to purchase, at its depreciated book value, any and all Equipment then being used by NTT DATA and its Affiliates as of the effective date of the termination or expiration of this Agreement predominantly to perform Designated Services for GPI. With regard to Leased Equipment that is leased by NTT DATA and its Affiliates predominantly to perform Designated Services for GPI, NTT DATA will assign, and will cause its Affiliates to assign, to GPI such portion of the leases for such Leased Equipment on the same terms, conditions and costs of the lease then in effect. In the event that any lease of Equipment is not assignable to GPI,

NTT DATA will exercise, and will cause its Affiliates to exercise, purchase options under the lease for the Equipment which GPI desires to use, in which case GPI may purchase such Equipment for an amount equal to the exercise price of the purchase options.

- (i) Service Levels and Service Level Credits will continue to apply during the Termination Assistance Period so long as GPI is receiving Designated Services for the Charges calculated as though the Agreement had not been terminated.
- (j) Within thirty (30) days after the expiration or termination of this Agreement, or any Designated Services provided hereunder, NTT DATA will provide GPI with complete and accurate copies of all documentation and materials prepared by, and in the possession of, NTT DATA or its subcontractors that pertain specifically to the delivery of the Designated Services to GPI. Such documentation will include, without limitation, documentation and materials describing processes, procedures and institutional knowledge, in each case that applies specifically to the provision of the Designated Services to GPI. Such materials will be provided in the form and media in which they exist at termination or expiration.
- (k) This Agreement will govern the provision of Designated Services and the conduct of the Parties during the Termination Assistance Period, including any extension thereof for the Transition Extension Period.

ARTICLE XVI – REPRESENTATIONS, WARRANTIES AND ADDITIONAL COVENANTS

16.1 Representations, Warranties and Additional Covenants of NTT DATA. NTT DATA represents, warrants and covenants as follows:

- (a) **Organization and Qualification.** As of the Second Amendment Effective Date, NTT DATA (i) is duly organized, validly existing and in good standing under the laws of Delaware (ii) is duly qualified and in good standing as a foreign corporation in every jurisdiction in which the character of its business requires such qualification, and (iii) has the power to own its property and the authority to carry on its business as conducted as of the Effective Date.
- (b) **Due Authorization.** The execution, delivery and performance of this Agreement have been duly authorized by NTT DATA, and this Agreement constitutes a valid and binding agreement of NTT DATA, enforceable against NTT DATA in accordance with its terms. The execution and delivery of this Agreement and compliance by NTT DATA with all provisions of this Agreement are within the corporate power and authority of NTT DATA.
- (c) **Conflicting Agreements.** The execution, delivery and performance of this Agreement will not conflict with or result in a breach of the terms, conditions or provisions of, give rise to a right of termination under, constitute a default under, or result in any violation of, the organizational documents of NTT DATA or any mortgage, agreement, contract, instrument, order, judgment, decree, statute, law, rule or regulation to which NTT DATA or any of its properties is subject as of the Effective Date.
- (d) **Intellectual Property.** The Software provided by NTT DATA does not and will not infringe or misappropriate the Intellectual Property Rights of any Third Party; provided that the foregoing representation will not apply if such infringement or misappropriation is caused solely by: (i) GPI's contributions to or unauthorized use or modification of such software; or (ii) GPI's use of such item in combination with any product or equipment not owned, developed or authorized by NTT DATA, except where NTT DATA knew or should reasonably have known that such combination would be used by GPI and did not object. In addition, the Designated Services as provided by NTT DATA pursuant to this Agreement do not and will not infringe or misappropriate the Intellectual Property Rights of any Third Party. As of the Effective Date, NTT DATA has obtained all rights and licenses required from Third Parties to (x) operate, use, license and provide the NTT DATA Software and NTT DATA Third Party Software, (y) provide the Designated Services, and (z) otherwise perform its obligations under this Agreement. NTT DATA will acquire such further rights and licenses to the extent necessary to provide any New Services. NTT DATA will maintain in full force and effect the rights and licenses described in this subsection for the entire Term of this Agreement and for the duration of the provision of Termination Assistance Services.
- (e) **Qualified Work Force.** NTT DATA' personnel will possess the proper skill, training, experience and background to perform, and will perform the Designated Services in a diligent and workmanlike manner.

- (f) **Best Practices.** In performing the Designated Services, NTT DATA will monitor the processes, procedures and practices it uses to perform the Designated Services in light of the best practices it uses in performing similar services for its other similarly situated customers and will implement such best practices with respect to GPI in the most cost effective manner consistent with the quality and performance of a Tier One Provider. Nothing in this Section 16.1(f) will require or allow NTT DATA to implement a process, procedure or practice with respect to the Designated Services that would constitute an Operational Change without first going through the Change Control Procedures.
- (g) **Viruses and Denial of Service Attacks.** NTT DATA will use commercially reasonable efforts to ensure that no Viruses that are designed to disable or damage hardware or damage, erase or delay access to Software or data are coded or introduced into the Software or systems used to provide the Designated Services. NTT DATA will use commercially reasonable efforts to assist GPI in reducing the effects of and recovering from the introduction of any such Viruses. NTT DATA will use commercially reasonable efforts to guard against denial of service attacks using the Equipment in place as of the Commencement Date and as such Equipment may change during the Term.
- (h) **Disabling Devices.** NTT DATA will not, and will cause its agents, contractors, subcontractors or representatives not to introduce any device created for the purpose of disabling or otherwise shutting down all or any portion of the Designated Services in any Software provided or made available by NTT DATA to GPI hereunder or used by NTT DATA in performance of the Designated Services. With respect to any Disabling Code that may be part of such Software, NTT DATA will not, nor permit any NTT DATA agent, contractor, subcontractor or representative to, invoke such Disabling Code at any time, including upon the expiration or termination of this Agreement for any reason.
- (i) **Compliance with Immigration Laws.** NTT DATA will not assign Designated Services to be performed to any NTT DATA personnel who are unauthorized aliens, and if any NTT DATA personnel performing any of the Designated Services are discovered to be unauthorized aliens, NTT DATA will immediately remove such personnel from performing Designated Services and replace such personnel with personnel who are not unauthorized aliens.
- (j) **Non-Solicitation.** Except as set forth in Section 15.2(e) without the prior written Consent of NTT DATA, GPI will not, directly or indirectly, solicit for employment, hire, or otherwise retain the services of any employee of NTT DATA or NTT DATA's Affiliate who was involved in the performance of NTT DATA's obligations under this Agreement during the preceding 12 months. Without the prior written Consent of GPI, NTT DATA will not, directly or indirectly, solicit for employment, hire, or otherwise retain the services of any employee of GPI or GPI's Affiliates with whom NTT DATA came into contact in connection with the activities under this Agreement during the preceding 12 months. This prohibition on soliciting and hiring shall extend for 90 days after the termination of the employee's employment if such employee voluntarily resigns. Neither
(i) the publication of classified advertisements in newspapers, periodicals, Internet bulletin boards, or other publications of general availability or circulation, or (ii) a solicitation that targets individuals with particular work experience or skills based on information available to subscribers, members or general public on professional or social network websites or job boards, nor the consideration and hiring of persons responding to such advertisements or solicitation shall be deemed a breach of this Section, unless the advertisement, solicitation or other recruiting activity is undertaken as a means to circumvent or conceal a violation of this provision or by representatives of a Party acting with knowledge of this hiring prohibition.
- (k) **Compliance with Privacy Laws.** NTT DATA will at all times comply with all Laws relating to the protection of personal data and information in all jurisdictions whose citizens' personally identifiable information is stored on any Equipment controlled by NTT DATA or its Affiliates.
- (l) **Disclaimer.** EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN ANY STATEMENT OF WORK, NTT DATA EXPRESSLY DISCLAIMS, AND GPI HEREBY WAIVES, ALL REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING OUT OF COURSE OF DEALING OR COURSE OF PERFORMANCE.

16.2 Representations, Warranties and Additional Covenants of GPI. GPI represents, warrants and covenants as follows:

- (a) **Organization and Qualification.** As of the Effective Date, (i) GPI is duly organized, validly existing and in good standing under the laws of Delaware, (ii) GPI is duly qualified and in good standing as a foreign corporation in every jurisdiction in which the character of its business requires such qualification, and (iii) has the power to own its property and the authority to carry on its business as conducted as of the Effective Date.
- (b) **Due Authorization.** The execution, delivery and performance of this Agreement have been duly authorized by GPI, and this Agreement constitutes a valid and binding agreement of GPI, enforceable against GPI in accordance with its terms. The execution and delivery of this Agreement and compliance by GPI with all provisions of this Agreement are within the corporate power and authority of GPI.
- (c) **Conflicting Agreements.** The execution, delivery and performance of this Agreement will not conflict with or result in a breach of the terms, conditions or provisions of, give rise to a right of termination under, constitute a default under, or result in any violation of, the organizational documents of GPI or any mortgage, agreement, contract, instrument, order, judgment, decree, statute, law, rule or regulation to which GPI or any of its properties is subject as of the Effective Date.
- (d) **Intellectual Property.** The GPI Software does not and will not infringe or misappropriate the Intellectual Property Rights of any Third Party; provided, that the foregoing representation will not apply if such infringement or misappropriation is caused by (i) NTT DATA' contributions to or unauthorized use or modification of such item, or (ii) NTT DATA' use of such item in combination with any product or equipment not owned, developed or authorized by GPI, except where GPI knew or should reasonably have known that such combination would be used by NTT DATA and did not object. As of the Effective Date, GPI has obtained all rights and licenses required from Third Parties to operate, use, license and provide the GPI Software in accordance with this Agreement. GPI will maintain its rights and licenses in full force and effect for the Term of this Agreement and for the duration of the provision of the Termination Assistance Services to enable NTT DATA to perform its obligations under this Agreement.
- (e) **Disabling Devices.** GPI will use commercially reasonable efforts to prevent the insertion by GPI (or any GPI agent, contractor, subcontractor or representative) of any device created for the purpose of disabling or otherwise shutting down all or any portion of the Designated Services in any Software provided or made available by GPI to NTT DATA hereunder or used by NTT DATA in its performance of the Designated Services. With respect to any Disabling Code that may be part of such Software, GPI will not, nor permit any GPI agent, contractor, subcontractor or representative to, invoke such Disabling Code at any time, including upon the expiration or termination of this Agreement for any reason.
- (f) **Non-Solicitation.** Except as set forth in this Section (f) and Section 15.12 (Termination Assistance), during the Term and for a period of twelve (12) months thereafter, GPI may not solicit (other than through the use of general employment advertising or an independent employment agency or search firm, in either case where such solicitation is not specifically targeted at NTT DATA' employees) or hire NTT DATA' or NTT DATA' Affiliates' employees or subcontractors with whom GPI comes into direct contact as a result of the transactions contemplated by this Agreement without the Consent of NTT DATA.
- (g) **Disclaimer.** EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN ANY STATEMENT OF WORK, GPI EXPRESSLY DISCLAIMS, AND NTT DATA HEREBY WAIVES, ALL REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING OUT OF COURSE OF DEALING OR COURSE OF PERFORMANCE.
- (h) **Viruses and Denial of Service Attacks.** GPI will use commercially reasonable efforts to ensure that no Viruses that are designed to disable or damage hardware or damage, erase or delay access to Software or data are coded or introduced into the Software or systems used to provide the Designated Services and to which GPI has access. GPI will use commercially reasonable efforts to assist NTT DATA in reducing the effects of and recovering from the introduction of any such Viruses.

ARTICLE XVII – INDEMNITIES

17.1 Indemnification by NTT DATA.

- (a) **Injury and Property Indemnification by NTT DATA.** NTT DATA will indemnify, defend and hold the GPI Indemnitees harmless from and against all Losses for bodily injury (including death) and damage to real and tangible personal property arising out of or resulting from tortious conduct of NTT DATA or any employee, agent or subcontractor of NTT DATA, including the negligent failure of such an employee, agent, or subcontractor to comply with any security requirements and other rules and regulations established by GPI applicable to all similarly situated employees of GPI.
- (b) **Intellectual Property Indemnification By NTT DATA.**
- (i) NTT DATA will indemnify, defend and hold harmless the GPI Indemnitees from and against all Losses that any of the NTT DATA Resources infringes or misappropriates any copyright, patent, trademark, trade secret or any other Intellectual Property Right or other right of any Third Party.
 - (ii) NTT DATA will not be obligated to indemnify any of the GPI Indemnitees if the claim of infringement or misappropriation would not have occurred but for:
 - (A) The modifications of the NTT DATA Resources made by a GPI Indemnitee without the written direction or instruction of NTT DATA;
 - (B) The use of the NTT DATA Resources by GPI Indemnitee in other than their specified operating environment, provided that such use in such other environment was not due to the written direction or instruction of NTT DATA; or
 - (C) Such GPI Indemnitee's combination, operation, or use of the NTT DATA Resources with products, data or apparatus not provided by NTT DATA, unless such combination, operation or use was at the written direction or instruction of, or in accordance with the specifications provided by NTT DATA, except where NTT DATA knew, or should have reasonably known that such combination use would be made by GPI and NTT DATA did not object.
 - (iii) If any of the NTT DATA Resources is, or in NTT DATA's opinion is likely to be, held to constitute an infringing product (other than as a result of any of the circumstances set forth in Section 17.1(b)(ii), NTT DATA will in addition to its indemnity obligations, at its expense and option, either:
 - (A) Procure the right for GPI Indemnitees to continue using such item;
 - (B) Replace such item with a non-infringing equivalent item;
 - (C) Modify such item or have such item modified to make it non-infringing without having any adverse impact on GPI;
 - (D) Create a feasible Workaround that would not have any adverse impact on GPI; or
 - (E) If none of the previous four (4) options is available on commercially reasonable terms, accept return of such item and refund to GPI all Charges theretofore paid for the infringing item.
- (c) **Breaches of Certain Representations, Warranties and Covenants.** NTT DATA will indemnify, defend and hold harmless the GPI Indemnitees from and against all Losses arising out of or resulting from any breach by NTT DATA of its representations, warranties or covenants set forth in Section 16.1(a-c) (Representations, Warranties and Additional Comments of NTT DATA/Organization and Qualification, Due Authorization, and Conflicting Agreements).
- (d) **Data Loss.** NTT DATA will indemnify, defend and hold harmless the GPI Indemnitees from and against all Losses (including fines and penalties) arising out of any Data Loss Event that does not result from a NTT DATA Excuse.

- (e) **Failure to Obtain Required Consents.** NTT DATA will indemnify, defend and hold harmless the GPI Indemnitees from and against Losses (including fines and penalties) arising out of or resulting from NTT DATA', its employees', agents' or subcontractors' failure to comply with its obligations to obtain Required Consents pursuant to this Agreement, where the Third Party Claim is brought by a Person whose rights to the subject of the Required Consent have been adversely affected by NTT DATA' failure to obtain a Required Consent.
- (f) **Reserved.**
- (g) **Failure to Comply with Regulatory Requirements.** NTT DATA will indemnify, defend and hold harmless the GPI Indemnitees from and against Losses (including fines and penalties imposed by Governmental Authorities) arising out of or resulting from NTT DATA', its employees', agents' or subcontractors' failure to comply with its obligations under Section 10.5 (Regulatory Compliance).
- (h) **Taxes.** NTT DATA shall indemnify, defend and hold harmless the GPI Indemnitees from and against all Losses (including fines and penalties) (i) for property taxes, Withholding Taxes, taxes, and Taxes for which GPI is not financially responsible under this Agreement, including any interest, penalties, and other charges related thereto, (ii) arising from any Governmental Authority's reclassification or attempt to reclassify any of NTT DATA' personnel, agents, subcontractors or suppliers as an employee of GPI or any of GPI's Affiliates, including without limitation, any tax liability (including interest and penalties) resulting from GPI's or any such Affiliate's failure to pay, deduct or withhold foreign, U.S. federal, and U.S. state and local income taxes, Federal Insurance Contribution Act taxes, or Federal Unemployment Tax Act taxes with respect to any of NTT DATA' personnel, agents, subcontractors or suppliers, (iii) for penalties, interest and other charges related to Taxes, and (iv) for taxes that any non-U.S. taxing authority assesses, levies or charges GPI in any jurisdiction outside the United States from which services are provided by reason of the provision of the Designated Services by NTT DATA to GPI.

17.2 Obligations to Subcontractors. NTT DATA will indemnify, defend and hold harmless the GPI Indemnitees from and against all Losses by NTT DATA' subcontractors arising out of or resulting from NTT DATA' breach of its obligations to such subcontractors. **Indemnification by GPI.**

- (a) **Injury and Property Indemnification by GPI.** GPI will indemnify, defend and hold the NTT DATA Indemnitees harmless from and against all Losses for bodily injury (including death) and damage to real and tangible personal property arising out of or resulting from tortious conduct of GPI or any employee, agent or subcontractor of GPI.
- (b) **Intellectual Property Indemnification by GPI.**
 - (i) GPI will indemnify, defend, and hold harmless the NTT DATA Indemnitees from and against all Losses that any of the GPI Resources infringes or misappropriates any copyright, patent, trademark, trade secret or any other Intellectual Property Right or other right of a Third Party.
 - (ii) GPI will not indemnify any of the NTT DATA Indemnitees if the claim of infringement or misappropriation would not have occurred but for:
 - (A) The modifications of the GPI Resources made by a NTT DATA Indemnitee without the written direction or instruction of GPI;
 - (B) The use of the GPI Resources by a NTT DATA Indemnitee in other than their specified operating environment, provided that such use in such other environment was not due to the written direction or instruction of GPI; or
 - (C) Such NTT DATA Indemnitee's combination, operation, or use of the GPI Resources with products, data or apparatus not provided by GPI, unless such combination, operation or use was at the written direction or instruction of, or in accordance with the written specifications provided by GPI, except where GPI knew, or should have reasonably known that such combination use would be made by NTT DATA, and GPI did not object.
 - (iii) If any of the GPI Resources is, or in GPI's opinion is likely to be, held to constitute an infringing product (other than as a result of any of the circumstances set forth in

Section 17.2(b)(ii)), GPI will in addition to its indemnity obligations, at its expense and option, either:

- (A) Procure the right for NTT DATA Indemnitees to continue using such item;
 - (B) Replace such item with a non-infringing equivalent item; or
 - (C) Modify such item or have such item modified to make it non-infringing without having any adverse impact on NTT DATA.
- (c) **Representations, Warranties and Covenants Indemnification by GPI.** GPI will indemnify, defend and hold harmless the NTT DATA Indemnitees from and against all Losses arising out of or resulting from any breach by GPI of its representations, warranties or covenants set forth in Section 16.2(a-c) (Representations, Warranties and Additional Covenants of GPI/Organization and Qualification, Due Authorization, and Conflicting Agreements).
- (d) **Failure to Comply with Regulatory Requirements.** GPI will indemnify, defend and hold harmless the NTT DATA Indemnitees from and against Losses (limited to fines and penalties imposed by Governmental Authorities) arising out of or resulting from GPI's, its employees', agents' or subcontractors' failure to comply with its obligations under Section 10.5 (Regulatory Compliance).
- (e) **Failure to Obtain Required Consents.** GPI will indemnify, defend and hold harmless the NTT DATA Indemnitees from and against Losses (including fines and penalties) arising out of or resulting from GPI's, its employees' or agents' failure to comply with its obligations to obtain Required Consents pursuant to this Agreement, where the Third Party Claim is brought by a Person whose rights to the subject of the Required Consent have been adversely affected by GPI's failure to obtain a Required Consent.
- (f) **Reserved.**
- (g) **Taxes.** GPI will indemnify, defend and hold harmless the NTT DATA Indemnitees from and against all Losses (including fines, interest, and penalties) (i) for Taxes, property taxes, Withholding Taxes, interest and penalties assessed or claimed against NTT DATA for which GPI is financially responsible under this Agreement, and (ii) arising from GPI's or any GPI Affiliate's failure to pay, deduct or withhold foreign, U.S. federal, and U.S. state and local income taxes, Federal Insurance Contribution Act taxes, or Federal Unemployment Tax Act taxes with respect to any of the Transitioned Employees for periods before the effective date of their employment by NTT DATA.
- (h) **Designated and Transitioned Employees.** GPI shall indemnify the NTT DATA Indemnitees from, and defend and hold the NTT DATA Indemnitees harmless from and against, any Losses to which the NTT DATA Indemnitees become subject, resulting from any claim by any Designated or Transitioned Employee resulting from (A) any act or omission by GPI arising prior to the Commencement Date in connection with such employee's employment with GPI, except to the extent such alleged act was taken at, or such alleged omission resulted from, the request or direction of NTT DATA; and (B) any rights of the Designated or Transitioned Employee arising under any GPI pension or GPI retirement plan.

17.3 Indemnification Procedures.

- (a) **Notice.** Promptly after receipt by any Indemnified Party under this Article XVII (Indemnities) of notice of the commencement or threatened commencement of any action, proceeding or other claim by a Third Party involving a claim in respect of which the Indemnified Party will seek indemnification, the Indemnified Party shall notify the Indemnifying Party of such claim in writing and provide to the Indemnifying Party all reasonably available information requested. No failure to so notify an Indemnifying Party shall relieve it of its obligations under this Agreement except to the extent that it can demonstrate damages attributable to such failure. Within thirty (30) days following receipt of Notice and such reasonably available information from the Indemnified Party relating to any claim, but no later than ten (10) days before the date on which any response to a complaint or summons is due (the applicable period referred to herein as the "Notice Period"), the Indemnifying Party shall notify the Indemnified Party in writing if the Indemnifying Party assumes full responsibility to indemnify, defend and hold harmless the Indemnified Party and elects to assume control of the defense and settlement of that claim (a "Notice of Election"). During the Notice Period, the Indemnified Party shall use commercially reasonable efforts to extend the date on which a response to the claim is due until the

Indemnifying Party has provided its Notice of Election. The Indemnifying Party shall be responsible for all costs and expenses related to investigating and defending such claim (including reasonable legal fees and disbursements and reasonable out-of-pocket costs of investigation and litigation) incurred by the Indemnified Party ("Costs and Expenses") during the Notice Period if the Indemnifying Party is obligated to indemnify the Indemnified Party. All settlements under this Section 17.3(a) will be deemed Confidential Information under this Agreement.

- (b) **Procedure Following Notice of Election.** If the Indemnifying Party delivers a Notice of Election relating to any claim within the required Notice Period, the Indemnifying Party shall be entitled to have sole control over the defense and settlement of such claim; provided, however, that (i) the Indemnified Party shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim, and (ii) the Indemnifying Party shall obtain the prior written approval of the Indemnified Party before entering into any settlement of such claim or ceasing to defend against such claim. The Indemnified Party will not unreasonably withhold its Consent to any such settlement, provided that it will be deemed reasonable to withhold Consent if the settlement is non-monetary in nature. After the Indemnifying Party has delivered a Notice of Election relating to any claim in accordance with the preceding paragraph, the Indemnifying Party shall not be liable to the Indemnified Party for any legal expenses incurred by such Indemnified Party in connection with the defense of that claim. In addition, the Indemnifying Party shall not be required to indemnify the Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any claim for which the Indemnifying Party has delivered a timely Notice of Election if such amount was agreed to without the written Consent of the Indemnifying Party.
- (c) **Procedure Where No Notice of Election Is Delivered.** If the Indemnifying Party does not deliver a Notice of Election relating to any claim within the Notice Period, or otherwise fails to acknowledge its indemnification obligations, the Indemnified Party shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of the Indemnifying Party. The Indemnifying Party shall promptly reimburse the Indemnified Party for all Costs and Expenses related to such claim. If no Notice of Election is delivered, the Indemnified Party may settle any such claim without the Consent of the Indemnifying Party, except that the Indemnified Party must use reasonable commercial efforts to reduce the amount of any such settlement. If it is determined that the Indemnifying Party failed to defend a claim for which it was liable, the Indemnifying Party shall not be entitled to challenge the amount of any settlement or compromise paid by the Indemnified Party.
- (d) **Subrogation.** The Indemnifying Party will be subrogated to the rights and defenses of the Indemnified Party to the extent of, and with respect to, the Indemnifying Party's obligation to indemnify the Indemnified Party under this Article XVII (Indemnities).

ARTICLE XVIII – LIABILITY

- 18.1 Limitation on Consequential Damages.** OTHER THAN WITH RESPECT TO DAMAGES RESULTING FROM BREACHES OF SECTION 13.2 (DAMAGES FOR WHICH SHALL BE LIMITED TO AN AMOUNT EQUAL TO THE DAMAGES LIMITATION DEFINED IN SECTION 18.2(a) REGARDLESS OF THEIR CHARACTERIZATION AS DIRECT OR CONSEQUENTIAL DAMAGES), NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY LOSS OF PROFITS (WHERE "LOSS OF PROFITS" DOES NOT INCLUDE

THE PROFIT COMPONENT OF THE CHARGES FOR AMOUNTS DUE TO NTT DATA FOR THE DESIGNATED SERVICES), OR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS SECTION 18.1 IS INTENDED TO BE SEPARATE AND INDEPENDENT FROM THE LIMITATION OF DAMAGES IN SECTION 18.2 AND APPLIES EVEN IF A PARTY'S REMEDIES IN THIS AGREEMENT ARE DEEMED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. NOTWITHSTANDING THE FOREGOING LIMITATIONS, LOSSES FOR WHICH EITHER PARTY HAS AN INDEMNIFICATION OBLIGATION UNDER ARTICLE XVII SHALL BE DEEMED DIRECT DAMAGES.

- 18.2 Limitation on Direct Damages.**

- (a) Except as set forth in Section 18.2(b), the liability of each Party to the other Party for any direct damages resulting from, arising out of or relating to this Agreement, whether based on an action or claim in contract, equity, negligence, tort or otherwise, will not exceed, in the aggregate, an amount equal to the Charges (including Transition Fees) during the twelve (12) months prior to the assertion of the claim (the "Damages Limitation"). If the activity from which the action arose

occurs during the first twelve (12) months after the Effective Date, the Damages Limitation will equal twelve (12) times the average of the monthly Charges (including Transition Fees) through the previous month of the assertion of the claim. If, at any time during the Term, GPI has incurred direct damages arising out of this Agreement that exceed sixty-five percent (65%) of the Damages Limitation, then NTT DATA may, upon GPI's Notice of request, refresh the amount of the Damages Limitation (as applied to GPI) for the remainder of the Term, and if NTT DATA refuses or fails to agree within thirty (30) days after GPI's Notice to refresh the amount of the Damages Limitation, then GPI may terminate the Agreement only as a whole under Section 15.1 by giving Notice within sixty (60) days after the refusal or failure and NTT DATA shall be deemed to have waived the entire Termination Fee.

- (b) The Damages Limitation is not applicable to: (1) amounts due and payable under this Agreement for Designated Services, Milestone Credits, Service Level Credits, procurement pass-throughs and reimbursements, similar charges, and interest thereon; (2) Losses subject to an indemnification obligation under Sections 17.1(a) (Injury and Property Indemnification by NTT DATA), 17.1(b) (Intellectual Property Indemnification By NTT DATA), 17.1(d) (Data Loss) to the extent the Data Loss Event was caused by NTT DATA' gross negligence or willful misconduct, 17.1(g) (Failure to Comply with Regulatory Requirements), 17.1(h) (Taxes), 17.1(i) (Obligations to Subcontractors), 17.2(a) (Injury and Property Indemnification by GPI), 17.2(b) (Intellectual Property Indemnification by GPI), 17.2(d) (Failure to Comply with Regulatory Requirements), or 17.2(g) (Taxes); (3) damages resulting from, arising out of or relating to the willful misconduct of a Party; (4) damages resulting from the wrongful termination of this Agreement; (5) Section 19.3 (Property Damage); and (6) damages resulting from the wrongful refusal by NTT DATA to fulfill its Termination Assistance obligations.

18.3 Cumulative Remedies. Except as may be otherwise expressly provided in this Agreement, no remedy or election under this Agreement will be deemed exclusive, but will be cumulative with, in addition to and not in lieu of any other remedies available to either Party at law, in equity or otherwise.

18.4 Mitigation of Damages. Each Party will have a duty to mitigate damages for which the other Party is responsible.

18.5 Acknowledgment. THE PARTIES EXPRESSLY ACKNOWLEDGE THAT THE LIMITATIONS, WAIVERS, DISCLAIMERS AND EXCLUSIONS SET FORTH IN THIS Article XVIII HAVE BEEN ACTIVELY AND COMPLETELY NEGOTIATED BY THE PARTIES AND REPRESENT THE PARTIES' AGREEMENT TAKING INTO ACCOUNT EACH PARTY'S LEVEL OF RISK ASSOCIATED WITH THE PERFORMANCE OR NONPERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE PAYMENTS AND OTHER BENEFITS TO BE DERIVED BY EACH PARTY PURSUANT TO THIS AGREEMENT.

ARTICLE XIX – INSURANCE

19.1 Insurance. NTT DATA will procure and maintain, at its own cost and expense, the insurance coverages required in Schedule 19.1.

19.2 Risk of Loss. NTT DATA is responsible for the risk of loss of, or damage to, any property of GPI at a NTT DATA Service Location, unless such loss or damage was caused by the acts or omissions of GPI or an agent of GPI. GPI is responsible for the risk of loss of, or damage to, any property of NTT DATA at a GPI Service Location, unless such loss or damage was caused by the acts or omissions of NTT DATA or an agent of NTT DATA. The risk of loss of, or damage to, property in transit will remain with the Party arranging the shipment.

19.3 Property Damage. Each Party shall be liable to the other Party, subject to Article XVIII, on direct claims by the other Party for damage to the other Party's real and tangible personal property (other than GPI Data, data owned by NTT DATA, or information) arising from the tortious conduct of the liable Party or its respective employees, agents or subcontractors; provided, that the liable Party's liability shall be secondary to any insurance of the other Party.

ARTICLE XX – DISPUTES

20.1 Disputes In General. The Parties will resolve all Disputes in accordance with the procedures described in Schedule 20.1 (the "Dispute Resolution Procedure").

20.2 Continued Performance. Except as set forth in Section 15.5(a) (NTT DATA Right to Terminate), NTT DATA agrees to continue performing its obligations under this Agreement while any Dispute is being

resolved unless and until such obligations are terminated by the termination or expiration of this Agreement.

- 20.3 Parties' Agreement.** Nothing set forth in the Dispute Resolution Procedure, this Agreement or otherwise will prevent the Parties from resolving any Dispute by mutual agreement at any time.

ARTICLE XXI – MISCELLANEOUS

- 21.1 Right to Engage in Other Activities.** GPI acknowledges and agrees that NTT DATA and its Affiliates may provide information technology services for Third Parties at the NTT DATA Service Locations. Subject to NTT DATA' compliance with this Agreement and any other applicable agreements between NTT DATA and GPI, NTT DATA may acquire, license, market, distribute and/or develop for itself or others or have others develop for NTT DATA technology performing the same or similar functions as the technology used in connection with the Designated Services.
- 21.2 Independent Parties.** This Agreement does not create or evidence a partnership, joint venture or any other fiduciary relationship between the Parties. The Parties are independent; each has sole authority and control of the manner of, and is responsible for, its performance of this Agreement. Neither Party may create or incur any liability or obligation for or on behalf of the other Party, except as described in this Agreement. Each Party will maintain all required insurance and will pay all required employment and withholding taxes for its employees as mandated by federal, state, and local Law. In addition, each Party will be responsible for all actions of its employees, subcontractors, agents and representatives.
- 21.3 Entire Agreement; Survival.** This Agreement (including the Schedules, each of which is incorporated into this Agreement by this reference) constitutes the full and complete statement of the agreement of the Parties with respect to the subject matter hereof and supersedes any previous agreements, understandings or communications, whether written or oral, relating to such subject matter. Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement will survive any termination or expiration of this Agreement and continue in full force and effect.
- 21.4 Amendments; Waiver.** Contract Changes or modifications to this Agreement may not be made orally, but only in accordance with the Contract Change Control Procedures. Any terms and conditions varying from this Agreement on any order, invoice or other notification from either Party are not binding on the other unless specifically accepted in writing by the other. Unless otherwise expressly provided in this Agreement, a delay or omission by either Party in exercising any right or power under this Agreement will not be construed to be a waiver thereof. No waiver of any breach of any provision of this Agreement will constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provision hereof. Without limiting the foregoing, acceptance of late performance with or without objection or reservation by the Party to whom the performance is due will not constitute a waiver of any rights of that Party or constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.
- 21.5 Binding Nature; Assignment.** This Agreement will be binding on the Parties and their successors and permitted assigns. Neither Party may assign any of its rights or delegate any of its duties or obligations under this Agreement without the other Party's Consent, except that GPI may assign its rights and delegate its duties and obligations under this Agreement as a whole as part of the sale or transfer of all or substantially all of its assets or business, including by merger or consolidation. Any attempted assignment or delegation of any rights, duties, or obligations in violation of this Section 21.5 will be invalid and without effect. An assigning Party shall remain fully liable for and shall not be relieved from the full performance of all of its obligations under this Agreement
- 21.6 Third Party Beneficiaries.** This Agreement is entered into solely between, and may be enforced only by, NTT DATA and GPI, and this Agreement will not be deemed to create any rights in Third Parties, including employees, suppliers or subcontractors of a Party, or to create any obligations of a Party to any such Third Parties. Nothing in this Section 21.6, however, is intended to contravene a Party's obligation to the other Party to indemnify the other Party's Indemnitees, or NTT DATA' obligation to GPI to provide the Designated Services to Service Recipients.
- 21.7 Approvals and Similar Actions.** Except as otherwise expressly provided in this Agreement, where agreement, approval, acceptance, consent or similar action is required of either Party by any provision of this Agreement, such action will not be unreasonably withheld or delayed and such action must be made in writing. An approval or consent given by a Party under this Agreement will not relieve the other Party from responsibility for complying with the requirements of this Agreement, nor will it be construed as a waiver of any rights under this Agreement, except as and to the extent otherwise expressly provided in such approval or consent. Each Party agrees that it shall act in good faith in its performance under this Agreement and its respective dealings with the other Party under or in connection with this Agreement.

21.8 Notices.

- (a) Unless expressly provided otherwise, all notices under this Agreement denoted with a capital "N" ("Notices") will be in writing and will be deemed to have been duly given if delivered personally or by a nationally recognized courier service, faxed, electronically mailed or mailed by registered or certified mail, return receipt requested, postage prepaid, to the Parties at the addresses set forth in below:

- (i) If to GPI, to each of the following:

Graphic Packaging International, LLC. 1500 Riveredge Parkway
Atlanta, GA 30328

Office of the General Counsel (770) 240-7200

- (ii) If to NTT DATA:

NTT DATA Americas, Inc. 7950 Legacy Drive, Suite 900
Plano, Texas 75075-8499

Attn: Prasoon Saxena, President Manufacturing BU E-mail Address:
Phone Number: Tel: +1 972 624 7901

with a copy to:

NTT DATA Americas, Inc. 7950 Legacy Drive, Suite 900
Plano, Texas 75075-8499

Attn: John Dick, General Counsel
E-mail Address: john.dick@nttdata.com

All Notices under this Agreement that are addressed as provided in this Section 21.8(a), (i) if delivered personally or by a nationally recognized courier service, will be deemed given upon delivery, (ii) if delivered by facsimile or electronic mail, will be deemed given when confirmed, and (iii) if delivered by mail in the manner described above, will be deemed given on the fifth (5th) Business Day after the day it is deposited in a regular depository of the United States mail. Either Party from time to time may change its address or designee for notification purposes by giving the other Party Notice of the new address or designee and the date upon which such change will become effective.

- (b) Unless expressly provided otherwise, all notices under this Agreement denoted with a non-capitalized "n" will be deemed given if provided to the GPI Representative or the NTT DATA Client Executive, as applicable, in writing, which may include notices given electronically.

21.9 Press Releases. Neither Party may make any press releases, public announcements or similar public disclosure relating to this Agreement or its subject matter, including promotional or marketing material without the Consent of the other Party, and any such press release, public announcement or similar public disclosure will be coordinated with and approved by the other Party prior to release. Nothing in this Section will be construed as permitting NTT DATA to use any trademark, service mark, trade name, logo, symbol or brand name of GPI without GPI's prior written Consent, which GPI may give or deny in its sole discretion. This provision does not alter the restrictions on the disclosure of Confidential Information set forth in Section 13.2 (Confidentiality) and, subject to Section 13.2 (Confidentiality), will not be construed so as to delay or restrict either Party from disclosing any information required to be disclosed in order to comply with any Law, rule or regulation.

21.10 Construction Rules. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the Parties as nearly as possible in accordance with Law. In performing its obligations under this Agreement, neither Party will be required to undertake any activity that would conflict with the requirements of any Laws, rule, regulation, interpretation, judgment, order or injunction of any Governmental Authority. This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which taken together

will constitute one instrument. The Parties acknowledge and agree that each has been represented by legal counsel of its choice throughout the negotiation and drafting of this Agreement, that each has participated in the drafting hereof and that this Agreement will not be construed in favor of or against either Party solely on the basis of a Party's drafting or participation in the drafting of any portion of this Agreement. In the event of any conflict between the terms of this Agreement and any Schedule hereto, the terms of this Agreement will prevail. In the event of any conflict between the terms of any Schedule hereto and its Exhibits or Attachments, the terms of the Schedule will prevail.

- 21.11 Further Assurances.** The Parties will execute and deliver such other instruments and documents, and take such other actions, as either Party reasonably requests to evidence or effect the transactions contemplated by this Agreement.
- 21.12 Governing Law; Venue; Jurisdiction.** This Agreement will be governed by and construed in accordance with the substantive laws of Delaware without giving effect to any choice-of-law rules that may require the application of the laws of another jurisdiction.
- 21.13 Sustainability Guidelines.** In performance of its obligations under this Agreement, Vendor agrees to comply with and require its employees, contractors and agents to comply with GPI's Supplier Code of Conduct, as well as GPI's policies, rules and directions regarding safety, security and appropriate conduct on GPI's premises or delivery points and toward GPI's employees. GPI will provide its Supplier Code of Conduct to Vendor upon request and will notify Vendor of other applicable policies prior to any on-site services. GPI's Supplier Code of Conduct may also be found at: <https://www.graphicpkg.com/supplier-resources/>

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the Effective Date.

GRAPHIC PACKAGING INTERNATIONAL, LLC

By: /s/ Michael P. Doss
Name: Michael P. Doss
Title: President & CEO

NTT DATA AMERICAS, INC.

By: /s/ Prasoon Saxena
Name: Prasoon Saxena
Title: President- Manufacturing Business Unit

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SCHEDULE A

Definitions and Rules of Interpretation

1. **Rules of Interpretation.** The following rules of interpretation apply to the Agreement and are by this reference incorporated into the Agreement:
- (a) the word “or” is not exclusive and the words “including” or “include” are not limiting;
 - (b) the words “hereby,” “herein,” “hereof,” “hereunder” or other words of similar meaning refer to the entire document in which it is contained;
 - (c) a reference to any agreement or other contract includes permitted supplements, amendments and restatements;
 - (d) a reference to a law includes any amendment or modification to such law and any rules or regulations promulgated thereunder or any law enacted in substitution or replacement therefore;
 - (e) a reference to singular includes plural and vice-versa and each gender includes the other;
 - (f) a reference to days, months, or years refers to calendar days, months, and years, unless Business Days are specified;
 - (g) Article and Section headings and table of contents are only for reference and are not to be considered in interpreting this Agreement;
 - (h) a reference to an Article, Section, Appendix, Exhibit or Schedule which does not specify a particular document is to the relevant Article, Section Appendix, Exhibit or Schedule of the document containing the reference;
 - (i) a reference to an Article includes all Sections and subsections contained in such Article, and a reference to a Section or subsection includes all Subsections of such Section or subsection;
 - (j) All terms not otherwise defined herein will have the meaning commonly ascribed thereto in the IT industry;
 - (k) “\$” or “dollars” refers to United States dollars; and
 - (l) unless otherwise indicated, all accounting terms, ratios and measurements will be interpreted or determined in accordance with GAAP as in effect on date hereof.
2. **Definitions.** As used in the Agreement, the following terms will have the following meanings:
- “**Account Managers**” means the NTT DATA Client Executive and GPI Representative.

“Adjustments” means adjustments to the Monthly Service Charges required to reconcile the Monthly Service Charges to the financial agreements of the Parties, and includes Additional Resource Charges, Reduced Resource Credits, Service Level Credits, any corresponding additional Taxes or refund of Taxes for which GPI is assigned financial responsibility pursuant to this Agreement, errors and omissions from previous months, and similar other pricing adjustments that reconcile the Monthly Service Charges to the Charges actually owed by GPI to NTT DATA for Designated Services in the applicable Base Month.

“Affiliate” means, with respect to any entity, any Person (other than a natural Person) Controlling, Controlled by or under common Control with such entity.

“Agreement” has the meaning set forth in the introductory paragraph of this Agreement.

“Applications” means Software that performs end-user or business-related processing functions that is either obtained from Third Parties, or owned by a Party.

“Business Day” means each Monday through Friday, other than national holidays recognized by GPI in the United States.

“Change” means together, Operational Changes and Contract Changes.

“Change in Control” means with respect to an entity, the consummation of a transaction in which the Control of such entity has changed from one Person to another Person, but does not include internal restructurings or reorganizations between and among Affiliated entities. A Change in Control of NTT DATA shall be deemed not to include a transaction or a related series of transactions that (i) results in loss of Control by a Person related to the Perot family and (ii) does not result in an unrelated Person acquiring Control.

“Commencement Date” means Effective Date.

“Consent” means consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person given in accordance with the Agreement.

“Contract Change” means any change to (a) the description for Designated Services, (b) Charges, (c) the description for Service Levels, (d) the Logical Security Guidelines, Physical Security Guidelines, Privacy Policy, GPI Regulatory Requirements, or NTT DATA Regulatory Requirements; or (e) any provision of this Agreement.

“Contract Year” means each twelve (12) month period commencing on the Effective Date or any anniversary of the Effective Date during the Term, including any extension thereof pursuant to Section 1.3 (Extension).

“Control” and its derivatives mean with respect to any Person, the power to direct or cause the direction of management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Critical Service” means any Designated Service to which a Critical Service Level (as defined in the Service Level Agreement) applies.

“Current State Transition” has the meaning set forth in Section 2.4.

“Customer Data” means all records, files, reports and other data relating to GPI customers provided to NTT DATA by GPI, its Affiliates or business partners or data collected, calculated or generated by NTT DATA on behalf of GPI in connection with the Designated Services.

“Date” means 12:01 a.m. on the relevant date unless otherwise specified.

“Derivative Work” means a derivative work as defined in Title 17 U.S.C. § 101, as amended and as may be amended from time to time, which on the Effective Date states: “A ‘derivative work’ is a work based on one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications, which, as a whole, represent an original work of authorship, is a ‘derivative work.’”

“Disabling Code” means code that could have the effect of disabling or otherwise shutting down one or more Software programs or systems and/or hardware or hardware systems.

“Disaster” means an event or series of events that (i) do not constitute a Force Majeure Event; and (ii) materially and adversely affect NTT DATA’ ability to perform the Designated Services resulting in any unplanned interruption of the Designated Services.

“Disaster Recovery Services” has the meaning set forth in the Statement of Work.

“Dispute” means any dispute, claim or controversy of any kind or nature arising under or in connection with the Designated Services or otherwise in connection with the Agreement or the transactions contemplated thereby (including disputes as to the Designated Services, billing, or the creation, validity, interpretation, breach or termination of the Agreement).

“Effective Date” means the date specified in the introductory paragraph of the Agreement and is the date on which the Agreement is effective.

“Equipment” means the computer and telecommunications equipment used in providing the Designated Services, including without limitation: (i) all computers and associated attachments, features, accessories, peripheral devices and other equipment, and (ii) all private branch exchanges, communications controllers, multiplexors, local and remote front end processors, connections terminating equipment (e.g., jacks and associated configuration files and management systems), matrix switches (e.g., Bytex), modems, hubs, bridges, routers, automatic call distributors, voice response units and other telecommunications equipment.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“Governmental Authority” means any domestic (federal, state or local) or foreign government or governmental, regulatory or administrative authority, agency, commission, board, bureau, court or instrumentality or arbitrator of any kind.

“GPI” has the meaning set forth in the introductory paragraph.

“GPI Assets” means assets owned or leased by GPI and used in connection with the Designated Services.

“GPI Data” means the following data:

- () All data that is provided by or on behalf of GPI to NTT DATA pursuant to this Agreement as part of NTT DATA’ provision of the Designated Services, including keyed input and electronic capture of information by the Designated Services;

- (a) information that is derived from such data by means of the Designated Services, provided that GPI Data shall not include the Confidential Information of NTT DATA or any proprietary or intellectual property of NTT DATA; and
- (b) All GPI Customer Data.

“GPI Equipment” means Equipment owned or leased by GPI and used by NTT DATA in connection with the Designated Services.

“GPI Indemnitees” means GPI, its Affiliates and their respective directors, officers, employees, and agents, and the heirs, executors, successors, assigns of any of these Persons.

“GPI Resources” means the GPI Third Party Software, the GPI Software and Tools (and Derivative Works, improvements and modifications thereto) and GPI Equipment, but excluding GPI Resources.

“GPI Software” means the Software owned or exclusively licensed by GPI that is not Third Party Software or NTT DATA Software and used by NTT DATA in providing the Designated Services.

“GPI Systems” means any computer Software or hardware that was not developed, provided, licensed, or acquired by, from or through NTT DATA under this Agreement and which is operated by GPI and interfaces with NTT DATA Assets or that in any way impacts NTT DATA' provision of the Designated Services or the Termination Assistance Services.

“GPI Third Party Software” means Software Applications developed by Third Parties and licensed to GPI and used by NTT DATA in providing the Services.

“GPI Tools” means any Software development and performance testing tools, know-how, methodologies, process, or technologies owned by GPI and used by NTT DATA, in accordance with the terms hereof, in connection with NTT DATA' provision of the Designated Services.

“Gross Negligence” for purposes of this Agreement is intended to require proof of an element of malice or recklessness.

“Indemnification Claim” means a claim or demand of a Party, on its behalf or on behalf of one or more of its other Indemnitees.

“Indemnified Party” means a Party entitled to or seeking indemnification, on its own behalf or on behalf of one or more of its other Indemnitees, under Article XVII (Indemnities).

“Indemnifying Party” means a Party that has or is alleged to have an obligation to indemnify the other Party's Indemnitees under Article XVII (Indemnities).

“Indemnitees” means the GPI Indemnitees or the NTT DATA Indemnitees, or both.

“Intellectual Property Rights” means all intellectual property rights, including (i) any patent, patent application, trademark (whether registered or unregistered), trademark application, trade name, service mark (whether registered or unregistered), service mark application, copyright (whether registered or unregistered), copyright application, Trade Secret, know-how, process, technology, development tool, ideas, concepts, design right, moral right, data base right, methodology, algorithm or invention, (ii) any right to use or exploit any of the foregoing, and (iii) any other proprietary right or intangible asset (including Software).

“IT” means information technology.

“Law” means all applicable laws (including those arising under common law), statutes, codes, rules, regulations, reporting or licensing requirements, ordinances and other pronouncement having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision, including those promulgated, interpreted or enforced by any governmental or regulatory authority.

“Leased Equipment” means Equipment that is leased rather than owned by a Party.

“Liabilities” means any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, penalty, deficiency, assessment, Taxes, cost, expense (including reasonable attorneys' fees and reasonable costs of investigation litigation and settlement), obligation, disgorgement or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured.

“Losses” means liabilities, judgments, claims, settlements, damages, charges, liens, taxes, penalties, fines and obligations resulting from Third Party Claims which were either (i) finally awarded pursuant to a judgment by a court of competent jurisdiction (or such other dispute resolution mechanism as may be agreed by Parties), or (ii) paid or payable pursuant to a settlement made in accordance with Section 17.3. Losses also include Costs and Expenses related to the foregoing.

“Maintenance Release” means those Software fixes and updates provided by vendors of the Software as part of normal maintenance service for the Software, such as, for example, Software point releases.

“Materials” means expressions of literary works or other works of authorship, code and other development works of any kind (such as programs, program listings, programming tools, documentation, reports, drawings and similar works) that are developed by a Party hereunder or in connection with this Agreement.

“Operating System Software” means Software used by NTT DATA to support the production or execution of a Software Application, but which is not specific to any Software Application.

“Operational Change” means: (1) any change (a) to the Designated Services, (b) the Service Levels or (c) the NTT DATA Assets used to provide the Designated Services that, in each case, would materially alter the (i) functionality, Service Levels or technical environment of the NTT DATA Assets used to provide the Designated Services, (ii) manner in which the Designated Services are provided, (iii) composition of the Designated Services or (iv) cost to GPI or NTT DATA of the Designated Services; (2) any change to (a) the GPI Service Locations or the NTT DATA Service Locations or (b) the Logical Security Guidelines, Physical Security Guidelines, Privacy Policy, GPI Regulatory Requirements, NTT DATA Regulatory Requirements; or (3) any change that disrupts the provision of the Designated Services.

“Parties” means, collectively, the signatories to this Agreement and their successors and permitted assigns.

“Party” means either of the signatories to this Agreement and their respective successors and permitted assigns.

“NTT DATA” has the meaning set forth in the introductory paragraph of this Agreement.

“NTT DATA Assets” means assets owned or leased by NTT DATA and used to deliver the Designated Services.

“NTT DATA Excuse” means any of the following: (i) a Force Majeure Event; (ii) a failure by GPI, its agents or contractors or Service Recipients to meet any of GPI's Responsibilities; (iii) wrongful or tortious conduct by GPI, its agents or contractors or Service Recipients; (iv) actions or omissions by GPI, its agents or subcontractors that directly cause NTT DATA to fail to meet its Responsibilities or other obligations under the Agreement; (v) actions or omissions by GPI, its agents or contractors or Service Recipients in contravention to either (A) the reasonable recommendation of NTT DATA for which NTT DATA had given GPI written notice of an anticipated adverse impact that in fact occurs or (B) GPI's specific responsibilities in an agreed written plan; or (vi) a failure or delay caused by Unsupported Software that GPI has specifically directed NTT DATA to continue to operate on GPI Equipment in an unsupported state.

“NTT DATA Indemnitees” means NTT DATA, its Affiliates and their respective directors, officers, employees, and agents, and the heirs, executors, successors, assigns of any of these Persons.

“NTT DATA Resources” means the NTT DATA Third Party Software, the NTT DATA Software, NTT DATA Tools (and Derivative Works, improvements and modifications to each of the above) and NTT DATA Equipment, but excluding GPI Resources.

“NTT DATA Software” means the Software (including Operating System Software and Applications) owned or exclusively licensed by NTT DATA that is not Third Party Software or GPI Software and used by NTT DATA in providing the Designated Services.

“NTT DATA Third Party Software” means Software developed by Third Parties and licensed to NTT DATA and used by NTT DATA in providing the Designated Services.

“NTT DATA Tools” means any Software development, monitoring and performance testing tools, know-how, methodologies, processes, technologies or algorithms owned by NTT DATA and used by NTT DATA in providing the Designated Services.

“Person” means an individual, corporation, limited liability company, partnership, trust, association, joint venture, unincorporated organization or entity of any kind or nature, or a Governmental Authority.

“Project” means any of (i) New Scope Projects, (ii) In-Flight Projects, (iii) projects to be completed in accordance with the Transition Plan, or (iv) Designated Services that the Parties agree will be conducted on a project basis.

“Reduced Resource Credit” or **“RRC”** has the meaning set forth in the Charges Schedule.

“Regulatory Requirements” means together, the GPI Regulatory Requirements and the NTT DATA Regulatory Requirements.

“Related Documentation” means documentation (regardless of the format or media in which expressed) that describes the function and use (and installation, operation and maintenance) of Software, which may include the specifications, technical manuals, schematics, user manuals, procedures manuals, system manuals, statements of principles of operation, flow diagrams, and file descriptions.

“Required Consents” means any consents or approvals required to give NTT DATA, its Affiliates and their subcontractors the necessary rights with respect to any services, products, programs, materials, information, or facilities as necessary to provide the Designated Services or to consummate or effectuate the transactions contemplated by the Agreement.

“Re-Run” means the second performance of the same Designated Service.

“Sarbanes Oxley” means the Sarbanes-Oxley Act of 2002, and any regulations issued thereunder.

“Service Tower” means one of the technical lines of the Designated Services included within the Service Towers as set forth in Schedule 2.1 (Service Towers).

“Software” or **“software”** means any computer programming code consisting of instructions or statements in a form readable by individuals (source code) or machines (object code), and Related Documentation and supporting materials therefore, in any form or medium, including electronic media used by NTT DATA in the performance of the Designated Services.

“Successor Provider” means a Person that provides some or all of the Designated Services or similar services following the separation or termination of this Agreement.

“Tax” or **“Taxes”** means U.S. federal and U.S. state and local sales, use, excise, and other similar types of U.S. transfer taxes, fees or charges (excluding any related penalties, additions to tax, and interest), however designated or imposed, which are in the nature of a transaction tax, fee or charge, but not including any such taxes, duties, fees or charges imposed on or measured by net or gross income (including taxes such as the Michigan business tax and the Texas franchise (margins) tax) or gross receipts (other than any such taxes which are in the nature of transaction taxes of the type listed above), capital stock or net worth, or that are in the nature of an income, capital, franchise, or net worth tax. This definition does not apply to any local country agreement that may be negotiated under Section 1.1 of the Agreement and shall be separately defined therein.

“Third Party” means a Person other than a Party or an Affiliate of a Party and, for purposes of Section 17.1(a) and 17.2(a), includes employees of the Indemnified Party.

“Third Party Claim” means a claim of liability asserted against a Party by a Person other than the other Party or other Party's Affiliates.

“Third Party Software” means either GPI Third Party Software or NTT DATA Third Party Software.

“Tier One Provider” means any of the following: International Business Machines Corporation, Hewlett-Packard Corporation, Computer Sciences Corporation, or any other Person who possesses the breadth of IT service delivery, both in terms of geographical reach and scope of services, as any of the aforementioned Persons.

“Trade Secrets” has the meaning provided under California law.

“Unsupported Software” means Third Party Software for which maintenance support is no longer offered by or on behalf of the vendor of such Third Party Software.

“Version(s)” means major Software upgrades that generally add function to existing Software and may be provided by the Software vendor at a fee over and above the standard Software maintenance costs.

“Virus(es)” means computer instructions (i) that without functional purpose adversely affect the operation, security or integrity of a computing, telecommunications or other digital operating or processing system or environment including without limitation, other programs, data, computer libraries and computer and communications equipment, by altering, destroying, disrupting or inhibiting such operation, security or integrity; (ii) that without functional purpose, self-replicate without manual intervention; or (iii) that purport to perform a useful function but which actually perform either a destructive or harmful function.

“Wind-down Expenses” means the sum of the following:

(i) NTT DATA' actual and reasonable cost to redeploy, relocate or sever NTT DATA' personnel who are dedicated to providing the Designated Services at the time of the termination of the Designated Services and who are redeployed, relocated or severed from employment as a result of such termination;

(ii) NTT DATA' actual and reasonable cost of terminating Third Party service contracts that were dedicated to performance of the Designated Services for GPI at the time of the termination of the Designated Services, and of which GPI is aware prior to such termination;

(iii) The depreciated book value of NTT DATA' owned Equipment that was dedicated, at the time of termination, to the provision of the Designated Services, which Equipment was acquired with the knowledge of GPI that such Equipment would be dedicated to performance of the Designated Services; and

(iv) NTT DATA' actual and reasonable cost of (A) terminating leases for NTT DATA Equipment or (B) redeploying Equipment leased by NTT DATA, in each case for Equipment used solely to provide the Designated Services, which Equipment was leased with the knowledge of GPI that such Equipment would be dedicated to performance of the Designated Services.

“Withholding Taxes” means foreign, federal, and state and local taxes, fees, or charges which are imposed on or by reference to gross or net income or gross or net receipts and are required by any Governmental Authority to be withheld by GPI from payments made to NTT DATA under this Agreement (including any related penalties and interest thereon).

“Work Product” means the physical embodiment (regardless of the media on which such physical embodiment resides) of all Related Documentation, Materials, data, designs, formulae, methods and processes, created, developed, prepared, provided or delivered relating to any newly developed Software. Notwithstanding the foregoing, for purposes of this Agreement, “Work Product” shall not include the physical embodiment

of software development methods and processes or any personal notes and records of NTT DATA employees, agents or subcontractors involved in the development of any newly developed Software or the physical embodiments of NTT DATA Sole Inventions. The Parties acknowledge and agree that "physical embodiment of software development methods and processes" does not include the physical embodiment of actuarial algorithms, processes and methods.

SECOND AMENDMENT TO THE GPI SAVINGS PLAN

(As Amended and Restated Effective January 1, 2023)

WHEREAS, Graphic Packaging International, LLC (the “Company”) maintains for the benefit of its employees the GPI Savings Plan (the “Plan”); and

WHEREAS, Section 13.1 of the Plan authorizes the Board of Directors of Graphic Packaging Holding Company (the “Board”) to amend the Plan at any time; and

WHEREAS, the Board has delegated to the Retirement Committee of Graphic Packaging International, LLC (the “Retirement Committee”) the responsibility to make certain amendments to the Plan; and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan as provided herein to (i) make certain changes to eligibility to participate in the Plan, and (ii) make certain changes to the Plan’s loan rules.

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended, effective as of the date of January 1, 2024, unless otherwise set forth below, as follows:

1. Section 1.28(b) of the Plan is amended to read as follows:

(b) An individual classified as an independent contractor, a leased employee, intern, co-op student, or an Employee of a company that is not a Participating Company under a Participating Company’s customary worker classification practices (whether or not such individual is actually an Employee of a Participating Company);

2. Section 1.4 of the Plan is amended to read as follows:

1.4 Active Participant means, for any Plan Year (or any portion thereof), any Covered Employee who, pursuant to the terms of Article II, has been admitted to, and not removed from, active participation in the Plan since the last date his employment commenced or recommenced.

3. Section 1.53(d) of the Plan is amended to read as follows:

(d) Computation Period For purposes of this Section, a “computation period” means the 12-month period that forms the basis for determining an Employee’s Years of Vesting Service.

4. Section 1.108 of the Plan is amended to read as follows:

1.108 [Reserved]

5. Section 2.1 of the Plan is amended to read as follows:

2.1 Initial Eligibility Requirements

(a) General Rule. Except as provided in subsection (b) hereof, every Covered Employee will become an Active Participant on the Entry Date coincident with or next following his Employment Date.

(b) New Participating Companies. For Employees of companies that become Participating Companies after the Effective Date, each Covered Employee employed by a Participating Company on the date such Participating Company first becomes a Participating

Company will become an Active Participant as of such Participating Company's effective date under the Plan, if, as of the Participating Company's effective date, the Covered Employee has met the eligibility requirements set forth in this Section.

6. Schedule C of the Plan is amended in its entirety in the form attached hereto as Exhibit A, effective October 1, 2023.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Amendment to the GPI Savings Plan this 12 day of December, 2023.

GRAPHIC PACKAGING INTERNATIONAL,
LLC RETIREMENT COMMITTEE MEMBERS

By:	<u>/s/ Stephen R. Scherger</u> Stephen R. Scherger
By:	<u>/s/ Elizabeth Spence</u> Elizabeth Spence
By:	<u>/s/ Brad Ankerholz</u> Brad Ankerholz
By:	<u>/s/ Charles D. Lischer</u> Charles D. Lischer
By:	<u>/s/ Janet Hunt</u> Janet Hunt

**POLICY ON TRADING IN SECURITIES
OF
GRAPHIC PACKAGING HOLDING COMPANY**

As Amended and Restated as of July 27, 2023

This memorandum sets forth the policy of Graphic Packaging Holding Company (the “Company”) with respect to trading in the Company’s common stock, other equity securities (such as preferred stock, warrants or options), debt securities (such as bonds and debentures) or derivative securities of the Company or its affiliates (“Company Securities”) while in possession of material non-public information relating to the Company. This policy applies to all directors, officers, employees and agents of the Company, including their immediate family members and others in their households (“Company Associates”).

The Company’s reputation for integrity and high ethical standards in the conduct of its affairs is of paramount importance. To preserve this reputation, it is essential that all transactions in Company Securities be effected in conformity with the securities laws and in a manner which avoids even the appearance of impropriety.

All Company Associates must familiarize themselves with this policy and comply with it. Violations of this Policy may result in severe civil and criminal penalties under the Federal securities laws, as well as disciplinary action by the Company, which may include termination of employment.

Prohibition Against Insider Trading and Tipping

It is unlawful for any Company Associate to purchase or sell Company Securities, either directly or indirectly, while in possession of material non-public information concerning the Company. It is also unlawful for any Company Associate to give material non-public information about the Company to another person who trades in Company Securities, even though the Company Associate “tipping” the information does not trade in the securities. Insider trading and tipping are civil and criminal violations of law. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency situation) are no exception.

Ensuring the confidentiality of non-public information is the single most important step to minimizing the risk of illegal insider trading and tipping. All Company Associates must seek to ensure the confidentiality of information to which they have access. This means that unless the information is otherwise publicly available, you must limit access to information to Company Associates having a reasonable “need to know” the information for the purpose of carrying out the assignment for which the information is furnished. Special confidentiality agreements may be required for others, including outside business associates and governmental agencies and trade associations, seeking access to material non-public information. Business conversations involving non-public information about the Company should be avoided in public places, such as elevators, hallways, lobbies, restrooms and public transportation facilities.

Material Non-Public Information

Whether information is material is difficult to evaluate in the abstract and is generally assessed on the basis of hindsight. There is always information about the Company that is not generally known to the public. Such information is “material” if it would be likely to affect the

Company's stock price, or if it would be relevant to a reasonable investor in making a decision about whether to buy, hold or sell Company Securities. Either positive or negative information may be material. Assuming such information is not publicly known, examples of material information are:

- financial results;
- financial forecasts and plans;
- possible acquisitions, joint ventures and other major transactions;
- major personnel or management changes;
- information that would have an impact on earnings (such as unanticipated write-downs or gains and operating losses or gains);
- the gain or loss of a significant customer or supplier;
- a major lawsuit;
- development of a significant new product or process;
- a new issuance of stock or debt or other significant financing development; or
- a possible change in control.

Material information about the Company should be considered to be non-public unless there is a certainty that it is publicly available. For example, unless the information has been disclosed in a press release, in a public filing made with a regulatory agency (such as the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed with the Securities and Exchange Commission), or in materials sent to shareholders or debt holders (such as an annual report, investor letter, prospectus or proxy statement) or is available through a news wire service or daily newspaper of wide circulation, **and** a sufficient amount of time has passed (i.e., at least one full business day) so that the information has had an opportunity to be digested by the marketplace, Company Associates should assume that the information is not public.

Additional Prohibited Transactions

The Company considers it improper and inappropriate for Company Associates to engage in short-term or speculative transactions in the Company's securities. It therefore is the Company's policy that all Company Associates may not engage in any of the following transactions:

Short Sales. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy.

Publicly-Traded Options. A transaction in options (other than those that may be granted by the Company as compensation) is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that a Company Associate is trading based on inside information. Transactions in options also may focus the Company Associate's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organized market are prohibited by this Policy. (Option positions arising from certain types of hedging transactions are governed by the section below captioned "Hedging Transactions.")

Hedging Transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a Company Associate to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the Company Associate to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, Company Associate may no longer have the same objectives as the Company's other shareholders. Therefore, the Company prohibits all Company Associates from engaging in such transactions.

Pledging of Securities and Margin Accounts. Securities held in a margin account may be sold by the broker without the owner's consent if the owner fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold if the borrower defaults on the loan. Because such sales may occur at a time when the person who placed the securities in a margin account or pledged the securities as collateral is aware of material nonpublic information or is otherwise not permitted to trade in Company Securities, all Company Associates are prohibited from holding Company Securities in a margin account or pledging Company Securities as collateral for a loan.

Special Trading Restrictions on Designated Insiders

All Company Associates must avoid transactions in Company Securities if they are aware of material non-public information or if the type of transaction is specifically prohibited under this Policy. As well as these general prohibitions applying to all Company Associates, there are additional trading restrictions applicable to (1) all directors of the Company, (2) the Executive Officers of the Company (as designated by the Board of Directors), and (3) anyone in the Company having regular access as a part of his or her job to the consolidated financial results or projections of the Company (collectively, the "Designated Insiders"). A current list of Designated Insiders is maintained by the Law Department of the Company.

Purchases and sales of Company Securities by Designated Insiders will not be permitted at the following times ("Blackout Periods"):

1. During the period commencing 14 days prior to the end of any fiscal quarter and ending one business day after the release of the Company's quarterly or annual results;
2. With respect to Company equity securities acquired in connection with a Designated Insider's service to or employment by the Company, during any period of more than three consecutive business days during which the ability of at least 50% of the participants or beneficiaries under all ERISA individual account

plans maintained by the Company to trade in such Company Stock is suspended by the Company or a fiduciary of the plan.

3. During the four (4) business days before or following the public announcement by the Company of a stock repurchase plan or an amendment to an existing stock repurchase plan.
4. Such other periods as to which Designated Insiders will be specifically advised.

Rule 10b5-1 Trading Programs

A Designated Insider may be able to trade in Company Securities during the Blackout Periods described in Items 1 and 4 listed above (but not Items 2 or 3), if the Designated Insider has entered into a Rule 10b5-1 trading program. This is a program allowed by the Securities and Exchange Commission that permits pre-planned trades by Designated Insiders. A Rule 10b5-1 trading program can be designed to allow purchases and sales even when the Designated Insider would be blocked by a Blackout Period or the possession of material, non-public information. A Designated Insider who wishes to set up such a program should work with his/her broker and provide the proposed trading program to the General Counsel for review and approval prior to implementing the trading program. It is the Company's policy that Designated Insiders may make trades pursuant to a Rule 10b5-1 trading program provided that (i) such trading program meets the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as interpreted by the General Counsel of the Company or his/her designee; (ii) such trading program is adopted at a time when the Designated Insider would otherwise be able to trade under this policy, (iii) adoption of the trading program is expressly authorized by the General Counsel or his/her designee, (iv) no trade may occur under the trading program until the later of (A) ninety (90) days following the adoption or any modification of the trading program, or (B) two (2) business days following the disclosure in the Company's periodic reports to the Securities and Exchange Commission of the Company's financial results for the fiscal quarter in which the trading program was adopted or modified (but not to exceed one hundred and twenty (120) days following the adoption or modification of the trading program); (v) such trading program includes a representation certifying that at the time of adoption of a new or modified trading program, the Designated Insider was not aware of material non-public information about the Company or any Company Securities and that the Designated Insider is adopting the trading program in good faith and not as a part of a plan or scheme to evade the prohibitions of Rule 10b5-1; and (vi) such trading program or another document contains a covenant to act in good faith at all times with respect to the trading program. Note that all trades by Section 16 Insiders (as defined below) pursuant to a 10b5-1 trading program must be reported to the Law Department and will be designated as having been made pursuant to a 10b5-1 trading program on the Form 4 or Form 5 reporting the trade. In addition, the Company will disclose the use of 10b5-1 trading programs in its quarterly filings with the Securities and Exchange Commission.

Transactions Under Company Plans

The restrictions on Company Associates with respect to trading while in possession of material non-public information and the restrictions on Designated Insiders with respect to Blackout Periods do not apply to the exercise of employee stock options, the vesting and payout of restricted stock units, or to the withholding of shares by the Company to satisfy the tax withholding requirements on either type of transaction. The restrictions do apply, however, to

any sale of stock as part of a broker-assisted cashless exercise of stock options, or any other market sale for the purpose of generating the cash needed to pay the exercise price or taxes due.

The restrictions on Company Associates with respect to trading while in possession of material non-public information and the restrictions on Designated Insiders with respect to Blackout Periods also apply to certain elections an employee may make under the 401(k) savings plan, including: (a) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (b) an election to borrow money from a 401(k) plan account if the loan will result in a liquidation of some or all of the Company stock fund balance, and (c) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

Mandatory Procedures for Section 16 Insiders

Directors and Executive Officers, together with their immediate family members or other members of their household, and certain related trusts, partnerships and entities ("Section 16 Insiders"), may not engage in any transaction involving Company Securities without first obtaining preclearance of the transaction from the General Counsel or his/her designee. A request for pre-clearance should be submitted to the General Counsel or his/her designee at least one day in advance of the proposed transaction. The General Counsel will then determine whether the transaction may proceed. Once a pre-cleared transaction has been completed, you must provide the details of the transaction to the General Counsel or his/her designee immediately so that the transaction can be reported to the Securities and Exchange Commission in a timely manner.

Special Rules Applicable to Section 16 Insiders

Section 16 Insiders are subject to the reporting and short-swing profit recovery requirements of Section 16 of the Exchange Act. Section 16 Insiders:

- (a) are required to file reports detailing their ownership of Company Securities and showing any changes in the amount owned or the form of such ownership;
- (b) must avoid engaging in "short-swing trading" of Company Securities (when there is a purchase and a sale, or a sale and subsequent purchase of any type of Company Securities within a six month period) or the Section 16 Insider will be required to return any deemed "profits" under the Federal securities laws from this trading to the Company; and
- (c) are specifically prohibited by law from engaging in short sales of Company Securities and similar speculative transactions.

Nearly all transactions in the Company's equity securities by Section 16 Insiders must be reported to the Securities and Exchange Commission within *two business days* of the transaction. Transactions subject to the reporting requirements include, but are not limited to:

- purchases and sales of stock;
- stock, stock option, restricted stock unit and performance share award grants
- stock option exercises;
- transactions involving trusts;

- the acquisition of stock through any Company retirement savings plan, stock accumulation plan or dividend reinvestment plan; and
- other transactions, such as gifts of stock.

Because of the short timeframe for reporting transactions and the technical nature of the forms, the Company's Law Department will prepare and file the required reports with the Securities and Exchange Commission for all of the Company's Section 16 Insiders, unless other arrangements are specifically made and approved by the General Counsel. To enable the Company to make such filings, each Section 16 Insider will be asked to sign and return a Power of Attorney authorizing such filings on his or her behalf.

Post-Termination Transactions

The Policy Statement continues to apply to transactions in Company Securities by any Company Associate even after he or she has terminated service as a director or employment. If a Company Associate is in possession of material nonpublic information when his or her service as a director or employment terminates, such Company Associate may not trade in Company Securities until such information has become public or is no longer material.

Assistance with Compliance

The ultimate responsibility for adhering to this Policy and avoiding improper securities transactions rests with each Company Associate. Any Company Associate who has any questions regarding the policy or who is unsure whether information relating to the Company is material, or whether it has been disclosed to the public, should contact Lauren S. Tashma, Executive Vice President, General Counsel and Secretary at (770) 240-7699, or by email at lauren.tashma@graphicpkg.com before taking any action.

SUBSIDIARIES OF THE REGISTRANT

Subsidiary Name	Jurisdiction of Incorporation
Altivity Packaging Grupo, S. de R.L. de C.V.	Mexico
Altivity Packaging Servicios, S. de R.L. de C.V.	Mexico
AR Packaging (Beijing) Co Ltd.	China
AR Packaging Beteiligungen GmbH	Germany
AR Packaging Russia Holding GmbH	Austria
Bond Project Holdings, LLC	Delaware
Brandpack Consulting GmbH i.L.	Germany
Field Container Queretaro (USA), L.L.C.	Delaware
Gasporox AB	Sweden
Gbox SA de C.V.	Mexico
GPI Aachen GmbH	Germany
GPI Austria GmbH	Austria
GPI Berlin GmbH	Germany
GPI Cambridge Ltd.	UK
GPI Cambridge Holdings Limited	UK
GPI Cholet	France
GPI Istra d.d	Croatia
GPI Digital AB	Sweden
GPI Estonia AS	Estonia
GPI Finland Oy	Finland
GPI Flexibles AB	Sweden
GPI France	France
GPI Frankfurt & Augsburg GmbH	Germany
GPI Funding LLC	Delaware
GPI Funding II, LLC	Delaware
GPI Germany GmbH	Germany
GPI Graz GmbH	Austria
GPI Group AB	Sweden
GPI Halmstad AB	Sweden
GPI Hanover GmbH	Germany
GPI Highbridge Limited	UK
GPI Holding AB	Sweden
GPI Holding GmbH	Germany
GPI Holdings UK Ltd.	UK
GPI International AB	Sweden
GPI Krakow sp z.o.o.	Poland
GPI Munich GmbH	Germany
GPI North America Inc.	United States
GPI Ohio, LLC	United States
GPI Poznań sp z.o.o.	Poland
GPI Rotherham Ltd.	UK
GPI Service GmbH	Germany
GPI South Dakota, LLC	United States
GPI Swiss AG	Switzerland

GPI Sweden AB	Sweden
GPI Sweden Holdings AB	Sweden
GPI Sweden Holdings 1 AB	Sweden
GPI Systems AB	Sweden
GPI Tibro AB	Sweden
Graphic Packaging Flexible Holdings, LLC	Delaware
Graphic Packaging International Australia Converting Limited	Australia
Graphic Packaging International Australia Pty Limited	Australia
Graphic Packaging International Bardon Limited	UK
Graphic Packaging International Box Holdings Limited	UK
Graphic Packaging International Bremen GmbH	Germany
Graphic Packaging International Canada, ULC	British Columbia
Graphic Packaging International Cartons Santander, S.A.	Spain
Graphic Packaging International Distribution Limited	UK
Graphic Packaging International do Brasil - Embalagens Ltda.	Brazil
Graphic Packaging International Enterprises, LLC	Delaware
Graphic Packaging International Europe Carton Design Limited	UK
Graphic Packaging International Europe Cartons B.V.	Netherlands
Graphic Packaging International Europe Finance & Real Estate B.V.	Netherlands
Graphic Packaging International Europe Holdings B.V.	Netherlands
Graphic Packaging International Europe Netherlands B.V.	Netherlands
Graphic Packaging International Europe Netherlands Holdings B.V.	Netherlands
Graphic Packaging International Europe N.V.	Belgium
Graphic Packaging International Europe Spain Holding, S.L.	Spain
Graphic Packaging International Europe UK Holdings Limited	UK
Graphic Packaging International Europe UK Limited	UK
Graphic Packaging International Foodservice Europe Ltd	UK
Graphic Packaging International France	France
Graphic Packaging International Gateshead Limited	UK
Graphic Packaging International Holding Company, LLC	Delaware
Graphic Packaging International Holdings Mexico, S. de R.L. de C.V.	Mexico
Graphic Packaging International Japan Ltd.	Japan
Graphic Packaging International Korea, LLC	Korea
Graphic Packaging International Limited	UK
Graphic Packaging International, LLC	Delaware
Graphic Packaging International Mexicana, S. de R.L. de C.V.	Mexico
Graphic Packaging International New Zealand Limited	New Zealand
Graphic Packaging International Nigeria Cartons Limited	Nigeria
Graphic Packaging International Nigeria Properties Limited	Nigeria
Graphic Packaging International Operadora de Mexico, S. de R.L. de C.V.	Mexico
Graphic Packaging International Partners, LLC	Delaware
Graphic Packaging International Philanthropic Fund	Delaware
Graphic Packaging International S.p.A.	Italy
Graphic Packaging International Servicios, S. de R.L. de C.V.	Mexico
Graphic Packaging International (Shanghai) Co., Ltd.	China
Graphic Packaging International Spain, S.A.	Spain
Graphic Packaging UK Pension Trustee Company Ltd.	UK
Handschy Holdings, LLC	Delaware
Handschy Industries, LLC	Delaware
H.C. Bestehorn GmbH	Germany
New Materials Limited	UK

Posbau S.A.	Poland
Posbau N.	Poland
Print Design & Graphics Limited	UK
PrinTech Systems B.V.	Netherlands
PT Graphic Packaging International Indonesia	Indonesia
Rengo Riverwood Packaging, Limited	Japan
Riverdale Industries, LLC	Delaware
ROB, Leunis & Chapman GmbH & Co KG	Germany
rlc packaging GmbH	Germany
Shoo 553 Limited	UK
Spur Development, LLC	Delaware
Tama Paperboard, LLC	Delaware

Guarantors and Issuers of Guaranteed Securities

Each of the following entities has fully and unconditionally guaranteed the 4.125% Senior Notes due 2024 issued by Graphic Packaging International, Inc. (predecessor to Graphic Packaging International, LLC):

Name of Guarantor	Role	Jurisdiction of Incorporation or Organization
Graphic Packaging Holding Company	Parent Guarantor	Delaware
Field Container Queretaro (USA), L.L.C.	Subsidiary Guarantor	Delaware
Handschy Holdings, LLC	Subsidiary Guarantor	Delaware
Handschy Industries, LLC	Subsidiary Guarantor	Delaware
Riverdale Industries, LLC	Subsidiary Guarantor	Delaware
GPI WG Acquisition Sub, LLC*	Subsidiary Guarantor	Delaware
Walter G. Anderson, Inc.*	Subsidiary Guarantor	Minnesota

*Each of these entities has been merged out of existence.

Each of the following entities has fully and unconditionally guaranteed (i) the .821% Senior Secured Notes due 2024; (ii) the 1.51% Senior Secured Notes due 2026; (iii) the 4.75% Senior Unsecured Notes due 2027; (iv) the 3.5% Senior Unsecured Notes due 2028; (v) the 2.625% Senior Unsecured Notes due 2029; (vi) the 3.5% Senior Unsecured Notes due 2029; and (vii) the 3.75% Senior Unsecured Notes due 2030:

Name of Guarantor	Role	Jurisdiction of Incorporation or Organization
Graphic Packaging International Partners, LLC	Parent Guarantor	Delaware
Field Container Queretaro (USA), L.L.C.	Subsidiary Guarantor	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-258255) and on Form S-8 (Nos. 333-234291 and 333-197667) of Graphic Packaging Holding Company of our report dated February 21, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Atlanta, Georgia
February 21, 2024

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Annual Report on Form 10-K of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael P. Doss

Michael P. Doss,

President and Chief Executive Officer

(Principal Executive Officer)

February 21, 2024

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Annual Report on Form 10-K of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen R. Scherger

Stephen R Scherger

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

February 21, 2024

CERTIFICATION

Pursuant to 18 United States Code Section 1350,

As adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Annual Report on Form 10-K for the period ended December 31, 2023 of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael P. Doss

Name: Michael P. Doss,

Title: President and Chief Executive Officer

February 21, 2024

CERTIFICATION

Pursuant to 18 United States Code Section 1350,

As adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Annual Report on Form 10-K for the period ended December 31, 2023 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

February 21, 2024

Graphic Packaging Holding Company Compensation Recoupment Policy

1.0 History; Effective Date.

- 1.1 Graphic Packaging Holding Company (the "Company") has adopted this Compensation Recoupment Policy (the "Policy") to provide for the repayment or return of certain compensation amounts by the Company's Executive Officers, former Executive Officers and Other Covered Persons in certain circumstances. This Policy consists of a Mandatory Policy (as defined and set forth in Section 3.0 hereof) and a Discretionary Policy (as defined and set forth in Section 6.0 hereof). The Mandatory Policy is adopted in accordance with, and is intended to comply with, the applicable listing standards of New York Stock Exchange and Rule 10D-1 under the Exchange Act, which require listed companies to adopt and comply with a compensation recovery ("clawback") policy.
- 1.2 The effective date of this Policy is November 15, 2023, (the "Effective Date") and it covers Incentive-Based Compensation Received on or after October 2, 2023.

2.0 Definitions. The following words and phrases shall have the following meanings for purposes of this Policy:

- 2.1 Accounting Restatement. An "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- 2.2 Board. The "Board" means the Board of Directors of the Company.
- 2.3 Committee. The "Committee" means the Compensation and Management Development Committee of the Board.
- 2.4 Erroneously Awarded Compensation. "Erroneously Awarded Compensation" is the amount of Incentive-Based Compensation Received that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or TSR, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (i) the amount shall be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was Received, and (ii) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.
- 2.5 Exchange Act. "Exchange Act" means the Securities Exchange Act of 1934, as amended.
- 2.6 Executive Officer. "Executive Officer" means the Company's current and former executive officers, as determined in accordance with the definition of executive officer set forth in Rule 10D-1 under the Exchange Act and the relevant NYSE listing standards. Executive Officers include the officers identified as executive officers by the Company in the Company's filings with the SEC pursuant to Item 401(b) of Regulation S-K and the officers required to file reports under Section 16 of the Exchange Act.
- 2.7 Financial Reporting Measure. A "Financial Reporting Measure" is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. Stock price and TSR are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the SEC.
- 2.8 Incentive-Based Compensation. "Incentive-Based Compensation" means any compensation (whether cash- or equity-based) that is granted, earned, or vested based wholly or in part upon the attainment of

a Financial Reporting Measure. Please refer to Appendix A to this Policy for a list of examples of Incentive-Based Compensation.

- 2.9 Misconduct. "Misconduct" means any action or inaction by an Executive Officer, former Executive Officer or Other Covered Person that in the sole discretion of the Board or the Committee constitutes fraud, theft, misappropriation, embezzlement, dishonesty, dereliction of duty, or other misconduct, in each case that (i) is to the material detriment of the Company and (ii) is of a nature or effect that in the sole discretion of the Board or the Committee justifies the recoupment of compensation under this Policy.
- 2.10 NYSE. "NYSE" means the New York Stock Exchange. In the event the Company's securities become listed on a different national securities exchange or national securities association in the future, then following such new listing, references to the NYSE shall be deemed to refer to such other national securities exchange or national securities association.
- 2.11 Received. Incentive-Based Compensation is considered to be "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject both to one or more Financial Reporting Measures and to a service-based vesting condition shall be considered to be "Received" when the relevant Financial Reporting Measures are achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.
- 2.12 SEC. "SEC" means the United States Securities and Exchange Commission.
- 2.13 Service-Based Compensation. "Service-Based Compensation" means any compensation (whether cash- or equity-based) that is granted, earned, or vested based wholly upon the satisfaction of time- or service-based requirements. For the avoidance of doubt, Service-Based Compensation shall not include Incentive-Based Compensation, base salary or hourly wages.
- 2.14 TSR. "TSR" means total stockholder return.

3.0 Mandatory Recoupment Policy.

- 3.1 The policy described in this Section 3.0 is referred to herein as the "Mandatory Policy."
- 3.2 In the event that the Company is required to prepare an Accounting Restatement, the Company will recover reasonably promptly the amount of all Erroneously Awarded Compensation Received by a person:
- i. After beginning service as an Executive Officer;
 - ii. Who served as an Executive Officer at any time during the performance period for that Incentive-Based Compensation;
 - iii. While the Company has a class of securities listed on the NYSE; and
 - iv. During the three completed fiscal years immediately preceding the date that the Company is required to prepare the Accounting Restatement and any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years. For purposes of this Mandatory Policy, a transition period between the last day of the Company's previous fiscal year and the first day of its new fiscal year that comprises a period of nine to twelve months would be deemed a completed fiscal year.

Notwithstanding the foregoing, this Mandatory Policy shall only apply to Incentive-Based Compensation Received on or after October 2, 2023.

- 3.3 The Company's obligation to recover Erroneously Awarded Compensation pursuant to this Mandatory Policy is not dependent on when the restated financial statements are filed.

- 3.4 For purposes of determining the relevant recovery period under this Mandatory Policy, the date that the Company is required to prepare an Accounting Restatement is the earliest to occur of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.
- 3.5 The Company must recover Erroneously Awarded Compensation in compliance with this Mandatory Policy except to the extent that the conditions of paragraphs (i), (ii) or (iii) in this Subsection 3.5 are met, and the Committee, or in the absence of such a committee, a majority of the independent directors serving on the Board, has determined that recovery would be impracticable.
- i. The direct expense paid to a third party to assist in enforcing this Mandatory Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the NYSE.
 - ii. Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impractical to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company shall obtain an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation, and provide such opinion to the NYSE.
 - iii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.
- 3.6 The Company shall not indemnify any Executive Officer or former Executive Officer against (i) the loss of Erroneously Awarded Compensation pursuant to this Mandatory Policy or (ii) any claims relating to the Company's enforcement of its rights under this Mandatory Policy. Similarly, the Company shall not adopt or enter into any plan or agreement that exempts any Incentive-Based Compensation that is granted, paid or awarded to an Executive Officer or former Executive Officer from the application of this Mandatory Policy. This Mandatory Policy shall supersede any such plan or agreement, whether entered into before, on or after the Effective Date of this Policy.
- 3.7 The Committee shall determine, in its sole discretion, the appropriate means to seek recovery of any Erroneously Awarded Compensation, which may include, without limitation: (i) requiring cash reimbursement; (ii) seeking recovery or forfeiture of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of equity-based awards; (iii) offsetting the amount to be recouped from any compensation otherwise owed by the Company to the Executive Officer or former Executive Officer; (iv) cancelling outstanding equity awards; or (v) taking any other remedial and recovery action permitted by law, as determined by the Committee.
- 3.8 The Committee shall determine the repayment schedule for any Erroneously Awarded Compensation in a manner that complies with the "reasonably promptly" requirement set forth in Subsection 3.2 hereof. Such determination shall be consistent with applicable legal guidance provided by the SEC, the NYSE, or judicial opinion. The determination with respect to "reasonably promptly" recovery may vary from case to case, and the Committee may amend or supplement this to further describe what repayment schedule satisfies this requirement.
- 3.9 If the requirement to recover Erroneously Awarded Compensation is triggered under this Mandatory Policy, then, in the event of any actual or alleged conflict between the provisions of this Mandatory Policy and a similar clause or provision in any of the Company's plans, awards, policies or agreements, this Mandatory Policy shall be controlling and determinative; provided that, if such other plan, award, policy or agreement provides that a greater amount of compensation shall be subject to clawback, the provisions of such other plan, award, policy or agreement shall apply to the amount in excess of the amount subject to clawback under this Mandatory Policy.
- 3.10 The Company shall file all disclosures with respect to this Mandatory Policy in accordance with the requirements of the U.S. Federal securities laws, including the disclosure required by the applicable SEC filings.

4.0 Application of Mandatory Policy to Additional Persons.

- 4.1 In addition to the Executive Officers and former Executive Officers, the Mandatory Policy shall apply to any other employee of the Company or its parent or subsidiaries who is designated by the Committee or the Board as a person covered by this Policy and has received the Acknowledgement Form attached hereto (each, an "Other Covered Person").
- 4.2 Unless otherwise determined by the Committee or the Board, the Mandatory Policy shall apply to an Other Covered Person as if such individual was an Executive Officer during the relevant periods described in Subsection 3.2.
- 4.3 In addition, the Committee or the Board shall have discretion as to (i) whether to seek to recover Erroneously Awarded Compensation from an Other Covered Person, (ii) the amount of the Erroneously Awarded Compensation to be recovered from an Other Covered Person, and (iii) the method of recovering any such Erroneously Awarded Compensation from an Other Covered Person. In exercising such discretion, the Committee or the Board may take into account such considerations as it deems appropriate, including whether the Other Covered Person engaged in Misconduct and whether the assertion of a claim may violate applicable law or prejudice the interests of the Company in any related proceeding or investigation.

5.0 Application of Mandatory Policy to Service-Based Equity Awards.

- 5.1 If the requirement to recover Erroneously Awarded Compensation is triggered under the Mandatory Policy, then in addition to the Erroneously Awarded Compensation to be recovered under the Mandatory Policy, the Committee or the Board may, to the extent it deems appropriate under the circumstances, recover from the Executive Officers, former Executive Officers, or Other Covered Persons all or a portion of the equity awards that constitute Service-Based Compensation (each, a "Service-Based Equity Award") that were granted, vested, exercised, or paid to such persons during the relevant periods described in Subsection 3.2.
- 5.2 The Committee or the Board shall have discretion as to (i) whether to seek to recover Service-Based Equity Awards from the Executive Officers, former Executive Officers, or Other Covered Persons, (ii) the amount of the Service-Based Equity Awards to be recovered, and (iii) the method of recovering any such Service-Based Equity Award. In exercising such discretion, the Committee or the Board may take into account such considerations as it deems appropriate, including whether the Executive Officer, former Executive Officer, or Other Covered Person engaged in Misconduct and whether the assertion of a claim may violate applicable law or prejudice the interests of the Company in any related proceeding or investigation.

6.0 Discretionary Recoupment Policy.

- 6.1 The policy described in this Section 6.0 is referred to herein as the "Discretionary Policy." The Discretionary Policy is in addition to the Mandatory Policy and shall not limit the Mandatory Policy in any manner.
- 6.2 The Committee may, to the extent it deems appropriate under the circumstances, recover from an Executive Officer or an Other Covered Person any Incentive Compensation or Service-Based Compensation that has been awarded to or received by such person, if the Committee determines that such person engaged in Misconduct.
- 6.3 The compensation recoverable under this Discretionary Policy will be based on the Board's or the Committee's determination of the harm caused by the individual's Misconduct and the compensation awarded to or received by the individual that had a vesting or performance period during which the Misconduct took place.
- 6.4 The Committee shall have discretion as to (i) whether to seek to recover compensation under this Discretionary Policy, (ii) the amount of the compensation to be recovered under this Discretionary Policy, and (iii) the method of recovering any compensation under this Discretionary Policy. In exercising such discretion, the Committee may take into account such considerations as it deems appropriate, including whether the assertion of a claim may violate applicable law or prejudice the interests of the Company in any related proceeding or investigation.

7.0 General.

- 7.1 The Committee shall have full authority to interpret and enforce this Policy to the fullest extent permitted by law. Any determination by the Committee or the Board with respect to this Policy shall be final, conclusive, and binding on all interested parties.
- 7.2 To the extent an Executive Officer, former Executive Officer or Other Covered Person refuses to pay to the Company any Erroneously Awarded Compensation or other applicable amounts, the Company shall have the right to sue for repayment or, to the extent legally permitted, to enforce such person's obligation to make payment by withholding unpaid or future compensation.
- 7.3 The Company's rights to recoupment under this Policy are in addition to other rights the Company may have against any Executive Officer, former Executive Officer or Other Covered Person, including any remedies at law or in equity. Application of this Policy does not preclude the Company from taking other actions to enforce the obligations of an Executive Officer, former Executive Officer or Other Covered Person to the Company, including termination of employment or institution of legal proceedings. Nothing in this Policy shall be viewed as limiting the right of the Company to pursue recoupment under or as provided by the Company's plans, awards, policies or agreements or the applicable provisions of any law, rule or regulation (including, without limitation, Section 304 of the Sarbanes-Oxley Act of 2002).
- 7.4 The Committee may amend this Policy, provided that any such amendment does not cause the Mandatory Policy to violate applicable listing standards of the NYSE or Rule 10D-1 under the Exchange Act.

APPENDIX A

Examples of Incentive-Based Compensation

Examples of compensation that constitutes Incentive-Based Compensation for purposes of this Policy include, but are not limited to, the following:

- Non-equity incentive plan awards earned based wholly or in part on satisfying a Financial Reporting Measure performance goal;
- Bonuses paid from a “bonus pool,” the size of which is determined based wholly or in part on satisfying a Financial Reporting Measure performance goal;
- Other cash awards based wholly or in part on satisfying a Financial Reporting Measure performance goal;
- Equity-based awards (e.g., restricted stock, restricted stock units, performance share units, stock options, and stock appreciation rights) that are granted or become vested based wholly or in part on satisfying a Financial Reporting Measure performance goal; and
- Proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based wholly or in part on satisfying a Financial Reporting Measure performance goal.

Examples of compensation that does not constitute Incentive-Based Compensation for purposes of this Policy include the following:

- Salaries or salary increases for which the increase is not contingent upon the attainment of a Financial Reporting Measure performance goal;
- Bonuses paid solely at the discretion of the Committee or Board that are not paid from a bonus pool, the size of which is determined based wholly or in part on satisfying a Financial Reporting Measure performance goal;
- Bonuses paid solely upon satisfying one or more subjective standards (e.g., demonstrated leadership) and/or completion of a specified employment period;
- Non-equity incentive plan awards earned solely upon satisfying one or more strategic measures (e.g., consummating a merger or divestiture) or operational measures (e.g., opening a specified number of business locations, completion of a project, or increase in market share); and
- Equity awards for which the grant is not contingent upon achieving any Financial Reporting Measure performance goal and vesting is contingent solely upon completion of a specified employment period and/or attaining one or more non-Financial Reporting Measures.

**Graphic Packaging Holding Company
Compensation Recoupment Policy**

Acknowledgement Form for other covered persons

By my signature below, I acknowledge and agree that:

- I have read and received the Graphic Packaging Holding Company Compensation Recoupment Policy (the "Policy") and am fully bound by and subject to the terms of the Policy; and
- I will abide by all of the terms of the Policy during and after my employment with the Company, including, without limitation, by promptly repaying or returning to the Company any Erroneously Awarded Compensation (as defined in the Policy) to the extent required by, and in a manner consistent with, the Policy.

Signature: _____

Name (printed): _____

Date: _____