

Sonoco Products Company  
General Terms and Conditions of Purchase

UNLESS OTHERWISE PROVIDED BY A SEPARATE WRITTEN CONTRACT SIGNED BY SONOCO PRODUCTS COMPANY, ITS SUBSIDIARY, OR ITS AFFILIATE (“BUYER”), A SELLER’S ACCEPTANCE OF A PURCHASE ORDER ISSUED BY BUYER (AN “ORDER”) FOR THE PURPOSE OF ORDERING THE PRODUCTS DESCRIBED IN THE ORDER (THE “GOODS”) OR THE SERVICES DESCRIBED IN THE ORDER (THE “SERVICES”) IS LIMITED TO THE ACCEPTANCE OF THESE TERMS AND CONDITIONS (THESE “TERMS”). THE SHIPMENT OF GOODS OR COMMENCEMENT OF SERVICES IS AN ACCEPTANCE BY SELLER OF THESE TERMS. ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS IN SELLER’S ACKNOWLEDGMENT OR RESPONSE TO AN ORDER OR THESE TERMS ARE OBJECTED TO AND REJECTED BY BUYER AND WILL HAVE NO EFFECT.

**1. PRICE**

If any price is higher than specified in the applicable Order, Seller will not ship Goods or commence Services without authorization from Buyer. If price is omitted, Seller will invoice the Goods or Services at the last quoted or paid price, or at the prevailing market price at time of delivery, whichever is lower.

The purchase price excludes all taxes, which, if applicable, shall be set forth as a separate line item on Seller’s invoice.

**2. PAYMENT TERMS**

Unless otherwise specified in the applicable Order or otherwise mutually agreed to, payment will be due 100 days from Buyer’s receipt of Seller’s correct invoice. At Buyer’s option, Seller agrees to accept payment from Buyer in the form of a purchasing card (“P-Card”). Seller agrees to strictly comply with any and all rules and pay any charges or fees established by the P-Card supplier.

Each invoice must bear Buyer’s Order number and coding and must be accompanied by a bill of lading if shipment is made by common carrier. A separate invoice must be rendered for each lot of Goods or Services delivered to Buyer.

Buyer will not be obligated to pay any invoices received more than 6 months after the invoiced Goods were delivered or invoiced Services were completed, or any invoices containing pricing errors that are not corrected within 6 months after delivery of the invoiced Goods or completion of the invoiced Services.

**3. SUPPLIER NETWORK**

At Buyer’s request, Seller shall join and register as a supplier with the Ariba Supplier Network or a different supplier network designated by Buyer, in either case at Seller’s cost.

**4. SHIPMENT**

Unless otherwise specified in the applicable Order, freight terms are DDP (Incoterms) Buyer’s facility listed in the applicable Order. No charges will be allowed for drayage, boxing, storage or packing for shipment unless agreed upon by Buyer. Pallets and crates must be treated and stamped in accordance with the ISPM 15 standard.

Buyer is not required to accept (a) Goods or Services in excess of the quantity specified in the applicable Order, or (b) Goods delivered prior to the delivery date designated in the applicable Order.

**5. NOTICE**

Any required notices under these Terms must be in writing and sent to the applicable party at the respective address shown in the applicable Order.

**6. CHANGES**

Seller shall not make any changes to (a) the specifications of the Goods or any portion or component of the Goods; (b) the raw materials, production processes, procedures, or equipment used to manufacture the Goods; (c) the facility or facilities at which the Goods are manufactured; (d) the specifications or scope of Services; (e) the method of performance of the Services; or (f) the place or time of performance of the Services.

**7. WARRANTIES**

Seller warrants that (a) all Goods will be free from defects and will conform to the specifications, samples or other descriptions and requirements set forth or referred to in the applicable Order or these Terms; (b) all Goods will be merchantable and fit for the Buyer’s purpose; and (c) the Goods will not impart a flavor, odor, or color to any finished product other than as specifically required by the specifications.

Seller warrants that (a) all Services will conform to the specifications, descriptions and requirements set forth or referred to in the applicable Order or these Terms, including without limitation any performance specifications set forth in the applicable Order, and will be performed to the full satisfaction of Buyer; (b) all Services will be performed in a timely and workmanlike manner and in accordance with industry standards; and (c) Seller has no prior agreements with or obligations to others that might conflict with its obligations under any Order or these Terms.

Seller shall not permit any lien, attachment, claim, or other encumbrance to be put on or remain on any Goods or Services, or on any premises owned or operated by Buyer. Seller shall, at its own expense, promptly obtain the release and discharge of any such claims, liens, attachments, or encumbrances.

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Buyer may inspect all Services and inspect, sample, and test any Goods. The warranties set forth in these Terms or any Order survive any delivery, inspection, failure to inspect, acceptance, or payment by Buyer. Seller warrants any replacement Goods and Services to the same extent it warrants any other Goods and Services under these Terms or any Order.

**8. COMPLIANCE WITH LAWS**

Seller warrants that it, and any Goods or Services rendered, are and will at all times be in compliance with all applicable federal, state, local and other laws, regulations, rules or orders, including, without limitation, the Fair Labor Standards Act. Seller warrants that Seller has obtained and maintains in full effect all applicable licenses, consents, permits, approvals and the like required to lawfully perform Seller's obligations under any Order and these Terms.

Seller warrants that every chemical, chemical substance, and in the case of mixtures, every chemical substance ingredient, furnished is, at the time of such sale and delivery to Buyer, listed in the Toxic Substances Control Act Chemical Substance inventory compiled and published by the U.S. Environmental Protection Agency pursuant to the Toxic Substances Control Act, and is otherwise manufactured, sold, and/or delivered in compliance with all applicable provisions of said Act. Seller warrants that the Goods are not and do not contain chemicals or other substances whose use of any kind, or presence in consumer goods, has been banned, or whose use has been restricted or limited in any manner without such restriction or limitation being clearly identified with respect to each chemical or other substance and the components thereof on the labeling of such Goods.

If tantalum, tungsten, tin, gold, or any other "conflict minerals" (as such term is defined in the United States Securities and Exchange Commission Form SD, 17 C.F.R. 249b-400, "Form SD") (collectively, the "Conflict Minerals") are used in the manufacture or production of any Goods or Services, then Seller (a) will disclose to Buyer the identity, origin, and use of such Conflict Minerals and the facility and location at which such Conflict Minerals were processed, and will provide Buyer with any additional information requested by Buyer with respect to such Conflict Minerals; and (b) warrants that such Conflict Minerals either did not originate in The Democratic Republic of the Congo or any "adjoining country", or originated from "recycled" or "scrap" sources (as such terms are defined in Form SD).

**If applicable, the parties to the Order shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified veterans based on their status as protected veterans or individuals with disabilities, prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin, and prohibit discharge of or discrimination against any employee or applicant because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.**

Seller shall comply with, and shall cause its employees and agents to comply with, Buyer's supplier standards found on Buyer's website at: [http://www.sonoco.com/supplier\\_standards](http://www.sonoco.com/supplier_standards)

**9. FDA COMPLIANCE**

If Goods are or will be used by Buyer in connection with the manufacture or supply of food, drugs, devices, cosmetics, or any other material that is regulated by the Federal Food, Drug and Cosmetic Act, as amended (the "Act"), or labels or packaging for any of the foregoing, the following subsections apply: (a) Seller warrants that any Goods delivered to Buyer will at the time of such delivery not be adulterated or misbranded within the meaning of the Act, or within the meaning of any applicable state or municipal law in which the definitions of adulteration and misbranding are substantially the same as those contained in the Act, and will not be an article that may not, under the provisions of sections 404, 505 and 512 of the Act, be introduced into interstate commerce; and (b) Seller shall manufacture and test all Goods in accordance with all applicable rules and regulations of the United States Food and Drug Administration ("FDA") and any other applicable regulatory agency, including without limitation current good manufacturing practices, as specified in 21 CFR Part 110, 21 CFR Part 210, and the FDA's guidance documents, and all successor regulations and guidance documents thereto.

**10. BUYER'S PROPERTY**

Buyer has no obligation to furnish Seller with any tools, equipment or materials for Seller's performance unless specified in the applicable Order.

Any and all tools, equipment, material, and components furnished to Seller by Buyer or specially paid for by Buyer and any replacements thereof or attachments thereto are and will remain the property of Buyer ("Buyer's Property"). Seller shall adequately mark Buyer's Property in such a way so as to clearly identify Buyer's ownership thereof, and shall segregate Buyer's Property from Seller's other property. Seller shall maintain and repair Buyer's Property while in Seller's custody at Seller's expense. Seller shall hold Buyer's Property at Seller's risk, free of encumbrances. Seller shall not use Buyer's Property for any purpose except making Goods for Buyer or performing Services for Buyer. Seller's use of Buyer's Property is deemed to be accepted in "AS-IS, WHERE-IS" condition.

**11. SOFTWARE**

With respect to any operating system, firmware, software, program, application, source or object code, machine-readable instruction, or similar electronic information that is provided to Buyer by Seller in connection with the Goods or Services, either

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in a stand-alone medium or imbedded in the Goods or Services (the "Software"), Seller warrants that (a) Seller has the right to license the Software to Buyer as provided below; and (b) neither Buyer's use of the Software in connection with the Goods and Services nor its exercise of its rights under the license granted below will infringe on any third party intellectual property rights. Seller shall promptly notify Buyer of any updates to the Software and, if requested by Buyer, provide such updates to Buyer. With respect to cloud-based Software, Seller shall provide such updates to Buyer at no additional charge.

Seller grants to Buyer a non-exclusive, perpetual, royalty-free license to use the Software in connection with the Goods and Services, and the license is freely transferable by Buyer in connection with any assignment or sale that it may make of the Goods or Services.

Software is considered a part of the Goods and Services for purposes of warranties, rights and remedies under these Terms.

**12. INFRINGEMENTS**

Seller represents that the Goods and Services do not and will not infringe upon any existing or pending patents, copyrights, trademarks, trade secrets or other intellectual property rights of third parties.

Seller shall indemnify, defend and hold Buyer harmless from and against any liability, loss, damage, costs or expenses of any kind or nature, including, without limitation, Buyer's attorney's fees and costs, incurred in connection with any claim, suit or other proceeding for infringement or misappropriation of any patent, copyright, trademark, trade secret or other intellectual property right brought against Buyer or Buyer's successors or assigns based upon use of the Goods or Services. If Buyer is enjoined from using the Goods or Services because of any infringement claim, Seller shall at its expense and in the following sequence: (a) obtain for Buyer the right to continue using such infringing Goods and Services; (b) replace such infringing Goods and Services with non-infringing but equivalent Goods and Services; or (c) modify the Goods and Services so that they are non-infringing but equivalent.

**13. SELLER'S INSURANCE AND INDEMNIFICATION**

Seller shall maintain and at minimum keep in force, at its own expense, the following insurance coverage and limits: (a) Applicable Workers' Compensation Insurance with statutory limits as required by the laws and regulations applicable to the employees of Seller who are engaged in the performance of any Order; (b) Employers' Liability Insurance with a limit of \$1,000,000 per occurrence; (c) Commercial General Liability Insurance covering claims for bodily injury, death, and property damage, including Premises and Operations, Products and Completed Operations, Independent Contractors, Personal Injury, Blanket Contractual and Broadform Property Damage Liability, with a combined single limit of \$2,000,000 per occurrence and \$5,000,000 in the aggregate. The Products and Completed Operations coverage should continue in full effect for three (3) years following completion, expiration or termination of the last Order; and (d) Comprehensive Auto Liability Insurance covering all owned, non-owned, hired and other vehicles with a combined single limit of \$1,000,000 per occurrence.

The insurance policies described in this section must be written by insurance companies reasonably satisfactory to Buyer. Seller shall not cancel or modify any insurance policies or allow such policies to be cancelled or modified without first giving 30 days' written notice to Buyer. The coverage afforded under any insurance policy obtained by Seller pursuant to these Terms must be primary coverage in all instances regardless of whether Buyer has similar coverage. Except for Workers' Compensation Insurance, Seller shall cause Buyer to be named as an additional insured on all such policies of insurance.

Seller shall indemnify and hold harmless Buyer and its agents, employees and affiliates from any and all losses, costs, expenses (including attorney's fees and court costs), claims (including claims of Seller's employees), damages, and injuries arising out of (a) any defective Goods; (b) Seller's breach of these Terms or any Order, negligence or willful misconduct; (c) the presence of Seller's employees or agents on Buyer's premises; or (d) the use of such Buyer's Property; all except to the extent of Buyer's gross negligence or willful misconduct. As to any claim made by Buyer in relation to any Order or these Terms, Seller waives any immunity from suit with respect to injuries to Seller's employees which may extend to Seller as a result of any payments made by Seller to such employees or under any applicable workers' compensation statute or similar law or judicial decision.

**14. DEFAULT AND TERMINATION**

Buyer may terminate any or all Orders in the event of a breach of any Order or of these Terms by Seller that is not cured within 30 days after receipt of written notice of such breach from Buyer, except that Buyer is not required to send an additional written notice or provide an additional cure period for similar recurring breaches even if such similar recurring breaches occur under different Orders.

Buyer may terminate any Order for Buyer's sole convenience at any time by giving notice to Seller.

Buyer may adopt unsolicited improvement suggestions from others or may request any current or new supplier to develop such improvements, which may result in new goods or services that replace current Goods or Services. If Buyer chooses to take advantage of improved goods or services from a source other than Seller, Buyer may either reduce or discontinue purchases of Goods or Services replaced by the improved goods, and may terminate any or all Orders at any time by giving notice to Seller.

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If a customer of Buyer directs or requests Buyer to obtain any materials, components, supplies or services being supplied to Buyer by Seller from a source other than Seller or on different terms, Buyer may terminate any or all affected Orders effective immediately.

In the event of a termination by Buyer for any reason other than Seller's breach, Buyer's liability to Seller with respect to such terminated Order will be limited to: (a) the Order price of all finished Goods and completed Services ordered by Buyer and not usable in Seller's other operations or marketable to Seller's other customers; plus (b) to the extent not included in finished Goods or completed Services, the actual costs incurred by Seller in performing Services for Buyer's Orders not usable in Seller's other operations, and procuring and manufacturing material for Buyer's Orders not usable in Seller's other operations.

**15. FORCE MAJEURE**

"Force Majeure Event" is defined as any event of force majeure or any other cause beyond the affected person or entity's control and not due to such person or entity's fault or negligence and which such person or entity could not reasonably anticipate and avoid.

Seller will maintain disaster recovery measures acceptable to Buyer in order to prevent or promptly cure any delay or failure to perform caused by a Force Majeure Event. In addition, Seller shall notify Buyer in advance of any upcoming labor contract negotiations and any other fact or circumstance that could cause Seller to be unable to perform.

If Seller is delayed in the manufacture, shipment or delivery of the Goods or performance of Services due to any Force Majeure Event, then the time for performance will be extended for a period of time equal to the duration of the Force Majeure Event. Buyer may terminate any affected Orders if the delay in Seller's performance continues for 30 days or more.

If Buyer is unable to use or receive the Goods or Services due to any Force Majeure Event affecting Buyer or any customer of Buyer that purchases Buyer's products or services utilizing the Goods or Services, then Buyer may, at its option, (a) extend the date of delivery for all affected Orders for a period of time equal to the duration of the Force Majeure Event; or (b) cancel all or part of affected Orders or pending shipments.

**16. INTELLECTUAL PROPERTY; CONFIDENTIALITY**

If during the course of Seller's performance under any Order, Seller makes modifications or improvements to the product specifications or develops any new process or other new technology related to the Goods or Services, Buyer will own such modification, improvement, process or technology. Seller shall perform whatever actions are reasonably required or requested by Buyer in order to transfer ownership of same to Buyer or to provide evidence of Buyer's ownership thereof.

Seller shall not, either prior to or after the termination of any Order, use (except for Buyer's direct benefit as authorized in these Terms), disclose or allow to be disclosed to others any confidential information or trade secret regarding Buyer's products, business, customers, processes, techniques or operations learned by Seller incident to its performance under any Order. All specifications, documents, drawings and other data delivered by Buyer to Seller in connection with any Order are subject to this confidentiality obligation. Seller's confidentiality obligation will not extend to information that is generally published or lawfully available from other sources or that was known to Seller prior to disclosure thereof by Buyer.

**17. RECORDS, QUALITY, AUDIT, AND INSPECTION**

Seller shall maintain, and retain for a period of at least 6 years (or longer if required by applicable law) from the date of manufacture, or completion of Service complete and accurate records relating to the costs, production, packaging, storage and shipment of Goods or performance of Service. Seller shall properly track each batch number of the Goods, for traceability, so as to be able to provide a full manufacturing history.

Seller shall maintain adequate quality control systems and measures reasonably acceptable to Buyer to ensure that all Goods and Services meet the requirements set forth in these Terms, and to address, as applicable, regulatory controls, documentation control, calibration, preventive maintenance, validation programs, supplier quality, environmental control, component and commodity procurement, material control, laboratory control, exception reports, Services processing and release, Goods processing and release, sample retention, stability, complaints, material safety information, annual product reviews, management reviews, returned Goods, preparation and/or handling of Goods during importation and shipping, rejected Services, and preparation for and performance of Services. Seller shall maintain and retain accurate quality records reflecting the foregoing, and, at Buyer's request, shall enter into a separate quality agreement with Buyer to address any or all of the foregoing.

Buyer, or its representatives or regulators, will have the right to inspect Seller's facilities and processes, and audit Seller's records and other materials related to any Order or Seller's current regulatory compliance status. If an audit indicates that Seller has not complied with these Terms or any Order, Seller will reimburse Buyer for the costs of the audit. Seller shall advise Buyer immediately, (a) if Seller receives a notice or complaint from any governmental agency regarding the Services, the Goods, or the manufacture of the Goods; or (b) if an agent of a governmental agency visits, or provides notice of an impending visit of, any of Seller's facilities that manufacture the Goods or relate to performance of Services. Upon Buyer's request, Seller shall cooperate with, and promptly provide appropriate product data and information to, Buyer regarding the Goods and Services.

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Seller will, upon request by Buyer, furnish Buyer with copies of Seller's audited financial statements. If audited financial statements are not available, Seller shall furnish to Buyer any other information reasonably requested by Buyer regarding the financial condition of Seller.

**18. GOVERNING LAW; DISPUTE RESOLUTION**

The laws of the State of South Carolina govern all matters arising out of these Terms or any Order, without reference to the conflicts of law principles thereof. Neither these Terms nor any Order will be covered by nor construed in accordance with the terms of the United Nations Convention on Agreements for the International Sale of Goods.

Any judicial proceeding arising out of or related to these Terms or any Order shall be instituted and maintained in the federal or state courts for Darlington County, South Carolina and each party submits to the exclusive jurisdiction of such courts.

In the event that any provision of these Terms or any Order is deemed invalid or illegal, such invalidity or illegality will not render these Terms or any Order void or invalid as a whole and in such event, such provision shall then be changed and interpreted so as best to accomplish the objective of such questionable provision.

**19. MISCELLANEOUS**

The waiver by either party of any breach of any term, condition or provision of these Terms or any Order will not be construed as a waiver of any other term, condition or provision of these Terms or any Order, nor will such waiver be deemed a waiver of any subsequent breach of the same or any other term, condition or provision of these Terms or any Order.

Buyer may set off any amounts owing at any time from Seller to Buyer (or its subsidiaries or affiliates) against any amount payable by Buyer (or its subsidiaries or affiliates) to Seller.

The remedies in these Terms are cumulative, nonexclusive and in addition to any other remedies available at law, in equity, in contract or otherwise. Neither party will have a remedy of punitive or exemplary damages against the other. Time is of the essence with respect to these Terms and any Order.

Seller represents that it is an independent contractor, properly licensed and offering goods and services based on its expertise and experience. Seller shall maintain exclusive control over all of its employees, agents, and operations.

Purchases by Buyer's subsidiaries, affiliates, and third party suppliers will be subject to these Terms, and all advantages of these Terms will be extended to such subsidiaries, affiliates, and third party suppliers of Buyer, except that Buyer is not responsible for payment by any third party supplier. Upon the sale or transfer by Buyer of operating rights for one or more of Buyer's facilities, any Order or portion of an Order applicable to the affected facilities will, at Buyer's option, either be cancelled or assigned to the new owner or operator.

Seller shall not delegate any duties or liabilities nor assign any rights or claims nor utilize any subcontractor to perform under any Order without the prior written consent of Buyer.

Any customized terms in an Order control over any conflicting provisions in these Terms. These Terms will not be modified or supplemented by any terms contained in Seller's proposals, quotes, order acknowledgements, invoices or similar documents. Except as stated in this section, these Terms and any Order may be amended only by a written agreement signed by both parties.

*Effective 11/29/2018*