DUPONT E I DE NEMOURS & CO
Form S-3ASR
April 23, 2014
Table of Contents

As filed with the Securities and Exchange Commission on April 23, 2014

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT UNDER

THE SECURITIES ACT OF 1933

E. I. du Pont de Nemours and Company

(Exact name of registrant as specified in its charter)

Delaware	**51-0014090**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1007 Market Street

Wilmington, Delaware 19898

(302) 774-1000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Donna H. Grier

Vice President and Treasurer

E. I. du Pont de Nemours and Company

1007 Market Street

Wilmington, Delaware 19898

(302) 774-1000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Stacy J. Kanter, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

William V. Fogg, Esq.
Cravath, Swaine & Moore LLP
825 Eighth Avenue
New York, New York 10019
(212) 474-1131

From time to time after the effective date of this registration statement.

(Approximate date of commencement of proposed sale to the public)

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

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

Large accelerated filer x	Accelerated file o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Debt Securities	(1)	(1)	(1)	(2)
Common Stock, par value $0.30 per share	(1)	(1)	(1)	(2)

(1) An indeterminate aggregate initial offering price or number of securities of each identified class is being registered as may from time to time be issued at indeterminable prices.

(2) In accordance with Rule 456(b) and Rule 457(r) under the Securities Act of 1933, the registrant is deferring payment of all of the registration fee.

Table of Contents

PROSPECTUS

E. I. du Pont de Nemours and Company

Debt Securities and Common Stock

E. I. du Pont de Nemours and Company may offer, issue and sell from time to time debt securities, which may be senior debt securities or subordinated debt securities (the Debt Securities), and shares of our common stock, par value $0.30 per share (the Common Stock and, together with the Debt Securities, the Securities). Our Common Stock may also be issued upon the conversion or the exchange of our Debt Securities.

We will provide the specific terms of any offering of Debt Securities or Common Stock in one or more supplements to this prospectus. We may describe the terms of the Debt Securities or Common Stock in a term sheet that will precede the prospectus supplement. You should read this prospectus and any prospectus supplement carefully before you make your investment decision.

This prospectus may not be used to sell Securities unless accompanied by a prospectus supplement.

We may offer and sell the Debt Securities and Common Stock to or through one or more underwriters, dealers and agents or directly to purchasers on a continuous or delayed basis. The prospectus supplement for each offering of Securities will describe in detail the plan of distribution for that offering. For general information about the distribution of Securities offered, please see Plan of Distribution in this prospectus.

Our Common Stock is listed on the New York Stock Exchange under the trading symbol DD. The last reported sale price of our Common Stock on April 22, 2014 was $67.35.

Investing in our Securities involves risks. Before buying our Securities, you should refer to the risk factors included in our most recent Annual Report on Form 10-K, which are incorporated by reference herein, our other periodic reports and in other information that we file with the Securities and Exchange Commission from time to time. See Risk Factors on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these Securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 23, 2014.

Table of Contents

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Using this process, we may, from time to time, offer and sell the Securities described in this prospectus in one or more offerings at an unspecified aggregate initial offering price. This prospectus provides you with a general description of the Securities we may offer. Each time we offer to sell Securities, we will provide a supplement to this prospectus. The prospectus supplement will describe the specific terms of that offering, including the specific amounts, prices and terms of the Securities offered. The prospectus supplement may also add, update or change the information contained in this prospectus. You should carefully read this prospectus and the prospectus supplement, in addition to the information contained in the documents we refer you to under the headings Where You Can Find More Information. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement.

You should rely only on the information contained in, or incorporated by reference into, this prospectus, any prospectus supplement or any incorporated document. We have not authorized anyone to provide you with different or additional information. We are not offering to sell or soliciting any offer to buy any Securities in any jurisdiction where the offer or sale thereof is not permitted. You should not assume that the information in this prospectus, any prospectus supplement or in any document incorporated by reference herein is accurate as of any date other than the date on the front cover of the applicable document.

In this prospectus and any prospectus supplement hereto, unless the context suggests otherwise, references to our company, the Company, DuPont, we, us and our mean E. I. du Pont de Nemours and Company.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains information we file electronically with the SEC, which you can access over the internet at *http://www.sec.gov*. Our SEC filings are also available at our website at *http://www.dupont.com*. You can also obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement we have filed with the SEC on Form S-3. As permitted by SEC rules, this prospectus does not contain all of the information we have included in the registration statement. You should also read the documents incorporated by reference to the registration statement of which this prospectus forms a part, as described immediately below under Incorporation of Certain Documents by Reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered part of this prospectus. Any statement in this prospectus or incorporated by reference into this prospectus shall be automatically modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in a subsequently filed document that is incorporated by reference in this prospectus modifies or supersedes such prior statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We incorporate by reference into this prospectus the documents listed below and all documents we subsequently file with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act), prior to the completion of the offering of all Securities covered by the relevant prospectus supplement:

- our annual report on Form 10-K for the year ended December 31, 2013 (the 2013 Form 10-K), filed with the SEC on February 5, 2014;

- those portions of our definitive proxy statement for the annual meeting of stockholders to be held on April 23, 2014 that are incorporated by reference into the 2013 Form 10-K, filed with the SEC on March 14, 2014; and

Table of Contents

- our quarterly report on Form 10-Q for the quarterly period ended March 31, 2014, filed with the SEC on April 22, 2014.

You may request a copy of these filings (other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing), at no cost, by writing or telephoning us at the following address:

DuPont Company

1007 Market Street

Wilmington, Delaware 19898

Attention: Treasury

Telephone: (302) 774-1000

FORWARD-LOOKING INFORMATION

This prospectus and the information incorporated herein by reference contains forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933 (the Securities Act), which may be identified by their use of words like plans, expects, will, anticipates, intends, projects, estimates or other words of similar meaning. All statements that address expectations or proje about the future, including statements about our strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events which may not be accurate or realized. Forward-looking statements also involve risks and uncertainties, many of which are beyond the company s control. Some of the important factors that could cause the company s actual results to differ materially from those projected in any such forward-looking statements are:

- Fluctuations in energy and raw material prices;
- Failure to develop and market new products and optimally manage product life cycles;
- Outcome of significant litigation and environmental matters, including those related to divested businesses;
- Failure to appropriately manage process safety and product stewardship issues;
- Effect of changes in tax, environmental and other laws and regulations or political conditions in the U.S. and other countries in which the company operates;

- Conditions in the global economy and global capital markets, including economic factors, such as inflation, deflation and fluctuations in currency exchange rates, interest rates and commodity prices, as well as regulatory requirements;

- Impact of business disruptions, including supply disruptions, and security threats, regardless of cause, including acts of sabotage, cyber-attacks, terrorism or war, weather events and natural disasters;

- Ability to protect and enforce the company s intellectual property rights; and

- Successful integration of acquired businesses and separation of underperforming or non-strategic assets or businesses, including proposed spin-off of the Performance Chemicals segment.

The foregoing list of important factors is not inclusive, or necessarily in order of importance. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also could affect our businesses.

Table of Contents

ABOUT DUPONT

DuPont was founded in 1802 and was incorporated in Delaware in 1915. DuPont brings world-class science and engineering to the global marketplace in the form of innovative products, materials and services. We believe that by collaborating with customers, governments, non-governmental organizations and thought leaders we can help find solutions to such global challenges as providing healthy food for people everywhere, decreasing dependence on fossil fuels, and protecting life and the environment.

Subsidiaries and affiliates of DuPont conduct manufacturing, seed production or selling activities and some are distributors of products manufactured by the company. As a science and technology based company, DuPont competes on a variety of factors such as product quality and performance or specifications, continuity of supply, price, customer service and breadth of product line, depending on the characteristics of the particular market involved and the product or service provided. Most products are marketed primarily through our sales force, although in some regions, more emphasis is placed on sales through distributors. We utilize numerous suppliers as well as internal sources to supply a wide range of raw materials, energy, supplies, services and equipment. To ensure availability, we maintain multiple sources for fuels and many raw materials, including hydrocarbon feedstocks. Large volume purchases are generally procured under competitively priced supply contracts.

DuPont consists of 12 businesses which are aggregated into seven reportable segments based on similar economic characteristics, the nature of the products and production processes, end-use markets, channels of distribution and regulatory environment. Our reportable segments are Agriculture, Electronics & Communications, Industrial Biosciences, Nutrition & Health, Performance Chemicals, Performance Materials and Safety & Protection. We include certain embryonic businesses not included in the reportable segments, such as pre-commercial programs, and nonaligned businesses in Other. On October 24, 2013, DuPont announced that we intend to separate our Performance Chemicals segment through a U.S. tax-free spin-off to shareholders, subject to customary closing conditions. We expect to complete the separation about mid-2015.

Our principal offices are located at 1007 Market Street, Wilmington, Delaware 19898, and our telephone number is (302) 774-1000. We maintain a website at *www.dupont.com* where general information about us is available. We are not incorporating the contents of the website into this prospectus.

RISK FACTORS

Before you invest in any of our Securities, in addition to the other information included or incorporated by reference in this prospectus and any applicable prospectus supplement, you should carefully consider the risk factors under the heading Risk Factors contained in Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2013, which are incorporated herein by reference. These risk factors may be amended, supplemented or superseded from time to time by risk factors contained in other Exchange Act reports that we file with the SEC, which will be subsequently incorporated by reference herein; by any prospectus supplement accompanying this prospectus; or by a post-effective amendment to the registration statement of which this prospectus forms a part. In addition, new risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. See Incorporation of Certain Documents By Reference and Cautionary Statement Regarding Forward-Looking Statements.

USE OF PROCEEDS

Unless we inform you otherwise in a prospectus supplement, we will use the net proceeds from the sale of the offered Securities for general corporate purposes. These purposes may include repayment and refinancing of debt, acquisitions, working capital, capital expenditures and repurchases and redemptions of Securities. Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of short-term indebtedness.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated:

	Three Months Ended March 31, 2014	Years Ended December 31, 2013	2012	2011	2010	2009
Ratio of Earnings to Fixed Charges	14.2x	7.0x	6.0x	7.4x	5.4x	4.3x

For purposes of calculating the ratio of earnings to fixed charges: (i) earnings consist of income from continuing operations before provision for (benefit from) income taxes, non-controlling interests in earnings (losses) of consolidated subsidiaries, adjustment for companies accounted for by the equity method and amortization of capitalized interest plus fixed charges less capitalized interest, and (ii) fixed charges consist of interest and debt expense, capitalized interest and rental expense representative of interest factor. The ratio is based solely on historical financial information.

DESCRIPTION OF DEBT SECURITIES

We will issue the Debt Securities under one of two indentures:

- an indenture dated as of June 1, 1992 between us and Deutsche Bank Trust Company Americas, successor to Bankers Trust Company, as trustee; or

- an indenture dated as of June 1, 1992 between us and The Bank of New York Mellon Trust Company, N.A., successor to The Chase Manhattan Bank and Chemical Bank, as trustee.

Each indenture is incorporated into or filed as an exhibit to the registration statement, of which this prospectus is a part. The trustee will be designated in the prospectus supplement for each offering of Debt Securities. All references to the trustee mean the trustee identified in the prospectus supplement. The following summaries of certain provisions of the indentures are not complete. We encourage you to read the indentures.

General

The indentures do not limit the amount of Debt Securities that we may issue. Each provides that Debt Securities may be issued up to the aggregate principal amount that we authorize from time to time. The Debt Securities will be unsecured and will rank on a parity with all of our other unsecured and unsubordinated indebtedness.

The prospectus supplement relating to a series of Debt Securities will describe the terms of that series, including, where applicable:

- the designation, aggregate principal amount, currency or currencies and denominations of the Debt Securities;

- whether the Debt Securities may be convertible into or exchangeable for other securities;

- the price or prices, expressed as a percentage of aggregate principal amount, at which the Debt Securities will be issued;

- the date or dates on which the Debt Securities will mature;

- the currency or currencies in which the Debt Securities are being sold and in which the principal of and any interest on the Debt Securities will be payable and whether the holder of the Debt Securities may elect the currency in which payments are to be made, and, if so, the manner of such election;

- the rate or rates, which may be fixed or variable, at which the Debt Securities will bear interest, if any;

- the date from which interest on the Debt Securities will accrue, the dates on which interest will be payable and the date on which payment of interest will commence;

Table of Contents

- the dates on which and the price or prices at which the Debt Securities will, under any mandatory sinking fund provision, or may, under any optional redemption or required repayment provisions, be redeemed or repaid and the other terms and provisions of any mandatory sinking fund, optional redemption or required repayment;

- whether the Debt Securities are to be issued in whole or in part in the form of one or more global securities and, if so, the identity of the depositary or depositaries for the global security or securities;

- any special provisions for the payment of additional amounts on the Debt Securities;

- if a temporary global security is to be issued for a series, the requirements for certification of ownership by non-United States persons that will apply before (a) the issuance of a definitive global security or (b) the payment of interest on an interest payment date that occurs before the issuance of a definitive global security;

- if a temporary global security is to be issued with respect to the series, the terms upon which interests in the temporary global security may be exchanged for interests in a definitive global security or for definitive Debt Securities of the series and the terms upon which interests in a definitive global security, if any, may be exchanged for definitive Debt Securities of the series;

- any additions, modifications or deletions to the restrictive covenants included for the benefit of holders of the Debt Securities;

- any additions, modifications or deletions to the events of default provided with respect to the Debt Securities;

- if the Debt Securities of the series are subject to defeasance at our option, the provisions, federal income tax consequences and other considerations applicable thereto;

- the designated trustee for the Debt Securities; and

- any other terms of the Debt Securities not inconsistent with the provisions of the applicable indenture. (Section 301)

Debt Securities of a series may be issuable in whole or in part in the form of one or more global securities, as described below under Global Securities. Registered securities denominated in U.S. dollars will ordinarily be issued only in denominations of $2,000 or any integral multiple

of $1,000. One or more global securities will be issued in a denomination or aggregate denominations equal to the aggregate principal amount of outstanding Debt Securities of the series. (Section 303) The prospectus supplement relating to a series of Debt Securities denominated in a foreign or composite currency will specify the allowable denominations and any special U.S. federal income tax and other considerations. No service charge will be made for any tender or exchange of Debt Securities but we may require payment of a sum sufficient to cover any tax or other governmental charge. (Section 305)

Debt Securities may be presented for exchange, and registered securities that are not in global form may be presented for transfer, with the form of transfer endorsed thereon duly executed, at the office of any transfer agent or at the office of the security registrar, without service charge and upon payment of any taxes and other governmental charges as described in the indenture. Transfers or exchanges will be effectuated once the transfer agent or the security registrar, as the case may be, is satisfied with the documents of title and identity of the person making the request. (Section 305)

Debt Securities may be issued under the indenture as original issue discount securities to be offered and sold at a substantial discount below their stated principal amount. Original issue discount securities means any debt securities that provide for an amount less than their principal amount to be due and payable upon a declaration of acceleration of maturity upon the occurrence and continuation of an event of default and any debt securities issued with original issue discount for U.S. federal income tax purposes. (Section 101) A prospectus supplement will describe U.S. federal income tax consequences and other special considerations applicable to any original issue discount securities.

Global Securities

The Debt Securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depositary identified in the prospectus supplement relating to that series. Global securities will be issued in registered form and may be issued in either temporary or definitive form. Unless and until it is exchanged in whole or in part for Debt Securities in definitive form, a global security may not be transferred except as a

Table of Contents

whole by the depositary to a nominee of the depositary or by a nominee of the depositary to the depositary or another nominee of the depositary or by the depositary or any nominee to a successor of the depositary or a nominee of that successor. (Sections 303 and 305)

The specific terms of the depositary arrangement with respect to any Debt Securities of a series will be described in the prospectus supplement relating to that series. We anticipate that the following provisions will apply to all depositary arrangements.

Upon the issuance of a global security, the depositary will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by the global security to the accounts of participants that have accounts with the depositary. The accounts to be credited shall be designated by the underwriters of Debt Securities, by certain of our agents or by us if we sell Debt Securities directly. Ownership of beneficial interests in a global security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depositary or by participants or persons that hold through participants.

So long as the depositary or its nominee is the owner of a global security, the depositary or its nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by that global security for all purposes under the indenture. Except as set forth below, owners of beneficial interests in a global security will not be entitled to have Debt Securities of the series represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities in definitive form and will not be considered the owners or holders of the Debt Securities under the indenture governing the Debt Securities. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of the depositary and, if such person is not a participant, on the procedures of the participant and, if applicable, the indirect participant, through which such person owns its interest, to exercise any right of a holder under the indenture.

Principal, premium, if any, and interest payments on Debt Securities registered in the name of or held by a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner or the holder of the global security representing those Debt Securities. Neither we nor the trustee, any paying agent or the security registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global security or for maintaining, supervising or reviewing any records relating to beneficial ownership interests. (Section 308)

We expect that the depositary for Debt Securities of a series, upon receipt of any payment of principal, premium or interest in respect of a definitive global security, will credit immediately participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a global security held through those participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of owners of beneficial interests registered in street name, and will be the responsibility of those participants.

If a depositary for Debt Securities of a series is at any time unwilling or unable to continue as depositary and we do not appoint a successor depositary within 90 days, we will issue Debt Securities of that series in definitive form in exchange for the global security or securities representing the Debt Securities of that series. In addition, we may at any time and in our sole discretion determine not to have any Debt Securities of a series represented by one or more global securities. In that event, we will issue Debt Securities of that series in definitive form in exchange for the global security or securities representing those Debt Securities. An owner of a beneficial interest in a global security representing Debt Securities of a series may, on terms acceptable to us and the depositary for such global security, receive Debt Securities of that series in definitive form. In any of these instances, an owner of a beneficial interest in a global security will be entitled to physical delivery in

definitive form of Debt Securities of the series represented by that global security equal in principal amount to that beneficial interest and to have Debt Securities registered in its name if the Debt Securities of that series are issuable as registered securities. Debt Securities of that series issued in definitive form will be issued only in authorized denominations. (Section 305)

Payment and Paying Agents

Payment of principal of and any premium on registered Securities will be made in the designated currency against surrender of any registered Securities at the corporate trust office of the trustee in New York City. Payment of any installment of interest on registered Securities will ordinarily be made to the person in whose name the debt security is

Table of Contents

registered at the close of business on the regular record date for that interest payment. Payments of interest will be made, at our option, by a check in the designated currency mailed to each holder at the holder s registered address or by wire transfer to an account designated by the holder pursuant to an arrangement that is satisfactory to the trustee and us. (Sections 307 and 1001)

The paying agents outside the United States that we initially appoint for a series of Debt Securities will be named in the prospectus supplement. We may terminate the appointment of any of the paying agents from time to time, except that we will maintain at least one paying agent in New York City for payments on registered Securities.

So long as any series of Debt Securities is listed on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited or the Luxembourg Stock Exchange or any other stock exchange located outside the United States and it is a requirement of that stock exchange, we will maintain a paying agent in London or Luxembourg or any other required city located outside the United States, as the case may be, for that series of Debt Securities. (Section 1002)

All moneys that we pay to a paying agent for the payment of principal of or any premium, or interest on any debt security that remains unclaimed at the end of two years after it became due and payable will be repaid to us and the holder of that debt security will thereafter look only to us for payment. (Section 1003)

Certain Covenants

Liens. We covenant that, so long as any of the Debt Securities remain outstanding, we will not, nor will we permit any Restricted Subsidiary (as defined below, in Definition of Certain Terms) to issue, assume, or guarantee any debt for money borrowed if that debt is secured by a mortgage on any Principal Property (as defined), or on any shares of stock or indebtedness of any Restricted Subsidiary (whether the Principal Property, shares of stock, or indebtedness are now owned or hereafter acquired) without in any such case effectively providing that the Debt Securities shall be secured equally and ratably with such debt. This restriction, however, shall not apply to:

- mortgages on property, shares of stock, or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary;

- mortgages on property existing at the time that it is acquired, or to secure debt incurred for the purpose of financing the purchase price of such property or improvements or construction on the property, which debt is incurred prior to, at the time of or within one year after such acquisition, completion of such construction, or the commencement of commercial operation of such property thereon;

- mortgages securing debt owing by any Restricted Subsidiary to us or another Restricted Subsidiary;

- mortgages on property of a corporation existing at the time that corporation is merged into or consolidated with us or a Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation as an entirety or substantially as an entirety to us or a Restricted Subsidiary;

- mortgages on property of us or a Restricted Subsidiary in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, or in favor of any other country, or any political subdivision thereof, to secure certain payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such mortgages, including without limitation mortgages incurred in connection with pollution control, industrial revenue or similar financings;

- mortgages existing at the date of the indenture;

- mortgages on particular property, or any proceeds of the sale of that property, to secure all or any part of the cost of exploration, drilling, mining or development of that property, including construction of facilities for field processing of minerals, intended to obtain or materially increase the production and sale or other disposition of oil, gas, coal, uranium, copper or other minerals of that property, or any indebtedness created, issued, assumed or guaranteed to provide funds for any or all such purposes; or

Table of Contents

- any extension, renewal or replacement or successive extensions, renewals or replacements, in whole or in part, of any mortgage referred to in the clauses immediately above.

Notwithstanding the above, we and one or more of our Restricted Subsidiaries may, without securing the Debt Securities issued under this prospectus, issue, assume, or guarantee debt secured by mortgages which would otherwise be subject to the above restrictions, provided that the aggregate amount of that debt that would then be outstanding, with certain exceptions, does not at any one time exceed 10% of the Consolidated Net Tangible Assets (as defined) of us and our consolidated subsidiaries. (Section 1004)

For the purposes of this covenant, the following types of transactions shall not be deemed to create debt secured by a mortgage:

- the sale or other transfer of oil, gas, coal, uranium, copper or other minerals in place for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money (however determined) or a specified amount of such minerals; or

- the sale or other transfer of any other interest in property of the character commonly referred to as a production payment. (Section 1004)

Sale and Leaseback Transactions. Sale and leaseback transactions by us or any Restricted Subsidiary of any Principal Property are prohibited unless (a) we or such Restricted Subsidiary would be entitled to issue, assume, or guarantee debt secured by a mortgage upon the property involved at least equal in amount to the Attributable Debt (as defined) for that transaction without equally and ratably securing the Debt Securities or (b) an amount in cash equal to the Attributable Debt for that transaction is applied to the retirement of our non-subordinated debt or debt of a Restricted Subsidiary, which by its terms matures at or is extendible or renewable at the option of the obligor to a date more than twelve months after its creation. (Section 1005)

Consolidation or Merger. We will not consolidate or merge with or dispose of all or substantially all of our property to any corporation unless the surviving corporation, if other than us, shall assume our obligations under the indenture and under the Debt Securities. (Section 801) If, on any consolidation or merger of us or any Restricted Subsidiary with or into any other corporation, or on any sale, conveyance, or lease of substantially all of our or a Restricted Subsidiary s properties, any Principal Property or any shares of stock or indebtedness of any Restricted Subsidiary would then become subject to any mortgage, pledge, lien or encumbrance, we, prior to such event, will secure the Debt Securities by a direct lien on that Principal Property, shares of stock or indebtedness, prior to all liens other than any previously existing. (Section 802)

Except for the limitations on secured debt and sale and leaseback transactions described above, and other than any covenants or other provisions that may be included in a supplement to this prospectus describing any particular series of Debt Securities, the indenture and Debt Securities do not contain any covenants or other provisions designed to afford holders of the Debt Securities protection in the event of a highly leveraged transaction FONT
SIZE=2>101,250 127,500 153,750 180,000 187,500$325,000 24,375 52,813 81,250 109,688 138,125 166,563 195,000 203,125$350,000 26,250 56,875 87

Unlike the Employees Retirement Plan, the annual remuneration covered by the GPIC Retirement Plan is salary only and does not include any of the other compensation items shown in the Summary Compensation Table above. The salary used to compute benefits is the average

highest salary amount over a 36 consecutive month period in the last 10 years. Had Mr. Coors and Mr. Scheible retired as of December 31, 2004, the average annual compensation covered by the GPIC Retirement Plan would have been $551,505 and $422,657, respectively. On December 31, 2004, Mr. Coors and Mr. Scheible had 36 and 6 credited years of service under the GPIC Retirement Plan, respectively. The benefit is computed on the basis of a straight-life annuity and is subject to a reduction to reflect, in part, the payment of Social Security benefits.

Equity Compensation Plan Information

The following table provides information as of December 31, 2004, with respect to the Company's compensation plans under which equity securities are authorized for issuance:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by stockholders(1)	19,939,470(2)	$ 6.87(3)	15,722,192
Equity compensation plans not approved by stockholders			
Total	19,939,470(2)	$ 6.87(3)	15,722,192

(1) These plans are the Graphic Packaging Corporation 2004 Stock and Incentive Compensation Plan (the "2004 Plan"), the 2003 Riverwood Holding, Inc. Long-Term Incentive Plan, the 2003 Riverwood Holding, Inc. Directors Stock Incentive Plan, the Riverwood Holding, Inc. 2002 Stock Incentive Plan, the Riverwood Holding, Inc. Supplemental Long-Term Incentive Plan, the 1996 SIP, the Graphic Packaging Equity Incentive Plan, and the Graphic Packaging Equity Compensation Plan for Non-Employee Directors. With the exception of the 2004 Plan, each of these plans has been amended to provide that no additional awards will be granted thereunder.

(2) Includes an aggregate of 16,656,683 stock options, 3,274,757 restricted stock units and 8,030 shares of phantom stock.

(3) Weighted-average exercise price of outstanding options; excludes restricted stock units and shares of phantom stock.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE IN CONTROL ARRANGEMENTS

Employment Agreement with Stephen M. Humphrey

The Company has an employment agreement dated March 25, 2003, with President and Chief Executive Officer, Stephen M. Humphrey. The agreement has a term of four years and provides that Mr. Humphrey will serve as President and Chief Executive Officer of the Company and its subsidiaries, GPI Holding, Inc. and Graphic Packaging International, Inc.

Pursuant to this agreement, Mr. Humphrey's base salary was $950,000 from April 1, 2003 to March 31, 2004, and increased to $1,000,000 per year thereafter. During the employment term, Mr. Humphrey is eligible for an annual target bonus of 100% of base salary (with a maximum annual bonus opportunity equal to 200% of base salary) and welfare benefits including life, medical, dental, accidental death and dismemberment, business travel accident, prescription drug and disability insurance. Mr. Humphrey is also eligible to participate in all of the profit sharing, pension, retirement, deferred compensation and savings plans applicable to the Company's executive officers.

If Mr. Humphrey's employment is terminated without cause or he terminates his employment for good reason, Mr. Humphrey will be entitled to receive (in addition to accrued amounts of salary, bonus and other compensation) the following severance benefits:

- base salary for the shorter of the remainder of the employment term or three years;

- a pro rata bonus for the year in which his employment is terminated, provided that applicable performance objectives have been achieved;

continued life, medical, dental, accidental death and dismemberment and prescription drug insurance benefits for as long as base salary is paid; and

reimbursement for outplacement and career counseling services in an amount not to exceed the lesser of $25,000 or 20% of base salary.

A termination is for "cause" under Mr. Humphrey's agreement if it is due to Mr. Humphrey's:

willful failure substantially to perform his duties (other than due to physical or mental illness) or other willful and material breach of any of his obligations under the agreement, after a demand for substantial performance is delivered and a reasonable opportunity to cure is given;

engaging in willful and serious misconduct that has caused or would reasonably be expected to result in material injury to the Company or its affiliates; or

conviction of, or entering a plea of *nolo contendere* to, a felony.

A termination is for "good reason" under Mr. Humphrey's agreement if it is within 30 days of any of the following:

the assignment of duties that are significantly different from and that result in a substantial diminution of his duties at the commencement of the employment term;

the Company's failure to require a successor to assume the agreement;

a reduction in his base salary; or

the Company's breach of any of its obligations under the agreement, the option agreement with Mr. Humphrey or any other incentive award agreement granted to Mr. Humphrey.

Upon his retirement, Mr. Humphrey will be entitled to a supplemental retirement benefit equal to the difference between the benefits provided under the Employees Retirement Plan and Supplemental Pension Plan and the benefits he would have received under such plans if he had ten years of service with the Company. Mr. Humphrey will not receive this benefit if his employment is terminated due to death, disability or cause, or if he terminates his employment without good reason or retires before the end of the employment term.

The agreement also amends the vesting schedule of special performance options granted to Mr. Humphrey under a Management Stock Option Agreement dated January 1, 2002. Pursuant to the terms of his employment agreement, one-third of the special performance options granted under the option agreement vested one-third on August 8, 2003, and the remainder will vest in equal installments on August 8, 2005, and August 8, 2006.

Pursuant to the terms of his employment agreement, 1,140,750 of the unvested performance options granted to Mr. Humphrey under stock incentive plans were exchanged for 228,150 new stock options and 342,225 restricted units. One-third of these options and restricted units, as well as the other unvested performance options held by Mr. Humphrey, vested on August 8, 2004, and the remainder will vest in equal installments on August 8, 2005 and August 8, 2006.

The agreement also provides that Mr. Humphrey may not work for a competitor of the Company for a period of one year after his employment is terminated or the end of his severance period, whichever is later. Mr. Humphrey is also prohibited from soliciting employees of the Company for three years after his termination.

Employment Agreement with Jeffrey H. Coors

Jeffrey H. Coors, who was GPIC's President and Chief Executive Officer, entered into an employment agreement with GPIC dated March 25, 2003. Under Mr. Coors' employment agreement,

he serves as the Company's Executive Chairman and as the Executive Chairman of the Company's subsidiaries, GPI Holding, Inc. and Graphic Packaging International, Inc. The agreement has a term of three years and provides for an annual base salary of $555,000, which salary will be reviewed annually.

Under the terms of his agreement, Mr. Coors participates in short-term incentive plans existing from time to time and other incentive plans, in each case as determined by the Compensation and Benefits Committee. He also participates in savings and retirement plans and welfare benefit plans sponsored by the Company. In connection with the Merger, on August 8, 2003, Mr. Coors received the following compensation and benefits from GPIC:

- all cash target amounts under GPIC's long-term incentive plans that were not previously paid or had not expired, regardless of whether the performance targets for those plans had been achieved;

- the conversion of certain options previously granted under GPIC's equity incentive plan or long-term incentive plans, which options were immediately exercisable and will remain exercisable until August 8, 2013; and

- restricted stock units representing the right to receive shares of the Company's common stock, one-third of which vested on August 8, 2004, with the remainder vesting in equal increments on August 8, 2005 and August 8, 2006. However, the restricted shares vest in full immediately if: (1) Mr. Coors' employment is terminated without cause, due to death, disability or retirement, or he terminates employment for good reason; or (2) upon a change of control.

Pursuant to these provisions, Mr. Coors received a cash payment of approximately $1.1 million and options worth approximately $0.4 million (based on the difference between the exercise price of the option and GPIC's common stock price of $3.99 per share on August 8, 2003), and 386,885 shares of GPIC restricted stock were converted into restricted stock units convertible into shares of the Company's common stock.

If, during the term of his employment agreement, the Company terminates the employment of Mr. Coors without cause or Mr. Coors terminates his employment for good reason, he would be entitled to receive (in addition to accrued amounts of salary, bonus and other compensation), the following amounts and benefits:

- the greater of the amount of his highest bonus under the Company's bonus plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years, and the annual bonus paid or payable to him under the Company's short-term incentive plan or plans;

- a lump sum in cash equal to three times:

  - his highest annual base salary for any of the past three years;

  - an amount equal to his highest base salary during any of the past three years multiplied by the highest percentage payout of bonus under a short-term incentive plan paid or accrued during any of the past three years; and

  - the highest one-year cash equivalent amount of fringe benefits paid in any of the past three years;

- any benefits due under any supplemental executive retirement plan in accordance with the provisions of the plan, with the amount of benefits to be adjusted to reflect five additional years of service and five additional years of age (with such additional years of service to decrease by one for each year of employment following the merger);

welfare benefits for him and his family for three years or, if earlier, until he receives such benefits through subsequent employment; and

outplacement services for one year (with a cost not to exceed $15,000).

For purposes of Mr. Coors' employment agreement, a termination is for "cause" if it is due to Mr. Coors':

willful and continued failure to perform substantially his duties (other than due to physical or mental illness), after a written demand for substantial performance is delivered; or

willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

For purposes of Mr. Coors' employment agreement, a termination is for "good reason" if it is within 90 days of any of the following and without Mr. Coors' consent:

material diminution of his title, responsibilities and duties;

failure to pay compensation;

failure to pay the gross-up described below;

purported termination of employment otherwise than as expressly permitted by the agreement; or

mandatory relocation, other than in connection with a promotion, of Mr. Coors' principal office to a location more than 35 miles from the location of such office on August 8, 2003.

If any payments that resulted from the Merger or from the termination of Mr. Coors' employment without cause or for good reason constitute an excess parachute payment (as defined under Section 280G(b)(2) of the Code), he is entitled to receive a full gross-up payment to compensate him for the amount of the tax owed.

Under the terms of his employment agreement, Mr. Coors is prohibited from engaging in any of the following activities, both during the term of his employment with the Company and for a period of two years thereafter if his employment is terminated for any reason before the end of the three-year term:

directly or indirectly owning, managing, operating, lending money to or participating in the ownership, management, operation or control of, or serving as a director, officer, employee, partner, consultant, agent or independent contractor with a business or organization in the printing and packaging business in a capacity that assists such competitor in a material respect in the printing and packaging business in the geographic areas where the Company or any of its subsidiaries or affiliates operate;

owning a controlling interest in a business that competes in a material respect in the printing or packaging business in the geographic areas where the Company or any of its subsidiaries or affiliates operate; or

soliciting or interfering with the Company's suppliers, customers or employees or any of its subsidiaries or affiliates.

The employment agreement provides, however, that Mr. Coors will not be in violation of the foregoing by virtue of the fact that he owns 5% or less of the outstanding common stock of a corporation, if such stock is listed on a national securities exchange, is reported on NASDAQ or is regularly traded in the over-the-counter market.

Employment Agreement with David W. Scheible

David W. Scheible, who was GPIC's Chief Operating Officer, entered into an employment agreement with GPIC dated as of March 25, 2003. Under Mr. Scheible's agreement, he served as the Executive Vice President of Commercial Operations until his promotion to Chief Operating Officer of the Company and its subsidiaries, GPI Holding, Inc. and Graphic Packaging International, Inc., effective October 1, 2004. The employment agreement has a term of three years beginning August 8, 2003 and provides for an annual base salary of $420,000, which salary will be reviewed annually.

Under the terms of the agreement, Mr. Scheible participates in short-term incentive plans existing from time to time and other incentive plans, in each case as determined by the Compensation and Benefits Committee at a level commensurate with other similarly situated executives of the Company. He also participates in savings and retirement plans and welfare benefit plans sponsored by the Company.

In connection with the Merger, on August 8, 2003, Mr. Scheible received the following compensation and benefits from GPIC:

- all cash target amounts under GPIC's long-term incentive plans that were not previously paid or had not expired, regardless of whether the performance targets for those plans had been achieved;

- the conversion of certain options previously granted under GPIC's equity incentive plan or long-term incentive plans, which options were immediately exercisable and will remain exercisable until August 8, 2013; and

- restricted stock units representing the right to receive shares of the Company's common stock, one-third of which vested on August 8, 2004, with the remainder vesting in equal increments on August 8, 2005 and August 8, 2006. However, the restricted shares vest in full immediately if: (1) Mr. Scheible's employment is terminated without cause, due to death, disability or retirement, or he terminates employment for good reason; or (2) upon a change of control.

Pursuant to these provisions, Mr. Scheible received a cash payment of approximately $875,000 and 413,710 options worth approximately $606,875 (based on the difference between the exercise price of the option and GPIC's common stock price of $3.99 per share on August 8, 2003), and 315,574 shares of GPIC restricted stock were converted into restricted stock units convertible into shares of the Company's common stock.

If, during the term of his employment agreement the Company terminates the employment of Mr. Scheible without cause or Mr. Scheible terminates his employment for good reason, Mr. Scheible would be entitled to receive (in addition to accrued amounts), the following amounts and benefits:

- the greater of the amount of his highest bonus under the Company's bonus plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years, and the annual bonus paid or payable to him under the Company's short-term incentive plan or plans;

- a lump sum in cash equal to three times:

  - his highest annual base salary for any of the past three years;

  - an amount equal to his highest base salary during any of the past three years multiplied by the highest percentage payout of bonus under a short-term incentive plan paid or accrued during any of the past three years; and

  - the highest one-year cash equivalent amount of fringe benefits paid in any of the past three years;

any benefits due under any supplemental executive retirement plan in accordance with the provisions of the plan, with the amount of benefits to be adjusted to reflect five additional years of service and five additional years of age (with such additional years of service to decrease by one for each year of employment following the Merger);

welfare benefits for him and his family for three years or, if earlier, until he receives such benefits through subsequent employment; and

outplacement services for one year (with a cost not to exceed $15,000).

For purposes of Mr. Scheible's employment agreement, a termination is for "cause" if it is due to Mr. Scheible's:

willful and continued failure to perform substantially his duties (other than due to physical or mental illness), after a written demand for substantial performance is delivered; or

willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

For purposes of Mr. Scheible's employment agreement, a termination is for "good reason" if it is within 90 days of any of the following and without Mr. Scheible's consent:

material diminution of his title, responsibilities and duties;

failure to pay compensation;

failure to pay the gross-up described below;

purported termination of employment otherwise than as expressly permitted by the agreement; or

mandatory relocation, other than in connection with a promotion, of Mr. Scheible's principal office to a location more than 35 miles from the location of such office on August 8, 2003.

If any payments that resulted from the Merger or from the termination of Mr. Scheible's employment without cause or for good reason constitute an excess parachute payment (as defined under Section 280G(b)(2) of the Code), he is entitled to receive a full gross-up payment to compensate him for the amount of the tax owed.

Under the terms of his employment agreement, Mr. Scheible is prohibited from engaging in any of the following activities, both during the term of his employment with the Company and for a period of two years thereafter if his employment with the Company is terminated for any reason before the end of the three-year term:

directly or indirectly owning, managing, operating, lending money to or participating in the ownership, management, operation or control of, or serving as a director, officer, employee, partner, consultant, agent or independent contractor with a business or organization in the printing and packaging business in a capacity that assists such competitor in a material respect in the printing and packaging business in the geographic areas where the Company or any of its subsidiaries or affiliates operate;

owning a controlling interest in a business that competes in a material respect in the printing or packaging business in the geographic areas where the Company or any of its subsidiaries or affiliates operate; or

soliciting or interfering with the Company's suppliers, customers or employees or any of its subsidiaries or affiliates.

The employment agreement provides, however, that Mr. Scheible will not be in violation of the foregoing by virtue of the fact that he owns 5% or less of the outstanding common stock of a corporation, if such stock is listed on a national securities exchange, is reported on NASDAQ or is regularly traded in the over-the-counter market.

Employment Agreement with John T. Baldwin

The Company entered into an employment agreement with John T. Baldwin to serve as Senior Vice President and Chief Financial Officer of the Company and its subsidiaries, GPI Holding, Inc. and Graphic Packaging International, Inc. as of September 8, 2003. The agreement has an initial three-year term that automatically extends for additional one-year periods following the expiration of the initial term. The agreement provides for a minimum base salary of at least $350,000 and for Mr. Baldwin's participation in the Company's incentive compensation programs for similarly situated executives at levels commensurate with his position and duties and as established by the Company's Compensation and Benefits Committee. For 2003, Mr. Baldwin's bonus was guaranteed to be not less than $100,000, and his target bonus opportunity was set at 70% of his base salary.

In the event the Company terminates Mr. Baldwin's employment without cause or Mr. Baldwin terminates his employment for good reason, the agreement provides for severance of:

a pro-rata incentive bonus for the year in which termination of employment occurs, assuming that all performance targets had been achieved as of the termination date; and

base salary and continued welfare benefits for the longer of the remainder of the employment term, one year or a period equal to one month for each full year of service with the Company.

Under the terms of Mr. Baldwin's employment agreement, a termination is for cause if it is due to:

the willful failure to perform his duties (other than due to physical or mental illness) or other willful and material breach of his obligations under his employments agreement or other incentive award agreement, after a written demand for performance is delivered and a reasonable opportunity for cure has been given;

willful and serious misconduct that caused or is reasonably expected to result in material injury to the Company; or

conviction of, or the entering of a plea of guilty or nolo contendere to, a crime that constitutes a felony.

Under Mr. Baldwin's employment agreement, a termination is for "good reason" if it is within 30 days of any of the following and without Mr. Baldwin's consent:

the assignment of duties that are significantly different from and that result in a substantial diminution of his duties at the commencement of the employment term;

the Company's failure to require a successor to assume the agreement;

a reduction in his base salary; or

the Company's breach of any of its obligations under the employment agreement or any other incentive award agreement granted to Mr. Baldwin.

The employment agreement also provides that Mr. Baldwin may not work for a competitor of the Company for a period of one year after his employment is terminated or the end of his severance period, whichever is later. Mr. Baldwin is also prohibited from employing, soliciting employees of the Company for employment or interfering with the Company's relationship with the Company's employees during his employment and until the end of his severance period.

21

Employment Agreement with Robert W. Spiller

The Company entered into an Employment Agreement with Robert W. Spiller to serve as Senior Vice President, Performance Packaging Division of the Company and its subsidiary, Graphic Packaging International, Inc. as of September 30, 2002. The Agreement has an initial three-year term that automatically extends for additional one-year periods following the expiration of the initial term. Such agreement was amended as of August 7, 2004. The agreement provides for a minimum base salary of at least $350,000 and for Mr. Spiller's participation in the Company's incentive compensation programs for similarly situated executives at levels commensurate with his position and duties and as established by the Company's Compensation and Benefits Committee, with an annual target bonus opportunity of 70% of base salary. In the event the Company terminates Mr. Spiller's employment without cause or Mr. Spiller terminates his employment for good reason, the agreement provides for severance of:

- a pro-rata incentive bonus for the year in which termination of employment occurs, assuming that all performance targets had been achieved; and
- base salary and continued welfare benefits for the longer of the remainder of the employment term, one year or a period equal to one month for each full year of service with the Company.

Under the terms of Mr. Spiller's employment agreement, a termination is for cause if it is due to:

- the willful failure to perform his duties (other than due to physical or mental illness) or other willful and material breach of his obligations under his employments agreement or other incentive award agreement, after a written demand for performance is delivered and a reasonable opportunity for cure has been given;
- willful and serious misconduct that caused or is reasonably expected to result in material injury to the Company; or
- conviction of, or the entering of a plea of guilty or nolo contendere to, a crime that constitutes a felony.

Under Mr. Spiller's employment agreement, a termination is for "good reason" if it is within 30 days of any of the following and without Mr. Spiller's consent:

- the assignment of duties that are significantly different from and that result in a substantial diminution of his duties at the commencement of the employment term;
- the Company's failure to require a successor to assume the agreement;
- a reduction in his base salary; or
- the Company's breach of any of its obligations under the employment agreement or any other incentive award agreement granted to Mr. Spiller.

The employment agreement also provides that Mr. Spiller may not work for a competitor of the Company for a period of one year after his employment is terminated or the end of his severance period, whichever is later. Mr. Spiller is also prohibited from employing, soliciting employees of the Company for employment or interfering with the Company's relationship with the Company's employees during his employment and until the end of his severance period.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Stockholders Agreement

The Company entered into a Stockholders Agreement with the Coors family stockholders and certain related Coors family trusts (the "Coors Family Stockholders"), the CD&R Fund and EXOR, dated as of March 25, 2003, as amended (the "Stockholders Agreement"), under which the parties thereto made certain agreements regarding matters further described below, including the voting of their shares and governance after the Merger.

Board of Directors. The Stockholders Agreement provides that the Company's Board will consist of nine members, classified into three classes. Each of the three classes consist initially of three Directors, the initial terms of which would expire, respectively, at the first, second and third annual meetings of stockholders following the Merger.

Designation Rights. The Stockholders Agreement provides that a representative of the Coors Family Stockholders, the CD&R Fund and EXOR have the right, subject to requirements related to stock ownership, to designate a person for nomination for election to the Board. The Coors family representative is entitled to designate one person for nomination for election to the Company's Board for so long as the Coors Family Stockholders, in the aggregate, own at least 5% of the fully-diluted shares of the Company's common stock. The CD&R Fund is entitled to designate one person for nomination for election to the Board: (1) for so long as it owns at least 5% of the fully-diluted shares of Company's common stock, or (2) for so long as it owns less than 5% of such shares and the other stockholders, the CD&R Fund and EXOR continue to own, in the aggregate, at least 30% of such shares. EXOR is entitled to designate one person for nomination for election to the Board for so long as it owns at least 5% of the fully-diluted shares of the Company's common stock.

Pursuant to the Stockholders Agreement, at each meeting of stockholders at which Directors of the Company are to be elected, the Board of Directors will recommend that the stockholders elect to the Board the designees of the individuals designated by the Coors family representative, CD&R and EXOR. In addition, for so long as Stephen M. Humphrey serves as Chief Executive Officer, the Stockholders Agreement provides that he will be nominated for election to the Board at any meeting of the stockholders at which Directors of his class are to be elected.

Currently, Mr. Coors serves on the Board as the Coors Family Stockholders' designee, Mr. Conway serves on the Board as the CD&R Fund's designee and Mr. Botta serves on the Board as EXOR's designee.

Independent Directors. The Stockholders Agreement further provides that each of the other Directors, not designated in the manner described above, will be an independent Director designated for nomination by the Nominating and Corporate Governance Committee. In the event that the Coors family representative, the CD&R Fund or EXOR loses the right to designate a person to the Board, such designee will resign immediately upon receiving notice from the Nominating and Corporate Governance Committee that it has identified a replacement Director, and will resign in any event no later than 120 days after the designating person or entity loses the right to designate such designee to the Board. At such time as Mr. Humphrey is no longer Chief Executive Officer, he will similarly resign upon receipt of notice from the Nominating and Corporate Governance Committee and, in any event, no later than 120 days after ceasing to serve as Chief Executive Officer.

Agreement to Vote for Directors; Vacancies. Each party to the Stockholders Agreement agreed to vote all of the shares owned by such stockholder in favor of Mr. Humphrey (for so long as he is Chief Executive Officer) and each of the parties' designees to the Board, and to take all other steps within such stockholder's power to ensure that the composition of the Board is as contemplated by the Stockholders Agreement. As long as the Coors family representative, the CD&R Fund or EXOR, as

the case may be, has the right to designate a person for nomination for election to the Board, at any time at which the seat occupied by such party's designee becomes vacant as a result of death, disability, retirement, resignation, removal or otherwise, such party will be entitled to designate for appointment by the remaining Directors an individual to fill such vacancy and to serve as a Director.

Actions of the Board; Affiliate Agreements. The Stockholders Agreement provides that a Board decision regarding the Merger, consolidation or sale of substantially all the Company's assets would require the affirmative vote of a majority of the Directors then in office. In addition, the decision to enter into, modify or terminate any agreement with an affiliate of the Coors Family Stockholders, CD&R or EXOR will require the affirmative vote of a majority of the Directors not nominated by a stockholder which, directly or indirectly through an affiliate, has an interest in that agreement.

Board Committees. The Stockholders Agreement provides for the Board to have an Audit Committee, a Compensation and Benefits Committee and a Nominating and Corporate Governance Committee as follows:

The Audit Committee will have three members, consisting of the Directors designated by the CD&R Fund and the Coors family representative and one independent Director. The Audit Committee will have the authority, at its discretion, to invite the Director designated by EXOR to attend meetings of the Audit Committee as a non-voting observer.

The Compensation and Benefits Committee will have three members, consisting of the Directors designated by the CD&R Fund and the Coors family representative and one independent Director. None of the Company's employees (other than Mr. Coors) will serve on this committee. The Director designated by EXOR has the right to attend meetings of the Compensation and Benefits Committee as a non-voting observer.

The Nominating and Corporate Governance Committee will have five members, consisting of the Directors designated by the CD&R Fund, the Coors family representative and EXOR and two independent Directors. None of the Company's employees (other than Mr. Coors) will serve on this committee.

The rights of the CD&R Fund, the Coors family representative and EXOR to have its Director designee sit as a member of Board committees will cease when such stockholder holds less than 5% of the Company's fully-diluted shares of common stock, except that the CD&R Fund will continue to have such right so long as the Company's stockholders immediately before the closing of the Merger own, in the aggregate, at least 30% of the fully-diluted shares of the Company's common stock. The Board will fill any committee seats that become vacant in the manner provided in the preceding sentence with independent Directors.

Transfer Restrictions. The parties to the Stockholders Agreement had agreed not to transfer any of the Company's shares of common stock during the restricted period (defined below), except for transfers to certain affiliated permitted transferees that agreed to be bound by the Stockholders Agreement, and a sale to the public pursuant to an effective registration statement filed under the Securities Act of 1933 (the "Securities Act"). The "restricted period" began on August 8, 2003 and ended on February 8, 2005.

Termination. The Stockholders Agreement will remain in effect until terminated by unanimous agreement or until such time as no more than one of the CD&R Fund, EXOR or the CD&R Fund and the other stockholders in the aggregate, or the Coors Family Stockholders holds 5% or more of the Company's outstanding common stock on a fully-diluted basis. In addition, the Stockholders Agreement will terminate as to any stockholder party at such time as such stockholder no longer owns any of the Company's shares of common stock.

Amended and Restated Registration Rights Agreement

The Company and the parties to the Stockholders Agreement and the Company's stockholders immediately before the Merger are parties to an Amended and Restated Registration Rights Agreement, dated as of March 25, 2003, under which the parties agreed to amend and restate the previous registration rights agreement in connection with the transactions contemplated by the Merger agreement.

The Amended and Restated Registration Rights Agreement provides that holders of 15% or more of the Company's outstanding shares of common stock may request that the Company effect the registration under the Securities Act of all or part of such holders' registrable securities. Upon receiving such request, the Company is required to give prompt written notice of such requested registration to all holders of registrable securities and to use its reasonable best efforts to effect the registration under the Securities Act of all registrable securities that the Company has been requested to register. After the expiration of 180 days after the closing of an initial secondary offering, holders of 5% or more of the Company's outstanding shares of common stock may again request that the Company effect the registration under the Securities Act of all or part of such holders' registrable securities.

With respect to the first two requests to effect registration of registrable securities, the Company is not required to effect such registration if such requests relate to less than 15% of the outstanding shares of common stock or, without the approval of the Board, more than 25% of the outstanding shares. Any request for registration of registrable securities after the first two requests will be subject to a minimum offering size of 5% of the outstanding shares of the Company's common stock. The Company will pay all expenses in connection with the first four successfully effected registrations requested. The Amended and Restated Registration Rights Agreement also provides that, with certain exceptions, the parties thereto have certain incidental registration rights in the event that the Company at any time proposes to register any of its equity securities and the registration form to be used may be used for the registration of securities otherwise registrable under the Amended and Restated Registration Rights Agreement.

The CD&R Fund

The CD&R Fund is a private investment fund managed by CD&R. The general partner of the CD&R Fund is Associates V, and the general partners of Associates V are Associates II, CD&R Investment Associates, Inc., and CD&R Cayman Investment Associates, Inc. Mr. Ames, who is a principal of CD&R, a Director of Associates II and a limited partner of Associates V, was the Chairman of the Board of Riverwood until the Merger. Mr. Conway, who is a principal of CD&R, a Director of Associates II and a limited partner of Associates V, is one of the Company's Directors. The CD&R Fund purchased $225 million of the Company's equity in 1996.

During the year ended December 31, 2003, the Company paid CD&R a management fee of $470,000 for providing management and financial consulting services. In addition, under the terms of the Stockholders Agreement, the Company also paid a transaction fee of $10 million to CD&R for assistance in connection with negotiation of all aspects of the Merger, including the contribution analysis, financial and business due diligence, structure of the proposed refinancing and arranging for proposals by and handling negotiations with financing sources to provide funds for the refinancing. The Company made no payments to CD&R in 2004, other than payments earned by Mr. Conway for service as a Director, which Mr. Conway assigned to CD&R.

The Company entered into an indemnification agreement dated March 27, 1996, with CD&R and the CD&R Fund pursuant to which the Company agreed to indemnify CD&R, the CD&R Fund, Associates V, Associates II, together with any other general partner of Associates V, and their respective directors, officers, partners, employees, agents, advisors, representatives and controlling

persons against certain liabilities arising under the federal securities laws, liabilities arising out of the performance of a certain consulting agreement between the Company and CD&R that is no longer effective, and certain other claims and liabilities.

Management Indebtedness

In November 1999, the Company lent Stephen M. Humphrey, the Company's President and Chief Executive Officer, $5.0 million pursuant to a full-recourse, non-interest bearing promissory note, which was amended in December 2001. The promissory note will become due and payable on the earlier of March 26, 2007, and such time as Mr. Humphrey voluntarily terminates his employment other than for "good reason" or the Company terminates his employment for "cause," in each case as defined in Mr. Humphrey's employment agreement. If payment on the note is not made when due, the payment will bear interest, payable on demand, equal to 5.93% per year. The note will be forgiven and will not have to be repaid if, on or before March 26, 2007, Mr. Humphrey terminates his employment for "good reason," the Company terminates Mr. Humphrey's employment without "cause" or because of his "disability," in each case as defined in his employment agreement, or Mr. Humphrey's employment terminates because of his death. As of April 1, 2005, $5.0 million remained outstanding under the note.

Effective July 30, 2002, the Sarbanes-Oxley Act of 2002 prohibits the granting of any personal loans to or for the benefit of any of the Company's executive officers or Directors and the modification or renewal of any such existing personal loans. The Company has not granted any new personal loans to or for the benefit of the executive officers or Directors or modified or renewed the loan to Mr. Humphrey since the effective date of such provision.

Coors Family Relationships

William K. Coors, Joseph Coors, Jr., Jeffrey H. Coors, John K. Coors, J. Bradford Coors, Peter H. Coors, Melissa E. Coors and Christian Coors Ficeli are co-trustees of one or more of the Coors family trusts and, along with Holland Coors, the Adolph Coors Foundation, which collectively own approximately 30% of the Company's common stock. In addition, one of those trusts owns approximately 30% of the voting common stock of Molson Coors Brewing Company (formerly, the Adolph Coors Company) and a related entity owns 100% of CoorsTek, Inc. ("CoorsTek").

Jeffrey H. Coors, John K. Coors, Joseph Coors, Jr., and Peter H. Coors are brothers. Jeffrey H. Coors is the Company's Executive Chairman and a member of the Board and of the Board of Directors of the Company's subsidiaries, GPI Holding, Inc. and Graphic Packaging International, Inc. J. Bradford Coors is the son of Joseph Coors, Jr., and an employee of CoorsTek. Melissa E. Coors and Christian Coors Ficeli are Peter H. Coors' daughters and employees of Molson Coors Brewing Company. William K. Coors is a Director Emeritus on the Company's Board. Peter H. Coors is an executive officer and Director of Molson Coors Brewing Company. John K. Coors is an executive officer and Director of CoorsTek. The Company, Molson Coors Brewing Company (or its predecessor, the Adolph Coors Company) and CoorsTek, or their subsidiaries, have certain business relationships and have engaged in certain transactions with one another, as described below.

Transactions with Adolph Coors Company. On December 28, 1992, GPIC was spun off from Adolph Coors Company and since that time Adolph Coors Company had no ownership interest in GPIC. However, certain Coors family trusts had significant interests in both GPIC and Adolph Coors Company. GPIC also entered into various business arrangements with the Coors family trusts and related entities from time-to-time since its spin-off. GPIC's policy was to negotiate market prices and competitive terms with all third parties, including related parties.

GPIC originated as the packaging division of Adolph Coors Company. At the time of the spin-off from Adolph Coors Company, GPIC entered into an agreement with Coors Brewing Company to continue to supply its packaging needs. The Company executed a new supply agreement, effective

April 1, 2004, with Coors Brewing Company (now a subsidiary of Molson Coors Brewing Company) that expires on December 31, 2006. The Company continues to sell packaging products to Coors Brewing Company; such sales accounted for approximately $110.3 million of the Company's consolidated net sales for the year ended December 31, 2004.

One of the Company's subsidiaries, Golden Equities, Inc., is the general partner in a limited partnership in which Coors Brewing Company is the limited partner. Before the Merger, Golden Equities was a subsidiary of GPIC. The partnership owns, develops, operates and sells certain real estate previously owned directly by Coors Brewing Company or Adolph Coors Company. Coors Brewing Company was allocated $484,000 as its share of the partnership's profit in 2004.

Transactions with CoorsTek. The spin-off of CoorsTek from GPIC was made pursuant to a distribution agreement between GPIC and CoorsTek in December 1999. It established the procedures to effect the spin-off and contractually provided for the distribution of the CoorsTek common stock to GPIC's stockholders, the allocation to CoorsTek of certain assets and liabilities and the transfer to and assumption by CoorsTek of those assets and liabilities. In the distribution agreement, CoorsTek agreed to repay all outstanding intercompany debt owed by CoorsTek to GPIC together with a special dividend. The total amount of the repayment and the special dividend was $200 million. Under the distribution agreement, GPIC and CoorsTek each agreed to retain, and to make available to the other, books and records and related assistance for audit, accounting, claims defense, legal, insurance, tax, disclosure, benefit administration and other business purposes. CoorsTek also agreed to indemnify GPIC if the CoorsTek spin-off is taxable under certain circumstances or if GPIC incurred certain liabilities. The tax sharing agreement defines the parties' rights and obligations with respect to deficiencies and refunds of federal, state and other taxes relating to the CoorsTek business for tax years preceding the CoorsTek spin-off and with respect to certain tax attributes of CoorsTek after the CoorsTek spin-off.

REPORT OF THE COMPENSATION AND BENEFITS COMMITTEE

The main responsibilities of the Compensation and Benefits Committee are to establish the Company's general compensation philosophy, to oversee the development and implementation of compensation programs and to balance appropriately the competing factors that influence management compensation. These factors include pay for performance and retention of key executives, short-term and long-term focus, and internal and external measures of success. The goal is a program that drives stockholder value and encourages key members of management to remain with the Company.

The Compensation and Benefits Committee has engaged an independent compensation consultant to assist the committee in its deliberations regarding executive compensation. The consultant provides market data and assists in program design. The consultant works with both the Compensation and Benefits Committee and management, but reports to the Compensation and Benefits Committee.

Elements of the Executive Pay Program

The three key elements of the Company's executive compensation program are discussed below. The compensation philosophy for each is also discussed.

Salary. Salary is established by the Compensation and Benefits Committee after evaluating each executive's performance for the prior year, as well as any changes in responsibilities and scope of work. Salary levels are set to encourage ongoing performance throughout the year. The Compensation and Benefits Committee sets executive salaries between the 50th and 75th percentiles of a general industry peer group composed of manufacturing companies of a similar size to the Company. Use of up to the 75th percentile reflects the fact that bonus payouts under the short-term incentive plan require significant improvements in performance. This is discussed further below.

Actual changes to base salaries occur on a non-regular basis that is generally at least 12 months after the most recent prior adjustment for the individual. Base salary changes take into account market data for similar positions, the executive's experience and time in position, and individual performance.

Short-Term Incentives. The Company's short-term incentive plan, the Management Incentive Plan (the "MIP") provides cash awards based upon the accomplishment by the Company of performance thresholds established at the beginning of each year. Payouts under the MIP are determined based on the Company's achievement of earnings before interest, taxes, depreciation and amortization ("EBITDA") and free cash flow targets. Under the MIP, EBITDA is weighted 67% and free cash flow is weighted 33%. Although the measures overlap somewhat, the Compensation and Benefits Committee believes that for 2005, both measures are important. The Compensation and Benefits Committee set goals for those measures that reflect superior performance when compared to similar companies, and analysis indicates that prior year goals have been set at or above the 75th percentile of industry performance. As a result, should executives reach those goals, the plan will pay at approximately the 75th percentile of the market in base salary plus bonus. Should the Company fail to reach the goals, however, the MIP will pay out to a lesser degree, and will pay nothing if the threshold goals are not met.

Long-Term Incentives and Repricing. In connection with the Merger, some prior long-term incentive grants at Riverwood and GPIC were converted into new stock options and restricted stock under the 2003 Riverwood Holding, Inc. Long-Term Incentive Plan. No long-term incentive grants were made during 2004, during which the Company developed a new long-term incentive program that meets various goals including pay for performance, aligning the long-term interests of management with stockholders and promoting an ownership mindset. The program provides flexibility to the Compensation and Benefits Committee to assess Company results and reward outstanding performance. Grants were made under the new program in March 2005.

Perquisites

Executives are provided perquisites as part of the Company's overall executive compensation program. These perquisites generally include reimbursements for financial counseling and tax preparation, an annual executive physical and social club membership fees. Certain executive officers are provided different perquisites as stipulated in their employment agreements. These perquisites include flexible perquisite and car allowances, and additional executive life insurance.

Basis for Chief Executive Officer Compensation

During 2004, the Company paid Mr. Humphrey $987,500 in salary pursuant to the terms of his employment agreement dated March 31, 2003. Mr. Humphrey's base salary was determined when the contract was signed, and is slightly above the 75th percentile of the general industry manufacturing market for companies near the Company's size (per the Company's executive compensation philosophy as noted above.) The Company also paid Mr. Humphrey a cash bonus of $982,563 for 2004, based on EBITDA and free cash flow as discussed above. For 2004, the Company's EBITDA was below the target goal and its free cash flow was above the target goal.

For 2005 and future years, Mr. Humphrey's contract sets his target bonus at 100% of base salary, with a maximum opportunity equal to 200% of base salary. The total of Mr. Humphrey's base salary and target bonus is at the 75th percentile of the market. Again, this presumes performance goals that represent 75th percentile performance.

No long-term incentive grants were made to Mr. Humphrey in 2004 as discussed above. In addition, no grants were made to him in March 2005 when grants to other executives were made. Mr. Humphrey does not participate in a voluntary deferred compensation program; no such program is available at the Company. The Company does not maintain a company plane.

Income Tax Deductibility of Executive Compensation

Section 162(m) of the Code limits the deductibility of certain executives' compensation that exceeds $1 million per year, unless the compensation is paid under a performance-based plan, as defined in the Code, that has been approved by stockholders. The Company has obtained stockholder approval of the 2004 Plan. However, because the Compensation and Benefits Committee's policy is to maximize long-term stockholder value, tax deductibility is only one factor considered in setting compensation.

Summary

We believe that the policies and programs described in this report link pay and performance and serve the best interests of the Company's stockholders. The Compensation and Benefits Committee regularly tests the Company's executive pay plans and policies and modifies them as necessary to continue to achieve the appropriate balance of factors.

John D. Beckett (Chairman)
G. Andrea Botta
Harold R. Logan, Jr.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Beckett (Chairman), Botta and Walker were the members of the Compensation and Benefits Committee until November 2004, when Mr. Logan replaced Mr. Walker. None of the current members of the Compensation and Benefits Committee is or during 2004 was an officer or employee of the Company or any of its subsidiaries. Mr. Coors, the Company's Executive Chairman, serves on the Board of Directors of R.W. Beckett Corporation. Mr. Beckett is the Chairman of the R.W. Beckett Corporation. The Company did no business with R.W. Beckett Corporation in 2004 and does not anticipate doing any business with R.W. Beckett Corporation in 2005.

PROPOSAL 2 AMENDMENT OF THE RIVERWOOD HOLDING, INC. STOCK INCENTIVE PLAN

General

The Company is seeking stockholder approval of an amendment of the 1996 SIP to permit the extension of the terms of certain stock options granted to employees of the Company in 1996 and 1997 and to facilitate a cashless method of exercising stock options that does not require the concurrent sale of shares into the open market. Specifically, the amendment would (i) permit the Compensation and Benefits Committee of the Company to extend (x) the termination date of stock options granted under the 1996 SIP by three years for a maximum 13-year term and (y) the time period after Retirement, as defined in the 1996 SIP, during which the stock options may be exercised to a maximum of three years (but not to exceed the 13-year maximum term), (ii) redefine the term "Retirement" in the 1996 SIP to mean termination of employment by a participant in the 1996 SIP (a "Participant") with age and years of service credit totaling at least 65, with the minimum age at which a participant may be considered retired being 55, and (iii) remove the requirement that shares of the Company's common stock be held for a period of at least six months in order to be used as payment of the exercise price for stock options. The purposes of the amendment are to modify the outstanding stock options so that they provide the compensation and incentive value intended when originally granted, which is currently negatively impacted by the thinly-traded nature of the Company's common stock, and to update the definition of retirement to be consistent with that found in the 2004 Plan.

Material Features of the 1996 SIP

The following summary of the 1996 SIP is qualified in its entirety by the specific language of the 1996 SIP, a copy of which is attached as Appendix A to this Proxy Statement. Capitalized terms used but not defined in this summary shall have the meanings assigned to such terms in the 1996 SIP.

Authorized Shares and Awards. The 1996 SIP authorizes the issuance of up to 10,570,950 shares of common stock (after giving effect to the 15.21-to-1 stock split effected immediately prior to the Merger) to executive officers and other key management employees of the Company selected by the Board to participate. Permitted awards under the 1996 SIP consisted of non-qualified stock options or rights to purchase shares, although the 1996 SIP was amended as of August 8, 2003 to provide that no additional awards would be made thereunder. As of April 1, 2005, only 21 of the 29 Participants in the 1996 SIP had outstanding grants of stock options under the 1996 SIP.

Eligibility. The 1996 SIP authorized awards only to executive officers and other key management employees of the Company and any successor to the Company.

Administration. The Board of Directors is responsible for administering the 1996 SIP, although the Board may delegate all of the powers, duties and responsibilities to the Compensation Committee (or another committee of the Board responsible for compensation of officers) to the full extent permitted by law. As of April 3, 1996, the Board delegated responsibility for administration of the 1996 SIP to the Compensation and Benefits Committee.

Stock Options. Stock options granted under the 1996 SIP must be evidenced by a written agreement between the Participant and the Company that specifies the number of shares subject to options, the exercise price per share, the duration or term of the options and the other terms and conditions of the award. The exercise price per share is determined by the Compensation and Benefits Committee, and, unless otherwise specified in an agreement evidencing an award of stock options, may not be less than the fair market value of a share on the date the option is granted. Under Section 6.3(c) of the 1996 SIP, no option could be exercisable for more than 10 years after the date of grant, although if this proposal to amend the 1996 SIP receives stockholder approval, the last sentence

of Section 6.3(c) will be changed to provide that no options shall be exercisable for more than 13 years after the date of grant.

The 1996 SIP provides that the Compensation and Benefits Committee shall establish procedures governing the exercise of stock options, including procedures for providing notice to the Company and paying the exercise price in full in cash or cash equivalents at the time of exercise. Section 6.4 of the 1996 SIP allows the payment of the exercise price in full or in part in the form of shares of the Company's common stock that have been held for at least six months prior to the date of exercise. If this proposal to amend the 1996 SIP receives stockholder approval, however, the 1996 SIP will be changed to eliminate the requirement that shares tendered in payment be held for six months prior to the date of exercise. This will allow Participants greater flexibility to utilize this method of payment of the exercise price, which is not dependent upon an active public market for the Company's common stock.

Rights to Purchase Common Stock. In addition to stock options, the 1996 SIP also permitted awards of rights to purchase shares directly from the Company from time to time at a price and subject to such terms and conditions as may be established by the Board. Currently no rights to purchase shares are outstanding and no additional awards of such rights may be made.

Termination of Employment. Unless otherwise provided in the agreement evidencing an award of stock options under the 1996 SIP, upon termination of employment due to death, Permanent Disability or Retirement all "Service Options" become fully vested as of the date of such termination and a proportionate share of all "Performance Options" become fully vested pursuant to the formula set forth in Section 8.1 of the 1996 SIP. "Service Options" are defined as options that vest based upon an employee's completion of service and "Performance Options" are defined as options that vest based on the financial performance of the Company and its subsidiaries. Section 8.1 of the 1996 SIP currently specifies that following termination, such vested options are exercisable until the first to occur of (i) the one-year anniversary of the date of the Participant's termination of employment or (ii) the expiration of the term of the option. If this proposal to amend the 1996 SIP is approved, however, Section 8.1 of the 1996 SIP will be changed to permit vested options to be exercisable until the first to occur of (i) the first anniversary of the date of the Participant's termination of employment due to death or Permanent Disability or the third anniversary of the date of the Participant's termination of employment due to Retirement or (ii) the expiration of the term of the option. In addition, the definition of "Retirement" set forth in Section 2.1(bb) of the 1996 SIP will be changed from retirement from active employment at or after age 65 to mean a Participant's termination of employment with age and years of service credit totaling at least 65, with the minimum age at which a Participant may be considered retired being 55. This change will make the definition of Retirement in the 1996 SIP consistent with the 2004 Plan.

Unless otherwise provided in the agreement evidencing an award of stock options under the 1996 SIP, upon termination of employment for Cause, all options, whether vested or unvested, shall terminate immediately. Upon termination for any reason other than death, Permanent Disability, Retirement or Cause, any unvested stock options shall terminate and be cancelled and any vested stock options may be exercised until the first to occur of (i) the 60th day after the date of termination or (ii) the expiration of the term of the options.

Change of Control. The 1996 SIP provides that in the event of a change of control, Participants are entitled to receive a cash payment for each Service Option (whether vested or not) equal to the price per share paid in connection with the change of control transaction less the exercise price of such option. Participants are entitled to receive a similar payment for vested Performance Options based upon the formula set forth in Section 8.1 of the 1996 SIP.

Transferability. No options granted under the 1996 SIP may be sold, transferred, pledged, assigned or otherwise alienated other than by will or the laws of descent and distribution.

Amendment. The 1996 SIP may be amended, modified, terminated or suspended by the Board of Directors, provided that no amendment, modification, termination or suspension of the 1996 SIP will in any manner adversely affect any award previously granted without the consent of the Participant holding such award. Stockholder approval for any such amendment, modification, termination or suspension must be obtained to the extent required by applicable law or if otherwise deemed appropriate by the Company's Board of Directors.

On April 15, 2005, the closing price of the Company's common stock on the NYSE was $3.88 per share.

Summary of U.S. Federal Income Tax Consequences

The following summary generally describes the principal federal income tax consequences of the non-qualified stock options granted under the 1996 SIP as of this time. The summary is general in nature and is not intended to cover all tax consequences that may apply to a particular employee or to the Company. The provisions of the Code and regulations thereunder relating to equity compensation are complicated and their impact in any one case may depend upon the particular circumstances.

In general, when a Participant in the 1996 SIP is granted non-qualified stock options, he or she will not recognize any taxable income. Upon exercise of the stock options, however, the difference between the fair market value of the stock on the date of exercise and the aggregate exercise price will constitute taxable ordinary income to the Participant on the date of exercise. Generally, the Company will be entitled to a deduction in the same year in an amount equal to the income taxable to the Participant. The Participant's basis in shares of common stock acquired upon the exercise of stock options will equal the exercise price plus the amount of income taxable at the time of exercise. Any subsequent disposition of the stock by the Participant will be taxed as a capital gain or loss to the Participant, and will be long-term capital gain or loss if the Participant has held the stock for more than one year at the time of sale.

The Company generally will not be entitled to a federal income tax deduction upon the grant or termination of a non-qualified stock option, or upon the sale or disposition of the shares acquired upon the exercise of a non-qualified stock option. Upon exercise, however, the Company will be entitled to a deduction for federal income tax purposes equal to the amount of ordinary income that a Participant is required to recognize as a result of the exercise, provided that the deduction is not otherwise disallowed under the Code.

Awards of stock options under the 1996 SIP may, in some cases, result in the deferral of compensation that is subject to the requirements of Code Section 409A ("Section 409A"). To date, the U.S. Treasury Department and Internal Revenue Service have issued only preliminary guidance regarding the impact of Section 409A on the taxation of these types of awards. Generally, to the extent that any award that is subject to Section 409A fails to meet certain requirements under Section 409A, the award will be subject to immediate taxation and tax penalties in the year in which the award fails to conform to the requirements of Section 409A. It is the Company's current intent that amendment of awards under the 1996 SIP will be structured and administered in a manner that complies with the requirements of Section 409A.

Option Grants to be Amended

If the amendment to the 1996 SIP outlined above is approved, the Compensation and Benefits Committee currently intends to extend the maximum terms of 3,764,600 stock options granted to 19 employees in June 1996 and March 1997. Under their original terms, 519,575 of such stock options expire in 2006 and 3,245,025 of such options expire in 2007. None of the Company's Named Executive Officers, Directors or nominees for Director will be affected by the extension of the term of the stock options, except Mr. Stephen M. Humphrey, who serves a President and Chief Executive Officer of the

Company and is a nominee for election as a Director at the Annual Meeting, who holds all of the stock options expiring in 2007. Mr. Humphrey has three tranches of 1,081,675 vested stock options with per share exercise prices of $6.57, $4.93 and $3.28, respectively. Other than Mr. Humphrey, no Participant has received 5% or more of the outstanding options under the 1996 SIP.

The only other executive officer of the Company holding stock options that the Compensation and Benefits Committee currently intends to extend is Mr. Michael R. Schmal, who holds 60,840 stock options with an exercise price of $6.57 per share. In addition to Mr. Humphrey and Mr. Schmal, the Compensation and Benefits Committee intends to extend the terms of 458,735 options with an exercise price of $6.57 per share held by 17 management employees of the Company. The Compensation and Benefits Committee does not currently intend to extend the terms of 164,258 stock options with an exercise price of $6.57 per share held by two executive officers of the Company granted in 1999. Including options held by these two executive officers, the Company's executive officers as a group hold 3,470,123 options under the 1996 SIP.

Board Recommendation

The Board of Directors believes that the proposed amendment to the 1996 SIP is in the best interests of the Company and its stockholders. **The Board of Directors recommends a vote "FOR" approval of the amendment to the 1996 SIP.**

TOTAL RETURN TO STOCKHOLDERS

The following graph compares the total returns (assuming reinvestment of dividends) of the Company's common stock, the Standard & Poor's 500 Stock Index and the Dow Jones U.S. Container & Packaging Index. The graph assumes $100 invested on August 11, 2003 (the first day of public trading in the Company's common stock) in the Company'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.

	08/11/03	12/31/03	12/31/04
Graphic Packaging Corporation	$ 100.00	$ 99.02	$ 175.60
S&P 500 Index	$ 100.00	$ 114.21	$ 126.64
DJ U.S. Container & Packaging Index	$ 100.00	$ 118.86	$ 140.22

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information concerning the beneficial ownership of the Company's common stock by (i) each stockholder that is known by the Company to be the beneficial owner of more than 5% of the Company's common stock, (ii) each Director and Director-nominee, (iii) each Named Executive Officer and (iv) the Directors and executive officers as a group. Unless otherwise noted, such information is provided as of April 1, 2005 and the beneficial owners listed have sole voting and investment power with respect to the number of shares shown. An asterisk in the percent of class column indicates beneficial ownership of less than one percent.

Name	Number of Shares	Percentage
5% Stockholders:		
Grover C. Coors Trust(1)(2)	51,211,864	25.79%
Jeffrey H. Coors(1)(2)(3)	64,039,489	31.94%
William K. Coors(1)(2)(4)	62,096,484	31.27%
Clayton, Dubilier & Rice Fund V Limited Partnership(5)	34,222,500	17.23%
EXOR Group S.A.(6)	34,222,500	17.23%
The 1818 Fund II, L.P.(7)	11,291,400	5.69%
HWH Investment Pte. Ltd.(8)	10,647,000	5.36%
Directors and Named Executive Officers:		
Stephen M. Humphrey(9)	8,254,854	3.99%
John D. Beckett(10)	62,123	*
G. Andrea Botta	13,294	*
Kevin J. Conway	0	*
Harold R. Logan, Jr.(11)	28,586	*
John R. Miller	12,025	*
Robert W. Tieken	10,065	*
Martin D. Walker	31,389	*
David W. Scheible(12)	273,154	*
John T. Baldwin(13)	176,665	*
Robert W. Spiller(14)	134,355	*
All Directors and executive officers as a group (18 persons)(15)	74,330,245	35.34%

(1) Under the trust agreement evidencing the Grover C. Coors Trust (the "Coors Trust"), the affirmative vote of a majority of the trustees is required to determine how shares of stock held by the Coors Trust will be voted or to dispose of any shares of stock held by the Coors Trust; therefore, none of the trustees of the Coors Trust is deemed to have beneficial ownership of shares held by the Coors Trust by virtue of the trust agreement (although Jeffrey H. Coors and William K. Coors are deemed to have beneficial ownership of the shares held by the Coors Trust pursuant to the Stockholders Agreement). The trustees of the Coors Trust are William K. Coors, Jeffrey H. Coors, John K. Coors, Joseph Coors, Jr. and Peter H. Coors. The business address for the Grover C. Coors Trust is Coors Family Trusts, Mailstop VR 900, Post Office Box 4030, Golden, Colorado 80401.

(2) Pursuant to the Stockholders Agreement, certain members of the Coors family and related trusts that are parties thereto, including the Coors Trust, Jeffrey H. Coors and William K. Coors, have designated and appointed Jeffrey H. Coors and, in case of his inability to act, William K. Coors, as their attorney-in-fact to perform all obligations under the Stockholders Agreement, including but not limited to, voting obligations with respect to the election of directors. The parties to the Stockholder Agreement retain voting power with regard to all other matters and sole dispositive power over such shares. The business address for William K. Coors and Jeffrey H. Coors is Graphic Packaging Corporation, 814 Livingston Court, Marietta, Georgia 30067.

(3)

The amount shown includes (i) 53,429 shares held in joint tenancy with spouse, (ii) 140,848 stock units held in the Company's 401(k) savings plan, (iii) 250 shares held by GPIC's Payroll Stock Ownership Plan, (iv) 500 shares held by Jeffrey H. Coors Family, Ltd., (v) 1,726,652 shares held by the May Kistler Coors Trust dated September 24, 1965, as to which Jeffrey H. Coors has voting and investment power with William K. Coors, Joseph Coors, Jr., John K. Coors and Peter H. Coors, as co-trustees, (vi) 30,000 shares held by Mr. Coors' wife, and (vii) an aggregate of 60,019,768 shares attributable to Mr. Coors solely by virtue of the Stockholders Agreement. The amount shown also includes 1,603,489 shares subject to stock options exercisable within 60 days and 313,942 restricted stock units that vest within 60 days.

(4)

The amount shown includes (i) 153,691 shares held in joint tenancy with spouse, (ii) 1,726,652 shares held by the May Kistler Coors Trust dated September 24, 1965, as to which William K. Coors has voting and investment power with Jeffrey H. Coors, Joseph Coors, Jr., John K. Coors and Peter H. Coors, as co-trustees, and (iii) an aggregate of 60,211,715 shares attributable to Mr. Coors solely by virtue of the Stockholders Agreement. The amount shown also includes 4,426 shares subject to stock options exercisable within 60 days.

(5)

Associates V is the general partner of the CD&R Fund and has the power to direct the CD&R Fund as to the voting and disposition of its shares of the Company's common stock. Associates II is the managing general partner of Associates V and has the power to direct Associates V as to its direction of the CD&R Fund's voting and disposition of shares. No person controls the voting and dispositive power of Associates II with respect to the shares owned by the CD&R Fund. Each of Associates V and Associates II expressly disclaims beneficial ownership of the shares owned by the CD&R Fund. The business address for each of the CD&R Fund, Associates V and Associates II is 1403 Foulk Road, Suite 106, Wilmington, Delaware 19803.

(6)

Giovanni Agnelli e C.S.A.P.A.Z., an Italian company, is the beneficial owner of more than 60% of the equity interests of EXOR Group S.A. The business address for EXOR Group S.A. is 22-24, Boulevard Royal, L-2449 Luxembourg.

(7)

The business address for The 1818 Fund II, L.P. is c/o Brown Brothers Harriman & Co., 140 Broadway, 16th Floor, New York, NY 10005.

(8)

The beneficial owner of HWH Investment Pte Ltd is Government of Singapore Investment Corporation (Ventures) Pte Ltd which is beneficially owned by Minister for Finance Inc. of the Government of Singapore. The business address for HWH Investment Pte Ltd is 250 North Bridge Road, Singapore 179101, Republic of Singapore.

(9)

The amount shown includes 7,988,679 shares subject to stock options exercisable within 60 days and 114,075 restricted stock units that vest within 60 days.

(10)

The amount shown includes 5,638 shares subject to stock options exercisable within 60 days.

(11)

The amount shown includes 2,000 shares subject to stock options exercisable within 60 days.

(12)

The amount shown includes 163,710 shares subject to stock options exercisable within 60 days and 105,191 restricted stock units that vest within 60 days.

(13)

The amount shown includes 133,332 shares subject to stock options exercisable within 60 days and 33,333 restricted stock units that vest within 60 days.

(14)

The amount shown includes 114,075 shares subject to stock options exercisable within 60 days and 20,280 restricted stock units that vest within 60 days.

(15)

The amount shown includes 10,799,423 shares subject to stock options exercisable within 60 days and 951,951 restricted stock units that vest within 60 days.

36

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company pursuant to Rule 16a-3(e) of the Exchange Act during 2004 and Form 5 and amendments thereto furnished to the Company with respect to 2004, and written representations from the Company's reporting persons, the Company believes that the its officers, Directors and beneficial owners have complied with all filing requirements under Section 16(a) applicable to such persons, except that Mr. Jeffrey H. Coors filed one Form 4 reporting the payout of deferred compensation in shares late.

AUDIT MATTERS

Report of the Audit Committee

This report by the Audit Committee is required by the rules of the SEC. It is not to be deemed incorporated by reference by any general statement that incorporates by reference this Proxy Statement into any filing under the Securities Act or the Exchange Act, and it is not to be otherwise deemed filed under either such Act.

The Audit Committee is currently comprised of three members, each of which is an "independent director," as defined by Section 303A of the NYSE Listed Company Manual. Each of the members of the Audit Committee is financially literate and each qualifies as an "audit committee financial expert" under federal securities laws. The Audit Committee's purposes are to assist the Board in overseeing: (a) the quality and integrity of the Company's financial statements; (b) the qualifications and independence of the Company's independent auditors; and (c) the performance of the Company's internal audit function and independent auditors.

In carrying out its responsibilities, the Audit Committee has:

reviewed and discussed the Company's audited financial statements with management;

discussed with the independent auditors the matters required to be discussed with audit committees by Statement on Auditing Standards No. 61, as amended; and

received the written disclosures and the letter from the Company's independent auditors required by Independence Standards Board Standard No. 1 and has discussed with independent auditors their independence.

Based on the review and discussions noted above and the Company's independent auditors' report to the Audit Committee, the Audit Committee has recommended to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

Robert W. Tieken, (Chairman)
Harold R. Logan, Jr.
John R. Miller

Principal Accountant Audit and Non-Audit Fees

Aggregate fees for professional services rendered by PricewaterhouseCoopers LLP, the Company's principal accountants ("PWC"), are as follows:

	Year Ended December 31,	
	2004	2003
	(in millions)	
Audit Fees	$ 3.8	$ 1.6
Audit-Related Fees	0.3	1.5
Tax Fees	0.0	0.1
All Other Fees	0.1	1.5
Total	$ 4.2	$ 4.7

Audit Fees. This category includes the aggregate fees billed for professional services rendered for the audits of the Company's consolidated financial statements for fiscal years ended December 31, 2004, and December 31, 2003, for the reviews of the financial statements included in the quarterly reports on Form 10-Q during 2004 and 2003, and for services that are normally provided by PWC in connection with statutory and regulatory filings or engagements for the relevant fiscal years.

Audit-Related Fees. This category includes the aggregate fees billed in each of the last two fiscal years for assurance and related services by PWC that are reasonably related to the performance of the audits or reviews of the financial statements and are not reported under "Audit Fees," as noted above. These services consist of fees for accounting consultation and audits of employee benefit plans, and in 2003, fees for due diligence done in connection with the Merger.

Tax Fees. This category includes the aggregate fees billed in each of the last two fiscal years for professional services rendered by PWC for tax compliance, tax planning and tax advice.

All Other Fees. This category includes the aggregate fees billed in each of the last two fiscal years for products and services provided by PWC that are not reported under "Audit Fees," "Audit-Related Fees" or "Tax Fees," as noted above.

The Audit Committee reviews and pre-approves audit and non-audit services performed by PWC, the Company's independent auditors, as well as the fees charged for such services. Pre-approval is generally provided for up to one year, is detailed as to the particular service or category of service and is subject to a specific budget. The Audit Committee may also pre-approve particular services on a case-by-case basis. The Chairman of the Audit Committee may grant pre-approval authority for such services, and such pre-approval is then presented to the full Audit Committee at its next scheduled meeting for ratification.

The Audit Committee has considered and determined the fees charged for services other than "Audit Fees" discussed above are compatible with maintaining independence by PWC. Beginning May 6, 2004, 100% of the audit and non-audit services provided by PWC were pre-approved by the Audit Committee in accordance with the Audit Committee Charter.

Independent Auditors

Upon the recommendation of the Audit Committee, the Board has reappointed PWC as independent auditors to audit the Company's consolidated financial statements for the fiscal year ending December 31, 2005. PWC has served in such capacity continuously since June 2002.

Representatives of PWC are expected to be present at the Annual Meeting, where they will have the opportunity to make a statement, if they desire to do so, and be available to respond to appropriate questions.

ADDITIONAL INFORMATION

The Company will bear the entire cost of proxy solicitation, including the preparation, assembly, printing, mailing and distribution of proxy materials. In addition to the use of the mail, proxies may be solicited personally by telephone by certain employees. The Company will reimburse brokers or other persons holding stock in their names or in the names of nominees for their expense in sending proxy materials to principals and obtaining their proxies.

Where a choice is specified with respect to any matter to come before the Annual Meeting, the shares represented by proxy will be voted in accordance with such specifications. Where a choice is not so specified, the shares represented by the proxy will be voted "FOR" the election of each of the nominees for Director and "FOR" the approval of the amendment of the 1996 Plan.

Management is not aware of any matters other than those specified herein that will be presented for action at the Annual Meeting, but if any other matters do properly come before the Annual Meeting, the persons named as proxies will vote upon such matters in accordance with their best judgment.

In the election of Directors, a specification to withhold authority to vote for any of the nominees will not constitute an authorization to vote for any other nominee.

STOCKHOLDER PROPOSALS AND NOMINATIONS

If you intend to present a proposal at the 2006 annual meeting of stockholders, and you wish to have the proposal included in the proxy statement for that meeting, you must submit the proposal in writing to the Company's Corporate Secretary at 814 Livingston Court, Marietta, Georgia 30067. The Corporate Secretary must receive this proposal no later than December 21, 2005.

If you want to present a proposal at the 2006 annual meeting of stockholders, without including the proposal in the proxy statement, or if you want to nominate one or more Directors, you must provide written notice to the Company's Corporate Secretary at the address above. The Corporate Secretary must receive this notice not earlier than January 17, 2006, and not later than February 16, 2006. However, if the date of the 2006 annual stockholders meeting is advanced by more than 30 days or delayed by more than 70 days from the anniversary date of the Annual Meeting, then such proposal must be submitted by the later of the 90th day before such Annual Meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

Notice of a proposal or nomination must include:

as to each proposed nominee for election as a Director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act and Rule 14a-11 thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected;

as to any other proposal, a brief description of the proposal (including the text of any resolution proposed for consideration), the reasons for such proposal and any material interest in such proposal of such stockholder and of any beneficial owner on whose behalf the proposal is made; and

as to the stockholder giving the notice and any beneficial owner on whose behalf the nomination or proposal is made:

the name and address of such stockholder and beneficial owner, as they appear on the Company's books;

the class and number of shares of the Company's common stock that are owned beneficially and of record by such stockholder and such beneficial owner;

a representation that the stockholder is a holder of record of the Company's common stock entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination; and

a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group that intends: (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to approve or adopt the proposal or elect the nominee; and/or (b) otherwise to solicit proxies from stockholders in support of such proposal or nomination.

Only persons who are nominated in accordance with the procedures described above will be eligible for election as Directors and only such other proposals will be presented at the meeting as were brought before the meeting in accordance with the procedures described above. Except as otherwise provided by law, the Company's Restated Certificate of Incorporation or By-Laws, the Chairman of the meeting will have the power and duty to determine whether a nomination or any other proposal was made or proposed in accordance with these procedures. If any proposed nomination or proposal is not made or proposed in compliance with these procedures, it will be disregarded. A proposed nomination or proposal will also be disregarded if the stockholder or a qualified representative of the stockholder does not appear at the Annual Meeting of stockholders to present the nomination or proposal, notwithstanding that the Company may have received proxies with respect of such vote.

The foregoing notice requirements will be deemed satisfied by a stockholder if the stockholder has notified the Company of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that the Company has prepared to solicit proxies for such annual meeting. The Company may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a Director.

ANNUAL REPORT

The Company's 2004 Annual Report to Stockholders accompanies this Proxy Statement. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, is included in the Annual Report to Stockholders and is available without charge upon written request addressed to Graphic Packaging Corporation, Investor Relations, 814 Livingston Court, Marietta, Georgia 30067. The Company will also furnish any exhibit to the Annual Report on Form 10-K for the fiscal year ended December 31, 2004, if specifically requested.

By order of the Board of Directors,

STEPHEN A. HELLRUNG
Senior Vice President, General Counsel and Secretary

Marietta, Georgia
April 18, 2005

Appendix A

RIVERWOOD HOLDING, INC.
STOCK INCENTIVE PLAN

Section 1. Purpose

The purpose of this Riverwood Holding, Inc. Stock Incentive Plan is to foster and promote the long-term financial success of the Company and the Subsidiaries and to increase materially stockholder value by (a) motivating superior performance by participants in the Plan, (b) providing participants in the Plan with an ownership interest in the Company and (c) enabling the Company and the Subsidiaries to attract and retain the services of an outstanding management team upon whose judgment, interest and special effort the successful conduct of its operations is largely dependent.

Section 2. Definitions

2.1. **Definitions.** Whenever used herein, the following terms shall have the respective meanings set forth below:

(a) "Affiliate" means, with respect to any person, any other person controlled by, controlling or under common control with such person.

(b) "Award Agreement" means the agreement evidencing the grant of any Incentive Award under the Plan, including a Subscription Agreement and an Option Agreement.

(c) "Board" means the Board of Directors of the Company.

(d) "CD&R Fund" means the Clayton, Dubilier & Rice Fund V Limited Partnership, a Cayman Islands exempted limited partnership, and any successor investment vehicle managed by Clayton, Dubilier & Rice, Inc.

(e) "Cause" shall mean (*i*) the willful failure of the Participant to perform substantially his employment-related duties, (*ii*) the Participant's willful or serious misconduct that has caused or could reasonably be expected to result in material injury to the business or reputation of Company or any Subsidiary, (*iii*) the Participant's conviction of, or entering a plea of guilty or *nolo contendere* to, a crime constituting a felony or (*iv*) the breach by the Participant of any written covenant or agreement with the Company or any Subsidiary not to disclose any information pertaining to the Company or any Subsidiary, not to compete or interfere with the Company or any Subsidiary or relating to the take-along rights described in Section 10.3 hereof; provided that, with respect to any Participant who is party to an employment or individual severance agreement with the Company or RIC, "Cause" shall have the meaning, if any specified in such agreement.

(f) "Change in Control" means the first to occur of the following events after the Effective Date:

(i) the acquisition by any person, entity or "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended), other than the Company, the Subsidiaries, any employee benefit plan of the Company or the Subsidiaries, the CD&R Fund, any Investor or any Affiliate of the CD&R Fund or of an Investor, of 50% or more of the combined voting power of the Company's or RIC's then outstanding voting securities;

(ii) the merger or consolidation of the Company or RIC, as a result of which persons who were stockholders of the Company or RIC, as the case may be, immediately prior to such merger or consolidation, do not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(iii) the liquidation or dissolution of the Company or RIC other than a liquidation of RIC into the Company or into any Subsidiary; and

(iv) the sale, transfer or other disposition of all or substantially all of the assets of the Company or RIC to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, Affiliates of the Company, RIC, the CD&R Fund or any Investor.

(g) "Change in Control Price" means the price per share of Common Stock paid in conjunction with any transaction resulting in a Change in Control (as determined in good faith by the Board if any part of such price is payable other than in cash).

(h) "Committee" means the Compensation Committee of the Board (or such other committee of the Board which shall have jurisdiction over the compensation of officers).

(i) "Common Stock" means the Class A Common Stock, par value $.01 per share, of the Company.

(j) "Company" means Riverwood Holding, Inc., a Delaware corporation formerly known as New River Holding, Inc., and any successor thereto.

(k) "EBITDA", for any period, shall, unless otherwise provided in an Award Agreement, have the meaning assigned to such term in the Credit Agreement, dated as of March 21, 1996, among RIC Holding, Inc., the other borrowers party thereto, Chemical Bank, as administrative agent, and the lenders party thereto from time to time, as such agreement may be assumed by RIC as successor in interest to RIC Holding, Inc., and as the same may be amended from time to time.

(l) "Effective Date" means April 8, 1996.

(m) "Employee" means any executive officer or other key management employee of the Company.

(n) "Extraordinary Termination" means a termination of a Participant's employment with the Company and the Subsidiaries by reason of the Participant's death, Permanent Disability or Retirement.

(o) "Fair Market Value" means, as of any date, the fair market value on such date per share of Common Stock as determined in good faith by the Executive Committee of the Board. In making a determination of Fair Market Value, the Executive Committee shall give due consideration to such factors as it deems appropriate, including, without limitation, the earnings and certain other financial and operating information of the Company and the Subsidiaries in recent periods, the potential value of the Company and the Subsidiaries as a whole, the future prospects of the Company and the Subsidiaries and the industries in which they compete, the history and management of the Company and the Subsidiaries, the general condition of the securities markets, the fair market value of securities of companies engaged in businesses similar to those of the Company and the Subsidiaries and a valuation of the Common Stock, which shall be performed, with respect to the 1996 fiscal year, as promptly as practicable following the first business day of the 1997 fiscal year of the Company and each subsequent fiscal year by an independent valuation firm chosen by the Executive Committee, provided, however, that the Fair Market Value per share of Common Stock determined as of any date prior to January 1, 1997 shall be deemed to equal $100 unless the Executive Committee determines otherwise. Notwithstanding the foregoing, following a Public Offering, Fair Market Value shall mean the average of the high and low trading prices for a share of Common Stock on the primary national exchange (including NASDAQ) on which the Common Stock is then traded on the trading day immediately preceding the date as of which such Fair Market Value is determined. The determination of Fair Market Value will not give effect to any restrictions on transfer of the shares

of Common Stock or the fact that such Common Stock would represent a minority interest in the Company.

(p) "Incentive Award" means an award of Options under the Plan or the right to purchase Common Stock pursuant to Article VIII of the Plan.

(q) "Investors" means each of the investors who purchased shares of Common Stock or shares of Class B Common Stock of the Company concurrently with the consummation of the merger contemplated by the Merger Agreement, and their "specified affiliates", within the meaning of the Stockholders Agreement of the Company, as amended from time to time.

(r) "Merger Agreement" means the Agreement and Plan of Merger, dated as of October 25, 1995, among CDRO Acquisition Corporation, an indirect, wholly owned subsidiary of the Company, RIC Holding, Inc. a wholly owned subsidiary of the Company, and Riverwood International Corporation.

(s) "New Employer" means a Participant's employer, or the parent or a subsidiary of such employer, immediately following a Change in Control.

(t) "Option" means the right granted to a Participant under the Plan to purchase a stated number of shares of Common Stock at a stated price, not less than Fair Market Value on the date of grant, for a specified period of time.

(u) "Option Agreement" means an agreement between the Company and the Participant setting forth the terms and conditions of any Options granted hereunder, which agreement shall, unless the Board otherwise determines, be substantially in the form attached hereto as Exhibit B.

(v) "Participant" means any Employee designated by the Board to participate in the Plan.

(w) "Performance Option" means an Option granted pursuant to the Plan which vests in accordance with the provisions of Section 6.3(b) based upon the financial performance of the Company and the Subsidiaries.

(x) "Permanent Disability" means a physical or mental disability or infirmity that prevents the performance of a Participant's employment-related duties lasting (or likely to last, in the judgment of the Board) for a period of six months or longer and within 30 days after RIC notifies the Participant in writing that it intends to replace him, the Participant shall not have returned to the performance of his employment-related duties on a full-time basis. The Board's reasoned and good faith judgment of Permanent Disability shall be final, binding and conclusive and shall be based on such competent medical evidence as shall be presented to it by such Participant and/or by any physician or group of physicians or other competent medical expert employed by the Participant, the Company or RIC to advise the Board; provided that, with respect to any Participant who is party to an employment or individual severance agreement with the Company or RIC, "Permanent Disability" shall have the meaning, if any, assigned in such agreement to such term or to a similar term such as "Disability" or "Disabled".

(y) "Plan" means this Riverwood Holding, Inc. Stock Incentive Plan, as the same may be amended from time to time.

(z) "Public Offering" means the first day as of which sales of Common Stock are made to the public in the United States pursuant to an underwritten public offering of the Common Stock led by one or more underwriters at least one of which is an underwriter of nationally recognized standing.

(aa) "Registration and Participation Agreement" means the Registration and Participation Agreement, dated as of March 27, 1996, among the Company and certain stockholders of the Company, as the same may be amended from time to time.

(bb) "Retirement" means a Participant's retirement from active employment with the Company and the Subsidiaries at or after age 65.

(cc) "RIC" means Riverwood International Corporation, a Delaware corporation formerly known as Riverwood International USA, Inc., and any successor thereto.

(dd) "Service Option" means an Option granted pursuant to the Plan which vests in accordance with the provisions of Section 6.3(a) based upon a Participant's completion of service.

(ee) "Subscription Agreement" means the management stock subscription agreement entered into by the Company and a Participant setting forth the terms and conditions of any purchase of Common Stock by such Participant under the Plan which agreement shall be substantially in the form attached hereto as Exhibit A, unless the Board determines otherwise.

(ff) "Subsidiary" means any corporation or other person, a majority of whose outstanding voting securities or other equity interests is owned, directly or indirectly, by the Company.

2.2. **Gender and Number.** Except when otherwise indicated by the context, words in the masculine gender used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

Section 3. Eligibility and Participation

Participants in the Plan shall be those Employees selected by the Board to participate in the Plan from time to time. The selection of an Employee as a Participant shall neither entitle such Employee to nor disqualify such Employee from participation in any other award or incentive plan.

Section 4. Powers of the Board

4.1. **Power to Grant and Establish Terms of Awards.** The Board shall, subject to the terms of the Plan, determine the Participants to whom Incentive Awards shall be granted and the terms and conditions of such Incentive Awards, provided that nothing in the Plan shall limit the right of members of the Board who are Employees to receive Incentive Awards hereunder.

4.2. **Administration.** The Board shall be responsible for the administration of the Plan. Any authority exercised by the Board under the Plan shall be exercised by the Board in its sole discretion. The Board, by majority action thereof, is authorized to prescribe, amend and rescind rules and regulations relating to the administration of the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company and the Subsidiaries, and to make all other determinations necessary or advisable for the administration and interpretation of the Plan or to carry out its provisions and purposes. Determinations, interpretations or other actions made or taken by the Board pursuant to the provisions of the Plan shall be final, binding and conclusive for all purposes and upon all persons.

4.3 **Delegation by the Board.** All of the powers, duties and responsibilities of the Board specified in the Plan may, to the full extent permitted by applicable law, be exercised and performed by the Committee or any other duly constituted committee of the Board, in any such case, to the extent authorized by the Board to exercise and perform such powers, duties and responsibilities.

Section 5. Stock Subject to Plan

5.1. **Number.** Subject to the provisions of Section 5.3, the maximum number shares of Common Stock subject to Incentive Awards under the Plan (including shares that become available for grant pursuant to Section 5.2) may not exceed, in the aggregate, (*i*) 695,000 shares, reduced by (*ii*) the number of shares of Common Stock, not to exceed 5,000 shares, covered by Awards offered but not granted under Plan in the initial offering and grant of Awards hereunder. The shares to be delivered

under the Plan may consist, in whole or in part, of Common Stock held in treasury or authorized but unissued shares of Common Stock, not reserved for any other purpose.

5.2. **Canceled, Terminated or Forfeited Awards.** Any shares of Common Stock subject to any portion of an Incentive Award which for any reason expires, or is canceled, terminated, forfeited or otherwise settled without the issuance of such shares of Common Stock, shall again be available for award under the Plan, subject to the maximum limitation specified in Section 5.1.

5.3. **Adjustment in Capitalization.** The number and class of Incentive Awards (and the number of shares of Common Stock available for issuance upon exercise or settlement of such Incentive Awards) granted under the Plan, and the number, class and exercise price of any outstanding Options, may be adjusted by the Board, in its sole discretion, if it shall deem such an adjustment to be necessary or appropriate to reflect any Common Stock dividend, stock split or share combination or any recapitalization, merger, consolidation, exchange of shares, liquidation or dissolution of the Company.

Section 6. Terms of Options

6.1. **Grant of Options.** Options may be granted to Participants at such time or times as shall be determined by the Board. Each Option granted to a Participant shall be evidenced by an Option Agreement that shall specify the exercise price at which a share of Common Stock may be purchased pursuant to such Option, the duration of such Option and such other terms and conditions consistent with the Plan as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters. Unless otherwise determined by the Board, such Option Agreement shall also state that the holder thereof is entitled to the benefits of and shall be bound by the obligations set forth in the Registration and Participation Agreement, dated as of March 27, 1996 and as the same may be amended from time to time, among the Company and certain stockholders of the Company, to the extent set forth therein.

6.2. **Option Price.** The exercise price per share of Common Stock to be purchased upon exercise of an Option shall be determined by the Board but shall not be less than the Fair Market Value on the date the option is granted.

6.3. **Exercise of Options.**

(a) **Service Options.** Unless otherwise provided by the Board in the Option Agreement evidencing such Award, subject to the continuous employment of the Participant with the Company or one of the Subsidiaries, Service Options granted to a Participant shall become vested in five equal annual installments on each of the first five anniversaries of the date of grant, *provided* that in all events 100% of such Service Options shall become exercisable (*i*) at the time and under the circumstances described in Sections 9.1 or 10, if applicable, or (*ii*)(*x*) in the event that the CD&R Fund and, if applicable, its Affiliates effect a sale or other disposition of all of the Common Stock then held by the CD&R Fund and its Affiliates to one or more persons other than any person who is an Affiliate of the CD&R Fund and (*y*) thereafter, the Participant's employment with the Company and the Subsidiaries is terminated by the Company other than for Cause or, to the extent provided in the Award Agreement evidencing such Service Options, by the Participant for "good reason" (as defined in such Option Agreement) (a "Disposition Transaction and Termination"), as of the date of such termination.

(b) **Performance Options.** Unless otherwise provided by the Board in the Option Agreement evidencing such Award, subject to Section 9.1 and 10, no portion of any Performance Options shall become vested unless and until the Company shall have achieved the EBITDA target specified in the Option Agreement evidencing such Performance Options and provided the Participant is in the continuous employment of the Company or one of the Subsidiaries from the date of grant to the date such target is achieved, provided, however, that in the event of a Disposition Transaction and Termination, a proportionate share of any Performance Options that have not vested and become exercisable on or prior to the date of such Disposition Transaction and Termination shall vest and become exercisable as of such date, such proportionate share to equal the product of (*i*) the percentage obtained by dividing (*x*) the cumulative EBITDA achieved by the Company as of the last day of the calendar quarter ending coincident with or immediately prior to the date of the Disposition Transaction and Termination by (*y*) the EBITDA target specified in the Option Agreement, multiplied by (*ii*) the total number of Shares subject to the Performance Options. Notwithstanding the foregoing provisions of this paragraph (*b*), subject to the continuous employment of the Participant with the Company or one of the Subsidiaries, Performance Options shall become vested in full, nine years and six months following the date of grant, regardless of whether the applicable EBITDA target shall have been achieved.

(c) **Conditions.** Notwithstanding any other provision herein, the Board may accelerate the vesting or exercisability of any Option, all Options or any class of Options, at any time and from time to time. On or before the date upon which any Employee will exercise any exercisable Option, the Company and such Employee shall enter into a Subscription Agreement with respect to the Common Stock to be purchased upon exercise of such Option. Notwithstanding any other provision of the Plan, no Option shall be exercisable for more than 10 years after the date on which it is granted.

6.4. **Payment.** The Board shall establish procedures governing the exercise of Options, which procedures shall generally require that written notice of the exercise thereof be given and that the exercise price thereof be paid in full in cash or cash equivalents, including by personal check, at the time of exercise. The exercise price of any Options exercised at any time following a Public Offering may be paid in full or in part in the form of shares of Common Stock that have been owned by the Participant for at least six months, based on the Fair Market Value of such shares of Common Stock on the date of exercise, subject to such rules and procedures as may be adopted by the Board and, if the Board deems it necessary or appropriate, subject to shareholder approval of the Plan. Subject to Section 6.3, as soon as practicable after receipt of a written exercise notice and payment in full of the exercise price of any Options, the Company shall deliver to the Participant a certificate or certificates representing the shares of Common Stock acquired upon the exercise thereof, bearing appropriate legends if applicable.

Section 7. Terms of Offers to Purchase Common Stock

7.1. **Offers to Purchase Common Stock.** Offers to purchase Common Stock may be made to Participants at such time or times as shall be determined by the Board. Each purchase of Common Stock by a Participant shall be made pursuant to a Subscription Agreement that shall include customary representations, warranties, covenants and other terms and conditions with respect to securities law matters and such other terms and conditions as the Board shall determine. Unless otherwise determined by the Board, such Subscription Agreement shall also state that in respect of any shares of Common Stock purchased by the Participant pursuant to such Subscription Agreement (*i*) prior to a Public Offering, such shares shall be subject to certain repurchase rights of Holding and the CD&R Fund and (*ii*) such Participant shall be entitled to certain of the benefits (relating to the right to participate in certain sales and purchases of Common Stock by the Investors) set forth in the Registration and Participation Agreement and shall be bound by the obligations set forth in such

Registration and Participation Agreement, in each case, to the extent set forth in the Subscription Agreement evidencing the purchase of such Common Stock.

7.2. **Purchase Price.** The purchase price per share of Common Stock to be purchased under the Plan shall be determined by the Board.

Section 8. Termination of Employment

8.1. **Extraordinary Termination.** Unless otherwise provided in the Option Agreement or otherwise determined by the Board, in the event that a Participant's employment with the Company and the Subsidiaries terminates by reason of an Extraordinary Termination, then (*i*) all Service Options granted to such Participant shall become fully vested as of the date of such termination, (*ii*) if the Performance Options granted to such Participant have not become vested on or prior to the date of such termination, a proportionate share of such Performance Options shall become vested as of the date of such termination, such proportionate share to equal the percentage obtained by dividing (*A*) the cumulative EBITDA achieved during the period from the date of grant (or such other date specified in the applicable Option Agreement) to the last day of the calendar quarter ending coincident with or immediately prior to the Participant's termination of employment, by (*B*) the cumulative EBITDA target specified in such Option Agreement and (*iii*) all such Service Options and vested Performance Options shall remain exercisable solely until the first to occur of (*x*) the one year anniversary of the date of the Participant's termination of employment or (*y*) the expiration of the term of any such Option. Any Performance Options held by the Participant that are not vested as of the date of an Extraordinary Termination shall terminate and be canceled immediately upon such Extraordinary Termination and all other Options that are not exercised within the period described in the preceding sentence shall terminate and be canceled upon the expiration of such period.

8.2. **Termination for Cause.** Unless otherwise provided in the Award Agreement or otherwise determined by the Board, in the event a Participant's employment with the Company and the Subsidiaries is terminated by the Company or a Subsidiary for Cause, any Options held by such Participant (whether or not then vested or exercisable) shall terminate and be canceled immediately upon such termination of employment and any Common Stock purchased by the Participant may be repurchased for a purchase price calculated in accordance with the terms of the Subscription Agreement.

8.3. **Other Termination of Employment.** Unless otherwise determined by the Board at the time of grant, the Board shall provide in the Option Agreement evidencing options granted hereunder that,, in the event that a Participant's employment with the Company and the Subsidiaries terminates for any reason other than (*i*) an Extraordinary Termination or (*ii*) for Cause, any Options then held by such Participant that have become vested on or prior to the date of such termination shall, subject to Section 8.4, remain exercisable until the first to occur of (*x*) the 60th day after the expiration of the period, if any, specified in such Participant's Option Agreement during which the Company or the CD&R Fund has a right to purchase such Options from the Participant or (*y*) the expiration of the term of such Option. Any Options held by the Participant that are not vested Options as of the date of the Participant's termination of employment shall terminate and be canceled immediately upon such termination, and any vested Options that are not exercised within the period described in the preceding sentence shall terminate and be canceled upon the expiration of such period.

8.4. **Certain Rights upon Termination of Employment Prior to Public Offering.** Unless otherwise determined by the Board at the time of grant, the Board shall provide in each Award Agreement evidencing Incentive Awards granted hereunder that, upon a termination of a Participant's employment with the Company and the Subsidiaries prior to a Public Offering for any reason, the Company and the CD&R Fund and its Affiliates shall have successive rights to repurchase for cash any vested Options or shares of Common Stock then held by the Participant, and, upon an Extraordinary Termination, the

Participant shall have the right to require the Company to repurchase shares of Common Stock then owned by him (provided the Participant has held such shares of Common Stock for at least six months), for a repurchase price equal to the Fair Market Value, reduced in the case of any Options by the exercise price per share of Common Stock for such Option, and upon such additional terms and conditions as are set forth in such Award Agreement.

Section 9. Change in Control

9.1. **Accelerated Vesting and Payment.**

(a) **Service Options and Vested Performance Options.** Unless the Board otherwise determines in the manner set forth in Section 9.2, in the event of a Change in Control, each outstanding Service Option (regardless of whether such Option is at such time otherwise exercisable) and each outstanding Performance Option that has become vested prior to the Change in Control, without regard to this Section 9.1, shall be canceled in exchange for a payment in cash of an amount equal to the product of (*i*) the excess, if any, of the Change in Control Price over the Option Price, multiplied by (*ii*) the number of shares of Common Stock covered by such Option.

(b) **Performance Options.** Unless the Board otherwise determines in the manner set forth in Section 9.2, in the event of a Change of Control prior to the date as of which Performance Options have become vested in accordance with Section 6.3(b), a proportionate share (determined in accordance with the immediately succeeding sentence) of each outstanding Performance Option shall be canceled in exchange for a payment in cash of an amount equal to the product of (*i*) the excess, if any, of the Change in Control Price over the Option Price, multiplied by (*ii*) the number of shares of Common Stock covered by the vested portion of the Performance Option. Such proportionate share shall be determined in accordance with the formula described in Section 8.1 based on the cumulative EBITDA achieved as of the date of the Change in Control.

(c) **Timing of Option Cancellation Payments.** The cash payment described in paragraphs (a) and (b) above shall be payable in full, as soon as reasonably practicable, but in no event later than, 30 days following the Change in Control, unless provided otherwise by the Board in the Award Agreement evidencing such Options.

9.2. **Alternative Options.** Notwithstanding Section 9.1, no cash settlement or other payment shall be made with respect to any Option in the event that the transaction constituting the Change in Control is to be accounted for using the "pooling of interest" method of accounting. In such event, each Option then held by a Participant shall become fully vested immediately prior to the consummation of such transaction and each such Participant shall have the right, subject to compliance with all applicable securities laws, to (*i*) exercise his Options in connection with the Change in Control or (*ii*) provided such opportunity is made available by the New Employer, exchange such Options for fully exercisable options to purchase common stock of the New Employer having substantially equivalent economic value to the Options being exchanged therefor (determined at the time of the Change in Control).

9.3 **Certain Take-Along Rights Prior to a Public Offering.** Unless otherwise determined by the Board at time of grant, the Board shall provide in each Subscription Agreement evidencing Incentive Awards granted hereunder that, upon certain transactions constituting a Change in Control, the Participant will be required to sell shares of Common Stock then owned by him, for a cash payment per share of Common Stock equal to the Change in Control Price, and upon such additional terms and conditions as are set forth in such Subscription Agreement.

Section 10. Amendment, Modification, and Termination of the Plan

The Board at any time may terminate or suspend the Plan, and from time to time may amend or modify the Plan. No amendment, modification, termination or suspension of the Plan shall in any manner adversely affect any Incentive Award theretofore granted under the Plan, without the consent of the Participant holding such Incentive Award. Shareholder approval of any such amendment, modification, termination or suspension shall be obtained to the extent mandated by applicable law, or if otherwise deemed appropriate by the Board.

Section 11. Miscellaneous Provisions

11.1. **Nontransferability of Awards.** No Options granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. All rights with respect to any Option granted to a Participant under the Plan shall be exercisable during his lifetime only by such Participant. Restrictions, if any, on the transfer of Common Stock purchased pursuant to Section 7.1 of the Plan or upon exercise of any Options shall be set forth in the applicable Award Agreement evidencing such Incentive Award, including without limitations, restrictions described in Section 8.4 herein.

11.2. **Beneficiary Designation.** Each Participant under the Plan may from time to time name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid or by whom any right under the Plan is to be exercised in case of his death. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Board and will be effective only when filed by the Participant in writing with the Board during his lifetime. In the absence of any such designation, benefits remaining unpaid or Options or Deferred Stock Units outstanding at the Participant's death shall be paid to or exercised by the Participant's surviving spouse, if any, or otherwise to or by his estate.

11.3. **No Guarantee of Employment or Participation.** Nothing in the Plan shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment at any time and for any reason, nor confer upon any Participant any right to continue in the employ of the Company or any Subsidiary. No Employee shall have a right to be selected as a Participant, or, having been so selected, to receive any Incentive Awards under the Plan.

11.4. **Tax Withholding.** The Company and the Subsidiaries shall have the power to withhold, or require a Participant to remit to the Company or a Subsidiary promptly upon notification of the amount due, an amount determined by the Company or such Subsidiary to be sufficient to satisfy all Federal, state, local and foreign withholding tax requirements in respect of any Incentive Award and the Company may (or may cause a Subsidiary to) defer payment of cash or issuance or delivery of Common Stock until such requirements are satisfied. The Board may permit or require a Participant to satisfy his tax withholding obligation hereunder in such other manner, subject to such conditions, as the Board shall determine.

11.5. **Indemnification.** Each person who is or shall have been a member of the Committee or the Board shall be indemnified and held harmless by the Company and RIC to the fullest extent permitted by law against and from any loss, cost, liability or expense (including any related attorney's fees and advances thereof) in connection with, based upon or arising or resulting from any claim, action, suit or proceeding to which he may be made a party or in which he may be involved by reason of any action taken or failure to act under or in connection with the Plan or any Award Agreement and from and against any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the Company's or RIC's Articles of Incorporation or By-laws, by contract, as a matter of law or otherwise.

11.6. **No Limitation on Compensation.** Nothing in the Plan shall be construed to limit the right of the Company to establish other plans or to pay compensation to its employees in cash or property, in a manner which is not expressly authorized under the Plan.

11.7. **Requirements of Law.** The granting of Incentive Awards and the issuance of shares of Common Stock shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national or foreign securities exchanges as may be appropriate or required, as determined by the Board. Notwithstanding any other provision of the Plan or any Award Agreement, no Incentive Awards shall be granted under the Plan, and no shares of Common Stock shall be issued upon exercise of, or otherwise in connection with, any Incentive Award granted under the Plan, if such grant or issuance would result in a violation of applicable law, including the federal securities laws and any applicable state or foreign securities laws.

11.8. **Governing Law.** The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of New York, except to the extent that the corporate law of the State of Delaware specifically and mandatorily applies.

11.9. **No Impact On Benefits.** Incentive Awards granted under the Plan are not compensation for purposes of calculating an Employee's rights under any employee benefit plan, except to the extent provided in any such plan.

11.10. **Freedom of Action.** Subject to Section 10, nothing in the Plan or any Award Agreement shall be construed as limiting or preventing the Company or any Subsidiary from taking any action with respect to the operation or conduct of its business that it deems appropriate or in its best interest.

11.11. **Term of Plan.** The Plan shall be effective as of the Effective Date. The Plan shall expire on the tenth anniversary of the Effective Date (except as to Incentive Awards outstanding on that date), unless sooner terminated pursuant to Section 10.

11.12. **No Right to Particular Assets.** Nothing contained in this Plan and no action taken pursuant to this Plan shall create or be construed to create a trust of any kind or any fiduciary relationship between the Company and the Subsidiaries, on the one hand, and any Participant or executor, administrator or other personal representative or designated beneficiary of such Participant, on the other hand, or any other persons. Any reserves that may be established by the Company or any Subsidiary in connection with this Plan shall continue to be held as part of the general funds of the Company or such Subsidiary, and no individual or entity other than the Company or such Subsidiary shall have any interest in such funds until paid to a Participant. To the extent that any Participant or his executor, administrator or other personal representative, as the case may be, acquires a right to receive any payment from the Company or any Subsidiary pursuant to this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company or such Subsidiary.

11.13. **Notices.** Each Participant shall be responsible for furnishing the Board with the current and proper address for the mailing of notices and delivery of agreements and shares of Common Stock. Any notices required or permitted to be given shall be deemed given if directed to the person to whom addressed at such address and mailed by regular United States mail, first-class and prepaid. If any item mailed to such address is returned as undeliverable to the addressee, mailing will be suspended until the Participant furnishes the proper address.

11.14. **Severability of Provisions.** If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provision had not been included.

11.15. **Incapacity.** Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receiving such benefit shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Committee, the Company and other parties with respect thereto.

11.16. **No Rights as Stockholder.** No Participant shall have any voting or other rights as a stockholder of the Company with respect to any Common Stock covered by any Incentive Award until the issuance of a certificate or certificates to the Participant for such Common Stock. No adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates.

11.17. **Headings and Captions.** The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan and shall not be employed in the construction of this Plan.

GRAPHIC PACKAGING CORPORATION

ANNUAL MEETING OF STOCKHOLDERS

Tuesday, May 17, 2005
10:00 a.m. (local time)

RENAISSANCE WAVERLY HOTEL
2450 Galleria Parkway
Atlanta, Georgia 30339

Graphic Packaging Corporation
814 Livingston Court, Marietta, Georgia 30067 **PROXY**

This Proxy is Solicited on Behalf of the Board of Directors

The undersigned hereby appoints John T. Baldwin and Stephen A. Hellrung, or either of them, as proxies, with power of substitution, to vote all the shares of the undersigned held of record by the undersigned as of March 21, 2005, with all of the powers which the undersigned would possess if personally present at the Annual Meeting of Stockholders of Graphic Packaging Corporation (the "Company"), to be held at 10:00 a.m. (local time) on May 17, 2005, at the Renaissance Waverly Hotel, located at 2450 Galleria Parkway, Atlanta, Georgia 30339, or any adjournment thereof.

EVEN IF YOU PLAN TO ATTEND THE MEETING, PLEASE, VOTE, DATE, SIGN AND RETURN THIS PROXY IN THE ACCOMPANYING ENVELOPE. TO VOTE IN ACCORDANCE WITH THE BOARD OF DIRECTORS RECOMMENDATIONS, SIGN ON THE REVERSE SIDE. NO BOXES NEED TO BE CHECKED.

See reverse for voting instructions.

COMPANY #

There are three ways to vote your Proxy

Your telephone or Internet vote authorizes the Named Proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

VOTE BY PHONE TOLL FREE 1-800-560-1965 QUICK * EASY *** IMMEDIATE**

Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on May 16, 2005.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the voice provides you.

VOTE BY INTERNET http://www.eproxy.com/gpk/ QUICK * EASY *** IMMEDIATE**

Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on May 16, 2005.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we've provided or return it to Graphic Packaging Corporation, c/o Shareowner Services[sm], P.O. Box 64873, St. Paul, MN 55164-0873.

If you vote by Phone or Internet, please do not mail your Proxy Card

Please detach here

The Board of Directors Recommends a Vote FOR Proposals 1 and 2.

1. Election of directors: 01 John D. Beckett, 02 Stephen M. Humphrey, 03 John R. Miller — o Vote FOR all nominees (except as marked) — o Vote WITHHELD from all nominees

(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right.)

2. Approval of the amendment of the Riverwood Holding, Inc. Stock Incentive Plan. o For o Against o Abstain

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE PROPOSALS STATED ABOVE.

Address Change? Mark Box o Indicate changes below: Date

Signature(s) in Box
Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

QuickLinks