

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SONOCO PRODUCTS COMPANY
(Exact Name Of Registrant As Specified In Its Charter)

SOUTH CAROLINA
(State or other jurisdiction
Of incorporation or organization)

57-0248420
(I.R.S. Employer
Identification no.)

Post Office Box 160
Hartsville, South Carolina 29551
Telephone: 803-383-7000
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive office)

F. TRENT HILL, JR.
Vice President and Chief Financial Officer
SONOCO PRODUCTS COMPANY
Post Office Box 160
Hartsville, South Carolina 29551
Telephone: 803-383-7000
(Name, address and telephone number,
including area code, of agent for service)

Copies to:
GEORGE S. KING, JR., ESQ.
SUZANNE HULST CLAWSON, ESQ.
HAYNSWORTH SINKLER BOYD, P.A.
1426 Main Street, 12th Floor
Columbia, South Carolina 29201
(803) 779-3080
facsimile (803) 765-1243

Approximate date of commencement of proposed sale to public: From time to time
after the effective date of this Registration Statement.

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

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. ☒

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. ☐ _____

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. ☐ _____

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box. ☐

Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus herein
also relates to and describes such aggregate principal amount of debt securities
as shall result in aggregate proceeds to the Registrant of \$100,000,000, which
debt securities are registered under Registration Statement No. 333-12701 of the
Registrant.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered -----	Amount to be registered -----	Proposed maximum aggregate price per unit* -----	Proposed maximum aggregate offering price -----	Amount of registration fee -----
Debt Securities	\$150,000,000 =====	100% ===	\$150,000,000 =====	\$37,500 =====

*Estimated solely for the purpose of calculating the registration fee.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated September __, 2001

SONOCO PRODUCTS COMPANY

[LOGO] (R)

\$150,000,000

Debt Securities

We may offer from time to time debt securities. We will describe the specific terms of the securities in supplements to this prospectus. You should read this prospectus and the accompanying prospectus supplement carefully before you invest.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

We may offer the debt securities in amounts, at prices and on terms determined at the time of offering. We may sell the debt securities directly to you, through agents we select, or through underwriters and dealers we select. If we use agents, underwriters or dealers to sell the debt securities, we will name them and describe their compensation in a prospectus supplement.

The date of this Prospectus is ____, 2001.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC using a "shelf" registration process. Under this shelf registration process, we may sell in one or more offerings up to a total dollar amount of \$150,000,000 of debt securities.

This prospectus provides you with a general description of the debt securities we may sell. Each time we sell debt securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement also may add, update or change information contained in this prospectus.

You should read both this prospectus and any prospectus supplement together with additional information described under the caption "Where You Can Find More Information." We may only use this prospectus to sell debt securities if it is accompanied by a prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference facilities at 450 Fifth Street, N.W., Washington, D.C. 20549; 7 World Trade Center, Suite 1300, New York, New York 10048; and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available at the office of the New York Stock Exchange, 20 Broad Street, 7th Floor, New York, New York 10005. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

The SEC allows us to "incorporate by reference" the information that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus and information that we subsequently file with the SEC will automatically update and supercede information in this prospectus and in our other filings with the SEC. We incorporate by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities offered

by this prospectus:

- o Our Annual Report on Form 10-K for the year ended December 31, 2000;
- o Our Amended Annual Report on Form 10-K/A for the year ended December 31, 2000 (amended for the purpose of furnishing the financial statements required by Form 11-K with respect to the Sonoco Savings Plan as permitted by Rule 15d-21 under the Securities Exchange Act of 1934);
- o Our Quarterly Reports on Form 10-Q for the quarters ended April 1, 2001 and July 1, 2001; and

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- o Our current report on Form 8-K, dated September 11, 2001.

We will provide you free copies of these filings, other than exhibits to filings unless the exhibits are specifically incorporated by reference into a filing, if you write or call us at:

Sonoco Products Company
Charles J. Hupfer, Vice President, Treasurer and Secretary
Sonoco Products Company
P.O. Box 160, Hartsville, South Carolina 29551-0160
Telephone: (803) 383-7000.

We have also filed a registration statement with the SEC relating to the debt securities described in this prospectus. This prospectus is part of the registration statement. You may obtain from the SEC a copy of the registration statement and exhibits that we filed with the SEC when we registered the debt securities. The registration statement contains additional information that may be important to you.

You should rely only on the information contained or incorporated by reference in this prospectus or the applicable prospectus supplement. We have not authorized anyone else to provide you with additional or different information. We are only offering these debt securities in states where the offer is permitted. You should not assume that the information in this prospectus or the applicable prospectus supplement is accurate as of any date other than the dates on the front of those documents.

Unless the context requires otherwise, references to "we," "us," and "our" mean Sonoco Products Company and its subsidiaries.

SONOCO PRODUCTS COMPANY

We are a South Carolina corporation founded in Hartsville, South Carolina in 1899. We are a major global manufacturer of paperboard-based and other industrial and consumer packaging products. We are also vertically integrated into paperboard production and recovered paper collection. The paperboard used in our packaging products is produced substantially from recovered paper. We operate an extensive network of plants in the United States and have subsidiaries in Asia, Europe, Canada, Mexico, South America, Australia, and New Zealand, and affiliates in numerous locations around the world. We have made a number of acquisitions, and we expect to acquire additional companies that we believe provide meaningful opportunities in industrial and consumer markets. We may also dispose of operations when we believe that doing so is consistent with our overall goals and strategies. Our principal executive offices are located at One North Second Street, P.O. Box 160, Hartsville, South Carolina 29551-0160 (Telephone No. (803) 383-7000).

FORWARD-LOOKING STATEMENTS

This prospectus includes and incorporates by reference "forward-looking statements" within the meaning of the securities laws. All statements that are

not historical facts are "forward-looking statements." The words "estimate," "project," "intend," "expect," "believe," "anticipate" and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding offsetting high raw material costs, adequacy of income tax provisions, refinancing of debt, adequacy of cash flows, effects of acquisitions and dispositions, and financial strategies and the results expected from them.

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These forward-looking statements are based on current expectations, estimates and projections about our industry, management's beliefs, and assumptions made by management. Such information includes, without limitation, discussions as to estimates, expectations, beliefs, plans, strategies, and objectives concerning our future financial and operating performance. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. The risks and uncertainties include, without limitation:

- o availability and pricing of raw materials;
- o success of new product development and introduction;
- o ability to maintain or increase productivity levels;
- o international, national and local economic and market conditions;
- o ability to maintain market share;
- o pricing pressures and demand for products;
- o continued strength of our paperboard-based engineered carrier and composite can operations;
- o anticipated results of restructuring activities;
- o ability to successfully integrate newly acquired businesses into the Company's operations;
- o currency stability and the rate of growth in foreign markets; and
- o actions of government agencies.

USE OF PROCEEDS

Except as we otherwise set forth in a prospectus supplement, we intend to use the net proceeds from the sale of the debt securities for general corporate purposes, including working capital, capital expenditures and the repayment or reduction of bank indebtedness and commercial paper obligations.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows for the periods indicated:

- o our ratio of earnings to fixed charges, as well as
- o our ratio of earnings adjusted to exclude gains or losses on assets held for sale to fixed charges.

	SIX MONTHS ENDED		YEARS ENDED DECEMBER 31			
	July 1, 2001	2000	1999	1998	1997	1996
	-----	----	----	----	----	----
Ratio of Earnings to Fixed Charges	2.75x	4.57x	5.30x	5.97x	1.92x	5.05x
Ratio of Earnings (adjusted) to Fixed Charges	2.75x	4.50x	5.25x	4.51x	5.18x	5.05x

For purposes of these calculations, "earnings" consist of income from operations before income taxes and fixed charges (excluding capitalized interest, if any). "Earnings (adjusted)" consist of earnings as described in the preceding sentence plus or minus gains or losses, respectively, on assets held for sale. "Fixed charges" consist of interest on all indebtedness and the portion of rental expense considered to be representative of the interest factor.

DESCRIPTION OF THE DEBT SECURITIES

We may from time to time issue debt securities, consisting of notes, debentures or other evidences of indebtedness, in one or more series under an Indenture dated as of June 15, 1991 between us and The Bank of New York, as Successor Trustee. The Indenture is included as an exhibit to the Registration Statement of which this Prospectus is a part. When we use the term "Debt Securities" in this Prospectus and the accompanying Prospectus supplement, we are referring to all of the Debt Securities that may be issued under the Indenture, and not merely to the debt securities we are offering under this Prospectus and the accompanying Prospectus Supplement. We refer to the Debt Securities we are offering under this Prospectus and the accompanying Prospectus Supplement as the "Offered Debt Securities."

Because the following is only a summary of the Indenture and the Debt Securities, it does not contain all information that you may find useful. For further information about the Indenture and the Debt Securities, you should read the Indenture. Whenever we refer to particular provisions of the Indenture or terms that are defined in the Indenture, those provisions or defined terms are incorporated by reference into this Prospectus.

General

The Debt Securities will be our unsecured obligations and will rank on a parity with all of our other currently outstanding unsecured and unsubordinated indebtedness.

The Debt Securities of any series may be issued in definitive form or, if provided in the Prospectus Supplement relating to the series, may be represented in whole or in part by a permanent global Security or Securities, which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "Depository"), and registered in the name of the Depository's nominee. Each Debt Security represented by a permanent global Security is referred to in this Prospectus as a "Book-Entry Security."

The Indenture does not limit the amount of Debt Securities or of any particular series of Offered Debt Securities that may be issued thereunder or otherwise and provides that Debt Securities may be issued thereunder from time to time in one or more series.

You should look in the Prospectus Supplement for the following terms of the Offered Debt Securities:

- o the title of the Offered Debt Securities;
- o any limit on the aggregate principal amount of the Offered Debt Securities;
- o the price (expressed as a percentage of the aggregate principal amount thereof) at which the Offered Debt Securities will be issued;
- o the date or dates on which the principal of the Offered Debt Securities will be payable;
- o the rate or rates (which may be fixed or variable) per annum at which the Offered Debt Securities will bear interest, if any, or the method

of determining such rate or rates;

- o the date or dates from which interest, if any, on the Offered Debt Securities will accrue or the method of determining such date or dates, the dates on which interest, if any, will be payable, the date on which payment of interest, if any, will commence, and the regular record dates for interest payment dates, if any;
- o the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities may be redeemed, in whole or in part, at our option;

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- o our obligation, if any, to redeem or purchase Offered Debt Securities pursuant to any sinking fund or analogous provisions or at the option of a Holder, and the periods within, the prices at, and the terms and conditions upon which such Offered Debt Securities shall be redeemed or purchased;
- o if it is other than the principal amount, the amount of Offered Debt Securities which shall be payable upon declaration of acceleration of the maturity thereof;
- o if other than U.S. dollars, the currency (including composite currencies) in which payment of principal of (and premium, if any) and/or interest on the Offered Debt Securities shall be payable;
- o any currency (including composite currencies) other than the stated currency of the Offered Debt Securities in which the principal of (and premium, if any) and/or interest on the Offered Debt Securities may, at our election or the election of the Holders, be payable, and the periods within which, and terms and conditions upon which, such election may be made;
- o if the amount of payments of principal of (and premium, if any) and/or interest on the Offered Debt Securities may be determined with reference to an index based on a currency (including composite currencies) other than the stated currency of the Debt Securities, the manner in which such amounts shall be determined;
- o our right, if any, to defease the Offered Debt Securities or certain covenants under the Indenture;
- o whether any of the Offered Debt Securities shall be Book-Entry Securities and, in such case, the Depositary for such Book-Entry Securities;
- o the terms and conditions, if any, pursuant to which the Debt Securities may be converted or exchanged for the cash value of other securities issued by us or by a third party; and
- o any other terms relating to the Offered Debt Securities (which are not inconsistent with the Indenture).

Unless otherwise provided and except with respect to Book-Entry Securities, principal of and premium, if any, and interest, if any, on the Debt Securities will be payable, and the transfer of the Debt Securities will be registrable, at the Corporate Trust Office of the Trustee. We have the option of paying interest by mailing a check to, or making a wire transfer to, the Holders of record entitled to the payment.

For a description of payments of principal of, premium, if any, and interest on, and transfer of, Book-Entry Securities, and exchanges of permanent global Securities representing Book-Entry Securities, see "Book-Entry Securities."

Unless otherwise indicated in the Prospectus Supplement relating thereto and except with respect to Book-Entry Securities, the Debt Securities will be issued only in fully registered form without coupons and in denominations of \$1,000 or any multiple thereof. No service charge will be made for any registration of transfer or exchange of the Offered Debt Securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

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. Federal income tax consequences and other special considerations applicable to any such Original Issue Discount Securities will be described in the Prospectus Supplement relating thereto. "Original Issue Discount Security" means any security which provides for the declaration of acceleration of the maturity of an amount less than the principal amount thereof upon the occurrence of an Event of Default and the continuation thereof.

If a Debt Security is denominated in a foreign currency, a state court in the State of New York rendering a judgment on such Debt Security would be required under Section 27 of the New York Judiciary Law to render such judgment in the foreign currency in which the Debt Security is denominated, and such judgment would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment.

Certain Covenants of The Company

Restriction on Liens

The Indenture provides that, so long as any Debt Securities are Outstanding, we will not issue, assume or guarantee, and we will not permit any Domestic Subsidiary to issue, assume or guarantee, any Indebtedness which is secured by a mortgage, pledge, security interest, lien or encumbrance (any mortgage, pledge, security interest, lien or encumbrance is referred to as a "lien" or "liens") of or upon any of our currently owned or later acquired assets, or any assets of a Domestic Subsidiary without effectively providing that the Debt Securities (together with, if we shall so determine, any of our other Indebtedness that ranks equally with the Debt Securities) shall be equally and ratably secured by a lien ranking ratably with and equal to (or at our option, prior to) such secured Indebtedness; provided, however, that the foregoing restriction shall not apply to:

- o liens on any assets of any corporation existing at the time such corporation becomes a Domestic Subsidiary;
- o liens on any assets existing at the time of our acquisition of such assets or acquisition of such assets by a Domestic Subsidiary, or liens to secure the payment of all or any part of the purchase price of such assets upon our acquisition of such assets or acquisition of such assets by a Domestic Subsidiary or to secure any Indebtedness incurred, assumed or guaranteed by us or a Domestic Subsidiary prior to, at the time of, or within 180 days after such acquisition (or in the case of real property, the completion of construction (including any improvements on an existing asset) or commencement of full operation of such asset, whichever is later) which Indebtedness is incurred, assumed or guaranteed for the purpose of financing all or any part of the purchase price thereof or, in the case of real property, construction or improvements thereon; provided, however, that in the case of any such acquisition, construction or improvement, the lien shall not apply to any assets theretofore owned by us or a Domestic Subsidiary, other than, in the case of any such construction or improvement, any real property on which the property so constructed, or the improvement, is located;
- o liens on any assets to secure Indebtedness of a Domestic Subsidiary to us or to any wholly owned Domestic Subsidiary;

- o liens on any assets of a corporation existing at the time such corporation is merged into or consolidated with us or a Domestic Subsidiary or at the time of a purchase, lease or other acquisition by us or a Domestic Subsidiary of the assets of a corporation or firm as an entirety or substantially as an entirety;
- o liens on any of our assets or assets of a Domestic Subsidiary in favor of the United States or any State thereof, or any department, agency or instrumentality or political subdivision of the United States or any State thereof, or in favor of any other country, or any political subdivision thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any Indebtedness incurred or guaranteed for the purpose of financing all or any part of the purchase price (or, in the case of real property, the cost of construction) of the assets subject to such liens (including, but not limited to, liens incurred in connection with pollution control, industrial revenue or similar financings);
- o any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any lien referred to in the foregoing clauses; provided, however, that the principal amount of Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the assets which secured the lien so extended, renewed or replaced (plus improvements and construction on real property);

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- o liens not permitted by the clauses above if at the time of, and after giving effect to, the creation or assumption of any such lien, the aggregate amount of all of our Indebtedness and all Indebtedness of our Domestic Subsidiaries secured by all such liens not so permitted by the clauses above together with the Attributable Debt in respect of Sale and Lease-Back Transactions permitted by the Indenture do not exceed 10% of Consolidated Net Tangible Assets.

Restriction on Sale and Lease-Back Transactions

The Indenture also provides that we will not, and will not permit any Subsidiary to, enter into any arrangement with any person providing for the leasing by us or a Domestic Subsidiary of any property or assets, other than any such arrangement involving a lease for a term, including renewal rights for not more than 3 years, whereby such property or asset has been or is to be sold or transferred by us or any Domestic Subsidiary to such person (referred to as a "Sale and Lease-Back Transaction"), unless:

- o we or such Domestic Subsidiary would, at the time of entering into a Sale and Lease-Back Transaction, be entitled to incur Indebtedness secured by a lien on the property or asset to be leased in an amount at least equal to the Attributable Debt in respect of such Sale and Lease-Back Transaction without equally and ratably securing the Debt Securities pursuant to the Indenture; or
- o the proceeds of the sale of the property or assets to be leased are at least equal to the fair value of such property or assets (as determined by our Board of Directors) and an amount equal to the net proceeds from the sale of the property or assets so leased is applied, within 180 days of the effective date of any such Sale and Lease-Back Transaction, to the purchase or acquisition (or, in the case of property, the construction) of property or assets or to the retirement (other than at maturity or pursuant to a mandatory sinking fund or redemption provision) of Debt Securities or of our Funded Indebtedness or Funded Indebtedness of a consolidated Domestic Subsidiary ranking on a parity with or senior to the Debt Securities.

Applicability of Covenants

Any series of Debt Securities may provide that any one or more of the covenants described above shall not be applicable to the Securities of such series if certain conditions are met.

Certain Definitions

"Attributable Debt", when used in connection with a Sale and Lease-Back transaction referred to above, means, as of any particular time, the aggregate of present values (discounted at a rate per annum equal to the average interest borne by all Outstanding Securities determined on a weighted average basis and compounded semi-annually) of our obligations or obligations of any Subsidiary for net rental payments during the remaining term of all leases (including any period for which such lease has been extended or may, at the option of the lessor, be extended). The term "net rental payments" under any lease of any period means the sum of the rental and other payments required to be paid in such period by the lessee thereunder, not including, however, any amounts required to be paid by such lessee (whether or not designated as rental or additional rental) on account of maintenance and repairs, reconstruction, insurance, taxes, assessments, water rates or similar charges required to be paid by such lessee thereunder or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales, maintenance and repairs, reconstruction, insurance, taxes, assessments, water rates or similar charges.

"Consolidated Net Tangible Assets" means at any date, the total assets appearing on our most recently prepared consolidated balance sheet as of the end of a fiscal quarter, prepared in accordance with generally accepted accounting principles at the time of calculation, less (a) all current liabilities as shown on such balance sheet and (b) intangible assets.

"Intangible assets" means the value (net of any applicable reserves), as shown on or reflected in such balance sheet of: (i) all trade names, trademarks, licenses, patents, copyrights and goodwill; (ii) organizational

costs; and (iii) deferred charges (other than prepaid items such as insurance, taxes, interest, commissions, rents and similar items and tangible assets being amortized); but in no event shall the term "intangible assets" include product development costs.

"Domestic Subsidiary" means any Subsidiary (a) incorporated under the laws of the United States or any state, territory or possession thereof, or the Commonwealth of Puerto Rico, (b) the operations of which are substantially conducted in the United States or its territories or possessions, or in the Commonwealth of Puerto Rico, or (c) a substantial portion of the assets of which are located in the United States or its territories or possessions or in the Commonwealth of Puerto Rico. A "wholly owned Domestic Subsidiary" is any Domestic Subsidiary of which all Outstanding securities having the voting power to elect the Board of Directors of such Domestic Subsidiary (irrespective of whether or not at the time securities of any other class or classes of such Domestic Subsidiary shall have or might have voting power by reason of the happening of any contingency) are at the time directly or indirectly owned or controlled by us, or by one or more wholly owned Domestic Subsidiaries, or by us and one or more wholly owned Domestic Subsidiaries.

"Funded Indebtedness" means any Indebtedness maturing by its terms more than one year from the date of the determination thereof, including any Indebtedness renewable or extendible at the option of the obligor to a date later than one year from the date of the determination thereof.

"Indebtedness" means (i) all obligations for borrowed money, (ii) all obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations in respect of letters of credit or bankers acceptances or

similar instruments (or reimbursement obligations with respect thereto), (iv) all obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (v) all obligations as lessee which are capitalized in accordance with generally accepted accounting principles at the time of calculation, and (vi) all Indebtedness of others guaranteed by us or any of our subsidiaries or for which we or any of our subsidiaries are otherwise responsible or liable (whether by agreement to purchase indebtedness of, or to supply funds or to invest in, others).

"Subsidiary" means any corporation of which at least a majority of Outstanding securities having the voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether or not at the time securities of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by us, or by one or more of the Subsidiaries, or by us and one or more Subsidiaries.

Events of Default

An Event of Default with respect to the Debt Securities of any series is defined in the Indenture as:

- o default in payment of principal of or premium, if any, on any Debt Security of that series at maturity;
- o default for 30 days in payment of interest on any Debt Security of that series;
- o default in the deposit of any sinking fund payment when due in respect of that series;
- o our failure to perform any other of the covenants or warranties in the Indenture (other than a covenant or warranty the breach of which is dealt with elsewhere in the Indenture, or a covenant or warranty included in the Indenture solely for the benefit of a series of Debt Securities other than that series) continued for 60 days after due notice by the Trustee or by Holders of at least 10% in principal amount of the Outstanding Debt Securities of that series;
- o a default under any bond, debenture, note or other evidence of our Indebtedness (including a default with respect to Debt Securities of any series other than that series) or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any of our current or future Indebtedness

(including this Indenture), which default constitutes a failure to pay such Indebtedness in a principal amount in excess of \$10 million when due and payable at final maturity after the expiration of any applicable grace period or shall have resulted in such Indebtedness in a principal amount in excess of \$10 million becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such Indebtedness having been discharged, or such acceleration having been rescinded or annulled, within a period of 15 days after there shall have been given, by overnight mail or other same day or overnight delivery service which can provide evidence of delivery, to us by the Trustee, or to us and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series, a written notice specifying such default and requiring us to cause such Indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a Notice of Default under the Indenture;

- o certain events of bankruptcy, insolvency or reorganization; and

- o any other Event of Default provided with respect to Debt Securities of that series.

The Indenture provides that, if any Event of Default with respect to Debt Securities of any series at the time Outstanding occurs and is continuing, either the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Debt Securities as may be specified in the terms thereof) of all Debt Securities of that series to be due and payable immediately. However, upon certain conditions such declaration may be annulled and past defaults (except, unless theretofore cured, a default in payment of principal of or premium, if any, or interest, if any, on the Debt Securities of that series and certain other specified defaults) may be waived by the Holders of a majority in principal amount of the Outstanding Debt Securities of that series on behalf of the Holders of all Debt Securities of that series.

Please refer to the Prospectus Supplement relating to each series of Outstanding Debt Securities which are Original Issue Discount Securities for the particular provisions relating to acceleration of the Maturity of a portion of the principal amount of such Original Issue Discount Securities upon the occurrence of an Event of Default and the continuation thereof.

The Indenture provides that the Trustee will, within 90 days after the occurrence of a default with respect to Debt Securities of any series at the time Outstanding, give to the Holders of the Outstanding Debt Securities of that series notice of such default known to it if uncured or not waived. However, except in the case of default in the payment of principal of or premium, if any, or interest on any Debt Security of that series, or in the payment of any sinking fund installment, the Trustee may withhold such notice if the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of the Outstanding Debt Securities of such series. The Indenture also provides that such notice shall not be given until at least 30 days after the lapse of the period to cure an occurrence of a default or breach with respect to Outstanding Debt Securities of any series in the performance of a covenant or warranty in the Indenture other than for the payment of the principal of or premium, if any, or interest on any Debt Security of such series or the deposit of any sinking fund payment with respect to the Debt Securities of such series. The term default with respect to any series of Outstanding Debt Securities for the purpose only of this provision means any event that is, or after notice or lapse of time or both would become, an Event of Default as specified in the Indenture relating to such series of Outstanding Debt Securities.

The Indenture contains a provision entitling the Trustee, subject to the duty of the Trustee during default to act with the required standard of care, to be indemnified by the Holders of any series of Outstanding Debt Securities before proceeding to exercise any right or power under the Indenture at the request of the Holders of such series of Debt Securities. The Indenture provides that the Holders of a majority in principal amount of Outstanding Debt Securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or other power conferred on the Trustee, with respect to the Debt Securities of such series provided that the Trustee may decline to act if such direction is contrary to law or the Indenture. In the case of Book-Entry Securities, the Indenture requires the Trustee to establish a record date for purposes of determining which Holders are entitled to join in such direction.

The Indenture includes a covenant that we will file annually with the Trustee a certificate specifying whether, to the best knowledge of the signers, we are in default under the Indenture.

Modification of the Indenture and Waiver of Covenants

We and the Trustee may make agreed modifications and amendments to the Indenture, without the consent of any Holder of any Debt Security of any series, to add covenants and Events of Default, and to make provisions with respect to other matters and issues arising under the Indenture, provided that any such provision does not adversely affect the rights of the Holders of Debt Securities of any series.

The Indenture contains provisions permitting us and the Trustee, with the consent of the Holders of not less than 66 2/3% in principal amount of Outstanding Debt Securities of each series affected thereby, to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of the Indenture or modifying the rights of the Holders of Outstanding Debt Securities of such series, except that no such supplemental indenture may, without the consent of the Holder of each Outstanding Debt Security affected thereby, (a) change the Stated Maturity, or reduce the principal amount, the premium, if any, thereon or the rate of payment of interest thereon, of any Debt Security of any series, (b) reduce the percentage in principal amount of Outstanding Debt Securities of any series, the consent of the Holders of which is required for any supplemental indenture or for waiver of compliance with certain provisions of the Indenture or certain defaults thereunder or (c) effect certain other changes. The Indenture also permits us to omit compliance with certain covenants in the Indenture with respect to Debt Securities of any series upon waiver by the Holders of not less than 66 2/3% in principal amount of Outstanding Debt Securities of such series.

Consolidation, Merger and Sale of Assets

The Indenture contains a provision permitting us, without the consent of the Holders of any of the Outstanding Debt Securities under the Indenture, to consolidate with or merge into any other corporation or transfer or lease its assets substantially as an entirety to any person provided that:

- o the successor is a corporation organized under the laws of any United States domestic jurisdiction;
- o the successor corporation assumes our obligations on the Debt Securities and under the Indenture;
- o after giving effect to the transaction no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default, shall have happened and be continuing; and
- o certain other conditions are met.

Book-Entry Securities

The following description of Book-Entry Securities will apply to any series of Debt Securities issued in whole or in part in the form of a permanent global Security or Securities except as otherwise provided in the Prospectus Supplement relating thereto.

Upon issuance, all Book-Entry Securities of like tenor and having the same date of original issue will be represented by one or more permanent global Securities. Each permanent global Security representing Book-Entry Securities will be deposited with, or on behalf of, the Depositary, which will be a clearing agent registered under the Exchange Act. The permanent global Security will be registered in the name of the Depositary or a nominee of the Depositary.

Ownership of beneficial interests in a permanent global Security representing Book-Entry Securities will be limited to institutions that have accounts with the Depositary or its nominee ("participants") or persons that may hold interests through participants. In addition, ownership of beneficial

interests by participants in such a permanent global Security only will be

evidenced by, and the transfer of that ownership interest only will be effected through, records maintained by the Depositary or its nominee for such permanent global Security. Ownership of beneficial interest in such a permanent global Security by persons that hold through participants only will be evidenced by, and the transfer of that ownership interest within such participant only will be effected through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer beneficial interests in such a permanent global Security.

Payment of principal of and any premium and interest on Book-Entry Securities represented by any permanent global Security registered in the name of or held by the Depositary or its nominee will be made to the Depositary or its nominee, as the case may be, as the registered owners and Holder of the permanent global Security representing such Book-Entry Securities. None of us, the Trustee or any agent of ours or the Trustee will have any responsibility or liability for any aspect of the Depositary's records or any participant's records relating to or payments made on account of beneficial ownership interests in a permanent global Security representing such Book-Entry Securities or for maintaining, supervising or reviewing any of the Depositary's records or any participant's records relating to such beneficial ownership interests. Payments by participants to owners of beneficial interests in a permanent global Security held through such participants will be governed by the Depositary's procedures, as is now the case with securities held for the accounts of customers registered in "street name," and will be the sole responsibility of such participants.

No permanent global Security described above may be transferred except as a whole by the Depositary for such permanent global Security to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary.

A permanent global Security representing Book-Entry Securities is exchangeable for definitive Debt Securities in registered form, of like tenor and of an equal aggregate principal amount, only if:

- o the Depositary notifies us that it is unwilling or unable to continue as Depositary for such permanent global Security or if at any time the Depositary ceases to be a clearing agency registered under the Exchange Act,
- o we, in our sole discretion determine that such permanent global Security shall be exchangeable for definitive Debt Securities in registered form, or
- o there shall have occurred and be continuing an Event of Default with respect to the Debt Securities.

Any permanent global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable in whole for definitive Debt Securities in registered form, of like tenor and of an equal aggregate principal amount, and, unless otherwise specified in the Prospectus Supplement relating thereto, in denominations of \$1,000 and integral multiples thereof. Such definitive Debt Securities shall be registered in the name or names of such person or persons as the Depositary shall instruct the Trustee. It is expected that such instructions may be based upon directions received by the Depositary from its participants with respect to ownership of beneficial interests in such permanent global Security.

Except as provided above, owners of beneficial interests in such permanent global Security will not be entitled to receive physical delivery of Debt Securities in definitive form and will not be considered the Holders thereof for any purpose under the Indenture, and no permanent global Security representing Book-Entry Securities shall be exchangeable, except for another permanent global Security of like denomination and tenor to be registered in the name of the Depositary or its nominee. Accordingly, each person owning a beneficial interest in such permanent global Security must rely on the procedures of the Depositary and, if such person is not a participant, on the

procedures of the participant through which such person owns its interest, to exercise any rights of a Holder under the Indenture. We understand that under existing industry practices, in the event that we request any action of Holders, or an owner of a beneficial interest in such permanent global Security desires to give or take any action that a Holder is entitled to give or take under the Indenture, the Depositary would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participant to give or take such

action or would otherwise act upon the instructions of beneficial owners owning through them.

Defeasance of Offered Debt Securities or Certain Covenants in Certain Circumstances

Defeasance and Discharge

The Indenture provides that the terms of any series of Debt Securities may provide that we will be discharged from any and all obligations in respect of the Debt Securities of such series (except for certain obligations to register the transfer or exchange of Debt Securities of such series, to replace stolen, lost or mutilated Debt Securities of such series, to maintain paying agencies and hold moneys for payment in trust) upon the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations or, in the case of Debt Securities denominated in foreign currencies, money and/or Foreign Government Securities, which, through the payment of interest and principal thereof in accordance with their terms, will provide money in an amount sufficient to pay any installment of principal (and premium, if any) and interest on, and any mandatory sinking fund payments in respect of, the Debt Securities of such series on the stated maturity of such payments in accordance with the terms of the Indenture and such Debt Securities. Such discharge may only occur if, among other things, we have delivered to the Trustee an Opinion of Counsel to the effect that we have received from, or there has been published by, the United States Internal Revenue Service a ruling, or there has been a change in tax law, in either case to the effect that such a discharge will not be deemed, or result in, a taxable event with respect to Holders of the Debt Securities of such series; and such discharge will not be applicable to any Debt Securities of such series then listed on the New York Stock Exchange or any other securities exchange if the provision would cause said Debt Securities to be de-listed as a result thereof.

Defeasance of Certain Covenants

The Indenture provides that the terms of any series of Debt Securities may provide us with the option to omit to comply with certain restrictive covenants described in Sections 1008 and 1009 of the Indenture. In order to exercise such option, we will be required to deposit with the Trustee money and/or U.S. Government Obligations or, in the case of Debt Securities denominated in foreign currencies, money and/or Foreign Government Securities, which, through the payment of interest and principal thereof in accordance with their terms, will provide money in an amount sufficient to pay principal (and premium, if any) and interest on, and any mandatory sinking fund payments in respect of, the Debt Securities of such series on the stated maturity of such payments in accordance with the terms of the Indenture and such Debt Securities. We will also be required to deliver to the Trustee an opinion of counsel to the effect that the deposit and related covenant defeasance will not cause the Holders of the Debt Securities of such series to recognize income, gain or loss for federal income tax purposes. In the event we exercise this option and the Debt Securities of such series are declared due and payable because of the occurrence of any Event of Default, the amount of money and U.S. Government Obligations or Foreign Government Securities, as the case may be, on deposit with the Trustee will be sufficient to pay amounts due on the Debt Securities of such series at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Debt Securities of such series at the time of the

acceleration resulting from such Event of Default. However, we shall remain liable for such payments.

The Prospectus Supplement will state if any defeasance provision will apply to the Offered Debt Securities.

Trustee

The Trustee may resign or be removed with respect to one or more series of Debt Securities and a successor Trustee may be appointed to act with respect to such series. In the event that two or more persons are acting as Trustee with respect to different series of Debt Securities, each such Trustee shall be a Trustee of a trust under the Indenture separate and apart from the trust administered by any other such Trustee, and any action described herein to be taken by the "Trustee" may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Securities for which it is Trustee.

We maintain customary banking relationships with the Trustee.

PLAN OF DISTRIBUTION

We may sell the Offered Debt Securities in four ways:

- o directly to purchasers,
- o through agents,
- o through underwriters, and
- o through dealers.

We may solicit offers to purchase Debt Securities directly, or we may designate agents from time to time to solicit offers to purchase. Any such agent, who may be deemed to be an underwriter as that term is defined in the Securities Act, involved in the offer or sale of the Debt Securities will be named, and any commissions payable by us to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a reasonable efforts basis for the period of its appointment. We will have the sole right to accept offers to purchase Debt Securities and may reject any proposed offer in whole or in part. Agents shall have the right, in their sole discretion, to reject any offer received by them to purchase the Debt Securities in whole or in part. Agents may be entitled under agreements which may be entered into with us to indemnification by us against certain liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

If we use an underwriter or underwriters in the sale of the Debt Securities, we will execute an underwriting agreement with such underwriters at the time of the sale to them and the names of the underwriters and the terms of the transaction will be set forth in the Prospectus Supplement, which will be used by the underwriters to make resales of the Debt Securities to the public. The underwriters may be entitled, under the relevant underwriting agreement, to indemnification by us against certain liabilities, including liabilities under the Securities Act.

If we use a dealer in the sale of the Debt Securities, we will sell such Debt Securities to the dealer, as principal. The dealer may then resell such Debt Securities to the public at varying prices to be determined by such dealer at the time of resale. Dealers may be entitled to indemnification by us against certain liabilities, including liabilities under the Securities Act.

If we offer and sell Debt Securities directly to a purchaser or purchasers, purchasers involved in the reoffer or resale of such Debt Securities who may be deemed to be underwriters as that term is defined in the Securities Act, will be named and the terms of such reoffers or resales will be set forth in a Prospectus Supplement. Such purchasers may then reoffer and resell such Debt Securities to the public or otherwise at varying prices to be determined by such purchasers at the time of resale or as otherwise described in the Prospectus Supplement. Purchasers of Debt Securities directly from us may be entitled under agreements which they may enter into with us to indemnification by us against certain liabilities, including liabilities under the Securities Act, and may engage in transactions with or perform services for us in the ordinary course of their business or otherwise.

The place and time of delivery for the Debt Securities will be as set forth in the Prospectus Supplement.

EXPERTS

The financial statements incorporated in this Prospectus by reference to our Annual Report on Form 10-K/A for the year ended December 31, 2000 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

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VALIDITY OF THE DEBT SECURITIES

The validity of the Offered Debt Securities will be passed upon for us by Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina, our general counsel, and for any underwriter, dealer or agent by counsel to such underwriter, dealer or agent named in the Prospectus Supplement. In rendering their opinions, underwriters' counsel may rely on Haynsworth Sinkler Boyd, P.A., as to certain matters of South Carolina law. Various attorneys in the firm of Haynsworth Sinkler Boyd, P.A., and members of their immediate families own or have beneficial interests in shares of our common stock.

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Expenses in connection with the issuance of the securities being registered hereby are estimated as follows:

Registration Fee	\$37,500
Trustee's fees and expenses	15,000
Printing and engraving costs	125,000
Rating Agencies' fees	110,000
Legal fees and expenses	200,000
Accounting fees and expenses	100,000
Blue Sky fees and expenses	20,000
Miscellaneous	10,500

TOTAL	\$618,000

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Article VIII of the By-laws of the Company provides for the indemnification by the Company of any present or former director, officer or employee of the Company, or any person, who, at the request of the Company, may have served as director or officer of another corporation in which it owns shares or of which it is a creditor. Any such person shall be entitled to reimbursement of expenses and other liabilities, to the maximum extent permitted by the laws of the State of South Carolina or by order of any court having jurisdiction in any action or proceeding to which he is a party by reason of being or having been a director, officer or employee.

Article 9 of the Restated Articles of Incorporation of the Company states that no director of the Company shall be personally liable to the Company or to its shareholders for monetary damages for breach of fiduciary duty as director, except to the extent such exemption from liability or limitation thereof is not permitted under the laws of South Carolina, as presently in effect or as the same may hereafter be amended.

Under Article 5 of the South Carolina Business Corporation Act of 1988 (the "Corporation Act"), a corporation has the power to indemnify directors and officers who meet the standards of good faith and reasonable belief that conduct was lawful and in the corporate interest (or not opposed thereto) set forth in the Corporation Act. The Corporation Act also empowers a corporation to provide insurance for directors and officers against liability arising out of their positions even though the insurance coverage is broader than the power of the corporation to indemnify. Under the Corporation Act, unless limited by its articles of incorporation, a corporation must indemnify a director or officer who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director or officer against reasonable expenses incurred by him in connection with the proceeding. The registrant's Restated Articles of Incorporation do not provide otherwise.

In addition, the Company maintains directors' and officers' liability insurance for the benefit of its directors and officers.

The form of Underwriting Agreement that will be included as Exhibit 1 hereto is expected to provide for indemnification of directors, certain officers and controlling persons of the Company against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Act").

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Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions (other than insurance), the Company has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

ITEM 16. EXHIBITS

- | | |
|------|--|
| 1 | Form of Underwriting Agreement. |
| 4.1 | Indenture, dated as of June 15, 1991, between the Company and the Trustee. (Incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (File No. 33-50503).) |
| 4.2 | Credit Agreement, dated as of July 17, 2001, among the Company, the several lenders from time to time party thereto and Bank of America, N.A., as agent. |
| 5.1 | Opinion (including consent) of Haynsworth Sinkler Boyd, P.A. |
| 12.1 | Statements re: computation of ratio of earnings to |

fixed charges.

- 23.1 Consent of Haynsworth Sinkler Boyd, P.A. (included in Exhibit 5).
- 23.2 Consent of PricewaterhouseCoopers LLP.
- 24 Power of Attorney (Included on Signature Page).
- 25 Statement of eligibility of the Trustee on Form T-1.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

Provided however, that paragraphs (1)(i) and (1)(ii) do not apply, since this Registration Statement is on Form S-3, if such information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

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(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

In connection with any offering of Debt Securities made in reliance upon Rule 430A, the undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise (other than insurance), the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than insurance payments and the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Hartsville, State of South Carolina, on September 12, 2001.

SONOCO PRODUCTS COMPANY

s/H. E. DeLoach, Jr.

By: -----
H. E. DeLoach, Jr.
President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints C. W. Coker, H. E. DeLoach, Jr. and F. Trent Hill, Jr., and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, as well as any related registration statement (or amendment thereto) filed pursuant to Rule 462(b) promulgated under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

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Name -----	Position -----	Date ----
s/Charles J. Bradshaw ----- C. J. Bradshaw	Director	September 12, 2001
s/Robert J. Brown ----- R. J. Brown	Director	September 12, 2001
s/F. L. H. Coker ----- F. L. H. Coker	Director	September 12, 2001
s/James. L. Coker ----- J. L. Coker	Director	September 12, 2001
s/C. W. Coker ----- C. W. Coker	Director and Chairman	September 12, 2001
s/T. C. Cox, III ----- T. C. Cox, III	Director	September 12, 2001
s/Allan T. Dickson ----- A. T. Dickson	Director	September 12, 2001
s/H. E. DeLoach, Jr. ----- H. E. DeLoach, Jr.	Director, President and Chief Executive Officer	September 12, 2001
s/Caleb C. Fort ----- C. C. Fort	Director	September 12, 2001
s/Paul Fulton ----- Paul Fulton	Director	September 12, 2001
s/F. Trent Hill, Jr. ----- F. Trent Hill, Jr.	Principal Financial and Accounting Officer	September 12, 2001
s/B. L. M. Kasriel ----- B. L. M. Kasriel	Director	September 12, 2001
s/Edgar H. Lawton, III -----		

E. H. Lawton, III	Director	September 12, 2001
s/H. L. McColl, Jr.		

H. L. McColl, Jr.	Director	September 12, 2001
s/T. E. Whiddon		

T. E. Whiddon	Director	September 12, 2001
s/Donna D. Young		

D. D. Young	Director	September 12, 2001

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EXHIBIT INDEX

EXHIBIT	PAGE NO.
1	Form of Underwriting Agreement.
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4.2	Credit Agreement, dated as of July 17, 2001, among the Company, the several lenders from time to time party thereto and Bank of America, N.A., as agent.
5.1	Opinion (including consent) of Haynsworth Sinkler Boyd, P.A.
12.1	Statements re computation of ratio of earnings to fixed charges.
23.1	Consent of Haynsworth Sinkler Boyd, P.A. (included in Exhibit 5).
23.2	Consent of PricewaterhouseCoopers LLP.
24	Power of Attorney (Included on Signature Page).
25	Statement of eligibility of the Trustee on Form T-1.

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SONOCO PRODUCTS COMPANY
Debt Securities
Underwriting Agreement

[_____, 200_]

To the Representatives named
in Schedule I hereto of the
Underwriters named in
Schedule II hereto

Dear Sirs:

Sonoco Products Company, a South Carolina corporation (the "Company"), proposes to issue and sell to the underwriters named in Schedule II hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), the principal amount of its debt securities identified in Schedule I hereto (the "Securities"), to be issued under the indenture specified in Schedule I hereto (the "Indenture") between the Company and the Trustee identified in such Schedule (the "Trustee"). If the firm or firms listed in Schedule II hereto include only the firm or firms listed in Schedule I hereto, then the terms "Underwriters" and "Representatives", as used herein shall each be deemed to refer to such firm or firms.

The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Securities Act"), a registration statement or statements (the file numbers of which are set forth in Schedule I hereto) on Form S-3, relating to certain debt securities (the "Shelf Securities") to be issued from time to time by the Company. The Company also has filed with, or proposes to file with, the Commission pursuant to Rule 424 under the Securities Act a prospectus supplement specifically relating to the Securities. The registration statements as amended to the date of this Agreement are hereinafter referred to as the "Registration Statement" and the related prospectus covering the Shelf Securities in the form first used to confirm sales of the Securities is hereinafter referred to as the "Basic Prospectus". The Basic Prospectus as supplemented by the prospectus supplement specifically relating to the Securities in the form first used to confirm sales of the Securities is hereinafter referred to as the "Prospectus". Any reference in this Agreement to the Registration Statement, the Basic Prospectus, any preliminary form of Prospectus (a "preliminary prospectus") previously filed with the Commission pursuant to Rule 424 or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act which were filed under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act") on or before the date of this Agreement or the date of the Basic Prospectus, any preliminary prospectus or the Prospectus, as the case may be; and any reference to "amend", "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any preliminary prospectus or the Prospectus shall be deemed to refer to and include any documents filed under the Exchange Act after the date of this Agreement, or the date of the Basic Prospectus, any preliminary prospectus or the Prospectus, as the case may be, which are deemed to be incorporated by reference therein.

The Company hereby agrees with the Underwriters as follows:

1. The Company agrees to issue and sell the Securities to the several

Underwriters as hereinafter provided, and each Underwriter, on the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees to purchase, severally and not jointly, from the Company the respective principal amount of Securities set forth opposite such Underwriter's name in Schedule II hereto at the purchase price set forth in Schedule I hereto plus accrued interest, if any, from the date specified in Schedule I hereto to the date of payment and delivery.

2. The Company understands that the several Underwriters intend (i) to make a public offering of their respective portions of the Securities and (ii) initially to offer the Securities upon the terms set forth in the Prospectus.

3. Payment for the Securities shall be made to the Company or to its order in immediately available funds by wire transfer or other same day funds on the date and at the time and place set forth in Schedule I hereto (or at such time and place on the same or such other date, not later than the fifth Business Day thereafter, as the Representatives and the Company may agree in writing). Such payment will be made upon delivery to, or to the Representatives for the respective accounts of, such Underwriters of the Securities registered in such names and in such denominations as the Representatives shall request not less than two full Business Days prior to the date of delivery, with any transfer taxes payable in connection with transfer to the Underwriters duly paid by the Company. As used herein, the term "Business Day" means any day other than a day on which banks are permitted or required to be closed in New York City. The time and date of such payment and delivery with respect to the Securities are referred to herein as the Closing Date. The certificates for the Securities will be made available for inspection and packaging by the Representatives by 1:00 P.M. on the Business Day prior to the Closing Date at such place in New York City as the Representatives and the Company shall agree.

4. The Company represents and warrants to each Underwriter that:

(a) the Registration Statement has been declared effective by the Commission under the Securities Act; no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been instituted or, to the knowledge of the Company, threatened by the Commission; and the Registration Statement and Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) comply, or will comply, as the case may be, in all material respects with the Securities Act and the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Trust Indenture Act"), and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the date of the Prospectus and any amendment or supplement thereto, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Prospectus, as amended or supplemented at the Closing Date, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and the Prospectus, as amended or supplemented at the Closing Date, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; except that the foregoing representations and warranties shall not apply to (i) that part of the Registration Statement which constitutes the Statement of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee, and (ii) statements or omissions in the

Registration Statement or the Prospectus made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein;

(b) the documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectus, when such documents are filed with the Commission will conform in all material respects to the requirements of the Exchange Act, as applicable, and will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) the financial statements, and the related notes thereto, included or incorporated by reference in the Registration Statement and the Prospectus present fairly the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their consolidated cash flows for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis except as set forth in the notes thereto, and the supporting schedules included or incorporated by reference in the Registration Statement present fairly the information required to be stated therein;

(d) since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, business, prospects, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus; and except as set forth or contemplated in the Prospectus neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) material to the Company and its subsidiaries taken as a whole;

(e) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the state of its incorporation, with corporate power and authority to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, other than where the failure to be so qualified or in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole;

(f) each of the Company's significant subsidiaries (as defined in the Commission's Regulation S-X) incorporated under the laws of a state of the United States ("significant subsidiary") has been duly incorporated and is validly existing as a corporation under the laws of its jurisdiction of incorporation, with corporate power and authority to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases properties or conducts any business so as to require such

qualification, other than where the failure to be so qualified or in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole; and all the outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and validly issued, are fully-paid and nonassessable, and (except in the case of foreign subsidiaries, for directors' qualifying shares) are owned by the Company, directly or indirectly, free and clear of all liens, encumbrances, security interests and claims except for statutory liens which individually and in the aggregate are not material;

(g) this Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Underwriters and the valid and binding nature of this Agreement on the Underwriters, constitutes a valid and legally binding agreement of the Company, except as rights to indemnity and contribution may be limited by applicable law;

(h) the Securities have been duly authorized, and when issued and delivered pursuant to this Agreement and the Indenture, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding obligations of the Company entitled to the benefits provided by the Indenture; the Indenture has been duly authorized, executed and delivered by the Company and the Trustee, has been duly qualified under the Trust Indenture Act, and constitutes a valid and binding instrument enforceable in accordance with its terms, subject as to enforceability to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Securities and the Indenture will conform to the descriptions thereof in the Prospectus;

(i) neither the Company nor any of its subsidiaries is, or with the giving of notice or lapse of time or both would be, in violation of or in default under, its Articles of Incorporation or By-Laws or any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them or any of their respective properties is bound, except for violations and defaults which individually and in the aggregate are not material to the Company and its subsidiaries taken as a whole or to the holders of the Securities; the issue and sale of the Securities and the performance by the Company of all of the provisions of its obligations under the Securities, the Indenture and this Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will any such action result in any violation of the provisions of the Articles of Incorporation or the By-Laws of the Company or any material applicable law or statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, its subsidiaries or any of their respective properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities by the Company or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture,

except such consents, approvals, authorizations, registrations or qualifications as have been obtained under the Securities Act and the Trust Indenture Act and as may be required under state securities or Blue Sky Laws in connection with the purchase and distribution of the Securities by the Underwriters;

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(j) other than as set forth or contemplated in the Prospectus, there are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is or may be a party or to which any property of the Company or any of its subsidiaries is or may be the subject which, if determined adversely to the Company, could individually or in the aggregate reasonably be expected to have a material adverse effect on the general affairs, business, prospects, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole and, to the best of the Company's knowledge, no such proceedings are contemplated by governmental authorities; and there are no contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required; and

5. The Company covenants and agrees with the several Underwriters as follows:

(a) to file the Prospectus in a form approved by the Representatives pursuant to Rule 424 under the Securities Act not later than the Commission's close of business on the second Business Day following the date of determination of the offering price of the Securities;

(b) to deliver to each Representative and counsel for the Underwriters identified in Schedule I hereto ("Counsel for the Underwriters"), at the expense of the Company, a signed copy of the Registration Statement (as originally filed) and each amendment thereto, in each case including exhibits and documents incorporated by reference therein and, during the period mentioned in paragraph (f) below, to each of the Underwriters as many copies of the Prospectus (including all amendments and supplements thereto) and documents incorporated by reference therein as the Representatives may reasonably request;

(c) during the period mentioned in paragraph (f) below, before filing any amendment or supplement to the Registration Statement or Prospectus, to furnish to the Representatives a copy of any proposed amendment or supplement to the Registration Statement or the Prospectus, for review, and not to file any such proposed amendment or supplement to which the Representatives reasonably object;

(d) to file promptly, subject to the provisions of paragraph (c) above, all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act during the period mentioned in paragraph (f) below;

(e) during the period mentioned in paragraph (f) below, to advise the Representatives promptly, and to confirm such advice in writing, (i) when any amendment to the Registration Statement shall have become effective, (ii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for any additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the

initiation or threatening of any proceeding for that purpose, and (iv) of the receipt by the Company of any notification with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and to use its best efforts to prevent the issuance of any such stop order or notification and, if issued, to obtain as soon as possible the withdrawal thereof;

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(f) if, during such period after the first date of the public offering of the Securities as in the opinion of Counsel for the Underwriters a prospectus relating to the Securities is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Prospectus to comply with law, forthwith to prepare and furnish, at the expense of the Company, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Securities may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law;

(g) to endeavor to qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and to continue such qualification in effect so long as reasonably required for distribution of the Securities and to pay all fees and expenses (including the reasonable fees and disbursements of Counsel for the Underwriters) reasonably incurred in connection with such qualification and in connection with the determination of the eligibility of the Securities for investment under the laws of such jurisdictions as the Representatives may designate; provided that the Company shall not be required to file a general consent to service of process or to qualify as a foreign corporation to do business in any jurisdiction;

(h) to make generally available to its security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first complete fiscal quarter of the Company occurring after the effective date of the Registration Statement, which shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder;

(i) through its fiscal year ending in 2004, to furnish to the Representatives copies of all reports or other communications (financial or other) furnished to holders of Securities, and copies of any reports with financial statements furnished to or filed with the Commission or any national securities exchange;

(j) during the period beginning on the date hereof and continuing to and including the Business Day following the Closing Date, not to offer, sell, contract to sell or otherwise dispose of any debt securities of or guaranteed by the Company which are substantially similar to the Securities without the prior written consent of the Representatives; and Carlbrook

(k) to pay all costs and expenses incident to the performance of its obligations hereunder, including without limiting the

generality of the foregoing, all costs and expenses (i) incident to the preparation, issuance, execution, authentication and delivery of the Securities, including any expenses of the Trustee, (ii) incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Prospectus and any preliminary prospectus (including in each case all exhibits, amendments and supplements thereto), (iii) incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Underwriters may designate (including the reasonable fees of Counsel for the Underwriters and their disbursements), (iv) in connection with the listing of the

Securities on any stock exchange, (v) related to any filing with National Association of Securities Dealers, Inc., (vi) in connection with the printing (including word processing and duplication costs) and delivery of this Agreement, the Indenture, the Preliminary and Supplemental Blue Sky Memoranda and any Legal Investment Survey and the furnishing to underwriters and dealers of copies of the Registration Statement and the Prospectus, including mailing and shipping, as herein provided and (vii) payable to rating agencies in connection with the rating of the Securities.

6. The several obligations of the Underwriters hereunder shall be subject to the following conditions:

(a) the representations and warranties of the Company contained herein are true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date and the Company shall have in all material respects complied with all agreements and all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date;

(b) the Prospectus shall have been filed with the Commission pursuant to Rule 424 within the applicable time period prescribed for such filing by the rules and regulations under the Securities Act; no stop order suspending the effectiveness of the Registration Statement shall be in effect, and no proceedings for such purpose shall be pending before or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the satisfaction of the Representatives;

(c) subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have occurred any downgrading, nor shall any notice have been given of (i) any intended or potential downgrading or (ii) any review or possible change that does not indicate an improvement, in the rating accorded any securities of or guaranteed by the Company by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Securities Act;

(d) since the respective dates as of which information is given in the Prospectus there shall not have been any material adverse change or any development involving a material adverse change, in or affecting the general affairs, business, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus, the effect of which in the judgment of the Representatives makes it impracticable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus;

(e) the Representatives shall have received on and as of the Closing Date a certificate of an executive officer of the Company satisfactory to the Representatives, on the best knowledge of such executive officer, to the effect set forth in subsections (a) through (c) of this Section and to the further effect that there has not occurred any material adverse change, or any development involving a material adverse change, in or affecting the general affairs, business, prospects, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole from that set forth or contemplated in the Prospectus;

(f) Haynsworth Sinkler Boyd, P.A., counsel for the Company, shall have furnished to the Representatives their written opinion, dated the Closing Date, in form and substance satisfactory to the Representatives, to the effect that:

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(i) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with corporate power and authority to own its properties and conduct its business as described in the Prospectus as then amended or supplemented;

(ii) each of the Company's significant subsidiaries has been duly incorporated and is validly existing as a corporation under the laws of its jurisdiction of incorporation with corporate power and authority to own its properties and conduct its business as described in the Prospectus;

(iii) such counsel does not know of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required, or of any pending legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is the subject required to be described in the Registration Statement or the Prospectus which are not described as required;

(iv) the Indenture has been duly authorized, executed and delivered by the Company and duly qualified under the Trust Indenture Act; the Securities have been duly authorized, executed, authenticated, issued and delivered; and the Indenture and the Securities constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject, as to enforceability, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(v) the Underwriting Agreement has been duly authorized, executed and delivered by the Company;

(vi) neither the Company nor any of its significant subsidiaries is, or with the giving of notice or lapse of time or both would be, in violation of or in default under, its Articles of Incorporation or By-Laws or, to the best knowledge of such counsel, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument relating to indebtedness for money borrowed known to such counsel to which the Company or any of its subsidiaries is a party or by

which it or any of them or any of their respective properties is bound, except for violations and defaults which individually and in the aggregate are not material to the Company and its subsidiaries taken as a whole or to the holders of the Securities; the issue and sale of the Securities and the performance by the Company of its obligations under the Securities, the Indenture and this Agreement and the consummation of the transaction herein and therein contemplated will not, to the best knowledge of such counsel, conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument relating to indebtedness for money borrowed known to such counsel to which the Company or any of its significant subsidiaries is a party or by which the Company or any of its significant subsidiaries is bound or to which any of the property or assets of the Company or any of its significant subsidiaries is subject, nor will any such action result in any violation of the provisions of the Articles of Incorporation, or the By-Laws of the Company;

(vii) all regulatory consents, authorizations, approvals and filings required to be obtained or made by the Company under the Federal laws of the United States and the

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laws of the State of South Carolina for the issuance, sale and delivery of the Securities by the Company to the Underwriters have been obtained or made;

(viii) the Registration Statement has become effective under the Securities Act; and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted under the Securities Act;

(ix) the statements in the Prospectus under the captions "Description of the Debt Securities" and "Description of the Debentures", insofar as such statements constitute a summary of the documents referred to therein, fairly present the information called for with respect to such documents; and

(x) such counsel (A) is of the opinion that each document incorporated by reference in the Registration Statement and the Prospectus (except for the financial statements and financial data included therein as to which such counsel need express no opinion or belief) complied as to form when filed with the Commission in all material respects with the Exchange Act, (B) does not believe that (except for the financial statements and financial data included therein and the Form T-1 of the Trustee, as to which such counsel need express no opinion or belief) any part of the registration statement (including the documents incorporated by reference therein) filed with the Commission pursuant to the Securities Act relating to the Securities, when such part became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (C) is of the opinion that the Registration Statement and the Prospectus as of the date of the Prospectus (except for the financial statements and financial data included therein and the Form T-1 of the Trustee, as to which such counsel need express no opinion or belief) comply as to form in all material respects with the requirements of the Securities Act

and the Trust Indenture Act and (D) does not believe that (except for the financial statements and financial data included therein and the Form T-1 of the Trustee, as to which such counsel need express no belief) the Registration Statement and the Prospectus, on the effective date of the Registration Statement, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus as amended or supplemented, if applicable, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinions, such counsel may rely (A) as to matters involving the application of laws other than the laws of the United States and the State of South Carolina, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (reasonably satisfactory to Counsel for the Underwriters) of other counsel reasonably acceptable to Counsel for the Underwriters, familiar with the applicable laws; and (B) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and certificates or other written statements of public officials. The opinion of such counsel for the Company shall state that the opinion of any such other counsel is in form satisfactory to such counsel and, in such counsel's opinion, the Underwriters and they are justified in relying thereon. With respect to the matters to be covered in subparagraph (x) above counsel may state their opinion and belief is based upon their participation in the preparation of the Registration Statement and the Prospectus and any amendment or supplement thereto (other than the documents incorporated by reference therein) and review and discussion of the

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contents thereof (including the documents incorporated by reference therein) but is without independent check or verification except as specified; and that they express no opinion or belief as to the statement of the eligibility of the Trustee under the Indenture.

(g) on the Closing Date, PricewaterhouseCoopers LLP shall have furnished to the Representatives a letter, dated such date, in form and substance satisfactory to the Representatives, containing statements and information of the type customarily included in accountants "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus;

(h) the Representatives shall have received on and as of the Closing Date an opinion of Counsel for the Underwriters with respect to the validity of the Indenture and the Securities, the Registration Statement, the Prospectus and other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters; and

(i) on or prior to the Closing Date, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives shall reasonably request.

7. The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including without limitation the reasonable legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted) caused by any untrue statement or alleged untrue statement of a material fact contained in

the Registration Statement or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein; provided that the foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter (or to the benefit of any person controlling such Underwriter) from whom the person asserting any such losses, claims, damages or liabilities purchased Securities if such untrue statement or omission or alleged untrue statement or omission made in such preliminary prospectus is eliminated or remedied in the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) and if a copy of the Prospectus (as so amended or supplemented, but excluding the documents incorporated by reference therein), if required by law to have been furnished to such person at or prior to the written confirmation of the sale of such Securities to such person, shall not have been so furnished.

Each Underwriter agrees, severally and not jointly to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person who controls the Company within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus, any amendment or supplement thereto, or any preliminary prospectus.

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If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnity may be sought pursuant to either of the two preceding paragraphs, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnity may be sought (the "Indemnifying Person") in writing, and the Indemnifying Person, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary, (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person or (iii) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for the Underwriters and such control persons of Underwriters shall be designated in writing by the first of the named Representatives on Schedule I hereto and any such separate firm for the Company, its directors, its officers who sign the Registration Statement and such control persons of the Company or authorized representatives shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified

Person shall have requested an Indemnifying Person to reimburse the Indemnified Person for fees and expenses of counsel as contemplated by the third sentence of this paragraph, the Indemnifying Person agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such Indemnifying Person of the aforesaid request and (ii) such Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding.

If the indemnification provided for in the first and second paragraphs of this Section 7 is unavailable to an Indemnified Person in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the net proceeds from the offering

of such Securities (before deducting expenses) received by the Company and the total underwriting discounts and the commissions received by the Underwriters bear to the aggregate public offering price of the Securities. The relative fault of the Company on the one hand and the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriter's obligations to contribute pursuant to this Section 7 are several in proportion to the respective principal amount of the Securities set forth opposite their names in

Schedule II hereto, and not joint.

The indemnity and contribution agreements contained in this Section 7 are in addition to any liability which the Indemnifying Persons may otherwise have to the Indemnified Persons referred to above.

The indemnity and contribution agreements contained in this Section 7 and the representations and warranties of the Company set forth in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter or any person controlling any Underwriter or by or on behalf of the Company, its officers or directors or any other person controlling the Company and (iii) acceptance of and payment for any of the Securities.

8. Notwithstanding anything herein contained, this Agreement may be terminated in the absolute discretion of the Representatives, by notice given to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers, Inc., (ii) trading of any securities of or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities, or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or the occurrence of any calamity or crisis that, in the judgment of the Representatives, is material and adverse and which, in the judgment of the Representatives, makes it impracticable to market the Securities on the terms and in the manner contemplated in the Prospectus.

9. If, on the Closing Date, any one or more of the Underwriters shall fail or refuse to purchase Securities which it or they have agreed to purchase under this Agreement, and the aggregate principal amount of Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount of the

Securities, the other Underwriters shall be obligated severally in the proportions that the principal amount of Securities set forth opposite their respective names in Schedule I hereto bears to the aggregate principal amount of Securities as set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the principal amount of Securities that any Underwriter has agreed to purchase pursuant to Section 1 be increased pursuant to this Section 9 by an amount in excess of one-ninth of such principal amount of Securities without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Securities and the aggregate principal amount of Securities with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Securities to be purchased, and arrangements satisfactory to the Representatives and the Company for the purchase of such Securities are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

10. If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for

any reason the Company shall be unable to perform its obligations under this Agreement or any condition of the Underwriters' obligations cannot be fulfilled, the Company agrees to reimburse the Underwriter or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the reasonable fees and expenses of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering of Securities.

11. This Agreement shall inure to the benefit of and be binding upon the Company, the Underwriters, any controlling persons referred to herein and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, form or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. No purchaser of Securities from any Underwriter shall be deemed to be successor by reason merely of such purchase.

12. Any action by the Underwriters hereunder may be taken by the Representatives jointly or by the first of the named Representatives set forth in Schedule I hereto alone on behalf of the Underwriters, and any such action taken by the Representatives jointly or by the first of the named Representatives set forth in Schedule I hereto alone shall be binding upon the Underwriters. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be given at the address set forth in Schedule II hereto. Notices to the Company shall be given to it at Post Office Box 160, Hartsville, South Carolina 29551-0160 (telecopier: (803) 383-7478), Attention: Vice President - Finance and Chief Financial Officer.

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13. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of laws provisions thereof.

Very truly yours,

Sonoco Products Company

By:

Name:

Title:

Accepted: [], 200

[]

Acting severally on behalf on themselves and the several Underwriters listed in Schedule II hereto.

By:

By: _____
Name:
Title:

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SCHEDULE I

Representatives:

Underwriting Agreement dated: [], 200
Registration Statement No[s]..: 333-[]
[333-12701]

Title of Securities:

Aggregate principal amount:

Purchase Price:

Price to Public:

Indenture: Indenture dated as of June 15,
1991 between the Company and
The Bank of New York, as
Successor Trustee

Maturity:

Interest Rate:

Interest Payment Dates:

Optional Redemption Provisions:

Sinking Fund Provisions:

Other Provisions:

Book Entry:

Closing Date and Time of Delivery:

Counsel for the Underwriters:

Closing Location:

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SCHEDULE II

Underwriter	Principal Amount of Securities To Be Purchased
-----	-----

Total:

SONOCO PRODUCTS COMPANY

Computation of Ratio of Earnings to Fixed Charges
(Dollars in Thousands)

	Six Months Ended July 1, 2001 ----	2000 ----	Years Ended December 31, -----			
	2001	2000	1999	1998	1997	1996
EARNINGS						
Pretax income - as reported	60,227	270,595	289,560	339,598	63,719	280,075
Add: Fixed charges	34,874	76,094	67,509	68,380	69,484	69,223
Amortization of capitalized interest	777	1,209	566	498	498	378
Total Earnings	95,878	347,898	357,635	408,476	133,701	349,676
FIXED CHARGES						
Interest expense	26,822	59,604	52,466	54,779	57,194	55,481
Capitalized interest	1,346	3,449	2,000	1,353	-	1,200
Amortization of bond discounts	306	508	210	248	290	209
Portion of rents representative of the interest factor	6,400	12,533	12,833	12,000	12,000	12,333
Total Fixed Charges	34,874	76,094	67,509	68,380	69,484	69,223
Ratio of Earnings to Fixed Charges	2.75	4.57	5.30	5.97	1.92	5.05

SONOCO PRODUCTS COMPANY

Computation of Ratio of Earnings to Fixed Charges - adjusted
(Dollars in Thousands)

	Six Months Ended July 1, 2001 ----	2000 ----	Years Ended December 31, -----			
	2001	2000	1999	1998	1997	1996
EARNINGS						
Pretax income - as reported	60,227	270,595	289,560	339,598	63,719	280,075
Less: (Gain) or Loss on assets held for sale	-	(5,182)	(3,500)	(100,354)	226,358	
Pretax income - adjusted	60,227	265,413	286,060	239,244	290,077	280,075
Add: Fixed charges	34,874	76,094	67,509	68,380	69,484	69,223
Amortization of capitalized interest	777	1,209	566	498	498	378
Total Earnings	95,878	342,716	354,135	308,122	360,059	349,676
FIXED CHARGES						
Interest expense	26,822	59,604	52,466	54,779	57,194	55,481
Capitalized interest	1,346	3,449	2,000	1,353	-	1,200
Amortization of bond discounts	306	508	210	248	290	209
Portion of rents representative of the interest factor	6,400	12,533	12,833	12,000	12,000	12,333
Total Fixed Charges	34,874	76,094	67,509	68,380	69,484	69,223
Ratio of Earnings to Fixed Charges	2.75	4.50	5.25	4.51	5.18	5.05

CREDIT AGREEMENT

Dated as of July 17, 2001

among

SONOCO PRODUCTS COMPANY
as Borrower

THE SEVERAL LENDERS
FROM TIME TO TIME PARTY HERETO

AND

BANK OF AMERICA, N.A.
as Administrative Agent

BANC OF AMERICA SECURITIES LLC
as Sole Lead Arranger and Book Manager

and

WACHOVIA BANK

and

SUNTRUST BANK

as Co-Syndication Agents

and

FIRST UNION NATIONAL BANK

and

DEUTSCHE BANC ALEX. BROWN INC.
as Co-Documentation Agents

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT dated as of July 17, 2001 (the "Credit Agreement"), is by and among SONOCO PRODUCTS COMPANY, a South Carolina corporation (the "Borrower"), the several lenders identified on the signature pages hereto and such other lenders as may from time to time become a party hereto (the "Lenders") and BANK OF AMERICA, N.A., as administrative agent for the Lenders (in such capacity, the "Agent").

W I T N E S S E T H

WHEREAS, the Borrower has requested that the Lenders provide a \$450,000,000 364-day revolving credit facility under this Credit Agreement for commercial paper backup and funding general corporate purposes; and

WHEREAS, the Lenders have agreed to make the requested credit facility available to the Borrower on the terms and conditions hereinafter set forth;

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1

DEFINITIONS

1.1 Definitions.

As used in this Credit Agreement, the following terms shall have the meanings specified below unless the context otherwise requires:

"Affiliate" means as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. For purposes of this definition, a Person shall be deemed to be "controlled by" a Person if such Person possesses, directly or indirectly, power either (a) to vote 5% more of the securities having ordinary voting power for the election of directors of such Person or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agent" means Bank of America, in its capacity as administrative agent hereunder, and any successors and assigns in such capacity.

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"Agent-Related Persons" means the Agent (including any successor Agent), together with its Affiliates (including, in the case of Bank of America in its capacity as the Agent, the Arranger), and the officers, directors, employees agents and attorneys-in-fact of such Persons and Affiliates.

"Applicable Percentage" shall mean, for purposes of calculating the applicable interest rate for any day for any Loan, the applicable rate of the Facility Fee for any day for purposes of Section 2.7(a), or the applicable rate of the Utilization Fee for any day for purposes of Section 2.7(b), the appropriate applicable percentage set forth below corresponding to the ratings applicable on such date to any Long-Term Debt of the Borrower then outstanding:

Pricing Level	Debt Ratings of S&P/Moody's	Applicable Percentage for Eurodollar Loans	Applicable Percentage for Base Rate Loans	Applicable Percentage for Facility Fee	Applicable Percentage for Utilization Fee
I	=>A+/A1	0.235%	0	0.065%	0.100%
II	A/A2	0.305%	0	0.070%	0.125%
III	A-/A3	0.415%	0	0.085%	0.125%
IV	BBB+/Baa1	0.500%	0	0.125%	0.125%
V	BBB/Baa2	0.600%	0	0.15%	0.250%
VI	<=BBB-/Baa3	0.750%	0	0.25%	0.250%

For purposes of the foregoing, (a) if no rating for any Long-Term Debt of the Borrower shall be available from either Moody's or S&P, such rating agency shall be deemed to have established a rating for the Long-Term Debt of the Borrower which is one rating grade higher than the subordinated debt rating grade of the Borrower, (b) if no rating for any Long-Term Debt or subordinated debt of the Borrower shall be available from either Moody's or S&P, the Applicable Percentage shall be as set forth in Pricing Level VI, (c) if the ratings established or deemed to have been established by Moody's and S&P shall fall within different categories, the Applicable Percentage shall be based upon the superior (or numerically lowest) Pricing Level and (d) if any rating established or deemed to have been established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of either Moody's or S&P), such change shall be effective as of the date on which such change is first announced by the rating agency making such change. Each such change shall apply to the Facility Fees, Utilization Fees and all Loans that are outstanding at any time during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of either Moody's or S&P shall change prior to the Termination Date, the Borrower and the Lenders shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means Banc of America Securities LLC, in its capacity as sole lead arranger and sole book manager.

"Bank of America" means Bank of America, N.A., and its successors.

"Bankruptcy Code" means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

"Base Rate" means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate in effect on such day plus 1/2 of 1% and (b) the Prime Rate in effect on such day.

"Base Rate Loan" means any Loan bearing interest at a rate determined by reference to the Base Rate.

"Book Net Worth" means, at any time, consolidated net stockholders' equity of the Borrower and its Subsidiaries determined in accordance with GAAP.

"Borrower" means Sonoco Products Company, a South Carolina corporation, as identified as such in the heading hereof, together with any permitted successors and assigns.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in San Francisco, California or New York, New York are authorized or required by law to close, except that, when used in connection with a Eurodollar Loan, such day shall also be a day on which dealings between banks are carried on in U.S. dollar deposits in London, England, San Francisco, California and New York, New York.

"Capital Lease" means any lease of Property the obligations with respect to which are required to be capitalized on a balance sheet of the lessee in accordance with GAAP.

"Closing Date" means the date hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto, as interpreted by the rules and regulations issued thereunder, in each case as in effect from time to time. References to sections of the Code shall be construed also to refer to any successor sections.

"Commitment" means (i) as to each Lender, the commitment of such Lender to make its Commitment Percentage of Committed Loans up to its Committed Amount and (ii) as to the Swingline Lender, the Swingline Commitment.

"Commitment Percentage" means, for each Lender, a fraction (expressed as a percentage) the numerator of which is the Committed Amount of such Lender at such time and the denominator of which is the

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Total Committed Amount, provided that if the Commitment Percentage of any Lender is to be determined after the Commitments have been terminated, then the Commitment Percentage of such Lender shall be determined immediately prior (and without giving effect) to such termination.

"Committed Amount" means, as to each Lender, the maximum amount of such Lender's Commitment as identified on Schedule 2.1(a), as such amount may be reduced or increased from time to time in accordance with the terms of this Agreement.

"Committed Loans" means such term as defined in Section 2.1.

"Committed Note" or "Committed Notes" means the promissory notes of the Borrower in favor of each of the Lenders evidencing the Committed Loans delivered pursuant to Section 2.1(e), individually or collectively, as appropriate, as such promissory notes may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"Competitive Bid" means an offer by a Lender to make a Competitive Loan pursuant to the terms of Section 2.2.

"Competitive Bid Rate" means, as to any Competitive Bid made by a Lender in accordance with the provisions of Section 2.2, the fixed rate of interest offered by the Lender making the Competitive Bid.

"Competitive Bid Request" means a request by the Borrower for Competitive Bids in accordance with the provisions of Section 2.2.

"Competitive Loan" means a loan made by a Lender in its discretion pursuant to the provisions of Section 2.2.

"Competitive Lenders" means, at any time, those Lenders which have Competitive Loans outstanding.

"Competitive Note" or "Competitive Notes" means the promissory notes of the Borrower in favor of each of the Lenders evidencing the Competitive Loans, if any, delivered pursuant to Section 2.2(i), individually or collectively, as appropriate, as such promissory notes may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"Credit Agreement" means this Credit Agreement.

"Credit Documents" means this Credit Agreement, the Notes, the Fee Letter and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

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"Default" means any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Designating Lender" shall have the meaning assigned thereto in Section 8.3(h).

"Dollars" and "\$" means dollars in lawful currency of the United States of America.

"Domestic Subsidiary" means any Subsidiary (a) incorporated under the laws of the United States or any state, territory or possession thereof, or the Commonwealth or Puerto Rico, (b) the operations of which are substantially conducted in the United States or its territories or possessions, or in the Commonwealth of Puerto Rico, or (c) a substantial portion of the assets of which are located in the United States or its territories or possessions, or in the Commonwealth of Puerto Rico.

"Eligible Assignee" means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other Person (other than a natural Person) approved by the Agent and the Borrower, unless (x) such Person is taking delivery of an assignment in connection with physical settlement of a credit derivatives transaction or (y) a Default or Event of Default has occurred and is continuing (each such approval not to be unreasonably withheld or delayed).

"Environmental Laws" means any and all lawful and applicable Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect

from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" means an entity, whether or not incorporated, which is under common control with the Borrower or any of its Subsidiaries within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group which includes the Borrower and which is treated as a single employer under Sections 414(b), (c), (m), or (o) of the Code.

"Eurodollar Loan" means any Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

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"Eurodollar Rate" means, for any Eurodollar Loan for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) determined by the Agent to be equal to the quotient obtained by dividing (i) the Interbank Offered Rate, by (ii) 1 minus the Eurodollar Reserve Percentage.

"Eurodollar Reserve Percentage" means for any day, that percentage (expressed as a decimal) which is in effect from time to time under Regulation D of the Board of Governors of the Federal Reserve System (or any successor), as such regulation may be amended from time to time or any successor regulation, as the maximum weighted average reserve requirement for the Lenders (including, without limitation, any basic, supplemental, emergency, special, or marginal reserves) applicable with respect to Eurocurrency liabilities as that term is defined in Regulation D (or against any other category of liabilities that includes deposits by reference to which the interest rate of Eurodollar Loans is determined). The Eurodollar Rate shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage. The Agent will promptly notify the Borrower of any change in the Eurodollar Reserve Percentage of which it becomes aware.

"Event of Default" means such term as defined in Section 6.1.

"Facility Fee" means such term as defined in Section 2.7(a).

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Bank of America on such day on such transactions as determined by the Agent.

"Fee Letter" means that certain letter agreement dated May 29, 2001 between the Agent and the Borrower, as amended, modified, supplemented or replaced from time to time.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP" means generally accepted accounting principles in the United States applied on a consistent basis and subject to Section 1.3 hereof.

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"Governmental Authority" means any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guaranty Obligations" means, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (i) to purchase any such Indebtedness or any Property constituting security therefor, (ii) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (iii) to lease or purchase Property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (iv) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

"Indebtedness" of any Person means (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (iii) all obligations of such Person under conditional sale or other title retention agreements relating to Property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (iv) all obligations, including without limitation intercompany items, of such Person issued or assumed as the deferred purchase price of Property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (v) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, Property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (vi) all Guaranty Obligations of such Person, (vii) the principal portion of all obligations of such Person under Capital Leases, (viii) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements, commodity purchase or option agreements or other interest or exchange rate or commodity price hedging agreements, or (ix) the maximum amount of all letters of credit issued or bankers' acceptances facilities created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed). The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner (except for any such Indebtedness with respect to which the holder thereof is limited to the assets of such partnership or joint venture).

"Indemnified Liabilities" means (a) any and all claims, demands, actions or causes of action that are asserted against any Agent-Related Person by any Person (other than the Agent or any Lender) relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against the Borrower, any

Affiliate of the Borrower or any of their respective officers or directors; (b) any and all claims, demands, actions or causes of action that may at any time (including at any time following repayment of the Obligations and the resignation or removal of the Agent or the replacement of any Lender) be asserted or imposed against any Agent-Related Person, arising out of or relating to, the Credit Documents, any predecessor Credit Documents, the Commitments, the use or contemplated use of the proceeds of any extension of credit, or the relationship of the Borrower, the Agent and the Lenders under this Credit Agreement or any other Credit Document; (c) any administrative or investigative proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (a) or (b) above; and (d) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including reasonable fees and costs of counsel) that any Agent-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, whether or not an Agent-Related Person is a party to such claim, demand, action, cause of action or proceeding.

"Interbank Offered Rate" means, for any Eurodollar Loan for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) in each case determined by the Agent to be equal to:

- (a) the offered rate that appears on the Dow Jones Telerate Screen Page 3750 (or any successor page) that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of the applicable Interest Period) for a term equivalent to the applicable Interest Period at approximately 11:00 a.m. (London time) two Business Days prior to the first day of the applicable Interest Period; or
- (b) if for any reason the foregoing rate in clause (i) is unavailable or undeterminable, the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of the applicable Interest Period) for a term equivalent to the applicable Interest Period at approximately 11:00 a.m. (London time) two Business Days prior to the first day of the applicable Interest Period; or
- (c) if for any reason the foregoing rates in clauses (i) and (ii) are unavailable or undeterminable, the rate of interest at which deposits in Dollars for delivery on the first day of the applicable Interest Period in same day funds in the approximate amount of the applicable Eurodollar Loan for a term equivalent to the applicable Interest Period would be offered by the London branch of Bank of America to major banks in the offshore Dollar market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of the applicable Interest Period.

"Interest Payment Date" means (i) as to any Base Rate Loan, the last day of each March, June, September and December and the Termination Date, (ii) as to any Eurodollar Loan, any Competitive Loan or any Swingline Loan, the last day of each Interest Period for such Loan and on the Termination Date, and in addition where the applicable

Interest Period is more than 3 months, then also on the date 3 months from the beginning of the Interest Period, and each 3 months thereafter. If an Interest Payment Date falls on a date which is not a Business Day, such Interest Payment Date shall be deemed to be the next succeeding Business Day, except that in the case of Eurodollar Loans where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day.

"Interest Period" means (i) with respect to any Eurodollar Loan, a period of one, two, three or six months' duration (or, subject to the approval of all Lenders), nine or twelve months' duration, provided that a twelve month Interest Period may only be elected by the Borrower in connection with its exercise of the term-out option pursuant to Section 2.6(e)), as the Borrower may elect, commencing in each case on the date of the borrowing (including extensions and conversions), (ii) with respect to any Competitive Loan, a period beginning on the date of borrowing and ending on the date specified in the respective Competitive Bid whereby the offer to make such Competitive Loan was extended, which shall be not less than 7 days nor more than 180 days' duration and (iii) as to any Swingline Loan, a period commencing in each case on the date of the borrowing and ending on the date agreed to by the Borrower and the Swingline Lender in accordance with the provisions of Section 2.3(b)(i) (such ending date in any event to be not more than 13 days from the date of borrowing); provided, however, (A) if any Interest Period would end on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day (except that in the case of Eurodollar Loans where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day), (B) no Interest Period shall extend beyond the Termination Date, and (C) in the case of Eurodollar Loans, where an Interest Period begins on a day for which there is no numerically corresponding day in the calendar month in which the Interest Period is to end, such Interest Period shall, subject to clause (A) above, end on the last Business Day of such calendar month.

"Lenders" means each of the Persons identified as a "Lender" on the signature pages hereto, and each Person which may become a Lender by way of assignment in accordance with the terms hereof, together with their successors and permitted assigns.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, security interest, encumbrance, lien (statutory or otherwise), preference, priority or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the Uniform Commercial Code as adopted and in effect in the relevant jurisdiction or other similar recording or notice statute, and any lease in the nature thereof).

"Loan" or "Loans" means a Committed Loan and/or a Competitive Loan and/or a Swingline Loan, as appropriate.

"Long-Term Debt" shall mean, at any time, any non-credit enhanced publicly-held senior unsecured debt obligations outstanding at such time with a maturity more than one year after the date of any determination hereunder.

"Material Adverse Effect" means a material adverse effect on (i) the condition (financial or otherwise), operations, business, assets, liabilities (actual or contingent) or prospects of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform any material obligation under the Credit Documents or (iii) the material rights and remedies of the Lenders under the Credit Documents.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a Plan which is a multiemployer plan as defined in Section 3(37) or 4001(a)(3) of ERISA.

"Multiple Employer Plan" means a Plan which the Borrower, any of its Subsidiaries or any ERISA Affiliate and at least one employer other than the Borrower, its Subsidiaries or any ERISA Affiliate are contributing sponsors.

"Non-Excluded Taxes" means such term as defined in Section 2.12(a).

"Note" or "Notes" means the Committed Notes and/or the Competitive Notes and/or the Swingline Note, collectively, separately or individually, as appropriate.

"Notice of Borrowing" means the written notice of borrowing as referenced and defined in Section 2.1(b)(i).

"Notice of Extension/Conversion" means the written notice of extension or conversion of a Loan in accordance with Section 2.5, a form of which is attached as Schedule 2.5.

"Obligations" means, with respect to the Agent and any or all of the Lenders, the unpaid principal of, and the accrued and unpaid

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interest on, the Loans, all accrued and unpaid fees and all other unsatisfied obligations of the Borrower arising under any of the Credit Documents, including without limitation under Sections 2.11, 2.12 and 2.13.

"Participation Interest" means the extension of credit by a Lender by way of a purchase of a participation in Swingline Loans as provided in Section 2.3(b)(iii).

"Participant" has the meaning specified in Section 8.2(d).

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA and any successor thereof.

"Person" means any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise (whether or not incorporated) or any Governmental Authority.

"Plan" means any employee benefit plan (as defined in Section 3(3) of ERISA) which is covered by ERISA and with respect to which the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" within the meaning of Section 3(5) of ERISA.

"Prime Rate" means, for any day, the rate per annum in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." Such rate is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Property" means any interest in any kind of property or

asset, whether real, personal or mixed, or tangible or intangible.

"Quoted Rate" means, with respect to any Quoted Rate Swingline Loan, the fixed percentage rate per annum offered by the Swingline Lender and accepted by the Borrower with respect to such Swingline Loan as provided in accordance with the provisions of Section 2.3.

"Quoted Rate Swingline Loan" means a Swingline Loan bearing interest at a Quoted Rate.

"Register" shall have the meaning given such term in Section 8.2(c).

"Replaced Lender" means such term as defined in Section 2.17.

"Replacement Lender" means such term as defined in Section 2.17.

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"Reportable Event" means any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the post-event notice requirement is waived under subsections .13, .14, .18, .19, or .20 of PBGC Reg. ss. 2615.

"Required Lenders" means, at any time, Lenders having at least fifty-one percent (51%) of the Commitments or, if the Commitments have been terminated, Lenders holding at least fifty-one percent (51%) of the aggregate unpaid principal amount of the Notes (excluding any Competitive Notes) and the Participation Interests.

"Requirement of Law" means, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its material property.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.

"Single Employer Plan" means any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Subject Property" means such term as defined in Section 4.11.

"Subsidiary" means, as to any Person, (a) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time, any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, and (b) any partnership, limited liability company, association, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than 50% equity interest at any time. Unless otherwise specified, any reference to a Subsidiary is intended as a reference to a Subsidiary of the Borrower.

"Swingline Commitment" means the commitment of the Swingline Lender to make Swingline Loans in an aggregate principal amount at any time outstanding of up to the Swingline Committed Amount.

"Swingline Committed Amount" shall have the meaning assigned to such term in Section 2.3(a).

"Swingline Lender" means Bank of America.

"Swingline Loan" shall have the meaning assigned to such term in Section 2.3(a).

"Swingline Note" means the promissory note of the Borrower in favor of the Swingline Lender in the original principal amount of \$15,000,000.00, as such promissory note may be amended, modified, restated or replaced from time to time.

"Termination Date" means the earlier of (i) July 16, 2002 (as such date may be extended pursuant to Section 2.6(e)) and (ii) the day on which the Commitments shall have been reduced to zero and terminated in whole pursuant to the terms hereof.

"Termination Event" means (i) with respect to any Plan, the occurrence of a Reportable Event or the substantial cessation of operations (within the meaning of Section 4062(e) of ERISA); (ii) the withdrawal of the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year in which it was a substantial employer (as such term is defined in Section 4001(a)(2) of ERISA), or the termination of a Multiple Employer Plan; (iii) the distribution of a notice of intent to terminate or the actual termination of a Plan pursuant to Section 4041(a)(2) or 4041A of ERISA; (iv) the institution of proceedings to terminate or the actual termination of a Plan by the PBGC under Section 4042 of ERISA; (v) any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; or (vi) the complete or partial withdrawal of the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate from a Multiemployer Plan.

"Total Assets" means, at any time, all items which would, in accordance with GAAP, be classified as assets (other than intangible assets) on a consolidated balance sheet of the Borrower and its Subsidiaries.

"Total Committed Amount" means the aggregate Committed Amounts of all the Lenders, being initially \$450,000,000.

"U.S. Tax Compliance Certificate" means such term as defined in Section 2.11(b)(Y).

"Utilization Fee" means such term as defined in Section 2.7(b).

"Utilization Fee Period" means such term as defined in Section 2.7(b).

1.2 Computation of Time Periods.

For purposes of computation of periods of time hereunder, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

1.3 Accounting Terms.

Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall be prepared, in accordance with GAAP applied on a consistent basis. All calculations made for the purposes of determining compliance with this Credit Agreement shall (except as otherwise expressly provided herein) be

made by application of GAAP applied on a basis consistent with the most recent annual or quarterly financial statements delivered pursuant to Section 5.1 hereof (or, prior to the delivery of the first financial statements pursuant to Section 5.1 hereof, consistent with the financial statements as at April 1, 2001 referenced in Section 4.1); provided, however, if (a) the Borrower shall object to determining such compliance on such basis at the time of delivery of such financial statements due to any change in GAAP or the rules promulgated with respect thereto or (b) the Agent or the Required Lenders shall so object in writing within 30 days after delivery of such financial statements, then such calculations shall be made on a basis consistent with the most recent financial statements delivered by the Borrower to the Lenders as to which no such objection shall have been made.

SECTION 2

THE CREDIT FACILITIES

2.1 Revolving Loans.

(a) Commitment. Subject to the terms and conditions of this Credit Agreement, each Lender severally agrees to make revolving loans ("Committed Loans") to the Borrower from time to time during the period from the date hereof to the Termination Date in an aggregate principal amount not to exceed such Lender's Commitment at any time in effect; provided, however, that (A) with regard to each Lender individually, such Lender's Committed Loans shall not exceed its Committed Amount and (B) with regard to the Lenders collectively, the aggregate amount outstanding of Committed Loans plus the aggregate amount outstanding of Competitive Loans plus the aggregate amount outstanding of all Swingline Loans shall not exceed the Total Committed Amount. Committed Loans may consist of Base Rate Loans or Eurodollar Loans, or a combination thereof, as the Borrower may request, and may be repaid and reborrowed in accordance with the provisions hereof.

(b) Committed Loan Borrowings.

(i) Notice of Borrowing. The Borrower shall request a Committed Loan borrowing by written notice (or telephone notice promptly confirmed in writing) to the Agent not later than 10:00 A.M. (San Francisco, California time) on the Business Day of the requested

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borrowing in the case of Base Rate Loans, and on the third Business Day prior to the date of the requested borrowing in the case of Eurodollar Loans. Each such request for borrowing shall be irrevocable and shall specify (A) that a Committed Loan is requested, (B) the date of the requested borrowing (which shall be a Business Day), (C) the aggregate principal amount to be borrowed, and (D) whether the borrowing shall be comprised of Base Rate Loans, Eurodollar Loans or a combination thereof, and if Eurodollar Loans are requested, the Interest Period(s) therefor. A form of Notice of Borrowing (a "Notice of Borrowing") is attached as Schedule 2.1(b)(i). If the Borrower shall fail to specify in any such Notice of Borrowing (I) an applicable Interest Period in the case of a Eurodollar Loan, then such notice shall be deemed to be a request for an Interest Period of one month, or (II) the type of Committed Loan requested, then such notice shall be deemed to be a request for a Base Rate Loan hereunder. The Agent shall give notice to each Lender promptly upon receipt of each Notice of Borrowing, the contents thereof and each such Lender's share thereof.

(ii) Minimum Amounts. Each Committed Loan borrowing shall be in a minimum aggregate amount of \$5,000,000 and integral multiples of \$2,000,000.

(iii) Advances. Each Lender will make its Commitment Percentage of each Committed Loan borrowing available to the Agent for the account of the Borrower at the office of the Agent specified in Schedule 2.1(a), or at such other office as the Agent may designate in writing, by 12:00 P.M. (San Francisco, California time) on the date specified in the applicable Notice of Borrowing in Dollars and in funds immediately available to the Agent. Such borrowing will then be made available to the Borrower by the Agent by crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Agent by the Lenders and in like funds as received by the Agent.

(c) Repayment. The principal amount of all Committed Loans shall be due and payable in full on the Termination Date.

(d) Interest. Subject to the provisions of Section 2.4, Committed Loans shall bear interest at a per annum rate equal to:

(i) Base Rate Loans. During such periods as Committed Loans shall be comprised of Base Rate Loans, the Base Rate plus the Applicable Percentage; and

(ii) Eurodollar Loans. During such periods as Committed Loans shall be comprised of Eurodollar Loans, the sum of the Eurodollar Rate plus the Applicable Percentage.

Interest on Committed Loans shall be payable in arrears on each Interest Payment Date.

(e) Committed Notes. The Committed Loans made by each Lender shall be evidenced by a duly executed promissory note of the Borrower to each Lender in substantially the form of Schedule 2.1(e).

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2.2 Competitive Loan Subfacility.

(a) Competitive Loans. Subject to the terms and conditions of this Credit Agreement, the Borrower may, from time to time during the period from the date hereof to the Termination Date, request and each Lender may, in its sole discretion, agree to make, Competitive Loans to the Borrower; provided that the sum of the aggregate amount outstanding of Competitive Loans plus the aggregate amount outstanding of Committed Loans plus the aggregate amount outstanding of Swingline Loans shall not exceed the Total Committed Amount. Each Competitive Loan shall be in a minimum aggregate principal amount of \$5,000,000 and multiples of \$2,000,000 in excess thereof.

(b) Competitive Bid Requests. The Borrower may solicit Competitive Bids by delivery of a Competitive Bid Request substantially in the form of Schedule 2.2(b)-1 to the Agent or each Lender by 11:00 a.m. (San Francisco, California time) on the second Business Day prior to the date of the requested Competitive Loan borrowing. A Competitive Bid Request shall specify (i) the date of the requested Competitive Loan borrowing (which shall be a Business Day), (ii) the amount of the requested Competitive Loan borrowing and (iii) the applicable Interest Periods requested. The Agent shall, promptly following its receipt of a Competitive Bid Request notify the Lenders of its receipt and the contents thereof. A form of such notice is provided in Schedule 2.2(b)-2. No more than three (3) Competitive Bid Requests shall be submitted at any one time (e.g., the Borrower may request Competitive Bids for no more than three (3) different Interest Periods at a time) and Competitive Bid Requests may be made no more frequently than once every five (5) Business Days.

(c) Competitive Bid Procedure. Each Lender may, in its sole discretion, make one or more Competitive Bids to the Borrower in

response to a Competitive Bid Request. Each Competitive Bid must be received by the Agent not later than 8:00 A.M. (San Francisco, California time) on the proposed date of borrowing. A Lender may offer to make all or part of the requested Competitive Loan borrowing and may submit multiple Competitive Bids in response to a Competitive Bid Request. The Competitive Bid shall specify (i) the particular Competitive Bid Request as to which the Competitive Bid is submitted, (ii) the minimum (which shall be not less than \$1,000,000 and integral multiples thereof) and maximum principal amounts of the requested Competitive Loan or Loans as to which the Lender is willing to make, and (iii) the applicable interest rate or rates and Interest Period or Periods therefor. A form of such Competitive Bid is provided in Schedule 2.2(c). A Competitive Bid submitted by a Lender in accordance with the provisions hereof shall be irrevocable, absent manifest error. In the case of each Competitive Bid auction being administered by the Agent, the Agent shall promptly notify the Borrower of all Competitive Bids made and the terms thereof and shall send a copy of each of the Competitive Bids to the Borrower for its records as soon as practicable.

(d) Submission of Competitive Bids by Agent. In the case of each Competitive Bid auction being administered by the Agent, if the

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Agent, in its capacity as a Lender, elects to submit a Competitive Bid in response to the related Competitive Bid Request, it shall submit such Competitive Bid directly to the Borrower one-half of an hour earlier than the latest time at which the other Lenders are required to submit their Competitive Bids to the Agent in response to such Competitive Bid Request pursuant to the terms of subsection (c) above.

(e) Acceptance of Competitive Bids. The Borrower may, in its sole and absolute discretion, subject only to the provisions of this subsection (e), accept or reject any Competitive Bid offered to it. To accept a Competitive Bid, the Borrower shall give written notification (or telephone notice promptly confirmed in writing) substantially in the form of Schedule 2.2(e) of its acceptance of any or all such Competitive Bids. Such notification must be received by the Agent not later than 10:00 A.M. (San Francisco, California time) on the date on which notice of election to make a Competitive Bid is to be given by the Lenders pursuant to the terms of subsection (c) above; provided, however, (i) the failure by the Borrower to give timely notice of its acceptance of a Competitive Bid shall be deemed to be a rejection thereof, (ii) the Borrower may accept Competitive Bids only in ascending order of rates, (iii) the aggregate amount of Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv) the Borrower may accept a portion of a Competitive Bid in the event, and to the extent, acceptance of the entire amount thereof would cause the Borrower to exceed the principal amount specified in the related Competitive Bid Request, subject however to the minimum amounts provided herein (and provided that where two or more Lenders submit a Competitive Bid at the same Competitive Bid Rate, then the Borrower shall accept portions of the Competitive Bids of such Lenders on a pro rata basis based upon the amount of the Competitive Bids of such Lenders) and (v) no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of \$1,000,000 and integral multiples thereof, except that where a portion of a Competitive Bid is accepted in accordance with the provisions of subsection (iv) hereof, then in a minimum principal amount of \$100,000 and integral multiples thereof (but not in any event less than the minimum amount specified in the Competitive Bid), and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to subsection (iv) hereof, the amounts shall be rounded to integral multiples of \$100,000 in a manner which shall be in

the discretion of the Borrower. A notice of acceptance of a Competitive Bid given by the Borrower in accordance with the provisions hereof shall be irrevocable. In the case of each Competitive Bid auction being administered by the Agent, the Agent shall, not later than 11:00 a.m. (San Francisco, California time) on the date of receipt by the Agent of a notification from the Borrower of its acceptance and/or rejection of Competitive Bids, notify each Lender of its receipt and the contents thereof, such notification to include the ranges of Competitive Bids submitted and the highest and lowest Competitive Bids accepted for each Interest Period requested by the Borrower and the aggregate amount borrowed pursuant to the applicable Competitive Bid Request. Upon its receipt from the Agent or the Borrower, as applicable, of notification of the Borrower's acceptance of its Competitive Bid(s) in accordance with the terms of this subsection (e), each successful bidding Lender will thereupon become bound, subject to the other applicable conditions

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hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) Funding of Competitive Loans. Each Lender which is to make a Competitive Loan shall make its Competitive Loan borrowing available to the Agent for the account of the Borrower (in Dollars and in funds immediately available to the Agent) at the office of the Agent specified in Schedule 2.1(a), or at such other office as the Agent may designate in writing, (i) in the case of same day Competitive Loan borrowing requests, by 3:00 P.M. (San Francisco, California time) on the date specified in the Competitive Bid Request or (ii) in all other cases, by 12:30 P.M. (San Francisco, California time) on the date specified in the Competitive Bid Request. Such borrowing will then be made available to the Borrower by crediting the account of the Borrower on the books of such office with the aggregate of the amount made available to the Agent by the applicable Competitive Lenders and in like funds as received by the Agent.

(g) Maturity of Competitive Loans. Each Competitive Loan shall mature and be due and payable in full on the last day of the Interest Period applicable thereto. Unless the Borrower shall give notice to the Agent otherwise, the Borrower shall be deemed to have requested a Committed Loan borrowing in the amount of the maturing Competitive Loan, the proceeds of which will be used to repay such Competitive Loan.

(h) Interest on Competitive Loans. Subject to the provisions of Section 2.4, Competitive Loans shall bear interest in each case at the Competitive Bid Rate applicable thereto. Interest on Competitive Loans shall be payable in arrears on each Interest Payment Date.

(i) Competitive Loan Notes. The Competitive Loans shall be evidenced by a duly executed promissory note of the Borrower to each Lender in an original principal amount equal to the Total Committed Amount and substantially in the form of Schedule 2.2(i).

(j) Competitive Bid Request Fee. The Borrower shall pay to the Agent for each Competitive Bid Request a Competitive Bid administration fee in the amount set forth in the Fee Letter concurrently with delivery of any Competitive Bid Request (whether or not any Competitive Bid is offered by a Lender or accepted by the Borrower and whether or not any Competitive Loan is extended by any Lender in connection with such Competitive Bid Request).

2.3 Swingline Loan Subfacility.

(a) Swingline Commitment. Subject to the terms and conditions hereof and in reliance upon the representations and warranties herein

set forth, the Swingline Lender, in its individual capacity, agrees to make certain revolving credit loans requested by the Borrower in Dollars to the Borrower (each a "Swingline Loan" and, collectively, the "Swingline Loans") from time to time from the Closing Date until the

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Termination Date for the purposes hereinafter set forth; provided, however, (i) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed FIFTEEN MILLION DOLLARS (\$15,000,000.00) (the "Swingline Committed Amount"), and (ii) the aggregate principal amount of outstanding Committed Loans plus the aggregate principal amount outstanding of Swingline Loans plus the aggregate principal amount outstanding of Competitive Loans shall not exceed the Total Committed Amount. Swingline Loans hereunder shall be made as Base Rate Loans or Quoted Rate Swingline Loans as the Borrower may request in accordance with the provisions of this Section 2.3, and may be repaid and reborrowed in accordance with the provisions hereof.

(b) Swingline Loan Advances.

(i) Notices; Disbursement. Whenever the Borrower desires a Swingline Loan advance hereunder it shall give written notice (or telephone notice promptly confirmed in writing) to the Swingline Lender not later than 11:00 a.m. (San Francisco, California time) on the Business Day of the requested Swingline Loan advance. Each such notice shall be irrevocable and shall specify (A) that a Swingline Loan advance is requested, (B) the date of the requested Swingline Loan advance (which shall be a Business Day) and (C) the principal amount of the Swingline Loan advance requested. Each Swingline Loan shall be made as a Base Rate Loan or a Quoted Rate Swingline Loan and shall have such maturity date as the Swingline Lender and the Borrower shall agree upon receipt by the Swingline Lender of any such notice from the Borrower but in no event shall the maturity of any Swingline Loan exceed 13 days. The Swingline Lender shall initiate the transfer of funds representing the Swingline Loan advance to the Borrower by 4:00 P.M. (San Francisco, California time) on the Business Day of the requested borrowing.

(ii) Minimum Amounts. Each Swingline Loan advance shall be in a minimum principal amount of \$500,000.00 and in integral multiples of \$100,000.00 in excess thereof (or the remaining amount of the Swingline Committed Amount, if less).

(iii) Repayment of Swingline Loans. The principal amount of all Swingline Loans shall be due and payable on the earlier of (A) the maturity date agreed to by the Swingline Lender and the Borrower with respect to such Loan (which maturity date shall not be a date more than thirteen (13) days from the date of advance thereof) or (B) the Termination Date. The Swingline Lender may, at any time, in its sole discretion, by written notice to the Borrower and the Lenders, demand repayment of its Swingline Loans by way of a Committed Loan, in which case the Borrower shall be deemed to have requested a Committed Loan comprised solely of Base Rate Loans in the amount of such Swingline Loans; provided, however, that any such demand shall be deemed to have been given one Business Day prior to the Termination

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Date and on the date of the occurrence of any Event of Default described in Section 6.1 and upon acceleration of the indebtedness hereunder and the exercise of remedies in accordance with the provisions of Section 6.2. Each Lender hereby irrevocably agrees to

make its pro rata share of each such Committed Loan in the amount, in the manner and on the date specified in the preceding sentence notwithstanding (I) the amount of such borrowing may not comply with the minimum amount for advances of Committed Loans otherwise required hereunder, (II) whether any conditions specified in Section 3.2 are then satisfied, (III) whether a Default or an Event of Default then exists, (IV) failure of any such request or deemed request for Committed Loan to be made by the time otherwise required hereunder, (V) whether the date of such borrowing is a date on which Committed Loans are otherwise permitted to be made hereunder or (VI) any termination of the Commitments relating thereto immediately prior to or contemporaneously with such borrowing. In the event that any Committed Loan cannot for any reason be made on the date otherwise required above (including, without limitation, as a result of the commencement of a proceeding under the U.S. Bankruptcy Code with respect to the Borrower), then each Lender hereby agrees that it shall forthwith purchase (as of the date such borrowing would otherwise have occurred, but adjusted for any payments received from the Borrower on or after such date and prior to such purchase) from the Swingline Lender such participations in the outstanding Swingline Loans as shall be necessary to cause each such Lender to share in such Swingline Loans ratably based upon its Commitment Percentage of the Total Committed Amount, provided that (A) all interest payable on the Swingline Loans shall be for the account of the Swingline Lender until the date as of which the respective participation is purchased and (B) at the time any purchase of participations pursuant to this sentence is actually made, the purchasing Lender shall be required to pay to the Swingline Lender, to the extent not paid to the Swingline Lender by the Borrower in accordance with the terms of subsection (c)(ii) hereof, interest on the principal amount of participation purchased for each day from and including the day upon which such borrowing would otherwise have occurred to but excluding the date of payment for such participation, at the rate equal to the Federal Funds Rate.

(c) Interest on Swingline Loans. (i) Subject to the provisions of Section 2.4, each Swingline Loan shall bear interest as follows:

(A) Base Rate Loans. If such Swingline Loan is a Base Rate Loan, at a per annum rate (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the Base Rate.

(B) Quoted Rate Swingline Loans. If such Swingline Loan is a Quoted Rate Swingline Loan, at a per annum rate (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the Quoted Rate applicable thereto.

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Notwithstanding any other provision to the contrary set forth in this Credit Agreement, in the event that the principal amount of any Quoted Rate Swingline Loan is not repaid on the last day of the Interest Period for such Loan, then such Loan shall be automatically converted into a Base Rate Loan at the end of such Interest Period.

(ii) Payment of Interest. Interest on Swingline Loans shall be payable in arrears on each applicable Interest Payment Date (or at such other times as may be specified herein).

(d) Swingline Note. The Swingline Loans shall be evidenced by a duly executed promissory note of the Borrower to the Swingline Lender in substantially the form of Schedule 2.3(d).

2.4 Default Rate.

Overdue principal and, to the extent permitted by law, overdue interest in respect of each Loan and any other overdue amount payable hereunder or under the other Credit Documents shall bear interest, payable on demand, at a per annum rate 2% greater than the rate which would otherwise be applicable (or if no rate is applicable, whether in respect of interest, fees or other amounts, then 2% greater than the Base Rate).

2.5 Extension and Conversion.

The Borrower shall have the option, on any Business Day prior to the Termination Date, to extend existing Loans into a subsequent permissible Interest Period or to convert Loans into Loans of another type; provided, however, that (i) except as provided in Section 2.10, Eurodollar Loans may be converted into Base Rate Loans only on the last day of the Interest Period applicable thereto, (ii) Eurodollar Loans may be extended, and Base Rate Loans may be converted into Eurodollar Loans, only if no Default or Event of Default is in existence on the date of extension or conversion, (iii) Loans extended as, or converted into, Eurodollar Loans shall be subject to the terms of the definition of "Interest Period" set forth in Section 1.1 and shall be in such minimum amounts as provided in Section 2.1(b)(ii), (iv) any request for extension or conversion of a Eurodollar Loan which shall fail to specify an Interest Period shall be deemed to be a request for an Interest Period of one month and (v) Swingline Loans and Competitive Loans may not be extended or converted pursuant to this Section 2.5. Each such extension or conversion shall be effected by the Borrower by giving a Notice of Extension/Conversion (or telephone notice promptly confirmed in writing) to the Agent prior to 10:00 A.M. (San Francisco, California time) on the Business Day of, in the case of the conversion of a Eurodollar Loan into a Base Rate Loan, and on the third Business Day prior to, in the case of the extension of a Eurodollar Loan as, or conversion of a Base Rate Loan into, a Eurodollar Loan, the date of the proposed extension or conversion, specifying the date of the proposed extension or conversion, the Loans to be so extended or converted, the types of Loans into which such Loans are to be converted and, if appropriate, the applicable Interest Periods with respect thereto. Each request for extension or conversion shall constitute a representation and warranty by the Borrower of the matters specified in Sections 3.2(b), 3.2(c) and 3.2(d). In the event the Borrower fails to request extension of or conversion into any Eurodollar Loan in accordance

with this Section, or any such conversion or extension is not permitted or required by this Section, then such Loans shall be automatically converted into Base Rate Loans at the end of their Interest Period. The Agent shall give each Lender notice as promptly as practicable of any such proposed extension or conversion affecting any Loan.

2.6 Reductions in Commitments, Prepayments and Term Out Option.

(a) Termination of Commitments Generally. The Borrower may at any time, upon not less than five (5) Business Days' written notice to the Agent, terminate the Commitments, in whole or in part; provided that (i) the Commitments shall not be terminated to an amount less than the sum of the aggregate principal amount outstanding of Competitive Loans plus the aggregate principal amount outstanding of Committed Loans plus the aggregate principal amount outstanding of the Swingline Loans and (ii) partial terminations shall be in a minimum principal amount of \$5,000,000 and multiples of \$2,000,000 in excess thereof. Partial terminations in the Commitments will serve to reduce each of the Lenders' respective Committed Amount ratably in accordance with the provisions of Section 2.14(a). Terminations of the Commitments, in whole or in part, pursuant to this subsection (a) are permanent and may not be reinstated.

(b) Voluntary Prepayments. The Borrower may prepay the Loans, in whole or in part; provided that (i) Committed Loans which are Eurodollar Loans and Competitive Loans may be prepaid only with three

(3) Business Days' prior written notice to the Agent and any such prepayment of Committed Loans which are Eurodollar Loans, Competitive Loans and Quoted Rate Swingline Loans shall be accompanied by any amounts owing under Section 2.13 on account thereof, and (ii) partial prepayments shall be in a minimum principal amount of \$5,000,000 and multiples of \$2,000,000 in excess thereof (or, in the case of Swingline Loans, in a minimum principal amount of \$500,000 and multiples of \$100,000 in excess thereof).

(c) Mandatory Prepayments. If at any time the sum of the aggregate principal amount outstanding of Competitive Loans plus the aggregate principal amount outstanding of Committed Loans plus the aggregate principal amount outstanding of the Swingline Loans shall exceed the Total Committed Amount, the Borrower shall immediately make payment on the Loans in an amount sufficient to eliminate the deficiency.

(d) Notice. In the case of voluntary prepayments under subsection (b) hereof, the Borrower will give notice to the Agent of its intent to make such a prepayment by 10:00 A.M. (San Francisco, California time) three (3) Business Days', in the case of Committed Loans which are Eurodollar Loans and Competitive Loans, and one (1) Business Day, in all other cases, prior to the date of prepayment.

(e) Term Out Option. If (i) the Borrower shall have delivered to the Agent a written notice requesting an extension of the

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Termination Date at least three (3) Business Days prior to July 16, 2002 and (ii) no Default or Event of Default exists on July 16, 2002, then the Termination Date shall be extended to July 16, 2003; provided, however, that the Commitments shall terminate on July 16, 2002, and any amounts repaid on loans outstanding during such extension period may not be reborrowed.

2.7 Fees.

(a) Facility Fee. The Borrower agrees to pay in immediately available funds to the Agent (without offset or counterclaim), for the account of the Lenders, in consideration of the Commitments hereunder, on the last day of each calendar quarter (commencing with the first such date after the date hereof) and on the Termination Date, a facility fee (the "Facility Fee") equal to the Applicable Percentage for the Facility Fee (on a per annum basis) multiplied by the Total Committed Amount during the preceding period or quarter. The Facility Fee shall commence to accrue as of the date hereof, and shall cease to accrue on the Termination Date.

(b) Utilization Fee. During such periods as the aggregate principal amount of all outstanding Loans is greater than or equal to 33% of the Total Committed Amount then in effect (or, if the term-out option has been exercised pursuant to Section 2.6(e), the Total Committed Amount immediately prior to such exercise) (each a "Utilization Fee Period"), the Borrower agrees to pay in immediately available funds to the Agent (without offset or counterclaim), for the account of the Lenders, in consideration of the Commitments hereunder, on the last day of each calendar quarter (commencing with the first such date after the date hereof) and on the Termination Date, a utilization fee (the "Utilization Fee") on the aggregate principal amount of all Loans outstanding during each such Utilization Fee Period computed at a rate for each day during each such period equal to the Applicable Percentage for the Utilization Fee (on a per annum basis). The Utilization Fee shall commence to accrue as of the date hereof, and shall cease to accrue on the Termination Date.

(c) Administrative Fees. The Borrower agrees to pay to the Agent , for its own account, the administrative and similar fees set forth in the Fee Letter.

2.8 Capital Adequacy.

If, after the date hereof, any Lender has determined and certified to the Agent and the Borrower that the adoption or effectiveness of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender (or any Person controlling such Lender (its "parent")) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's (or its parent's) capital or assets as a consequence of

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its commitments or obligations hereunder to a level below that which such Lender (or its parent) could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's (and its parent's) policies with respect to capital adequacy), then, upon written notice and certification from such Lender, the Borrower shall pay to such Lender, without duplication, such additional amount or amounts as will compensate such Lender (or its parent) for such reduction; provided that no such amounts shall be payable with respect to reduction in rate of return incurred more than 90 days before such Lender demands compensation under this Section; and provided further that the amount requested shall have been determined and allocated by such Lender pro rata on all its commitments and assets affected thereby. Each determination by any such Lender of amounts owing under this Section shall, absent manifest error, be conclusive and binding on the parties hereto.

2.9 Inability To Determine Interest Rate.

If prior to the first day of any Interest Period, the Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, the Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders as soon as practicable thereafter. If such notice is given (i) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (ii) any Loans that were to have been converted on the first day of such Interest Period to or continued as Eurodollar Loans shall be converted to or continued as Base Rate Loans and (iii) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to Base Rate Loans. Until such notice has been withdrawn by the Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Base Rate Loans to Eurodollar Loans.

2.10 Illegality.

Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the Closing Date shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Credit Agreement, (a) such Lender shall promptly give written notice of such circumstances to the Borrower and the Agent (which notice shall be withdrawn whenever such circumstances no longer exist), (b) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert a Base Rate Loan to Eurodollar Loans shall forthwith be canceled and, until such time as it shall no longer be unlawful for such Lender to make or maintain Eurodollar Loans, such Lender shall then have a commitment only to make a Base Rate Loan when a Eurodollar Loan is requested and (c) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate Loans on

the respective last days or the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.13.

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2.11 Requirements of Law.

If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to any Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Closing Date (or, if later, the date on which such Lender becomes a Lender):

(i) shall subject such Lender to any tax of any kind whatsoever with respect to any Eurodollar Loans made by it or its obligation to make Eurodollar Loans, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.12 (including Non-Excluded Taxes imposed solely by reason of any failure of such Lender to comply with its obligations under Section 2.12(b)) and changes in taxes measured by or imposed upon the overall net income, or franchise tax (imposed in lieu of such net income tax), of such Lender or its applicable lending office, branch, or any affiliate thereof);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice to the Borrower from such Lender, through the Agent, in accordance herewith, the Borrower shall promptly pay such Lender, upon its demand and without duplication, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable, provided that in any such case, the Borrower (after payment of all amounts due under this Section 2.11) may elect to convert the Eurodollar Loans made by such Lender hereunder to Base Rate Loans by giving the Agent at least one Business Day's notice of such election, in which case the Borrower shall promptly pay to such Lender, upon demand, without duplication, such amounts, if any, as may be required pursuant to Section 2.13. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 2.11, it shall provide prompt notice thereof to the Borrower, through the Agent, certifying (x) that one of the events described in this paragraph (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this Section 2.11 submitted by such Lender, through the Agent, to the

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Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Credit Agreement and the payment of the Loans and all other amounts payable hereunder.

2.12 Taxes.

(a) Except as provided below in this subsection, all payments made by the Borrower under this Credit Agreement and the Notes shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by Governmental Authority, excluding (i) taxes measured by or imposed upon the overall net income of any Lender or its applicable lending office, or any branch or affiliate thereof, and all franchise taxes, branch taxes, taxes on doing business or taxes on the overall capital or net worth of any Lender or its applicable lending office, or any branch or affiliate thereof, in each case imposed in lieu of net income taxes, or (ii) any taxes arising after the Closing Date solely as a result of or attributable to a Lender changing any applicable lending office after the date that such Lender becomes a party hereto, imposed: (i) by the jurisdiction under the laws of which such Lender, applicable lending office, branch or affiliate is organized or is located, or in which its principal executive office is located, or any nation within which such jurisdiction is located or any political subdivision thereof; or (ii) by reason of any connection between the jurisdiction imposing such tax and such Lender, applicable lending office, branch or affiliate other than a connection arising solely from such Lender having executed, delivered or performed its obligations, or received payment under or enforced, this Credit Agreement or the Notes. If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to the Agent or any Lender hereunder, (A) the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Credit Agreement, provided, however, that the Borrower shall be entitled to deduct and withhold any Non-Excluded Taxes and shall not be required to increase any such amounts payable to any Lender that is not organized under the laws of the United States of America or a state thereof if such Lender fails to comply with the requirements of Section 2.12(b) whenever any Non-Excluded Taxes are payable by the Borrower, and (B) as promptly as possible thereafter the Borrower shall send to the Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. The agreements in this Section 2.12 shall survive the termination of this Credit Agreement and the payment of the Loans and all other amounts payable hereunder.

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(b) Each Lender that is not incorporated under the laws of the United States of America or a state thereof shall:

(X) (i) on or before the date of any payment by the Borrower under this Credit Agreement or Notes to such Lender, deliver to the Borrower and the Agent (A) two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, or successor applicable form, as the case may be,

certifying that it is entitled to receive payments under this Credit Agreement and any Notes without deduction or withholding of any United States federal income taxes and (B) an Internal Revenue Service Form W-8 or W-9, or successor applicable form, as the case may be, certifying that it is entitled to an exemption from United States backup withholding tax;

(ii) deliver to the Borrower and the Agent two further copies of any such form or certification on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower; and

(iii) obtain such extensions of time for filing and complete such forms or certifications as may reasonably be requested by the Borrower or the Agent in order to establish the legal entitlement of such Lender to an exemption from withholding with respect to payments under this Credit Agreement and any Notes; or

(Y) in the case of any such Lender that is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (i) represent to the Borrower (for the benefit of the Borrower and the Agent) that it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (ii) agree to furnish to the Borrower on or before the date of any payment by the Borrower, with a copy to the Agent (A) a certificate substantially in the form of Schedule 2.12 hereto (any such certificate a "U.S. Tax Compliance Certificate") and (B) two accurate and complete original signed copies of Internal Revenue Service Form W-8, or successor applicable form certifying to such Lender's legal entitlement at the date of such certificate to an exemption from U.S. withholding tax under the provisions of Section 881(c) of the Code with respect to payments to be made under this Credit Agreement and any Notes (and to deliver to the Borrower and the Agent two further copies of such form on or before the date it expires or becomes obsolete and after the occurrence of any event requiring a change in the most recently provided form and, if necessary, obtain any extensions of time reasonably requested by the Borrower or the Agent for filing and completing such forms), and (iii) agree, to the extent legally entitled to do so, upon reasonable request by the Borrower, to provide to the Borrower (for the benefit of the Borrower and the Agent) such other forms as may be reasonably required in order to establish the legal

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entitlement of such Lender to an exemption from withholding with respect to payments under this Credit Agreement and any Notes;

unless in any such case any change in treaty, law or regulation has occurred after the date such Person becomes a Lender hereunder which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and the Agent. Each Person that shall become a Lender or a Participant pursuant to Section 8.2 shall, upon the effectiveness of the related transfer, be required to provide all of the forms, certifications and statements required pursuant to this Section 2.12, provided that in the case of a Participant the obligations of such Participant pursuant to this Section 2.12(b) shall be determined as if the Participant were a Lender except that such Participant shall furnish all such required forms, certifications and statements to the Lender from which the related participation shall have been purchased.

2.13 Funding Losses.

Upon demand of any Lender (with a copy to the Agent) from time to time,

the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); or

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing. For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 2.13, each Lender shall be deemed to have funded each Eurodollar Loan made by it at the Interbank Offered Rate for such Loan by a matching deposit or other borrowing in the applicable offshore Dollar interbank market for a comparable amount and for a comparable period, whether or not such Eurodollar Loan was in fact so funded.

2.14 Pro Rata Treatment.

Except to the extent otherwise provided herein:

(a) Committed Loans. Each Committed Loan borrowing, each payment or prepayment of principal of any Committed Loan and each

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payment of interest on the Committed Loans, each reduction of the Total Committed Amount, and each conversion or continuation of any Loan, shall be allocated among the relevant Lenders in accordance with the respective applicable Commitment Percentages (or, if the Commitments of such Lenders have expired or been terminated, in accordance with the respective principal amounts of the outstanding Committed Loans of such Lenders); and

(b) Advances.

(i) No Lender shall be responsible for the failure or delay by any other Lender in its obligation to make its ratable share of a borrowing hereunder; provided, however, that the failure of any Lender to fulfill its obligations hereunder shall not relieve any other Lender of its obligations hereunder.

(ii) Unless the Borrower or any Lender has notified the Agent prior to the date any payment is required to be made by it to the Agent hereunder, that the Borrower or such Lender, as the case may be, will not make such payment, the Agent may assume that the Borrower or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Agent in immediately available funds, then:

(A) if the Borrower failed to make such payment, each Lender shall forthwith on demand repay to the Agent the portion of such assumed payment that was made available to such Lender in immediately available funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Agent to such Lender

to the date such amount is repaid to the Agent in immediately available funds, at the Federal Funds Rate from time to time in effect; and

- (B) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Agent the amount thereof in immediately available funds, together with interest thereon for the period from the date such amount was made available by the Agent to the Borrower to the date such amount is recovered by the Agent (the "Compensation Period") at a rate per annum equal to the Federal Funds Rate from time to time in effect. If such Lender does not pay such amount forthwith upon the Agent's demand therefor, the Agent shall notify the Borrower within 30 day's of the failure of such Lender to make such amount available to the Agent and may make a demand therefor upon the Borrower, and the Borrower shall pay such amount to the Agent, together with interest thereon for the Compensation Period at a rate per annum equal to the rate of interest applicable to the applicable Borrowing.

Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights that

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the Agent or the Borrower may have against any Lender as a result of any default by such Lender hereunder. A notice of the Agent to any Lender with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

2.15 Sharing of Payments.

The Lenders agree among themselves that, in the event that any Lender shall obtain payment in respect of any Loan or any other obligation owing to such Lender under this Credit Agreement through the exercise of a right of setoff, banker's lien or counterclaim, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, in excess of its pro rata share of such payment as provided for in this Credit Agreement, such Lender shall promptly purchase from the other Lenders a participation in such Loans and other obligations in such amounts, and make such other adjustments from time to time, as shall be equitable to the end that all Lenders share such payment in accordance with their respective ratable shares as provided for in this Credit Agreement. The Lenders further agree among themselves that if payment to a Lender obtained by such Lender through the exercise of a right of setoff, banker's lien, counterclaim or other event as aforesaid shall be rescinded or must otherwise be restored, each Lender which shall have shared the benefit of such payment shall, by repurchase of a participation theretofore sold, return its share of that benefit (together with its share of any accrued interest payable with respect thereto) to each Lender whose payment shall have been rescinded or otherwise restored. The Borrower agrees that any Lender so purchasing such a participation may, to the fullest extent permitted by law, exercise all rights of payment, including setoff, banker's lien or counterclaim, with respect to such participation as fully as if such Lender were a holder of such Loan or other obligation in the amount of such participation. Except as otherwise expressly provided in this Credit Agreement, if any Lender or the Agent shall fail to remit to the Agent or any other Lender an amount payable by such Lender or the Agent to the Agent or such other Lender pursuant to this Credit Agreement on the date when such amount is due, such payments shall be made together with interest thereon for each date from the date such amount is due until the date such amount is paid to the Agent or such other Lender at a rate per annum equal to the Federal Funds Rate. If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this Section 2.15 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such

secured claim in a manner consistent with the rights of the Lenders under this Section 2.15 to share in the benefits of any recovery on such secured claim.

2.16 Place and Manner of Payments.

Except as otherwise specifically provided herein, all payments hereunder shall be made to the Agent in dollars in immediately available funds, without offset, deduction, counterclaim or withholding of any kind, at its offices specified in Schedule 2.1(a) not later than 1:00 P.M. (San Francisco, California time) on the date when due. Payments received after such time shall be deemed to have been received on the next succeeding Business Day. The Agent

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may (but shall not be obligated to) debit the amount of any such payment which is not made by such time to any ordinary deposit account of the Borrower maintained with the Agent (with notice to the Borrower). The Borrower shall, at the time it makes any payment under this Credit Agreement, specify to the Agent the Loans, fees or other amounts payable by the Borrower hereunder to which such payment is to be applied (and in the event that it fails so to specify, or if such application would be inconsistent with the terms hereof, the Agent shall distribute such payment to the Lenders in such manner as the Agent may determine to be appropriate in respect of obligations owing by the Borrower hereunder, subject to the terms of Section 2.6(c)). The Agent will distribute such payments to the Lenders, if any such payment is received prior to 1:00 P.M. (San Francisco, California time) on a Business Day in like funds as received prior to the end of such Business Day and otherwise the Agent will distribute such payment to the Lenders on the next succeeding Business Day. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day (subject to accrual of interest and fees for the period of such extension), except that in the case of Eurodollar Loans, if the extension would cause the payment to be made in the next following calendar month, then such payment shall instead be made on the next preceding Business Day. All computations of interest and fees shall be made on the basis of actual number of days elapsed over a year of 360 days; provided, however, that computations of interest at the Prime Rate shall be made on the basis of actual number of days elapsed over a 365/366 day year. Interest shall accrue from and include the date of borrowing, but exclude the date of payment.

2.17 Replacement of Lenders.

If any Lender delivers a notice to the Borrower pursuant to Sections 2.8, 2.10, 2.11, 2.12 or 2.14, then the Borrower shall have the right, if no Default or Event of Default then exists, to replace such Lender (the "Replaced Lender") with one or more additional banks or financial institutions (collectively, the "Replacement Lender"), provided that (A) at the time of any replacement pursuant to this Section 2.17, the Replacement Lender shall enter into one or more assignment agreements substantially in the form of Schedule 8.2(b) pursuant to, and in accordance with the terms of, Section 8.2(b) (and with all fees payable pursuant to said Section 8.2(b) to be paid by the Replacement Lender) pursuant to which the Replacement Lender shall acquire all of the rights and obligations of the Replaced Lender hereunder and, in connection therewith, shall pay to the Replaced Lender in respect thereof an amount equal to the sum of (a) the principal of, and all accrued interest on, all outstanding Loans of the Replaced Lender, and (b) all accrued, but theretofore unpaid, fees owing to the Replaced Lender pursuant to Section 2.7, and (B) all obligations of the Borrower owing to the Replaced Lender (including all obligations, if any, owing pursuant to Section 2.8, 2.11 or 2.12, but excluding those obligations specifically described in clause (A) above in respect of which the assignment purchase price has been, or is concurrently being paid) shall be paid in full to such Replaced Lender concurrently with such replacement.

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SECTION 3

CONDITIONS

3.1 Closing Conditions.

The obligation of the Lenders to enter into this Credit Agreement is subject to satisfaction of the following conditions (in form and substance acceptable to the Lenders):

(a) Executed Credit Documents. Receipt by the Agent of duly executed copies of this Credit Agreement and the Notes.

(b) No Default; Representations and Warranties. As of the Closing Date (i) there shall exist no Default or Event of Default and (ii) all representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects.

(c) Opinion of Counsel. Receipt by the Agent of an opinion, or opinions, satisfactory to the Agent, addressed to the Agent and the Lenders and dated as of the Closing Date substantially in the form of Schedule 3.1(c) attached hereto.

(d) Corporate Documents. Receipt by the Agent of the following:

(i) Charter Documents. Copies of the articles or certificates of incorporation or other charter documents of the Borrower certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation and certified by a secretary or assistant secretary of the Borrower to be true and correct as of the Closing Date.

(ii) Bylaws. A copy of the bylaws of the Borrower certified by a secretary or assistant secretary of the Borrower to be true and correct as of the Closing Date.

(iii) Resolutions. Copies of resolutions of the Board of Directors of the Borrower approving and adopting the Credit Documents, the transactions contemplated therein and authorizing execution and delivery thereof, certified by a secretary or assistant secretary of the Borrower to be true and correct and in force and effect as of the Closing Date.

(vi) Good Standing. Copies of certificates of good standing, existence or its equivalent with respect to the Borrower certified as of a recent date by the appropriate Governmental Authorities in the State of South Carolina.

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(e) Material Adverse Change. Since December 31, 2000, there shall not have occurred, nor otherwise exist, an event or condition which has had or would reasonably be expected to have a Material Adverse Effect.

(f) Other. Receipt by the Agent of such other documents, agreements or information which may be reasonably requested by the Agent or the Lenders, including without limitation evidence satisfactory to the Agent that the Borrower's prior credit facility for commercial paper back-up has been terminated.

3.2 Each Loan Advance.

The obligation of each Lender, including the Swingline Lender, to make any Loan, including the conversion to or extension of any Eurodollar Loan, is subject to satisfaction of the following conditions:

(a) (i) In the case of any Committed Loan, the Agent shall have received an appropriate Notice of Borrowing or Notice of Extension/Conversion; and (ii) in the case of any Competitive Loan, the applicable Competitive Lender shall have received an appropriate notice of acceptance of its related Competitive Bid;

(b) The representations and warranties set forth in Section 4 shall be true and correct on and as of the date of the making of such Loan with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(c) There shall not have been commenced against the Borrower an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or any case, proceeding or other action for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Borrower or for any substantial part of its Property or for the winding up or liquidation of its affairs, and such involuntary case or other case, proceeding or other action shall remain undismissed, undischarged or unbonded; and

(d) No Default or Event of Default shall exist and be continuing either prior to or after giving effect thereto.

The delivery of each Notice of Borrowing and each Notice of Extension/Conversion relating to an extension of or conversion into Eurodollar Loans and each request for a Competitive Bid pursuant to a Competitive Bid Request and receipt by the Borrower of the proceeds of each Loan shall constitute a representation and warranty by the Borrower of the correctness of the matters specified in subsections (b), (c) and (d) above.

SECTION 4

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and the Lenders as follows:

4.1 Financial Statements.

The Borrower has furnished to the Lenders copies of (i) the consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2000, and the related consolidated statements of income, cash flows and common shareholders' equity for the fiscal year then ended and (ii) the consolidated balance sheet of the Borrower and its Subsidiaries as at April 1, 2001 and the related consolidated statements of income and reinvested earnings and cash flows of the Borrower and its Subsidiaries, for the 3 months then ended. Such financial statements, including the related schedules and notes, are complete and correct in all material respects and fairly present the consolidated financial condition of the Borrower and its Subsidiaries at such dates and the results of their operations for such periods, all in accordance with GAAP applied on a consistent basis (except (i) as otherwise stated therein or in the notes thereto and (ii) for changes resulting from audit and normal year-end audit adjustment to the December 31, 2000 financial statements) throughout the periods involved. As of the Closing Date, there has not occurred or existed nor does there otherwise exist, an event or condition which has had or would reasonably be expected to have a Material Adverse Effect since December 31, 2000.

4.2 Corporate Status.

The Borrower is a corporation duly incorporated and organized and validly existing in good standing in its jurisdiction of incorporation, is duly qualified and in good standing as a foreign corporation and authorized to do business in all other jurisdictions wherein the nature of its business or property makes such qualification necessary, except where its failure so to qualify would not have a Material Adverse Effect, and has full power to own its real properties and its material personal properties and to carry on its business as now conducted.

4.3 Corporate Authorization.

The execution, delivery and performance of this Credit Agreement and of the other Credit Documents are within the powers and authority of the Borrower and have been duly authorized by proper corporate proceedings. This Credit Agreement and the other Credit Documents have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

4.4 No Conflicts.

Neither the execution and delivery of the Credit Agreement and the other Credit Documents, nor the consummation of the transactions contemplated therein, nor performance of and compliance with the terms and provisions thereof

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by the Borrower will (a) violate or conflict with any provision of its articles of incorporation or bylaws, (b) violate, contravene or materially conflict with any law, regulation (including, without limitation, Regulation U or Regulation X), order, writ, judgment, injunction, decree or permit applicable to it, (c) violate, contravene or materially conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which it is a party or by which it may be bound, the violation of which could have or might be reasonably expected to have a Material Adverse Effect, or (d) result in or require the creation of any Lien upon or with respect to its properties.

4.5 Litigation.

There are no actions, suits or proceedings pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary in any court or arbitration or before or by any governmental department, agency or instrumentality, domestic or foreign, which reasonably would be expected to have a Material Adverse Effect; and neither the Borrower nor any Subsidiary is in violation of any judgment, order, writ, injunction, decree or award or in violation of any rule or regulation of any court or binding arbitration or governmental department, agency or instrumentality, domestic or foreign, the violation of which would have a Material Adverse Effect.

4.6 Governmental and Other Approvals.

No approval, consent or authorization of, or any other action by, or filing or registration with, any governmental department, agency or instrumentality, domestic or foreign, is necessary for the execution or delivery by the Borrower of this Credit Agreement or the other Credit Documents or for the performance by the Borrower of any of the terms or conditions hereof or thereof.

4.7 Use of Loans.

The proceeds of the Loans will be used for general corporate purposes;

provided that no part of the proceeds of any Loan hereunder will be used for the purpose of purchasing or carrying "margin stock" within the meaning of Regulation U or any "margin security" within the meaning of Regulation T, or to extend credit to others for such purpose, in violation of Regulation T, Regulation U or Regulation X issued by the Board of Governors of the Federal Reserve System or Section 7 of the Securities Exchange Act of 1934, as amended.

4.8 Taxes.

The Borrower has filed, or caused to be filed, all tax returns (federal, state, local and foreign) required to be filed and paid all amounts of taxes shown thereon to be due (including interest and penalties) and has paid all other taxes, fees, assessments and other governmental charges (including mortgage recording taxes, documentary stamp taxes and intangibles taxes) owing by it, except for such taxes (a) which are not yet delinquent, (b) that are

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being contested in good faith and by proper proceedings, and against which adequate reserves are being maintained in accordance with GAAP or (c) which are promptly filed or paid upon notice to the Borrower of the existence thereof.

4.9 Compliance with Law.

Each of the Borrower and its Subsidiaries is in compliance with all laws, rules, regulations, orders and decrees (including without limitation Environmental Laws) applicable to it, or to its properties, unless such failure to comply would not have or be reasonably expected to have a Material Adverse Effect.

4.10 ERISA.

Except as would not result in a Material Adverse Effect:

(a) During the five-year period prior to the date on which this representation is made or deemed made: (i) no Termination Event has occurred, and, to the best of the Borrower's or any ERISA Affiliate's knowledge, no event or condition has occurred or exists as a result of which any Termination Event could reasonably be expected to occur, with respect to any Plan; (ii) no "accumulated funding deficiency," as such term is defined in Section 302 of ERISA and Section 412 of the Code, whether or not waived, has occurred with respect to any Plan; (iii) each Single Employer Plan and, to the best of the Borrower's or any ERISA Affiliate's knowledge, each Multiemployer Plan has been maintained, operated, and funded in compliance with its own terms and in material compliance with the provisions of ERISA, the Code, and any other applicable federal or state laws; and (iv) no lien in favor of the PBGC or a Plan has arisen or is reasonably likely to arise on account of any Plan.

(b) The actuarial present value of all "benefit liabilities" under each Single Employer Plan (determined within the meaning of Section 401(a)(2) of the Code, utilizing the actuarial assumptions used to fund such Plans), whether or not vested, did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the current value of the assets of such Plan allocable to such accrued liabilities.

(c) None of the Borrower, its Subsidiaries or any ERISA Affiliate has incurred, or, to the best of the Borrower's knowledge, are reasonably expected to incur, any withdrawal liability under ERISA to any Multiemployer Plan or Multiple Employer Plan. None of the Borrower, its Subsidiaries or any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA), is insolvent (within the meaning of Section 4245 of ERISA), or has been terminated (within the meaning

of Title IV of ERISA), and no Multiemployer Plan is, to the best of the Borrower's knowledge, reasonably expected to be in reorganization, insolvent, or terminated.

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(d) No prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility has occurred with respect to a Plan which has subjected or may subject the Borrower, any of its Subsidiaries or any ERISA Affiliate to any liability under Sections 406, 409, 502(i), or 502(l) of ERISA or Section 4975 of the Code, or under any agreement or other instrument pursuant to which the Borrower, any of its Subsidiaries or any ERISA Affiliate has agreed or is required to indemnify any person against any such liability.

4.11 Hazardous Substances.

Except as would not reasonably be expected to have a Material Adverse Effect, (i) the real property owned or leased by the Borrower and its Subsidiaries or on which the Borrower or any of its Subsidiaries operates (the "Subject Property") is free from "hazardous substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 et seq., as amended, and the regulations promulgated thereunder, (ii) no portion of the Subject Property is subject to federal, state or local regulation or liability because of the presence of stored, leaked or spilled petroleum products, hazardous wastes, "PCB's" or PCB items (as defined in 40 C.F.R. Section 763.3), underground storage tanks, "asbestos" (as defined in 40 C.F.R. Section 763.63) or the past or present accumulation, spillage or leakage of any such substance, (iii) the Borrower and each of its Subsidiaries is in compliance in all material respects with all federal, state and local requirements relating to protection of health or the environment in connection with the operation of their businesses, and (iv) the Borrower does not know of any complaint or investigation regarding real property which it or any of its Subsidiaries owns or leases or on which it or any of its Subsidiaries operates.

4.12 Liens.

Except as set forth on Schedule 4.12 attached hereto and as permitted under Section 5.9, there are no material Liens on any Property owned by the Borrower and its Subsidiaries (including any capital stock owned by the Borrower or any of its Subsidiaries).

4.13 Investment Company.

The Borrower is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

4.14 Accuracy and Completeness of Information.

All material factual information heretofore, contemporaneously or hereafter furnished (except as the same may have been revised or superseded by subsequent submissions) by or on behalf of the Borrower or any of its Subsidiaries to the Agent or any Lender for purposes of or in connection with this Credit Agreement or any other Credit Document, or any transaction contemplated hereby or thereby, is or will be true and accurate in all material respects and not incomplete by omitting to state any material fact necessary to make such information not misleading. As of the Closing Date, there is no fact

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known to the Borrower or any of its Subsidiaries which has, or would reasonably be expected to have, a Material Adverse Effect which fact has not been set forth herein, in the financial statements of the Borrower and its Subsidiaries

furnished to the Agent and/or the Lenders, or in any certificate, opinion or other written statement made or furnished by the Borrower to the Agent and/or the Lenders.

SECTION 5

COVENANTS

So long as any of the Commitments are in effect and, in any event, until payment in full and discharge of all Obligations to the Agent and the Lenders, including payment of all principal and interest on the Loans, the Borrower shall comply, and shall cause each Subsidiary, to the extent applicable, to comply, with the following covenants:

5.1 Reports, Certificates and Other Information.

The Borrower shall furnish to the Agent:

(a) Annual Financial Statements. As soon as available, and in any event within 90 days after the close of each fiscal year of the Borrower and its Subsidiaries, either (i) written notice that a copy of a report on Form 10-K, or any successor form, and any amendments thereto, has been filed by the Borrower with the Securities and Exchange Commission with respect to the immediately preceding Fiscal Year, provided that in the event that an electronic copy of such report is unavailable to either the Agent or a Lender, the Borrower shall promptly furnish a copy of such report upon request or (ii) a consolidated balance sheet and income statement of the Borrower and its Subsidiaries, as of the end of such fiscal year, together with related consolidated statements of operations and retained earnings and of cash flows for such fiscal year, setting forth in comparative form consolidated figures for the preceding fiscal year, all such financial information described above to be in reasonable form and detail and audited by independent certified public accountants of recognized national standing reasonably acceptable to the Agent and whose opinion shall be to the effect that such financial statements have been prepared in accordance with GAAP (except for changes with which such accountants concur) and shall not be limited as to the scope of the audit or qualified as to the status of the Borrower and its Subsidiaries as a going concern.

(b) Quarterly Financial Statements. As soon as available, and in any event within 45 days after the close of each fiscal quarter of the Borrower and its Subsidiaries, either (i) written notice that a copy of a report on Form 10-Q, or any successor form, and any amendments thereto, has been filed by the Borrower with the Securities and Exchange Commission with respect to the immediately preceding fiscal quarter, provided that in the event that an electronic copy of such report is unavailable to either the Agent or a Lender, the Borrower shall promptly furnish a copy of such report upon request or

(ii) a consolidated balance sheet and income statement of the Borrower and its Subsidiaries, as of the end of such fiscal quarter, together with related consolidated statements of operations and retained earnings and of cash flows for such fiscal quarter in each case setting forth in comparative form consolidated figures for the corresponding period of the preceding fiscal year, all such financial information described above to be in reasonable form and detail and reasonably acceptable to the Agent, and accompanied by a certificate of the chief financial officer of the Borrower to the effect that such quarterly financial statements fairly present in all material respects the financial condition of the Borrower and its Subsidiaries and have been prepared in accordance with GAAP, subject to changes resulting from

audit and normal year-end audit adjustments.

(c) Officer's Certificate. Within the period for delivery of the financial statements provided in Section 5.1(a) or (b), a certificate of the chief financial officer of the Borrower in the form of Schedule 5.1(c) stating among other things that, to the best of his or her knowledge and belief, no Default or Event of Default has occurred (or, if any Default or Event of Default has occurred, specifying such Default or Event of Default and the nature and status thereof).

(d) Reports. Promptly after the sending or filing thereof, written notice of any filings and registrations with, and reports to or from, the Securities and Exchange Commission, or any successor agency, provided that in the event that an electronic copy of such report is unavailable to either the Agent or a Lender, the Borrower shall promptly furnish a copy of such report upon request, and copies of all reports which the Borrower may from time to time furnish its stockholders.

(e) Notices. Upon the chief financial officer (or any other principal financial officer) of the Borrower obtaining knowledge thereof, prompt (and in any event within five (5) Business Days of the relevant officer obtaining knowledge thereof, except with respect to a Default or Event of Default, in which case within two (2) Business Days of the relevant officer obtaining knowledge thereof) written notice to the Agent of (i) the occurrence of an event or condition consisting of a Default or Event of Default, specifying the nature and existence thereof and what action the Borrower proposes to take with respect thereto, and (ii) the occurrence of any of the following with respect to the Borrower or any Subsidiary (A) the pendency or commencement of any litigation, arbitral or governmental proceeding against the Borrower or such Subsidiary which if adversely determined is likely to have a Material Adverse Effect or (B) the institution of any proceedings against the Borrower or such Subsidiary with respect to, or the receipt of notice by such Person of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation, including but not limited to, Environmental Laws, the violation of which would likely have a Material Adverse Effect.

(f) Other Information. With reasonable promptness upon any such request, such other information regarding the business, properties or financial condition of the Borrower and/or its Subsidiaries as the Agent or any Lender may reasonably request.

5.2 Books and Records.

The Borrower shall keep, and shall cause each of its Subsidiaries to keep, complete and accurate books and records of the Borrower's and such Subsidiaries' transactions (i) in accordance with good accounting practices with respect to the Borrower and its Subsidiaries and (ii) on the basis of GAAP with respect to the Borrower and its Domestic Subsidiaries.

5.3 Mergers and Consolidations.

The Borrower shall (i) maintain its corporate existence and (ii) not merge or consolidate with or into any other entity unless the Borrower is the surviving corporation and no Default or Event of Default shall exist either immediately prior to or after giving effect thereto.

5.4 Insurance.

The Borrower shall maintain, and shall cause each of its Subsidiaries to maintain, insurance in such amounts and covering such risks as is consistent

with sound business practice.

5.5 Payment of Taxes.

The Borrower shall pay and discharge, and shall cause each of its Subsidiaries to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon the Borrower or such Subsidiaries, or upon income or profits of the Borrower or such Subsidiaries, or upon any of the properties of the Borrower or such Subsidiaries, before they shall become delinquent; provided, however, that neither the Borrower nor any such Subsidiary shall be required to pay any such tax, assessment or levy which is being contested in good faith by appropriate proceedings and as to which adequate reserves therefor have been established in accordance with GAAP, unless the failure to make any such payment (i) would give rise to an immediate right to foreclose on a Lien securing such amounts or (ii) would have a Material Adverse Effect.

5.6 Compliance with Laws and Contractual Obligations.

The Borrower will comply, and will cause each of its Subsidiaries to comply, with all laws, rules, regulations and orders (including, without limitation, Environmental Laws and ERISA), and all applicable restrictions imposed by all Governmental Authorities, applicable to it and its property and with all contractual obligations if noncompliance with any such law, rule, regulation, order, restriction or contractual obligation would have or would reasonably be expected to have a Material Adverse Effect.

5.7 Use of Proceeds.

The Borrower shall use the proceeds of the Loans solely for the purposes set forth in Section 4.7.

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5.8 Asset Sales, etc.

The Borrower shall not sell, transfer or otherwise dispose of any of its properties and assets (including without limitation any capital stock in any of its Subsidiaries) except:

(i) sales or leases in the ordinary course of business; and

(ii) other than non-ordinary course of business sales provided that (A) the aggregate net book value of the assets sold by the Borrower or any of its Subsidiaries in all such transactions after the Closing Date does not exceed 25% of Total Assets as of the Closing Date and (B) no Default or Event of Default shall have occurred and be continuing at the time of any such sale or shall result upon giving effect thereto.

5.9 Liens.

After the date hereof the Borrower will not issue, assume or guarantee, and will not permit any Domestic Subsidiary to issue, assume or guarantee, any Indebtedness which is secured by a Lien of or upon any assets, whether now owned or hereafter acquired, of the Borrower or any such Domestic Subsidiary without effectively providing that the Obligations (together with, if the Borrower shall so determine, any other Indebtedness of the Borrower ranking equally with the Obligations) shall be equally and ratably secured by a Lien ranking ratably with and equal to (or at the Borrower's option prior to) such secured Indebtedness; provided, however, that the foregoing restriction shall not apply to:

(i) Liens on any assets of any corporation existing at the time such corporation becomes a Domestic Subsidiary (and not incurred in contemplation thereof);

(ii) Liens on any assets existing at the time of acquisition

of such assets by the Borrower or a Domestic Subsidiary, or Liens to secure the payment of all or any part of the purchase price of such assets upon the acquisition of such assets by the Borrower or a Domestic Subsidiary or to secure any Indebtedness incurred, assumed or guaranteed by the Borrower or a Domestic Subsidiary prior to, at the time of, or within 180 days after such acquisition (or in the case of real property, the completion of construction (including any improvements on an existing asset) or commencement of full operation of such asset, whichever is later) which Indebtedness is incurred, assumed or guaranteed for the purpose of financing all or any part of the purchase price thereof or, in the case of real property, construction or improvements thereon; provided, however, that in the case of any such acquisition, construction or improvement, the Lien shall not apply to any assets theretofore owned by the Borrower or a Domestic Subsidiary, other than, in the case of any such construction or improvement, any real property on which the property so constructed, or the improvement, is located;

(iii) Liens on any assets to secure Indebtedness of a Subsidiary to the Borrower or to any wholly owned Domestic Subsidiary;

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(iv) Liens on any assets of a corporation existing at the time such corporation is merged into or consolidated with the Borrower or a Domestic Subsidiary or at the time of a purchase, lease or other acquisition of the assets of a corporation or firm as an entirety or substantially as an entirety by the Borrower or a Domestic Subsidiary (and not incurred in contemplation thereof);

(v) Liens on any assets of the Borrower or a Domestic 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 partial, progress, advance or other payments pursuant to any contract or statute or to secure any Indebtedness incurred or guaranteed for the purpose of financing all or any part of the purchase price (or, in the case of real property, the cost of construction) of the assets subject to such Liens (including, but not limited to, Liens incurred in connection with pollution control, industrial revenue or similar financings);

(vi) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any Lien referred to in the foregoing clauses (i) to (v), inclusive; provided, however, that the principal amount of Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the assets which secured the Lien so extended, renewed or replaced (plus improvements and construction on real property);

(vii) Liens not permitted by clauses (i) through (vi) above if at the time of, and after giving effect to, the creation or assumption of any such Lien, the aggregate amount of all Indebtedness of the Borrower and its Domestic Subsidiaries secured by all such Liens not so permitted by clauses (i) through (vi) above does not exceed 10% of Total Assets.

5.10 Minimum Book Net Worth.

The Borrower shall not permit Book Net Worth to be less than \$677,500,000 (which represents approximately 85% of Book Net Worth as of April 1, 2001) as of the last day of any fiscal quarter (commencing with the fiscal quarter ending September 30, 2001); provided, however, (i) such amount shall be increased at the end of each fiscal quarter (commencing with the fiscal quarter

ending September 30, 2001) by an amount equal to 25% of the Borrower and its Subsidiaries' net income for the fiscal quarter then ending (computed on a consolidated basis in accordance with GAAP); and (ii) such amount shall be decreased Dollar for Dollar by the aggregate cumulative amount of all payments made by the Borrower on and after July 18, 2001 for the redemption, retirement or other repurchase of any shares of the capital stock of the Borrower so long as the Borrower's Long-Term Debt is rated A- or higher by S&P and A3 or higher by Moody's at the time of such payments. If, as a result of the payments made by the Borrower for such redemption, retirement or other repurchase of any shares of the capital stock of the Borrower, the rating applicable to the Long-Term

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Debt of the Borrower is lowered by either S&P or Moody's below the applicable level set forth in the preceding sentence within forty-five (45) days of the last of such payments, then any reduction in the minimum Book Net Worth amount previously made pursuant to clause (ii) of this Section 5.10 in connection with such payments shall be reversed.

5.11 Transactions With Affiliates.

Except as otherwise specifically permitted in this Credit Agreement, the Borrower will not, nor will it permit its Subsidiaries to, enter into any transactions or series of transactions, whether or not in the ordinary course of business, with any officer, director, shareholder or Affiliate other than on terms and conditions substantially as favorable as would be obtainable in a comparable arm's length transaction with a Person other than an officer, director, shareholder or Affiliate.

5.12 Indebtedness.

The Borrower will not permit any of its Subsidiaries to contract, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness of the Subsidiaries existing as of the Closing Date as referenced in the financial statements referred to in Section 4.1 (and set out more specifically in Schedule 5.12(b)) and renewals, refinancings or extensions thereof in a principal amount not in excess of that outstanding as of the date of such renewal, refinancing or extension;

(b) Indebtedness of the Subsidiaries incurred after the Closing Date consisting of Capital Leases or Indebtedness incurred to provide all or a portion of the purchase price or cost of construction of an asset provided that (i) such Indebtedness when incurred shall not exceed the purchase price or cost of construction of such asset; (ii) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing; and (iii) the total amount of all such Indebtedness shall not exceed \$50,000,000 at any time outstanding;

(c) unsecured intercompany Indebtedness among the Borrower and its Subsidiaries;

(d) Indebtedness and obligations owing under hedging agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes;

(e) Indebtedness and obligations of the Subsidiaries owing under documentary letters of credit for the purchase of goods or other merchandise (but not under standby, direct pay or other letters of credit) generally;

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(f) Indebtedness of the Subsidiaries incurred in connection with acquisitions provided that (i) such Indebtedness when incurred shall not exceed the purchase price for such acquisition and (ii) if the aggregate amount of any such Indebtedness (whether anticipated to be funded at one time or over a series of fundings) exceeds \$100,000,000, then (A) the Borrower shall give the Agent prior written notice of such Indebtedness and (B) prior to the incurrence of any such Indebtedness the Borrower shall have provided to the Agent such evidence as the Agent may reasonably request demonstrating pro forma covenant compliance and the maintenance of an investment grade rating from S&P and Moody's (defined for purposes hereof as BBB- or better by S&P and Baa3 or better by Moody's) with respect to the Borrower's Long-Term Debt; and

(g) other non-acquisition-related Indebtedness of the Subsidiaries which does not exceed \$50,000,000 in the aggregate at any time outstanding.

SECTION 6

EVENTS OF DEFAULT

6.1 Events of Default.

Each of the following occurrences shall constitute an "Event of Default" under this Agreement:

(A) any representation or warranty made or deemed made by the Borrower to the Lenders in or in connection with this Credit Agreement or any of the other Credit Documents shall prove to have been false or misleading in any material respect when made, deemed made or furnished;

(B) the Borrower shall fail to pay

(i) any principal of any Note as and when the same shall become due and payable, or

(ii) any interest on any Note, any fee or any other Obligation as and when the same shall become due and payable, and such failure shall continue unremedied for more than three days;

(C) the Borrower shall fail to perform or observe any covenant contained in Section 5.1(e), 5.7, 5.10 or 5.12 of this Credit Agreement;

(D) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Credit Agreement or any other Credit Document (other than as provided in Sections 6.1(B) and (C)) on its part to be performed or observed, and such failure shall continue unremedied for a period of 30 days after written notice thereof has been received from the Agent or any Lender;

(E) the Borrower shall fail to pay when due, whether by acceleration or otherwise, one or more evidences of Indebtedness (other than the Notes hereunder) having an aggregate unpaid balance of more than \$50,000,000.00, and such failure shall continue for more than the

period of grace, if any, applicable thereto and shall not have been waived;

(F) the Borrower or any Subsidiary shall (i) apply for or consent to the appointment of a receiver, custodian, trustee or

liquidator of the Borrower or such Subsidiary or any of their respective properties or assets, (ii) generally fail or admit in writing its inability to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or readjustment of debts, (vi) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against the Borrower or such Subsidiary in an involuntary case under the Bankruptcy Code or (vii) take any corporate action for the purpose of effecting any of the foregoing; provided, however, the occurrence of any of the foregoing events referenced in this Section 6.1(F) with respect to any Subsidiary of the Borrower shall not constitute an Event of Default unless such occurrence could have or might be reasonably expected to have a Material Adverse Effect;

(G) a proceeding or case shall be commenced, without the application or consent of the Borrower or any Subsidiary, in any court of competent jurisdiction seeking (i) its liquidation, reorganization, dissolution or winding-up or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian or liquidator of the Borrower or such Subsidiary or of all or any substantial part of its assets or (iii) similar relief in respect of the Borrower or such Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 days; or an order for relief against the Borrower or such Subsidiary shall be entered in an involuntary case under the Bankruptcy Code; provided, however, the occurrence of any of the foregoing events referenced in this Section 6.1(G) with respect to any Subsidiary of the Borrower shall not constitute an Event of Default unless such occurrence could have or might be reasonably expected to have a Material Adverse Effect;

(H) any of the following events or conditions, which in the aggregate, reasonably could be expected to involve possible taxes, penalties, and other liabilities in an aggregate amount in excess of \$50,000,000.00: (1) any "accumulated funding deficiency," as such term

is defined in Section 302 of ERISA and Section 412 of the Code, whether or not waived, shall exist with respect to any Plan, or any lien shall arise on the assets of the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate in favor of the PBGC or a Plan; (2) a Termination Event shall occur with respect to a Single Employer Plan, which is, in the reasonable opinion of the Agent, likely to result in the termination of such Plan for purposes of Title IV of ERISA; (3) a Termination Event shall occur with respect to a Multiemployer Plan or Multiple Employer Plan, which is, in the reasonable opinion of the Agent, likely to result in (i) the termination of such Plan for purposes of Title IV of ERISA, or (ii) the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate incurring any liability in connection with a withdrawal from, reorganization of (within the meaning of Section 4241 of ERISA), or insolvency or (within the meaning of Section 4245 of ERISA) such Plan; or (4) any prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility shall occur which may subject the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate to any liability under Sections 406, 409, 502(i), or 502(l) of ERISA or Section 4975 of the Code, or under any agreement or other instrument pursuant to which the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate has agreed or is required to indemnify

any person against any such liability;

(I) any final judgment, final consent decree or final order for the payment of money (or for the performance of any remedial action or other services that would result in the expenditure of funds by the Borrower or any of its Subsidiaries) shall be rendered against the Borrower or any of its Subsidiaries by any federal, state or local court or administrative agency and the same shall fail to be discharged, stayed or bonded for a period of 60 days after such final judgment, final consent decree or final order for the payment of money (or, in the case of performance obligations, shall fail to be performed in the manner and at the times required in such final judgment, final consent decree or final order or shall fail to otherwise be discharged, stayed or bonded, in any such case, for a period of 60 days after the performance of such obligations is required), provided that no occurrence described in this Section 6.1(I) shall constitute an Event of Default unless the aggregate outstanding liability of the Borrower and its Subsidiaries which has resulted from all such occurrences shall exceed \$50,000,000.00 or its equivalent in any other currency);

(J) (i) a "person" or a "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of more than 35% of the then outstanding voting stock of the Borrower or (ii) during any period of up to 24 consecutive months, commencing after the Closing Date, individuals who at the beginning of such 24 month period were directors of the Borrower (together with any new director whose election by the Borrower's board of directors or whose nomination for election by the Borrower's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Borrower then in office; or

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(K) any Credit Document shall fail to be in full force and effect or to give the Agent and/or the Lenders the rights, powers and privileges purported to be created thereby and such failure shall have a material adverse effect on the rights and remedies of the Agent or the Lenders thereunder (except to the extent any such failure is caused by the Agent and except as such documents may be terminated or no longer in force and effect in accordance with the terms thereof, other than those indemnities and provisions which by their terms shall survive) or the Borrower or any Person acting by or on behalf of the Borrower shall deny or disaffirm any obligations under the Credit Documents.

6.2. Rights and Remedies.

Upon the occurrence of an Event of Default, and at any time thereafter unless and until such Event of Default has been waived by the Required Lenders or cured to the satisfaction of the Required Lenders (pursuant to the voting procedures in Section 8.5), the Agent shall, upon the request and direction of the Required Lenders, by written notice to the Borrower take any of the following actions without prejudice to the rights of the Agent or any Lender to enforce its claims against the Borrower:

(i) Termination of Commitments. Declare the Commitments terminated whereupon the Commitments shall be immediately terminated.

(ii) Acceleration. Declare the unpaid principal of and any accrued interest in respect of all Loans and any and all other

Obligations to be due whereupon the same shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(iii) Enforcement of Rights. Enforce any and all rights and interests created and existing under this Credit Agreement and the other Credit Documents and all rights of set-off.

Notwithstanding the foregoing, in the case of an Event of Default specified in Section 6.1(F) or (G) relating to the Borrower, the respective Commitment of each Lender shall be immediately terminated and the Notes, including all interest thereon, and all other Obligations shall be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 7

AGENCY PROVISIONS

7.1 Appointment and Authorization of Agent.

Each Lender hereby irrevocably (subject to Section 7.9) appoints, designates and authorizes the Agent to take such action on its behalf under the provisions of this Credit Agreement and each other Credit Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Credit Agreement or any other Credit Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Credit Document, the Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Credit Agreement or any other Credit Document or otherwise exist against the Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Credit Documents with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

7.2 Delegation of Duties.

The Agent may execute any of its duties under this Credit Agreement or any other Credit Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct.

7.3 Liability of Agent.

No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Credit Agreement or any other Credit Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Lender or participant for any recital, statement, representation or warranty made by the Borrower or any officer thereof, contained herein or in any other Credit Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Credit Agreement or any other Credit Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Credit Agreement or any other Credit Document, or for any failure of the Borrower or

any other party to any Credit Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Credit Agreement or

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any other Credit Document, or to inspect the properties, books or records of the Borrower or any Affiliate thereof.

7.4 Reliance by Agent.

(a) The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Agent. The Agent shall be fully justified in failing or refusing to take any action under any Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Credit Agreement or any other Credit Document in accordance with a request or consent of the Required Lenders or all the Lenders, if required hereunder, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and participants. Where this Credit Agreement expressly permits or prohibits an action unless the Required Lenders otherwise determine, the Agent shall, and in all other instances, the Agent may, but shall not be required to, initiate any solicitation for the consent or a vote of the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 3.1, each Lender that has signed this Credit Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

7.5 Notice of Default.

The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the account of the Lenders, unless the Agent shall have received written notice from a Lender or the Borrower referring to this Credit Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." The Agent will notify the Lenders of its receipt of any such notice. The Agent shall take such action with respect to such Default or Event of Default as may be directed by the Required Lenders in accordance with Section 6; provided, however, that unless and until the Agent has received any such direction, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

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7.6 Credit Decision; Disclosure of Information by Agent.

Each Lender acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the Agent hereinafter taken, including any consent to and acceptance of any assignment or review of

the affairs of the Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to the Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its respective Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Credit Agreement and to extend credit to the Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Credit Agreement and the other Credit Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent herein, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or any of their respective Affiliates which may come into the possession of any Agent-Related Person.

7.7 Indemnification of Agent.

Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; provided, however, that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Person's gross negligence or willful misconduct; provided, however, that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Lender shall reimburse the Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including reasonable fees and costs of counsel) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Credit Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that the Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section shall survive termination of the

Commitments, the payment of all Obligations hereunder and the resignation or replacement of the Agent.

7.8 Agent in its Individual Capacity.

Bank of America and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower and its respective Affiliates as though Bank of America were not the Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Bank of America or its Affiliates may receive information regarding the Borrower or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Borrower or such Affiliate) and acknowledge that the Agent shall be under no obligation to provide such information to them. With respect to its Loans, Bank of America shall have the same rights and powers

under this Credit Agreement as any other Lender and may exercise such rights and powers as though it were not the Agent, and the terms "Lender" and "Lenders" include Bank of America in its individual capacity.

7.9 Successor Agent.

The Agent may resign as Agent upon 30 days' notice to the Lenders. If the Agent resigns under this Credit Agreement, the Required Lenders shall appoint from among the Lenders a successor Agent for the Lenders which successor Agent shall be consented to by the Borrower at all times other than during the existence of an Event of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no successor Agent is appointed prior to the effective date of the resignation of the Agent, the Agent may appoint, after consulting with the Lenders and the Borrower, a successor Agent from among the Lenders. Upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 7 and Sections 8.7, 8.10 and 8.14 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Credit Agreement. If no successor Agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

7.10 Other Agents; Lead Managers.

None of the Lenders identified on the facing page or signature pages of this Credit Agreement as a "syndication agent," "documentation agent," "co-agent" or "lead manager" shall have any right, power, obligation, liability, responsibility or duty under this Credit Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders so identified shall have or be deemed to have any fiduciary relationship with any

Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders so identified in deciding to enter into this Credit Agreement or in taking or not taking action hereunder.

SECTION 8

MISCELLANEOUS

8.1 Notices.

Except as otherwise expressly provided herein, all notices and other communications shall have been duly given and shall be effective (i) when delivered, (ii) when transmitted via telecopy (or other facsimile device) to the number set out below, (iii) the day following the day on which the same has been delivered prepaid to a reputable national overnight air courier service, or (iv) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case to the respective parties at the address, in the case of the Borrower and the Agent, set forth below, and in the case of the Lenders, set forth on Schedule 2.1(a), or at such other address as such party may specify by written notice to the other parties hereto:

if to the Borrower:

Sonoco Products Company
One North Second Street
Hartsville, SC 29550
Attn: Charles J. Hupfer

Telephone: (843) 383-7179
Telecopy: (843) 383-7066

if to the Agent:

Bank of America, N.A.
Agency Administrative Services
1850 Gateway Boulevard, 5th floor
Concord, CA 94520-3281
Attention: Mark Garcia
Telephone: 925-675-8416
Telecopier: 925-969-2821

8.2 Benefit of Agreement.

(a) The provisions of this Credit Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower

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without such consent shall be null and void). Nothing in this Credit Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Agent-Related Persons) any legal or equitable right, remedy or claim under or by reason of this Credit Agreement.

(b) Any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Credit Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in Swingline Loans) at the time owing to it); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) subject to each such assignment, determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Agent, shall not be less than \$5,000,000 (or, if less, the entire amount of the assigning Lender's Commitment) unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed), (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Credit Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to rights in respect of outstanding Swingline Loans, and (iii) the parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500. Subject to acceptance and recording thereof by the Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Credit Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Credit Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Credit Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 8.4, 8.10 and 8.14). Upon request, the Borrower (at its expense) shall execute and deliver new or replacement Notes to the assigning Lender and the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Credit Agreement that does not comply with this subsection shall be treated for purposes of this Credit Agreement as a sale by such Lender of a

participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at its office in Charlotte, North Carolina a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Credit Agreement, notwithstanding notice to

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the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, or notice to, the Borrower or the Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations the Swingline Loans) owing to it); provided that (i) such Lender's obligations under this Credit Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Credit Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Credit Agreement and to approve any amendment, modification or waiver of any provision of this Credit Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification that would (i) postpone any date upon which any payment of money is scheduled to be paid to such Participant, (ii) reduce the principal, interest, fees or other amounts payable to such Participant or (iii) release all or substantially all of the Guarantors from their obligations under the Credit Documents. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.8, 2.11, 2.12 and 2.13 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section.

(e) A Participant shall not be entitled to receive any greater payment under Section 2.8, 2.11 and 2.12 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.12 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.12 as though it were a Lender.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Credit Agreement (including under its Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Lender; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) If the consent of the Borrower to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment threshold specified in clause (i) of the proviso to the first sentence of Section 8.2(b), the Borrower shall be deemed to have

given its consent five Business Days after the date notice thereof has been

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delivered by the assigning Lender (through the Agent) unless such consent is expressly refused by the Borrower prior to such fifth Business Day.

(h) Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may upon 5 Business Days' notice to the Borrower, resign as Swingline Lender. In the event of any such resignation as Swingline Lender, the Borrower shall be entitled to appoint from among the Lenders a successor Swingline Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Swingline Lender, as the case may be. If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund participations in outstanding Swingline Loans pursuant to Section 2.3.

(i) (i) Notwithstanding anything to the contrary contained herein, any Lender (a "Designating Lender") may grant to one or more special purpose funding vehicles (each, an "SPV"), identified as such in writing from time to time by the Designating Lender to the Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Designating Lender would otherwise be obligated to make to the Borrower pursuant to this Credit Agreement; provided that (A) nothing herein shall constitute a commitment by any SPV to make any Loan, (B) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Designating Lender shall be obligated to make such Loan pursuant to the terms hereof, (C) the Designating Lender shall remain liable for any indemnity or other payment obligation with respect to its Commitments hereunder and (D) each such SPV would satisfy the requirements of Section 2.12 if such SPV was a Lender hereunder. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Designating Lender to the same extent as a Loan made by, and as if such Loan were made by, such Designating Lender.

(ii) As to any Loans or portion thereof made by it, each SPV shall have all the rights that a Lender making such Loans or portion thereof would have had under this Credit Agreement; provided, however that each SPV shall have granted to its Designating Lender an irrevocable power of attorney, to deliver and receive all communications and notices under this Agreement (and any related documents), including, without limitation, any Notice of Borrowing and any Notice of Extension/Conversion, and to exercise on such SPV's behalf, all of such SPV's voting rights under this Credit Agreement. No additional Note shall be required to evidence the Loans or portion thereof made by an SPV; and the related Designating Lender shall be deemed to hold its Note as agent for such SPV to the extent of the Loans or portion thereof funded by such SPV. In addition, any payments for the account of any SPV shall be paid to its Designating Lender as agent for such SPV.

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(iii) Each party hereto hereby agrees that no SPV shall be liable for any indemnity or payment under this Credit Agreement for which a Lender would otherwise be liable for so long as, and to the extent, the Designating Lender provides

such indemnity or makes such payment. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Credit Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding prior indebtedness of any SPV, it will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof.

(iiii) In addition, notwithstanding anything to the contrary contained in this Section 8.3 or otherwise in this Credit Agreement, any SPV may (A) at any time and without paying any processing fee therefor, assign or participate all or a portion of its interest in any Loans to the Designating Lender (or to any other SPV of such Designating Lender) or to any financial institutions providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (B) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancements to such SPV. This Section 8.3 may not be amended without the written consent of any Designating Lender affected thereby.

8.3 No Waiver; Remedies Cumulative.

No failure or delay on the part of the Borrower, the Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower and the Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies provided herein are cumulative and not exclusive of any rights or remedies which the Agent or any Lender would otherwise have. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Agent or the Lenders to any other or further action in any circumstances without notice or demand.

8.4 Payment of Expenses, etc.

The Borrower agrees to: (i) pay all reasonable out-of-pocket costs and expenses of (a) the Agent in connection with the preparation, administration and syndication of, and any amendment, waiver or consent relating to, this Credit Agreement and the other Credit Documents, including, but not limited to, any amendments, waivers or consents resulting from or related to any work-out,

renegotiation or restructure relating to the performance by the Borrower under this Credit Agreement and (b) the Agent and each Lender in connection with enforcement of the Credit Documents and the documents and instruments referred to therein (including, without limitation, in connection with any such enforcement, the reasonable fees and disbursements of counsel (including the documented and non-duplicative allocated costs of internal counsel) for the Agent and each of the Lenders); (ii) pay and hold each of the Lenders harmless from and against any and all present and future stamp and other similar taxes with respect to the foregoing matters and save each of the Lenders harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Lender) to pay such taxes; and (iii) indemnify the Agent and each Lender, their respective Affiliates, officers, directors, employees, representatives and agents from and

hold each of them harmless against any and all losses, liabilities, claims, damages or expenses incurred by any of them as a result of, or arising out of, or in any way related to, or by reason of, any investigation, litigation or other proceeding (whether or not the Agent or any Lender is a party thereto) related to the entering into and/or performance of any Credit Document or the use of proceeds of any Loans (including other extensions of credit) hereunder or the consummation of any other transactions contemplated in any Credit Document, including, without limitation, the reasonable fees and disbursements of counsel (including the documented and non-duplicative allocated costs of internal counsel) incurred in connection with any such investigation, litigation or other proceeding (but excluding any such losses, liabilities, claims, damages or expenses to the extent incurred by reason of gross negligence or willful misconduct on the part of the Person to be indemnified).

8.5 Amendments, Waivers and Consents.

Neither this Credit Agreement nor any other Credit Document nor any of the terms hereof or thereof may be amended, changed, waived, discharged or terminated unless such amendment, change, waiver, discharge or termination is in writing signed by the Required Lenders, provided that no such amendment, change, waiver, discharge or termination shall, without the consent of each Lender affected thereby, (i) extend the scheduled maturities (including the final maturity and any mandatory prepayments) of any Loan, or any portion thereof, or reduce the rate or extend the time of payment of interest (other than as a result of waiving the applicability of any post-default increase in interest rates) thereon or fees hereunder or reduce the principal amount thereof, or increase the Commitment of a Lender or the Swingline Lender over the amount thereof in effect, (ii) amend, modify or waive any provision of this Section, (iii) reduce any percentage specified in, or otherwise modify, the definition of Required Lenders or (iv) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Credit Agreement. No provision of Section 7 may be amended without the consent of the Agent. No provision of Section 2.3 may be amended without the consent of the Swingline Lender.

Notwithstanding the fact that the consent of each affected Lender is required in certain circumstances as set forth above, (i) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein and (ii) the Required Lenders may consent to allow the Borrower to use cash collateral in the context of a bankruptcy or insolvency proceeding.

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8.6 Audits/Inspections.

Upon reasonable notice and during normal business hours, the Borrower shall, at the expense of the Lenders (or, after the occurrence (and during the continuance) of an Event of Default, at the expense of the Borrower), permit representatives appointed by the Agent, including, without limitation, independent accountants, agents, attorneys, and appraisers to visit and inspect its property, including its books and records, its accounts receivable and inventory, its facilities and its other business assets, and to make photocopies or photographs thereof and to write down and record any information such representative obtains and shall permit the Agent or its representatives to investigate and verify the accuracy of information provided to the Lenders and to discuss all such matters with the officers, employees and representatives of the Borrower.

8.7 Confidentiality.

Each of the Agent and the Lenders agrees to use commercially reasonable efforts to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed with it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential.

(a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors; (b) to the extent requested by any regulatory authority; (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Credit Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Credit Agreement or the enforcement of rights hereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Credit Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Borrower; (g) with the consent of the Borrower; (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Agent or any Lender on a nonconfidential basis from a source other than the Borrower; or (i) to the National Association of Insurance Commissioners or any other similar organization or any nationally recognized rating agency that requires access to information about a Lender's or its Affiliates' investment portfolio in connection with ratings issued with respect to such Lender or its Affiliates. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified in writing at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

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8.8 Counterparts; Telecopy.

This Credit Agreement may be executed in any number of counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Credit Agreement to produce or account for more than one such counterpart. Delivery by facsimile by any of the parties hereto of an executed counterpart of this Credit Agreement shall be as effective as an original executed counterpart hereof and shall be deemed a representation that an original executed counterpart hereof will be delivered.

8.9 Headings.

The headings of the sections and subsections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Credit Agreement.

8.10 Survival of Indemnification.

All indemnities set forth herein, including, without limitation, in Sections 2.8, 2.11, 2.12, 2.13 and 8.4 shall survive the execution and delivery of this Credit Agreement, and the making of the Loans, the repayment of the Loans and other obligations and the termination of the Commitment hereunder.

8.11 Governing Law; Submission to Jurisdiction; Venue.

(a) THIS CREDIT AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA. Any legal action or proceeding with respect to this Credit Agreement or any other Credit Document may be brought in the courts of the State of North Carolina in Mecklenburg

County, or of the United States for the Western District of North Carolina, and, by execution and delivery of this Credit Agreement, each party hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such courts.

(b) EACH PARTY TO THIS CREDIT AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY CREDIT DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY CREDIT DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER

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ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS CREDIT AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(c) EACH OF THE AGENTS, EACH OF THE LENDERS AND THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT, ANY OF THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY.

8.12 Severability.

If any provision of any of the Credit Documents is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

8.13 Entirety.

This Credit Agreement together with the other Credit Documents represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, including any commitment letters or correspondence relating to the Credit Documents or the transactions contemplated herein and therein.

8.14 Survival of Representations and Warranties.

All representations and warranties made by the Borrower herein shall survive delivery of the Notes and the making of the Loans hereunder.

[Remainder of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Credit Agreement to be duly executed and delivered as of the date first above written.

BORROWER:

SONOCO PRODUCTS COMPANY

By

Title

Signature Page to July 2001
Sonoco Products Company
Credit Agreement

LENDERS:

BANK OF AMERICA, N.A.,
individually in its capacity as a
Lender and in its capacity as Agent

By_____

Title_____

FIRST UNION NATIONAL BANK

By_____

Title_____

WACHOVIA BANK, N.A.

By_____

Title_____

BANK OF MONTREAL

By_____

Title_____

CREDIT SUISSE FIRST BOSTON

By_____

Title_____

Signature Page to July 2001
Sonoco Products Company
Credit Agreement

THE INDUSTRIAL BANK OF JAPAN, LIMITED

By_____

Title_____

SUNTRUST BANK

By_____

Title_____

THE SANWA BANK, LIMITED, acting through its
New York Branch

By_____

Title_____

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By_____

Title_____

Signature Page to July 2001
Sonoco Products Company
Credit Agreement

DEUTSCHE BANK AG NEW YORK BRANCH AND/OR
CAYMAN ISLANDS BRANCH

By_____

Title_____

By_____

Title_____

BANK OF TOKYO-MITSUBISHI TRUST COMPANY

By_____

Title_____

THE BANK OF NEW YORK

By_____

Title_____

BANK ONE, NA

By _____

Title _____

Signature Page to July 2001
Sonoco Products Company
Credit Agreement

Schedule 2.1(a)
Schedule of Lenders and
Commitments

Lender -----	Committed Amount -----	Commitment Percentage -----
Bank of America, N.A 555 California Street, 41st floor San Francisco, CA 94104 Attn: Kevin Sullivan Telephone: (415) 622-4567 Telecopier: (415) 622-4585 kevin.f.sullivan@bankofamerica.com	\$45,000,000	10.00000000%
First Union National Bank 190 River Road Mail Code: NJ3188 Summit, NJ Attn: Robyn Beh Telephone: (908) 598-3599 Telecopier: (908) 598-3690 robyn.beh@funb.com	\$41,250,000	9.16666666% 07901
Wachovia Bank, N.A 15 South Main Street Greenville, SC 29601 Attn: Jennifer M. Whittle Telephone: (864) 467-2522 Telecopier: (864) 467-2551 jennifer.m.whittle@wachovia.com	\$41,250,000	9.16666666%
SunTrust Bank 303 Peachtree Street NE 2nd Floor, MC 1921 Atlanta, GA 30308 Attn: Nathan Bickford Telephone: (404) 658-4219 Telecopier: (404) 588-8833 nathan.bickford@suntrust.com	\$41,250,000	9.16666666%

Deutsche Bank AG New York Branch

and/or Cayman Islands Branch
31 West 52nd Street
New York, NY 10019
Attn: Oliver Schwarz
Telephone: (212) 469-8610
Telecopier: (212) 469-2930
oliver.schwarz@db.com

\$41,250,000

9.16666666%

Bank of Montreal
115 S. Lasalle Street
Floor 5W
Chicago, IL 60603
Attn: Amy K. Dumser
Telephone: (312) 293-5417
Telecopier: (312) 293-5852
amy.dumser@BMO.com

\$35,000,000

7.77777777%

Bank of Tokyo-Mitsubishi
Trust Company
1251 Avenue of the Americas
12th Floor
New York, NY 10020-1104
Attn: Richard Van de Berghe
Telephone: (212) 782-4228
Telecopier: (212) 782-6445

\$35,000,000

7.77777777%

Credit Suisse First Boston
11 Madison Avenue, 10th floor
New York, NY 10010
Attn: Paul Colon
Telephone: (212) 325-5352
Telecopier: (212) 325-8314

\$35,000,000

7.77777777%

Schedule 2.1(a)
Schedule of Lenders and
Commitments

Lender	Committed Amount	Commitment Percentage
The Industrial Bank of Japan, Limited 191 Peachtree Street, Suite 3825 Atlanta, GA 30303 Attn: Bill LaDuca Telephone: (404) 524-8770 ext. 105 Telecopier: (404) 524-8509 bladuca@ibj.us.com	\$35,000,000	7.77777777%
Bank One, NA 1 Bank One Plaza Suite 0364, 14th floor Chicago, IL 60670 Attn: Tricia Carpen Telephone: (312) 732-1418 Telecopier: (312) 732-7592 tricia_carpen@bankone.com	\$25,000,000	5.55555555%
The Bank of New York One Wall Street. 22nd floor New York, NY 10286 Attn: David Siegel Telephone: (212) 635-6899 Telecopier: (212) 635-6434 dsiegel@bankofny.com	\$25,000,000	5.55555555%
The Sanwa Bank, Limited, acting through its New York Branch 55 East 52nd Street New York, NY 10055 Attn: P. Bartlett Wu Telephone: (212) 339-6251 Telecopier: (212) 754-1304	\$25,000,000	5.55555555%
Banco Bilbao Vizcaya Argentaria S.A. 1345 Avenue of the Americas, 45th floor New York, NY 10105 Attn: Miguel Lara Telephone: (212) 728-1664 Telecopier: (212) 333-2904 miguel.lara@bbvany.com	\$25,000,000	5.55555555%

Schedule 2.1(b) (i)

FORM OF NOTICE OF BORROWING

Bank of America, N.A.
Agency Administrative Services
1850 Gateway Boulevard, 5th floor
Concord, CA 94520-3281
Attention: Mark Garcia

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the Credit Agreement dated as of July 17, 2001 (as amended and modified, from time to time, the "Credit Agreement"), among the Borrower, the Lenders and Bank of America, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives notice¹ that it requests a Committed Loan borrowing pursuant to the provisions of Section 2.1(b) of the Credit Agreement and in connection herewith sets forth below the terms on which such borrowing is requested to be made:

(A)	Date of Borrowing (which is a Business Day)	_____
(B)	Principal Amount of Borrowing ²	_____
(C)	Interest rate basis ³	_____
(D)	Interest Period and the last day thereof ⁴	_____

In accordance with the requirements of Section 3.2, the Borrower hereby reaffirms the representations and warranties set forth in the Credit Agreement as provided in subsection (b) of such Section, and confirms that the matters referenced in subsections (c) and (d) of such Section, are true and correct.

Very truly yours,

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

¹ Notice must be received by the Agent not later than 10:00 A.M. (San Francisco, California time) on the Business Day of the requested borrowing in the case of Base Rate Loans, and on the third Business Day prior to the date of the requested borrowing in the case of Eurodollar Loans.

² A minimum of \$5,000,000 and increments of \$2,000,000.

³ Eurodollar and Base Rate Loans available.

4 Interest Periods of one, two, three and six months' duration for Eurodollar Loans.

Schedule 2.1(e)

FORM OF COMMITTED NOTE

July 17, 2001

FOR VALUE RECEIVED, SONOCO PRODUCTS COMPANY, a South Carolina corporation (the "Borrower"), hereby promises to pay to the order of _____, its successors and assigns (the "Lender"), at the office of Bank of America, N.A., as Agent (the "Agent"), at 1850 Gateway Boulevard, Concord, California 94520-3281 (or at such other place or places as the holder hereof may designate) at the times set forth in the Credit Agreement dated as of July 17, 2001 among the Borrower, the Lenders and the Agent (as it may be amended and modified from time to time, the "Credit Agreement"; all capitalized terms not otherwise defined herein shall have the meanings set forth in the Credit Agreement), but in no event later than the Termination Date, in Dollars and in immediately available funds, the aggregate unpaid principal amount of all Committed Loans made by the Lender to the Borrower pursuant to the Credit Agreement, and to pay interest from the date hereof on the unpaid principal amount hereof, in like money, at said office, on the dates and at the rates selected in accordance with Section 2.1(d) of the Credit Agreement.

Upon the occurrence and during the continuance of an Event of Default the balance outstanding hereunder shall bear interest as provided in Section 2.4 of the Credit Agreement. Further, in the event the payment of all sums due hereunder is accelerated under the terms of the Credit Agreement, this Note and all other indebtedness owing to the Lender under the Credit Documents shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees; provided that such attorneys' fees shall be based on the actual amount of time expended in connection with such matters at the usual hourly rates of such attorneys, notwithstanding the provisions of N.C. Gen. Stat. Section 6-21.2.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on a schedule attached hereto and incorporated herein by reference, or on a continuation thereof which shall be attached hereto and made a part hereof; provided, however, that any failure to endorse such information on such schedule or continuation thereof shall not in any manner affect the obligation of the Borrower to make payments of principal and interest in accordance with the terms of this Note.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its duly authorized officer as of the day and year first above written.

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

Schedule 2.2(b)-1

FORM OF COMPETITIVE BID REQUEST

Bank of America, N.A.
Agency Administrative Services
1850 Gateway Boulevard, 5th floor
Concord, CA 94520-3281
Attention: Mark Garcia

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the Credit Agreement dated as of July 17, 2001 (as amended and modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders and Bank of America, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice¹ pursuant to Section 2.2(b) of the Credit Agreement it requests solicitation of Competitive Bids under the Credit Agreement, and in connection herewith sets forth below the terms on which such Competitive Loan borrowing is requested to be made:

- (A) Date of Competitive Loan Borrowing
(which is a Business Day) _____
- (B) Principal Amount of
Competitive Loan Borrowing² _____
- (C) Interest Period and the last
day thereof³ _____

1 Notice must be received by the Agent by 11:00 a.m. (San Francisco, California time) on the second Business Day prior to the date of the requested Competitive Loan borrowing .

2 A minimum of \$5,000,000 and \$2,000,000 increments in excess thereof.

3 Subject to the provisions and definitions of the Credit Agreement, but generally not less than 7 days nor more than 180 days.

1 Acceptance in a minimum principal amount of \$1,000,000 and \$1,000,000 increments in excess thereof. 1 Acceptance must be received by 10:00 A.M. (San Francisco, California time) on the date on which notice of election to make a Competitive Bid is to be given by the Lenders.

In accordance with the requirements of Section 3.2, the Borrower hereby reaffirms the representations and warranties set forth in the Credit Agreement as provided in subsection (b) of such Section, and confirms that the matters referenced in subsections (c) and (d) of such Section, are true and correct.

Very truly yours,

SONOCO PRODUCTS COMPANY

By _____
Name _____

Title_____

Schedule 2.2(b)-2

FORM OF NOTICE OF COMPETITIVE BID REQUEST

[Name of Lender]
[Address]

Attention:

Ladies and Gentlemen:

Reference is made to the Credit Agreement dated as of July 17, 2001 (as amended and modified from time to time, the "Credit Agreement"), among SONOCO PRODUCTS COMPANY (the "Borrower"), the Lenders and Bank of America, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower made a Competitive Bid Request on _____, 20__, pursuant to Section 2.2(b) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by 8:00 A.M. (San Francisco, California time) _____, 20__ [Date of Proposed Competitive Loan borrowing] Your Competitive Bid must comply with Section 2.2(c) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

- (A) Date of Competitive Borrowing _____
- (B) Principal amount of
Competitive Borrowing _____
- (C) Interest Period and the last
day thereof _____

Very truly yours,

BANK OF AMERICA, N.A., as Agent

By _____
Name _____
Title _____

Schedule 2.2(c)

FORM OF COMPETITIVE BID

Bank of America, N.A.
Agency Administrative Services
1850 Gateway Boulevard, 5th floor
Concord, CA 94520-3281
Attention: Mark Garcia

Ladies and Gentlemen:

The undersigned, [Name of Lender], refers to the Credit Agreement dated as of July 17, 2001 (as amended and modified from time to time, the "Credit Agreement"), among SONOCO PRODUCTS COMPANY (the "Borrower"), the Lenders and

Bank of America, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.2(c) of the Credit Agreement, in response to the Competitive Bid Request made by the Borrower on _____, 20__, and in that connection sets forth below the terms on which such Competitive Bid is made:

(A) Principal Amount1 _____
 (B) Competitive Bid Rate _____
 (C) Interest Period and last day thereof _____

The undersigned hereby confirms that it is prepared, subject to the conditions set forth in the Credit Agreement, to extend credit to the Borrower upon acceptance by the Borrower of this bid in accordance with Section 2.2(e) of the Credit Agreement.

Very truly yours,

[NAME OF LENDER]

By _____
 Name _____
 Title _____

Schedule 2.2(e)

FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

Bank of America, N.A.
 Agency Administrative Services
 1850 Gateway Boulevard, 5th floor
 Concord, CA 94520-3281
 Attention: Mark Garcia

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the Credit Agreement dated as of July 17, 2001 (as amended and modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders and Bank of America, N.A., as Agent.

In accordance with Section 2.2(d) of the Credit Agreement, we have received a summary of bids in connection with our Competitive Bid Request dated _____, 20__ and in accordance with Section 2.2(e) of the Credit Agreement, we hereby accept the following bids for maturity on [date]1:

Principal Amount	Competitive Bid Rate	Interest Paid Lender
\$	[%]	
\$	[%]	

We hereby reject the following bids:

Principal Amount	Competitive Bid Rate	Interest Paid Lender
\$	[%]	
\$	[%]	

The Competitive Loans accepted as provided above should be deposited in the general deposit account maintained by the Borrower with Bank of America, N.A. on [date].

Very truly yours,

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

Schedule 2.2(i)

FORM OF COMPETITIVE NOTE

July 17, 2001

FOR VALUE RECEIVED, SONOCO PRODUCTS COMPANY, a South Carolina corporation (the "Borrower"), hereby promises to pay to the order of _____, its successors and permitted assigns (the "Lender"), at the office of Bank of America, N.A., as Agent (the "Agent"), at 1850 Gateway Boulevard, Concord, California 94520-3281 (or at such other place or places as the holder hereof may designate) at the times set forth in the Credit Agreement dated as of July 17, 2001 among the Borrower, the Lenders and the Agent (as it may be amended and modified from time to time, the "Credit Agreement"; all capitalized terms not otherwise defined herein shall have the meanings set forth in the Credit Agreement), or in the Competitive Bid provided by Lender to the Borrower, but in no event later than the Termination Date, in Dollars and in immediately available funds, the aggregate unpaid principal amount of all Competitive Loans made by the Lender to the Borrower pursuant to the Credit Agreement, and to pay interest from the date hereof on the unpaid principal amount hereof, in like money, at said office, on the dates and at the rates selected in accordance with Section 2.2(h) of the Credit Agreement and in the respective Competitive Bid applicable to each Competitive Loan borrowing evidenced hereby.

Upon the occurrence and during the continuance of an Event of Default the balance outstanding hereunder shall bear interest as provided in Section 2.4 of the Credit Agreement. Further, in the event the payment of all sums due hereunder is accelerated under the terms of the Credit Agreement, this Note and all other indebtedness owing to the Lender under the Credit Documents shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees; provided that such attorneys' fees shall be based on the actual amount of time expended in connection with such matters at the usual hourly rates of such attorneys, notwithstanding the provisions of N.C. Gen. Stat. Section 6-21.2.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on a schedule attached hereto and incorporated herein by reference, or on a continuation thereof which shall be attached hereto and made a part hereof; provided, however, that any failure to endorse such information on such schedule or continuation thereof shall not in any manner affect the obligation of the Borrower to make payments of principal and interest in accordance with the terms of this Note.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its duly authorized officer as of the day and year first above written.

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

Schedule 2.3(d)

FORM OF SWINGLINE NOTE

July 17, 2001

FOR VALUE RECEIVED, SONOCO PRODUCTS COMPANY, a South Carolina corporation (the "Borrower"), hereby promises to pay to the order of BANK OF AMERICA, N.A., its successors and registered assigns (the "Swingline Lender"), at the office of Bank of America, N.A., as Agent (the "Agent"), at 1850 Gateway Boulevard, Concord, California 94520-3281 (or at such other place or places as the holder hereof may designate) at the times set forth in the Credit Agreement dated as of the date hereof among the Borrower, the Swingline Lender and other Lenders and the Agent (as it may be amended, modified, extended or restated from time to time, the "Credit Agreement"; all capitalized terms not otherwise defined herein shall have the meanings set forth in the Credit Agreement), but in no event later than the Termination Date, in Dollars and in immediately available funds, the aggregate unpaid principal amount of all Swingline Loans made by the Swingline Lender to the Borrower pursuant to the Credit Agreement, and to pay interest from the date hereof on the unpaid principal amount hereof, in like money, at said office, on the dates and at the rates selected in accordance with Section 2.3(c) of the Credit Agreement .

Upon the occurrence and during the continuance of an Event of Default, the balance outstanding hereunder shall bear interest as provided in Section 2.4 of the Credit Agreement. Further, in the event the payment of all sums due hereunder is accelerated under the terms of the Credit Agreement, this Note, and all other indebtedness of the Borrower to the Swingline Lender shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Borrower.

In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on a schedule attached hereto and incorporated herein by reference, or on a continuation thereof which shall be attached hereto and made a part hereof; provided, however, that any failure to endorse such information on such schedule or continuation thereof shall not in any manner affect the obligation of the Borrower to make payments of principal and interest in accordance with the terms of this Note.

This Note and the Loans evidenced hereby may be transferred in whole or in part only by registration of such transfer on the Register maintained by or on behalf of the Borrower as provided in Section 8.2 of the Credit Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its duly authorized officer as of the day and year first above written.

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

Schedule 2.5

FORM OF NOTICE OF CONVERSION OR EXTENSION

Bank of America, N.A.
Agency Administrative Services
1850 Gateway Boulevard, 5th floor
Concord, CA 94520-3281
Attention: Mark Garcia

Ladies and Gentlemen:

The undersigned, SONOCO PRODUCTS COMPANY (the "Borrower"), refers to the Credit Agreement dated as of July 17, 2001 (as amended and modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders and Bank of America, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives notice¹ pursuant to Section 2.5 of the Credit Agreement that it requests an extension or conversion of a Committed Loan outstanding under the Credit Agreement, and in connection herewith sets forth below the terms on which such extension or conversion is requested to be made:

- | | | |
|-----|--|-------|
| (A) | Date of Extension or Conversion
(which, with regard to Eurodollar
Loans, is the last day of the
the applicable Interest Period) | _____ |
| (B) | Principal Amount of
Extension or Conversion ² | _____ |
| (C) | Interest rate basis ³ | _____ |
| (D) | Interest Period and the
last day thereof ⁴ | _____ |

¹ This Notice of Extension/Conversion (or telephone notice promptly confirmed in writing) must be delivered to the Agent prior to 10:00 A.M. (San Francisco, California time) on the Business Day of, in the case of the conversion of a Eurodollar Loan into a Base Rate Loan, and on the third Business Day prior to, in the case of the extension of a Eurodollar Loan as, or conversion of a Base Rate Loan into, a Eurodollar Loan, the date of the proposed extension or conversion.

² A minimum of \$5,000,000 and increments of \$2,000,000.

³ Eurodollar and Base Rate Loans available.

⁴ Interest Periods of one, two, three and six months' duration for Eurodollar

Loans.

In accordance with the requirements of Section 3.2, the Borrower hereby reaffirms the representations and warranties set forth in the Credit Agreement as provided in subsection (b) of such Section, and confirms that the matters referenced in subsections (c) and (d) of such Section, are true and correct.

Very truly yours,

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

Schedule 2.12

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

Reference is hereby made to the Credit Agreement, dated as of July 17, 2001, as amended and modified from time to time thereafter, among Sonoco Products Company, the Lenders party thereto and Bank of America, N.A., as Agent (the "Credit Agreement"). Pursuant to Section 2.12 of the Credit Agreement, the undersigned hereby certifies that it is not a "bank" as such term is used in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended.

[NAME OF LENDER]

By _____
Name _____
Title _____

Schedule 3.1(c)

[Form of Legal Opinion]

July 17, 2001

To the Agent and Lenders party to the
Credit Agreement referred to below

Ladies and Gentlemen:

We are general counsel to Sonoco Products Company, a South Carolina corporation ("Sonoco"). As such we have been asked to give certain legal opinions set forth herein in connection with the Credit Agreement (the "Credit Agreement"), dated as of July 17, 2001 among Sonoco, the several lenders

identified on the signature pages thereto and such other lenders as may from time to time become a party thereto and Bank of America, N.A., as Agent. Terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement.

This opinion is given in accordance with the requirements of Section 3.1(c) of the Credit Agreement.

In rendering the opinions expressed below, we have examined an executed copy of the Credit Documents and originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives of Sonoco, and have made such inquiries of such officers and representatives, as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

In such examination, we have assumed the genuineness of all signatures (other than signatures of officers of Sonoco), the authenticity of all documents (other than the Credit Documents) submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

Based on the foregoing, and subject to the qualifications stated herein, we are of the opinion that:

1. Sonoco (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina, (ii) is duly qualified and in good standing as a foreign corporation and authorized to do business in all other jurisdictions wherein the nature of its business or property makes such qualification necessary, except where its failure so to qualify would not have a Material Adverse Effect, and (iii) has the corporate power and authority to own its real properties and its material personal properties and to carry on its business as now conducted.

2. Sonoco has the corporate power and authority and the legal right to make, execute, deliver and perform the terms and provisions of each of the Credit Documents and to borrow and accept extensions of credit thereunder, and has duly taken or caused to be taken all necessary corporate action to authorize the execution, delivery and performance by it of each such Credit Document.

3. Neither the execution and delivery of the Credit Documents, nor the consummation of the transactions contemplated therein, nor performance of and compliance with the terms and provisions thereof by Sonoco will (a) violate or conflict with any provision of its articles of incorporation or bylaws, (b) violate, contravene or materially conflict with any law, regulation (including, without limitation, Regulation T, Regulation U or Regulation X), order, writ, judgment, injunction, decree or permit applicable to it, (c) violate, contravene or materially conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which it is a party or by which it may be bound, the violation of which could have or might be reasonably expected to have

a Material Adverse Effect, or (d) result in or require the creation of any Lien upon or with respect to its properties.

4. No approval, consent or authorization of, or any other action by, or filing or registration with, any governmental department, agency or instrumentality or other third party, is necessary for the execution or delivery by Sonoco of the Credit Documents or for the performance by it of any of the terms or conditions thereof.

5. Each of the Credit Documents has been duly executed and delivered by Sonoco.

6. Each of the Credit Documents constitutes a legal, valid and binding obligation of Sonoco enforceable against it in accordance with its respective

terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

7. To the best of our knowledge,

(i) there are no actions, suits or proceedings pending or threatened against or affecting Sonoco or any Subsidiary in any court or arbitration or before or by any governmental department, agency or instrumentality, domestic or foreign, which reasonably could be expected to have a Material Adverse Effect; and

(ii) neither Sonoco nor any Subsidiary is in violation of any judgment, order, writ, injunction, decree or award or in violation of any rule or regulation of any court or binding arbitration or governmental department, agency or instrumentality, domestic or foreign, the violation of which would have a Material Adverse Effect.

The opinions expressed in paragraph 2 above are based upon the assumption for purposes of such opinions and without independent analysis that notwithstanding the respective choice of law clauses in the Credit Documents, the governing law with respect to each of the Credit Documents is identical in all relevant respects to the law of the State of South Carolina. Insofar as such opinion relates to the enforceability of any instrument, such enforceability is subject to applicable bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally whether such enforceability is considered in a proceeding in equity or at law). The enforceability of the remedies provided under the Credit Agreement may also be limited by applicable laws which may affect the remedies provided therein but which do not in my opinion affect the validity of the Credit Agreement or make such remedies inadequate for the practical realization of the benefits intended to be provided.

I do not express any opinion as to matters governed by any law other than the Federal laws of the United States of America and the laws of the State of South Carolina. Further, I express no opinion as to the enforceability of the choice of law provisions contained in any of the Credit Documents.

This opinion is rendered solely for your benefit in connection with the transactions described above. This opinion may not be used or relied upon by any other person, and may not be disclosed, quoted, filed with a governmental agency or otherwise referred to without my prior written consent except to your bank examiners, auditors and counsel and to prospective transferees of your interests under the Credit Documents and their professional advisers, or as required by law or pursuant to legal process.

Very truly yours,

Schedule 4.12

Existing Liens

Liens Securing Indebtedness of
Money Borrowed and Priority Claims of the Company
and its Subsidiaries

Lease-Purchase Agreements		Outstanding
Lessor	Collateral	07/01/01
-----	-----	-----
John M. Miller and	Buildings and land	\$ 480,518
Donald J. Miller	North Vernon, Indiana	

c/o First National Bank
P. O. Box 18
North Vernon, Indiana 47265

plant

Energy Loan
Utility

Alliant Energy
222 W. Washington Ave
Madison, WI 53703

Recycling Equipment

\$ 275,746

Industrial Revenue Bonds
Trustee

Chase Manhattan Trust Co.
One Oxford Center
301 Grant Street, Ste. 1100
Pittsburgh, PA 15219

Land and facilities -
Oil City Pennsylvania

\$1,900,000

Pennsylvania Industrial
Development Authority
P. O. Box 884
Harrisburg, PA 17108-0884

25 acres of land, Milesburg
Centre County, Pennsylvania
with all improvements

\$ 634,280

First Union National Bank
of Georgia
P. O. Box 1211
Augusta, GA 30913

Property, Plant and equip-
ment - Fulton, New York plant
of Engraph, Inc.

\$5,620,000

Industrial Revenue Bonds
Trustee

Collateral

Outstanding
07/01/01

Bank of New York
Corporate Trust Div
Towermarc Plaza
10161 Centurion Pkwy
Jacksonville, FL 32256

Property, Plant and equipment
Darlington County, SC

\$35,130,000

Bank of New York
Corporate Trust Div
Towermarc Plaza
10161 Centurion Pkwy
Jacksonville, FL 32256

Property, Plant and equipment
Darlington County, SC

\$35,000,000

AmSouth Bank
P. O. Box 11426
Birmingham, AL 35202

Property, Plant and Equipment
Colemon Industrial Park
Sumter County, AL

\$ 2,712,700

Schedule 5.1(c)

Form of Officer's Compliance Certificate

For the fiscal quarter ended _____, 20__.

I, _____, [Title] of SONOCO PRODUCTS COMPANY (the "Borrower") hereby certify that, to the best of my knowledge and belief, with respect to that certain Credit Agreement dated as of July 17, 2001 (as amended and modified from time to time, the "Credit Facility"; all of the defined terms in the Credit Agreement are incorporated herein by reference) among the Borrower, the Lenders party thereto and Bank of America, N.A., as Agent:

- a. The company-prepared financial statements which accompany this certificate are true and correct in all material respects and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, subject to changes resulting from audit and normal year-end audit adjustments;
- b. Since _____ (the date of the last similar certification, or, if none, the Closing Date) no Default or Event of Default has occurred under the Credit Agreement; and
- c. Attached hereto as Schedule I are calculations (calculated as of the date of the financial statements which accompany this certificate) demonstrating compliance by the Borrower with Section 5.10 of the Credit Agreement.

This _____ day of _____, 20__.

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

Schedule I
to
Officer's Compliance Certificate

Fiscal Quarter Ending: _____, 20__.

A. Minimum Book Net Worth

(i)	Minimum Book Net Worth as of Closing Date	\$677,500,000
(ii)	25% of the Borrower's and its Subsidiaries' cumulative net income for each fiscal quarter (commencing with the fiscal quarter ending September 30, 2001), computed on a consolidated basis in accordance with GAAP	\$ _____
(iii)	Aggregate cumulative amount of all payments made by the Borrower on and after July 18, 2001 for the redemption, retirement or other repurchase of any shares of the capital stock of the Borrower so long as the Borrower's Long-Term Debt is rated A- or higher by S&P and A3 or higher by Moody's at the time of such payment and for the period ending upon the earlier of forty-five (45) days after such payment or the date of delivery of this certificate	\$ _____
(iv)	Line A(i) plus Line A(ii) minus Line A(iii)	\$ _____

B. Actual Book Net Worth

(i)	Book Net Worth as of the last day of such fiscal quarter	\$ _____
-----	--	----------

Minimum Allowed:

As of the last day of the fiscal quarter indicated above, Line B(i) shall be greater than or equal to Line A(iv). The Borrower is in compliance with the foregoing minimum allowed Book Net Worth: yes ___ no___

Schedule 5.12(b)

Existing Indebtedness

as of 07/01/01

SONOCO PRODUCTS COMPANY DEBT

07/01/01

ALL AMOUNTS IN 000'S OF USD

Commercial paper	272,000
7.0% debentures due November 2004	149,950
6.75% debentures due November 2010	99,861
5.875% debentures due November 2003	99,840
9.2% debentures due August 2021	41,305
6.125% IRBs due June 2025	34,568
6.0% IRBs due April 2026	34,218
Foreign denominated debt	39,602
Other notes	20,104

Total Debt	791,448
Less current portion and short-term notes	40,454

Long-term debt	750,994

Schedule 8.2(b)

Form of Assignment and Acceptance

THIS ASSIGNMENT AND ACCEPTANCE dated as of _____, 20__ is entered into between _____ ("Assignor") and _____ ("Assignee").

Reference is made to the Credit Agreement dated as of July 17, 2001, as amended and modified from time to time thereafter (the "Credit Agreement") among SONOCO PRODUCTS COMPANY, the Lenders party thereto and Bank of America, N.A., as Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth below, the interests set forth below (the "Assigned Interest") in the Assignor's rights and obligations under the Credit Agreement, including, without limitation, the interests set forth below in the Commitments of the Assignor on the effective date of the assignment designated below (the "Effective Date") and the Committed Loans owing to the Assignor which are outstanding on the Effective Date, together with unpaid interest accrued on the assigned Loans to the Effective Date and the amount, if any, set forth below of the fees accrued to the Effective Date for the account of the Assignor. Each of the Assignor and the Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Section 8.2(b) of the Credit Agreement, a copy of which has been received by each such party. From and after the Effective Date (i) the Assignee, if it is not already a Lender under the Credit Agreement, shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of North Carolina.

3. Terms of Assignment

(a) Date of Assignment:

(b) Legal Name of Assignor:

(c) Legal Name of Assignee:

(d) Effective Date of Assignment:

(e) Commitment Percentage Assigned
(expressed as a percentage of
the Total Committed Amount and
set forth to at least 8 decimals) %

(f) Commitment Percentage of
Assignor after Assignment
(set forth to at least 8 decimals) %

(g) Total Committed Loans outstanding
as of Effective Date \$ _____

(h) Principal Amount of Committed
Loans assigned on Effective
Date (the amount set forth
in (g) multiplied by the
percentage set forth in (e)) \$ _____

The terms set forth above are hereby agreed to:

_____, as Assignor

By _____
Name _____
Title _____

_____, as Assignee

By _____
Name _____
Title _____

CONSENTED TO:

BANK OF AMERICA, N.A.,
as Agent

By _____
Name _____
Title _____

SONOCO PRODUCTS COMPANY

By _____
Name _____
Title _____

Haynsworth Sinkler Boyd, P.A.
Attorneys At Law
1426 Main Street, Suite 1200
Columbia, South Carolina 29201

September 13, 2001

Sonoco Products Company
Post Office Box 160
Hartsville, South Carolina 29551

Dear Sirs:

In connection with the registration under the Securities Act of 1933 (the "Act") of \$150,000,000 aggregate amount of debt securities (the "Securities") of Sonoco Products Company, a South Carolina corporation (the "Company"), we, as your counsel, have examined such corporate records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion. We have also relied as to certain matters on information obtained from public officials, officers of the Company and other sources believed by us to be responsible.

Upon the basis of such examination, we advise you that, in our opinion, when the Registration Statement has become effective under the Act, the terms of the Securities and of their issuance and sale have been duly established in conformity with the Indenture between the Company and The Bank of New York as successor trustee, dated as of June 15, 1991 (the "Indenture") relating to the Securities so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon the Company and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over the Company, and the Securities have been duly executed and authenticated in accordance with the Indenture and issued, sold and delivered as contemplated in the Registration Statement, the Securities will constitute valid and legally binding obligations of the Company, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

We note that, as of the date of this opinion, a judgment for money in an action based on a Security denominated in a foreign currency or currency unit in a Federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of the foreign currency or currency unit in which a particular Security is denominated into United States dollars will depend upon various factors, including which court renders the judgment.

The foregoing opinion is limited to the Federal laws of the United States and the laws of the State of South Carolina, and we are expressing no opinion as to the effect of the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Validity of Debt Securities" in the Prospectus. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

Haynsworth Sinkler Boyd, P. A.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of Sonoco Products Company, of our report dated January 31, 2001 relating to the financial statements, which appears in the 2000 Annual Report to Shareholders, which is incorporated by reference in Sonoco Products Company's Annual Report on Form 10-K and Amended Annual Report on Form 10-K/A for the year ended December 31, 2000. We also consent to the incorporation by reference of our report dated May 11, 2001 relating to the financial statements of the the Sonoco Savings Plan, which is in the Form 10-K/A for the year ended December 31, 2000. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

PricewaterhouseCoopers, LLP

Charlotte, North Carolina
September 12, 2001

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEECHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) ☐THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York	13-5160382
(State of incorporation	(I.R.S. employer
if not a U.S. national bank)	identification no.)
One Wall Street, New York, N.Y.	10286
(Address of principal executive offices)	(Zip code)

SONOCO PRODUCTS COMPANY
(Exact name of obligor as specified in its charter)

South Carolina	57-0248420
(State or other jurisdiction of	(I.R.S. employer
incorporation or organization)	identification no.)
Post Office Box 160	
Hartsville, South Carolina	29551
(Address of principal executive offices)	(Zip code)

Debt Securities
(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

- (a) Name and address of each examining or supervising authority to which
-
- it is subject.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 6th day of September, 2001.

THE BANK OF NEW YORK

By: /s/ VAN K. BROWN

Name: VAN K. BROWN
Title: VICE PRESIDENT

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 2001,
published in accordance with a call made by the Federal Reserve Bank of this
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands -----
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 2,811,275
Interest-bearing balances	3,133,222
Securities:	
Held-to-maturity securities	147,185
Available-for-sale securities	5,403,923
Federal funds sold and Securities purchased under agreements to resell	3,378,526
Loans and lease financing receivables:	
Loans and leases held for sale	74,702
Loans and leases, net of unearned income	37,471,621
LESS: Allowance for loan and lease losses	599,061
Loans and leases, net of unearned income and allowance	36,872,560
Trading Assets	11,757,036
Premises and fixed assets (including capitalized leases)	768,795
Other real estate owned	1,078
Investments in unconsolidated subsidiaries and associated companies	193,126
Customers' liability to this bank on acceptances outstanding	592,118
Intangible assets	
Goodwill	1,300,295
Other intangible assets	122,143
Other assets	3,676,375
Total assets	\$70,232,359
=====	
LIABILITIES	
Deposits:	
In domestic offices	\$25,962,242
Noninterest-bearing	10,586,346
Interest-bearing	15,395,896
In foreign offices, Edge and Agreement subsidiaries, and IBFs	24,862,377
Noninterest-bearing	373,085
Interest-bearing	24,489,292
Federal funds purchased and securities sold under agreements to repurchase	1,446,874
Trading liabilities	2,373,361
Other borrowed money:	
(includes mortgage indebtedness and obligations under capitalized leases)	1,381,512
Bank's liability on acceptances executed and outstanding	592,804
Subordinated notes and debentures	1,646,000
Other liabilities	5,373,065
Total liabilities	\$63,658,235
=====	
EQUITY CAPITAL	
Common stock	1,135,284
Surplus	1,008,773
Retained earnings	4,426,033
Accumulated other comprehensive income	4,034
Other equity capital components	0
Total equity capital	6,574,124
Total liabilities and equity capital	\$70,232,359
=====	

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Thomas J. Mastro,
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

Thomas A. Renyi
Gerald L. Hassell
Alan R. Griffith

Directors