

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2022

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-39528

PACTIV EVERGREEN INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

98-1538656
(I.R.S. Employer
Identification Number)

1900 W. Field Court
Lake Forest, Illinois 60045
(Address of principal executive offices) (Zip Code)
Telephone: (847) 482-2000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 par value	PTVE	The Nasdaq Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

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

The registrant had 177,733,992 shares of common stock, \$0.001 par value per share, outstanding as of July 29, 2022.

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FORWARD-LOOKING STATEMENTS

This report contains certain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies, anticipated trends in our business and anticipated growth in the markets served by our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including those factors discussed under the caption entitled “Risk Factors” section in our Annual Report on Form 10-K for the year ended December 31, 2021. You should specifically consider these numerous risks. These risks include, among others, those related to:

- fluctuations in raw material, energy and freight costs;
- labor shortages and increased labor costs;
- our ability to meet demand for our products;
- the uncertain economic, operational and financial impacts of the coronavirus pandemic;
- failure to maintain satisfactory relationships with our major customers;
- our dependence on suppliers of raw materials and any interruption to our supply of raw materials;
- the impact of natural disasters, public health crises and catastrophic events outside of our control;
- our ability to realize the benefits of our capital investment, acquisitions, restructuring and other cost savings programs;
- our safety performance;
- uncertain global economic conditions;
- competition in the markets in which we operate;
- changes in consumer lifestyle, eating habits, nutritional preferences and health-related, environmental and sustainability concerns;
- the impact of our significant debt on our financial condition and ability to operate our business;
- compliance with, and liabilities related to, applicable laws and regulations;
- the ownership of a majority of the voting power of our common stock by our parent company Packaging Finance Limited, which we refer to as PFL, an entity owned by Mr. Graeme Hart; and
- our ability to establish independent financial, administrative and other support functions.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We are under no duty to update any of these forward-looking statements after the date of this report to conform our prior statements to actual results or revised expectations.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Pactiv Evergreen Inc.

Condensed Consolidated Statements of Income (Loss)
(In millions, except per share amounts)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net revenues	\$ 1,640	\$ 1,352	\$ 3,135	\$ 2,516
Cost of sales	(1,332)	(1,202)	(2,595)	(2,258)
Gross profit	308	150	540	258
Selling, general and administrative expenses	(148)	(115)	(290)	(241)
Restructuring, asset impairment and other related charges	(1)	(10)	(1)	(8)
Other income, net	12	5	40	11
Operating income from continuing operations	171	30	289	20
Non-operating (expense) income, net	(2)	25	8	48
Interest expense, net	(50)	(42)	(99)	(84)
Income (loss) from continuing operations before tax	119	13	198	(16)
Income tax (expense) benefit	(45)	(5)	(81)	13
Income (loss) from continuing operations	74	8	117	(3)
Loss from discontinued operations, net of income taxes	—	(1)	—	(4)
Net income (loss)	74	7	117	(7)
Income attributable to non-controlling interests	(1)	—	(1)	(1)
Net income (loss) attributable to Pactiv Evergreen Inc. common shareholders	\$ 73	\$ 7	\$ 116	\$ (8)
Earnings (loss) per share attributable to Pactiv Evergreen Inc. common shareholders				
From continuing operations				
Basic	\$ 0.41	\$ 0.05	\$ 0.65	\$ (0.02)
Diluted	\$ 0.40	\$ 0.05	\$ 0.65	\$ (0.02)
From discontinued operations				
Basic	\$ —	\$ (0.01)	\$ —	\$ (0.02)
Diluted	\$ —	\$ (0.01)	\$ —	\$ (0.02)
Total				
Basic	\$ 0.41	\$ 0.04	\$ 0.65	\$ (0.04)
Diluted	\$ 0.40	\$ 0.04	\$ 0.65	\$ (0.04)

See accompanying notes to the condensed consolidated financial statements.

Pactiv Evergreen Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)
(In millions)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 74	\$ 7	\$ 117	\$ (7)
Other comprehensive (loss) income, net of income taxes:				
Currency translation adjustments	(10)	7	(6)	(13)
Defined benefit plans	—	—	(103)	—
Other comprehensive (loss) income	(10)	7	(109)	(13)
Comprehensive income (loss)	64	14	8	(20)
Comprehensive income attributable to non-controlling interests	(1)	—	(1)	(1)
Comprehensive income (loss) attributable to Pactiv Evergreen Inc. common shareholders	\$ 63	\$ 14	\$ 7	\$ (21)

See accompanying notes to the condensed consolidated financial statements.

Pactiv Evergreen Inc.
Condensed Consolidated Balance Sheets
(In millions, except share amounts)
(Unaudited)

	As of June 30, 2022	As of December 31, 2021
Assets		
Cash and cash equivalents	\$ 246	\$ 197
Accounts receivable, net of allowances for doubtful accounts of \$4 and \$3	527	474
Related party receivables	50	48
Inventories	1,103	854
Other current assets	137	127
Assets held for sale	131	162
Total current assets	2,194	1,862
Property, plant and equipment, net	1,759	1,786
Operating lease right-of-use assets, net	271	278
Goodwill	1,814	1,812
Intangible assets, net	1,096	1,127
Deferred income taxes	7	7
Other noncurrent assets	144	149
Total assets	\$ 7,285	\$ 7,021
Liabilities		
Accounts payable	\$ 493	\$ 364
Related party payables	9	10
Current portion of long-term debt	30	30
Current portion of operating lease liabilities	63	61
Income taxes payable	6	8
Accrued and other current liabilities	372	315
Liabilities held for sale	24	31
Total current liabilities	997	819
Long-term debt	4,207	4,220
Long-term operating lease liabilities	219	229
Deferred income taxes	257	246
Long-term employee benefit obligations	196	79
Other noncurrent liabilities	140	140
Total liabilities	\$ 6,016	\$ 5,733
Commitments and contingencies (Note 12)		
Equity		
Common stock, \$0.001 par value; 2,000,000,000 shares authorized; 177,733,992 and 177,250,974 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	\$ —	\$ —
Preferred stock, \$0.001 par value; 200,000,000 shares authorized; no shares issued or outstanding	—	—
Additional paid in capital	634	625
Accumulated other comprehensive loss	(208)	(99)
Retained earnings	838	758
Total equity attributable to Pactiv Evergreen Inc. common shareholders	1,264	1,284
Non-controlling interests	5	4
Total equity	1,269	1,288
Total liabilities and equity	\$ 7,285	\$ 7,021

See accompanying notes to the condensed consolidated financial statements.

Pactiv Evergreen Inc.

Condensed Consolidated Statements of Equity
(In millions, except per share amounts)
(Unaudited)

	Common Stock		Additional Paid In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Non- Controlling Interests	Total Equity
	Shares	Amount					
For the Three Months Ended June 30, 2021							
Balance as of March 31, 2021	177.2	\$ —	\$ 618	\$ (369)	\$ 773	\$ 4	\$ 1,026
Net income	—	—	—	—	7	—	7
Other comprehensive income, net of income taxes	—	—	—	7	—	—	7
Equity based compensation	—	—	2	—	—	—	2
Dividends declared - common shareholders (\$0.10 per share)	—	—	—	—	(17)	—	(17)
Balance as of June 30, 2021	177.2	\$ —	\$ 620	\$ (362)	\$ 763	\$ 4	\$ 1,025
For the Three Months Ended June 30, 2022							
Balance as of March 31, 2022	177.7	\$ —	\$ 628	\$ (198)	\$ 783	\$ 4	\$ 1,217
Net income	—	—	—	—	73	1	74
Other comprehensive loss, net of income taxes	—	—	—	(10)	—	—	(10)
Equity based compensation	—	—	6	—	—	—	6
Vesting of restricted stock units, net of tax withholdings	—	—	—	—	—	—	—
Dividends declared - common shareholders (\$0.10 per share)	—	—	—	—	(18)	—	(18)
Balance as of June 30, 2022	177.7	\$ —	\$ 634	\$ (208)	\$ 838	\$ 5	\$ 1,269
For the Six Months Ended June 30, 2021							
Balance as of December 31, 2020	177.2	\$ —	\$ 614	\$ (349)	\$ 806	\$ 3	\$ 1,074
Net (loss) income	—	—	—	—	(8)	1	(7)
Other comprehensive loss, net of income taxes	—	—	—	(13)	—	—	(13)
Equity based compensation	—	—	6	—	—	—	6
Dividends declared - common shareholders (\$0.20 per share)	—	—	—	—	(35)	—	(35)
Balance as of June 30, 2021	177.2	\$ —	\$ 620	\$ (362)	\$ 763	\$ 4	\$ 1,025
For the Six Months Ended June 30, 2022							
Balance as of December 31, 2021	177.3	\$ —	\$ 625	\$ (99)	\$ 758	\$ 4	\$ 1,288
Net income	—	—	—	—	116	1	117
Other comprehensive loss, net of income taxes	—	—	—	(109)	—	—	(109)
Equity based compensation	—	—	10	—	—	—	10
Vesting of restricted stock units, net of tax withholdings	0.4	—	(1)	—	—	—	(1)
Dividends declared - common shareholders (\$0.20 per share)	—	—	—	—	(36)	—	(36)
Balance as of June 30, 2022	177.7	\$ —	\$ 634	\$ (208)	\$ 838	\$ 5	\$ 1,269

See accompanying notes to the condensed consolidated financial statements.

Pactiv Evergreen Inc.

Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	For the Six Months Ended June 30,	
	2022	2021
Cash provided by operating activities		
Net income (loss)	\$ 117	\$ (7)
Adjustments to reconcile net income (loss) to operating cash flows:		
Depreciation and amortization	170	150
Deferred income taxes	45	(30)
Unrealized (gain) loss on derivatives	(6)	4
Gain on sale of businesses and noncurrent assets	(27)	—
Non-cash portion of employee benefit obligations	(7)	(45)
Non-cash portion of operating lease expense	41	39
Amortization of OID and DIC	2	3
Loss on extinguishment of debt	—	1
Equity based compensation	10	6
Other non-cash items, net	11	3
Change in assets and liabilities:		
Accounts receivable, net	(54)	(84)
Inventories	(269)	(28)
Other current assets	(12)	(1)
Accounts payable	127	85
Operating lease payments	(40)	(39)
Income taxes payable/receivable	—	48
Accrued and other current liabilities	58	14
Employee benefit obligation contributions	(3)	(2)
Other assets and liabilities	3	5
Net cash provided by operating activities	166	122
Cash used in investing activities		
Acquisition of property, plant and equipment	(114)	(131)
Acquisition of business, net of cash acquired	(2)	—
Disposal of businesses and joint venture equity interests, net of cash disposed	47	(6)
Net cash used in investing activities	(69)	(137)
Cash used in financing activities		
Long-term debt repayments	(11)	(65)
Premium on redemption of long-term debt	—	(1)
Dividends paid to common shareholders	(36)	(35)
Other financing activities	(6)	(1)
Net cash used in financing activities	(53)	(102)
Effect of exchange rate changes on cash and cash equivalents	(3)	(1)
Increase (decrease) in cash and cash equivalents	41	(118)
Cash and cash equivalents, including amounts classified as held for sale, as of beginning of the period	214	468
Cash and cash equivalents as of end of the period	\$ 255	\$ 350
Cash and cash equivalents are comprised of:		
Cash and cash equivalents	\$ 246	\$ 350
Cash and cash equivalents classified as assets held for sale	9	—
Cash and cash equivalents as of end of the period	\$ 255	\$ 350
Cash paid (received):		
Interest	\$ 98	\$ 80
Income taxes paid (refunded), net	35	(32)

Significant non-cash investing and financing activities

During the six months ended June 30, 2022 and 2021, we recognized operating lease right-of-use assets and lease liabilities of \$25 million and \$41 million, respectively. During the six months ended June 30, 2021, we recognized finance lease right-of-use assets and lease liabilities of \$19 million.

See accompanying notes to the condensed consolidated financial statements.

Pactiv Evergreen Inc.
Notes to the Condensed Consolidated Financial Statements
(In millions, except per share data and unless otherwise indicated)
(Unaudited)

Note 1. Nature of Operations and Basis of Presentation

The accompanying condensed consolidated financial statements comprise the accounts of Pactiv Evergreen Inc. (“PTVE”) and its subsidiaries (“we”, “us”, “our” or the “Company”) and have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated interim financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods and should be read in conjunction with the consolidated financial statements and the related notes thereto included in our latest Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 24, 2022. Operating results for interim periods are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2022. All intercompany transactions and balances have been eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Although our current estimates contemplate current conditions and how we expect them to change in the future, as appropriate, it is reasonably possible that actual conditions could differ from what was anticipated in those estimates, which could materially affect our results of operations and balance sheet. Among other effects, such changes could result in future impairments of goodwill, intangibles and long-lived assets, and adjustments to reserves for employee benefits and income taxes. The estimated recoverable amounts associated with asset impairments represent Level 3 measurements in the fair value hierarchy, which include inputs that are not based on observable market data.

The worldwide COVID-19 pandemic has had, and will continue to have, a significant impact on our results of operations, and it may also have additional far-reaching impacts on many aspects of our operations including the impact on customer behaviors, business and manufacturing operations, our employees and the market in general. The extent to which the COVID-19 pandemic impacts our business, financial condition, results of operations, cash flows and liquidity may differ from management’s current estimates due to inherent uncertainties regarding the progress of the pandemic, actions taken to contain the virus, the implementation and effectiveness of vaccinations and how quickly and to what extent normal economic and operating conditions can resume.

Accounting Guidance Issued but Not Yet Adopted as of June 30, 2022

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with Accounting Standards Codification Topic 606: Revenue from Contracts with Customers (“ASC 606”). Under current GAAP, an acquirer generally recognizes assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers, at fair value on the acquisition date. This ASU will result in the acquirer recording acquired contract assets and liabilities on the same basis that would have been recorded by the acquiree before the acquisition under ASC 606. This ASU is effective for annual and interim periods beginning after December 15, 2022. Early adoption is permitted, including in interim periods, for any financial statements that have not yet been issued. This ASU should be applied prospectively to business combinations occurring on or after the effective date of the amendments. We are currently evaluating the impact of the new guidance on our condensed consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform - Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848). This ASU provides temporary optional expedients and exceptions to the guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. This ASU is effective upon issuance and generally can

Pactiv Evergreen Inc.
Notes to the Condensed Consolidated Financial Statements
(In millions, except per share data and unless otherwise indicated)
(Unaudited)

be applied through the end of calendar year 2022. We are currently evaluating the impact and whether we plan to adopt the optional expedients and exceptions provided under this new standard.

We reviewed all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact on our condensed consolidated financial statements.

Note 2. Acquisitions and Dispositions

Acquisitions

On October 1, 2021, we acquired 100% of the outstanding ownership interests of Fabri-Kal LLC, Monarch Mill Pond LLC and Pure Pulp Products LLC (collectively, "Fabri-Kal") for a purchase price of \$378 million, including final adjustments for cash, indebtedness and working capital of \$2 million which was paid during the six months ended June 30, 2022. Fabri-Kal is a U.S. manufacturer of thermoformed plastic packaging products. Its products include portion cups, lids, clamshells, drink cups and yogurt containers for the institutional foodservice and consumer packaged goods markets. The acquisition includes four manufacturing facilities in the United States. The acquisition is expected to broaden our portfolio of sustainable packaging products and expand our manufacturing capacity to better serve our customers. The acquisition was funded with our existing cash resources and a portion of the U.S. term loans Tranche B-3 incurred in September 2021.

The Fabri-Kal acquisition was accounted for under the acquisition method of accounting and the results of operations were included in our condensed consolidated financial statements from the date of acquisition. Included in our condensed consolidated statements of income (loss) are Fabri-Kal's net revenues of \$121 million and \$223 million for the three and six months ended June 30, 2022, respectively.

The following table summarizes the preliminary purchase price allocation of the fair value of net tangible and intangible assets acquired and liabilities assumed:

	As of October 1, 2021	
Cash and cash equivalents	\$	3
Accounts receivable		46
Inventories		84
Other current assets		2
Property, plant and equipment		126
Operating lease right-of-use assets		31
Goodwill		68
Customer relationships		56
Trademarks		34
Deferred income taxes		8
Assets acquired	\$	458
Accounts payable	\$	17
Current portion of long-term debt		1
Current portion of operating lease liabilities		3
Accrued and other current liabilities		26
Long-term debt		1
Long-term operating lease liabilities		25
Long-term employee benefit obligations		6
Other noncurrent liabilities		1
Liabilities assumed	\$	80
Total purchase price	\$	378

We allocated the intangible assets acquired to the Foodservice segment which included \$56 million of customer relationships with an estimated life of 8 years and \$34 million of definite-lived trademarks with an estimated life of 10 years. We increased the cost of acquired inventories by \$12 million, all of which was expensed as a component of cost of sales during the year ended December 31, 2021. We allocated \$68 million of goodwill to the Foodservice segment, of which \$42 million is expected to be tax deductible. Goodwill arises principally as a result of expansion opportunities provided by Fabri-Kal's manufacturing capacity to better serve our customers and plant operation synergies. The purchase price allocation in the table above is preliminary and subject to the finalization of our valuation analysis. The purchase price allocation in the table above reflects a

Pactiv Evergreen Inc.
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(Unaudited)

measurement period adjustment we recorded during the three months ended June 30, 2022 which increased goodwill and decreased inventories by \$2 million.

Real property and personal property fair values were determined using the cost approach. The fair values for customer relationships at the acquisition date were determined using the multi-period excess earnings method under the income approach. Significant assumptions used in assessing the fair value of the customer relationships intangible asset were forecasted Adjusted EBITDA margins and contributory asset charges. Trademark fair values were determined using the relief from royalty method. The fair value measurements of intangible assets are based on significant unobservable inputs and thus represent Level 3 inputs.

Dispositions

During the fourth quarter of 2021, we committed to a plan to sell our carton packaging and filling machinery businesses in China, Korea and Taiwan (“Beverage Merchandising Asia”) included in the Beverage Merchandising segment. As a result, we classified the assets and liabilities of Beverage Merchandising Asia as held for sale as of December 31, 2021. The operations of Beverage Merchandising Asia did not meet the criteria to be presented as discontinued operations.

On January 4, 2022, we entered into a definitive agreement with SIG Schweizerische Industrie-Gesellschaft GmbH to sell Beverage Merchandising Asia. The transaction closed on August 2, 2022, and we received preliminary proceeds of \$336 million, which are subject to adjustments for cash, indebtedness and working capital as of the date of completion. We expect to recognize a gain on sale in the third quarter of 2022.

The carrying amounts of the major classes of Beverage Merchandising Asia’s assets and liabilities as of June 30, 2022 and December 31, 2021 comprised the following:

	As of June 30, 2022	As of December 31, 2021
Cash and cash equivalents	\$ 9	\$ 17
Accounts receivable, net	28	27
Inventories	27	23
Other current assets	3	3
Property, plant and equipment, net	45	48
Goodwill	14	14
Deferred income taxes	2	3
Other noncurrent assets	3	4
Total current assets held for sale	\$ 131	\$ 139
Accounts payable	\$ 6	\$ 7
Income taxes payable	1	3
Accrued and other current liabilities	14	18
Long-term employee benefit obligations	1	1
Deferred income taxes	2	2
Total current liabilities held for sale	\$ 24	\$ 31

Income from operations before income taxes for Beverage Merchandising Asia for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021 was \$6 million, \$5 million, \$11 million and \$11 million, respectively.

On October 12, 2021, we entered into a definitive agreement for the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd., our 50% joint venture with Naturepak Limited, to affiliates of Elopak ASA. As a result, as of December 31, 2021, we reclassified the carrying value of our interests in Naturepak Beverage Packaging Co. Ltd. to assets held for sale. The transaction closed on March 29, 2022, and we received preliminary proceeds of \$47 million, which are subject to adjustments for cash, indebtedness and working capital as of the date of completion, resulting in a preliminary gain on the sale of our equity interests of \$27 million during the six months ended June 30, 2022 which was reflected in other income, net. Our interests in Naturepak Beverage Packaging Co. Ltd. did not meet the criteria to be presented as discontinued operations. The income from operations before income taxes from our equity interests in Naturepak Beverage Packaging Co. Ltd. for the six months ended June 30, 2022 and the three and six months ended June 30, 2021 was insignificant.

During the third quarter of 2020, we committed to a plan to sell the South American closures businesses included in the Other operating segment. In December 2020, we entered into an agreement to sell the businesses. On March 31, 2021, we completed the sale of the South American closures businesses for an immaterial amount. The operations of the South American closures

Pactiv Evergreen Inc.
Notes to the Condensed Consolidated Financial Statements
(In millions, except per share data and unless otherwise indicated)
(Unaudited)

businesses did not meet the criteria to be presented as discontinued operations. The South American closures businesses' income from operations before income taxes for the six months ended June 30, 2021 was insignificant.

Note 3. Restructuring, Asset Impairment and Other Related Charges

During the three and six months ended June 30, 2022, we recorded \$1 million of other restructuring charges within the Beverage Merchandising segment.

During the three months ended June 30, 2021, we recorded the following restructuring, asset impairment and other related charges:

	<u>Other Asset Impairment</u>	<u>Employee Terminations</u>	<u>Total</u>
Beverage Merchandising	\$ —	\$ 8	\$ 8
Other	2	—	2
Total	\$ 2	\$ 8	\$ 10

During the six months ended June 30, 2021, we recorded the following restructuring and other related charges:

	<u>Employee Terminations</u>	<u>Total</u>
Beverage Merchandising	\$ 8	\$ 8
Other	—	—
Total	\$ 8	\$ 8

On July 28, 2021, we announced the decision to close our coated groundwood paper production line located in our Pine Bluff, Arkansas mill. On October 31, 2021, we ceased manufacturing coated groundwood paper. As a result of the closure, we recognized \$1 million for disassembly costs in the three months ended June 30, 2022 and \$8 million for contractual termination benefits in the three months ended June 30, 2021. In addition, related to the sale of our South American closures businesses, we recorded a non-cash impairment charge of \$2 million during the three months ended June 30, 2021 which offset a previously recorded partial reversal of impairment charges. Refer to Note 2, *Acquisitions and Dispositions*, for additional details.

The following table summarizes the changes to our restructuring liability for the six months ended June 30, 2022:

	<u>December 31, 2021</u>	<u>Charges to Earnings</u>	<u>Cash Paid</u>	<u>June 30, 2022</u>
Employee termination costs	\$ 2	\$ —	\$ (1)	\$ 1
Total	\$ 2	\$ —	\$ (1)	\$ 1

We expect to settle our restructuring liability within twelve months.

Note 4. Inventories

The components of inventories consisted of the following:

	<u>As of June 30, 2022</u>	<u>As of December 31, 2021</u>
Raw materials	\$ 273	\$ 226
Work in progress	130	102
Finished goods	599	427
Spare parts	101	99
Inventories	\$ 1,103	\$ 854

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Note 5. Property, Plant and Equipment, Net

Property, plant and equipment, net consisted of the following:

	As of June 30, 2022	As of December 31, 2021
Land and land improvements	\$ 72	\$ 72
Buildings and building improvements	651	638
Machinery and equipment	3,448	3,383
Construction in progress	167	170
Property, plant and equipment, at cost	4,338	4,263
Less: accumulated depreciation	(2,579)	(2,477)
Property, plant and equipment, net	\$ 1,759	\$ 1,786

Depreciation expense related to property, plant and equipment was recognized in the following components in the condensed consolidated statements of income (loss):

	For the Three Months Ended June 30,		For The Six Months Ended June 30,	
	2022	2021	2022	2021
Cost of sales	\$ 65	\$ 58	\$ 128	\$ 112
Selling, general and administrative expenses	6	6	12	12
Total depreciation expense	\$ 71	\$ 64	\$ 140	\$ 124

Note 6. Goodwill and Intangible Assets

Goodwill by reportable segment was as follows:

	Foodservice	Food Merchandising	Beverage Merchandising	Other ⁽¹⁾	Total
Balance as of December 31, 2021	\$ 990	\$ 770	\$ 52	\$ —	\$ 1,812
Measurement period adjustment	2	—	—	—	2
Balance as of June 30, 2022	\$ 992	\$ 770	\$ 52	\$ —	\$ 1,814
Accumulated impairment losses	\$ —	\$ —	\$ —	\$ 15	\$ 15

⁽¹⁾ Other includes operations that do not meet the quantitative threshold for reportable segments.

Intangible assets, net consisted of the following:

	As of June 30, 2022			As of December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Finite-lived intangible assets						
Customer relationships	\$ 1,073	\$ (622)	\$ 451	\$ 1,075	\$ (594)	\$ 481
Trademarks	42	(10)	32	42	(9)	33
Other	12	(12)	—	12	(12)	—
Total finite-lived intangible assets	\$ 1,127	\$ (644)	\$ 483	\$ 1,129	\$ (615)	\$ 514
Indefinite-lived intangible assets						
Trademarks	\$ 554	\$ —	\$ 554	\$ 554	\$ —	\$ 554
Other	59	—	59	59	—	59
Total indefinite-lived intangible assets	\$ 613	\$ —	\$ 613	\$ 613	\$ —	\$ 613
Total intangible assets	\$ 1,740	\$ (644)	\$ 1,096	\$ 1,742	\$ (615)	\$ 1,127

Amortization expense for intangible assets of \$15 million and \$13 million for the three months ended June 30, 2022 and 2021, respectively, and \$30 million and \$26 million for the six months ended June 30, 2022 and 2021, respectively, was recognized in selling, general and administrative expenses.

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Note 7. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

	As of June 30, 2022	As of December 31, 2021
Accrued personnel costs	\$ 111	\$ 86
Accrued rebates and credits	95	87
Accrued interest	17	19
Other ⁽¹⁾	149	123
Accrued and other current liabilities	\$ 372	\$ 315

⁽¹⁾ Other includes items such as accruals for freight, utilities and property and other non-income related taxes.

Note 8. Debt

Debt consisted of the following:

	As of June 30, 2022	As of December 31, 2021
Credit Agreement	\$ 2,239	\$ 2,250
Notes:		
4.000% Senior Secured Notes due 2027	1,000	1,000
4.375% Senior Secured Notes due 2028	500	500
Pactiv Debentures:		
7.950% Debentures due 2025	276	276
8.375% Debentures due 2027	200	200
Other	49	53
Total principal amount of borrowings	<u>4,264</u>	<u>4,279</u>
Deferred financing transaction costs ("DIC")	(16)	(17)
Original issue discounts, net of premiums ("OID")	(11)	(12)
	<u>4,237</u>	<u>4,250</u>
Less: current portion	(30)	(30)
Long-term debt	<u>\$ 4,207</u>	<u>\$ 4,220</u>

We were in compliance with all debt covenants during the six months ended June 30, 2022 and the year ended December 31, 2021.

On September 24, 2021, we incurred \$1,015 million of term loans ("U.S. term loans tranche B-3") and issued \$500 million aggregate principal amount of 4.375% Senior Secured Notes due 2028 ("4.375% Notes"). A portion of the net proceeds from the U.S. term loans Tranche B-3, along with the net proceeds from the 4.375% Notes, was used to repay the \$1,207 million of existing U.S. term loans Tranche B-1 maturing in February 2023, including accrued interest, extinguishing this tranche of borrowings. The balance of the net proceeds from the U.S. term loans Tranche B-3 was used to partially fund the acquisition of Fabri-Kal. During the six months ended June 30, 2021, we repaid the remaining \$59 million of the 5.125% senior secured notes at a price of 101.281%. The early repayment of these senior secured notes resulted in a loss on extinguishment of debt of \$1 million in respect of the premium on redemption, which was recognized in interest expense, net.

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Credit Agreement

PTVE and certain of its U.S. subsidiaries are parties to a senior secured credit agreement dated August 5, 2016 as amended (the “Credit Agreement”). The Credit Agreement comprises the following term and revolving tranches:

	Maturity Date	Value Drawn or Utilized as of June 30, 2022	Applicable Interest Rate as of June 30, 2022
Term Tranches			
U.S. term loans Tranche B-2	February 5, 2026	\$ 1,231	LIBOR (floor of 0.000%) + 3.250%
U.S. term loans Tranche B-3	September 24, 2028	\$ 1,008	LIBOR (floor of 0.500%) + 3.500%
Revolving Tranche⁽¹⁾			
U.S. Revolving Loans	August 5, 2024	\$ 44	—

⁽¹⁾ The Revolving Tranche represents a \$250 million facility. The amount utilized is in the form of letters of credit.

The weighted average contractual interest rates related to our U.S. term loans Tranche B-2 and Tranche B-3 for the six months ended June 30, 2022 were 3.74% and 4.15%, respectively. The weighted average contractual interest rates related to our U.S. term loans Tranche B-1 and B-2 for the six months ended June 30, 2021 were 2.87% and 3.37%, respectively. The effective interest rates of our debt obligations under the Credit Agreement are not materially different from the contractual interest rates.

PTVE and certain of its U.S. subsidiaries have guaranteed on a senior basis the obligations under the Credit Agreement to the extent permitted by law. The borrowers and the guarantors have granted security over substantially all of their assets to support the obligations under the Credit Agreement. This security is expected to be shared on a first priority basis with the holders of the Notes.

Indebtedness under the Credit Agreement may be voluntarily repaid, in whole or in part, and must be mandatorily repaid in certain circumstances. We are required to make quarterly amortization payments of 0.25% of the principal amount of U.S. term loans. Additionally, we are required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% or 0% if specified senior secured first lien leverage ratios are met) as determined in accordance with the Credit Agreement. No excess cash flow prepayments were due in 2021 or are due in 2022 for the year ended December 31, 2021.

The Credit Agreement contains customary covenants which restrict us from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the Credit Agreement.

Notes

Outstanding Notes, as of June 30, 2022, are summarized below:

	Maturity Date	Interest Payment Dates
4.000% Senior Secured Notes due 2027	October 15, 2027	April 15 and October 15
4.375% Senior Secured Notes due 2028	October 15, 2028	April 15 and October 15 commencing April 15, 2022

The effective interest rates of our debt obligations under the Notes are not materially different from the contractual interest rates.

PTVE and certain of its U.S. subsidiaries have guaranteed on a senior basis the obligations under the Notes to the extent permitted by law. The issuers and the guarantors have granted security over substantially all of their assets to support the obligations under the Notes. This security is expected to be shared on a first priority basis with the creditors under the Credit Agreement.

The respective indentures governing the 4.000% Senior Secured Notes due 2027 (“4.000% Notes”) and the 4.375% Notes (together with the 4.000% Notes, the “Notes”) contain customary covenants which restrict us from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the respective indentures governing the Notes.

Under the respective indentures governing the Notes, we can, at our option, elect to redeem the Notes under terms and conditions specified in the indentures. Under the respective indentures governing the Notes, in certain circumstances which would constitute a change in control, the holders of the Notes have the right to require us to repurchase the Notes at a premium.

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Pactiv Debentures

As of June 30, 2022, we had the following outstanding debentures (together, the “Pactiv Debentures”):

	<u>Maturity Date</u>	<u>Interest Payment Dates</u>
7.950% Debentures due 2025	December 15, 2025	June 15 and December 15
8.375% Debentures due 2027	April 15, 2027	April 15 and October 15

The effective interest rates of our debt obligations under the Pactiv Debentures are not materially different from the contractual interest rates.

The Pactiv Debentures are not guaranteed and are unsecured.

The indentures governing the Pactiv Debentures contain a negative pledge clause limiting the ability of certain of our entities, subject to certain exceptions, to (i) incur or guarantee debt that is secured by liens on “Principal Manufacturing Properties” (as such term is defined in the indentures governing the Pactiv Debentures) or on the capital stock or debt of certain subsidiaries that own or lease any such Principal Manufacturing Property and (ii) sell and then take an immediate lease back of such Principal Manufacturing Property.

The 8.375% Debentures due 2027 may be redeemed at any time at our option, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus a make-whole premium, if any, plus accrued and unpaid interest to the date of the redemption.

Other borrowings

Other borrowings represented finance lease obligations of \$49 million and \$53 million as of June 30, 2022 and December 31, 2021, respectively.

Scheduled maturities

Below is a schedule of required future repayments on our debt outstanding as of June 30, 2022:

2022	\$	15
2023		30
2024		29
2025		304
2026		1,202
Thereafter		2,684
Total principal amount of borrowings	\$	4,264

Fair value of our long-term debt

The fair value of our long-term debt as of June 30, 2022 and December 31, 2021 is a Level 2 fair value measurement. Below is a schedule of carrying values and fair values of our debt outstanding:

	<u>As of June 30, 2022</u>		<u>As of December 31, 2021</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Credit Agreement	\$ 2,228	\$ 2,111	\$ 2,239	\$ 2,243
Notes:				
4.000% Senior Secured Notes due 2027	992	856	991	975
4.375% Senior Secured Notes due 2028	495	426	495	497
Pactiv Debentures:				
7.950% Debentures due 2025	274	243	273	305
8.375% Debentures due 2027	199	176	199	222
Other	49	49	53	53
Total	\$ 4,237	\$ 3,861	\$ 4,250	\$ 4,295

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Interest expense, net

Interest expense, net consisted of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Interest expense:				
Credit Agreement	\$ 23	\$ 20	\$ 44	\$ 39
Notes	16	10	31	20
Pactiv Debentures	9	9	19	19
Interest income	(1)	—	(1)	(1)
Amortization:				
DIC	—	1	1	2
OID	1	1	1	1
Net foreign currency exchange (gains) losses	—	(1)	1	—
Loss on extinguishment of debt:				
Redemption premiums	—	—	—	1
Other	2	2	3	3
Interest expense, net	\$ 50	\$ 42	\$ 99	\$ 84

Note 9. Financial Instruments

We had the following derivative instruments recorded at fair value in our condensed consolidated balance sheets:

	As of June 30, 2022		As of December 31, 2021	
	Asset Derivatives	Liability Derivatives	Asset Derivatives	Liability Derivatives
Commodity swap contracts	\$ 7	\$ (1)	\$ 1	\$ (1)
Total fair value	\$ 7	\$ (1)	\$ 1	\$ (1)
Recorded in:				
Other current assets	\$ 7	\$ —	\$ 1	\$ —
Accrued and other current liabilities	—	—	—	(1)
Other noncurrent liabilities	—	(1)	—	—
Total fair value	\$ 7	\$ (1)	\$ 1	\$ (1)

Our derivatives are comprised of commodity swaps. All derivatives represent Level 2 financial assets and liabilities. Our derivatives are valued using an income approach based on the observable market index prices less the contract rate multiplied by the notional amount or based on pricing models that rely on market observable inputs such as commodity prices. Our calculation of the fair value of these financial instruments takes into consideration the risk of non-performance, including counterparty credit risk. The majority of our derivative contracts do not have a legal right of set-off. We manage the credit risk in connection with our derivatives by limiting the amount of exposure with each counterparty and monitoring the financial condition of our counterparties.

During the three and six months ended June 30, 2022, we recognized an unrealized gain of \$1 million and \$6 million, respectively, compared to an unrealized loss of \$3 million and \$4 million for the three and six months ended June 30, 2021, respectively, in cost of sales.

The following table provides the detail of outstanding commodity derivative contracts as of June 30, 2022:

Type	Unit of Measure	Contracted Volume	Contracted Price Range	Contracted Date of Maturity
Benzene swaps	U.S. liquid gallon	3,916,502	\$3.12 - \$4.13	Aug 2022 - Feb 2023
Natural gas swaps	Million BTU	3,148,940	\$2.81 - \$4.63	Aug 2022 - Dec 2025

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Note 10. Employee Benefits

Net periodic benefit (expense) income for defined benefit pension plans and other post-employment benefit plans consisted of the following:

	For the Three Months Ended June 30,		For The Six Months Ended June 30,	
	2022	2021	2022	2021
Service cost	\$ (1)	\$ (1)	\$ (1)	\$ (3)
Interest cost	(16)	(28)	(37)	(55)
Expected return on plan assets	14	53	35	103
Ongoing net periodic benefit (expense) income	(3)	24	(3)	45
Income due to settlement ⁽¹⁾	—	—	10	—
Total net periodic benefit (expense) income	\$ (3)	\$ 24	\$ 7	\$ 45

⁽¹⁾ Refer to the *Pension Partial Settlement Transactions* section below for additional details.

Net periodic benefit (expense) income for defined benefit pension plans and other post-employment benefit plans was recognized as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Cost of sales	\$ (1)	\$ (1)	\$ (1)	\$ (3)
Non-operating (expense) income, net	(2)	25	8	48
Total net periodic benefit (expense) income	\$ (3)	\$ 24	\$ 7	\$ 45

No contributions to the Pactiv Evergreen Pension Plan (“PEPP”) are expected to be made in 2022.

Pension Partial Settlement Transactions

On February 24, 2022, we purchased with \$1,260 million of PEPP assets a non-participating group annuity contract from an insurance company and transferred \$1,257 million of the PEPP’s projected benefit obligations. Under the transaction, the insurance company assumed responsibility for pension benefits and annuity administration for approximately 13,300 retirees or their beneficiaries. As a result of this transaction, the PEPP’s projected benefit obligations and plan assets were remeasured, and we recognized a non-cash pre-tax pension settlement gain of \$10 million in the six months ended June 30, 2022.

On July 21, 2021, we purchased with \$941 million of PEPP assets a non-participating group annuity contract from an insurance company and transferred \$959 million of the PEPP’s projected benefit obligations. Under the transaction, the insurance company assumed responsibility for pension benefits and annuity administration for approximately 16,300 retirees or their beneficiaries. As a result of this transaction, the PEPP’s projected benefit obligations and plan assets were remeasured, and we recognized a non-cash pre-tax pension settlement gain of \$22 million in the third quarter of 2021.

Note 11. Other Income, Net

Other income, net consisted of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Gain on sale of businesses and noncurrent assets	\$ —	\$ —	\$ 27	\$ —
Gain on legal settlement ⁽¹⁾	15	—	15	—
Foreign exchange losses on cash ⁽²⁾	—	(1)	(2)	(1)
Transition service agreement income ⁽³⁾	—	3	1	7
Other	(3)	3	(1)	5
Other income, net	\$ 12	\$ 5	\$ 40	\$ 11

⁽¹⁾ Reflects a gain, net of costs, arising from the settlement of a historical legal action.

⁽²⁾ Primarily arose from holding U.S. dollars in non-U.S. dollar functional currency entities.

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⁽³⁾ Refer to Note 15, *Related Party Transactions*, for additional details. The transition services agreement income is primarily attributable to services provided to our former segments, Reynolds Consumer Products Inc. (“RCPI”) and Graham Packaging Company Inc. (“GPCI”), and our former closures businesses.

Note 12. Commitments and Contingencies

We are from time to time party to litigation, legal proceedings and tax examinations arising from our operations. Most of these matters involve allegations of damages against us relating to employment matters, personal injury and commercial or contractual disputes. We record estimates for claims and proceedings that constitute a present obligation when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of such obligation can be made. While it is not possible to predict the outcome of any of these matters, based on our assessment of the facts and circumstances, we do not believe any of these matters, individually or in the aggregate, will have a material adverse effect on our balance sheet, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on our balance sheet, results of operations or cash flows in a future period. Except for amounts provided, there were no legal proceedings pending other than those for which we have determined that the possibility of a material outflow is remote.

Legal Proceedings

On April 14, 2021, MP2 Energy LLC (“MP2”) filed a lawsuit against Pactiv LLC (“Pactiv”), one of our indirect subsidiaries, in state court in Montgomery County, Texas. In this lawsuit, MP2 sought to collect approximately \$50 million from Pactiv that MP2 claimed that Pactiv owed MP2 under an energy management services agreement (“EMSA”). Pactiv disputed any liability to MP2 and maintained that Pactiv acted reasonably at all times and that the event of Force Majeure excused any obligation Pactiv had to supply the contract quantity under the EMSA and Transaction Confirmation No. 4 or to reimburse MP2 for its cost in contracting for any shortfall in the contract quantity.

On July 20, 2022, the parties entered into a settlement agreement pursuant to which, among other things, MP2 dismissed its claims with prejudice, Pactiv paid MP2 an immaterial cash payment and the parties entered into new commercial arrangements.

Indemnities

As part of the agreements for the sale of various businesses, we have provided certain warranties and indemnities to the respective purchasers as set out in the respective sale agreements. These warranties and indemnities are subject to various terms and conditions affecting the duration and total amount of the indemnities. As of June 30, 2022, we are not aware of any material claims under these agreements that would give rise to an additional liability. However, if such claims arise in the future, they could have a material effect on our balance sheet, results of operations or cash flows.

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Note 13. Accumulated Other Comprehensive Loss

The following table summarizes the changes in our balances of each component of accumulated other comprehensive loss (“AOCL”):

	For the Three Months Ended June 30,		For The Six Months Ended June 30,	
	2022	2021	2022	2021
Currency translation adjustments:				
Balance as of beginning of period	\$ (203)	\$ (209)	\$ (207)	\$ (189)
Currency translation adjustments	(10)	7	(6)	(2)
Amounts reclassified from AOCL ⁽¹⁾	—	—	—	(11)
Other comprehensive (loss) income	(10)	7	(6)	(13)
Balance as of end of period	\$ (213)	\$ (202)	\$ (213)	\$ (202)
Defined benefit plans:				
Balance as of beginning of period	\$ 5	\$ (160)	\$ 108	\$ (160)
Net actuarial loss arising during year ⁽²⁾	—	—	(126)	—
Deferred tax benefit on net actuarial loss	—	—	31	—
Gain reclassified from AOCL				
Defined benefit plan settlement gain	—	—	(10)	—
Deferred tax expense on reclassification	—	—	2	—
Other comprehensive loss	—	—	(103)	—
Balance as of end of period	\$ 5	\$ (160)	\$ 5	\$ (160)
AOCL				
Balance as of beginning of period	\$ (198)	\$ (369)	\$ (99)	\$ (349)
Other comprehensive (loss) income	(10)	7	(109)	(13)
Balance as of end of period	\$ (208)	\$ (362)	\$ (208)	\$ (362)

(1) The reclassification of currency translation adjustment amounts to earnings during the six months ended June 30, 2021 relates to the sale of the South American closures businesses. Refer to Note 2, *Acquisitions and Dispositions*, for additional details.

(2) Net actuarial loss arising during the six months ended June 30, 2022 relates to the interim remeasurement of the PEPP due to the pension partial settlement transaction. The net actuarial loss for the six months ended June 30, 2022 was primarily due to asset returns, partially offset by an increase in the discount rate utilized in measuring plan obligations, reflecting changes in market rates. Refer to Note 10, *Employee Benefits*, for additional details.

Note 14. Income Taxes

The effective tax rates for the three and six months ended June 30, 2022 and 2021 represent our estimate of the annual effective tax rates expected to be applicable for the respective full fiscal years, adjusted for any discrete events which are recorded in the period that they occur.

During the three months ended June 30, 2022, we recognized a tax expense of \$45 million on income from continuing operations before tax of \$119 million. The effective tax rate was driven primarily by the mix of income taxed at varying rates among the jurisdictions in which we operate and an inability to recognize a tax benefit on all interest expense. During the six months ended June 30, 2022, we recognized a tax expense of \$81 million on income from continuing operations before tax of \$198 million. The effective tax rate was driven primarily by a \$14 million discrete expense from the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd., as well as the mix of income taxed at varying rates among the jurisdictions in which we operate and an inability to recognize a tax benefit on all interest expense.

During the three months ended June 30, 2021, we recognized tax expense of \$5 million on income from continuing operations before tax of \$13 million. The effective tax rate was driven primarily by the mix of income and losses taxed at varying rates among the jurisdictions in which we operate. During the six months ended June 30, 2021, we recognized a tax benefit of \$13 million on a loss from continuing operations before tax of \$16 million. The effective tax rate was driven primarily by a \$10 million discrete benefit from the partial release of our valuation allowance for deferred interest deductions, which was partially offset by varying tax rates among the jurisdictions in which we operate.

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We are under audit by the Internal Revenue Service (“IRS”) and other taxing authorities. The IRS is currently auditing our U.S. income tax returns for 2016-2017. As of June 30, 2022, we have not received any proposed adjustments from taxing authorities that would be material. Although the ultimate timing is uncertain, it is reasonably possible that a reduction of up to \$10 million of unrecognized tax benefits could occur within the next twelve months due to changes in audit status, settlements of tax assessments and other events.

Note 15. Related Party Transactions

As of June 30, 2022, approximately 78% of our shares are owned by PFL.

The related party entities and types of transactions we entered into with them are detailed below. All related parties detailed below have a common ultimate controlling shareholder, except for the joint ventures.

	Transaction Value for the Three Months Ended June 30,		Transaction Value for the For The Six Months Ended June 30,		Balance Outstanding as of	
	2022	2021	2022	2021	June 30, 2022	December 31, 2021
Balances and transactions with joint ventures						
Included in other current assets					\$	\$
Sale of goods and services ⁽¹⁾	3	6	10	16	4	9
Balances and transactions with other entities controlled by Mr. Graeme Hart						
Current related party receivables ⁽²⁾					50	48
Sale of goods and services ⁽²⁾	106	93	206	171		
Transition services agreements and rental income ⁽²⁾	—	3	1	7		
Charges ⁽³⁾	3	2	3	7		
Related party payables ⁽²⁾					(9)	(10)
Purchase of goods ⁽²⁾	(21)	(26)	(48)	(51)		
Charges ⁽³⁾	(3)	—	(6)	(6)		

- (1) All transactions with joint ventures are settled in cash. Sales of goods and services are negotiated based on market rates. All amounts are unsecured, non-interest bearing and repayable on demand.
- (2) Following the distribution of RCPI on February 4, 2020, we continue to trade with them, selling and purchasing various goods and services under contractual arrangements that expire over a variety of periods through December 31, 2024. As part of the separation process, among other agreements, we have entered into two lease arrangements with RCPI and entered into a transition services agreement to provide ongoing agreed services to RCPI, as requested. We do not trade with GPCI on an ongoing basis. We have entered into a transition services agreement to provide ongoing agreed services to GPCI, as requested. We have also entered into a tax matters agreement with GPCI. We have recognized a payable of \$1 million under the tax matters agreement in relation to GPCI’s share of U.S. state tax refunds in respect of the periods through to September 16, 2020.
- (3) These charges are for various costs incurred including services provided, financing and other activities. All amounts are unsecured, non-interest bearing and settled on normal trade terms. As part of our initial public offering (“IPO”), we have entered into a transition services agreement with Rank Group Limited (“Rank”), an entity controlled by Mr. Graeme Hart, under which Rank will, upon our request, continue to provide certain administrative and support services to us, and we will provide support services to Rank upon request. All services provided will be charged at an agreed hourly rate plus any third party costs. The agreements with Rank and affiliated entities also include an insurance sharing agreement and an investment advisory agreement in respect of our pension plan investment committee.

Note 16. Equity Based Compensation

In conjunction with our IPO, we established the Pactiv Evergreen Inc. Equity Incentive Plan (the “Equity Incentive Plan”) for purposes of granting stock or other equity-based compensation awards to our employees (including our senior management), directors, consultants and advisors. The maximum number of shares of common stock available for issuance under our Equity Incentive Plan is 9,079,395 shares.

Equity-based compensation expense of \$6 million and \$2 million for the three months ended June 30, 2022 and 2021, respectively, and \$10 million and \$6 million for the six months ended June 30, 2022 and 2021, respectively, was recognized in selling, general and administrative expenses.

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(In millions, except per share data and unless otherwise indicated)
(Unaudited)

Restricted Stock Units

During the six months ended June 30, 2022, we granted restricted stock units (“RSUs”) to certain members of management and certain members of our Board of Directors. These RSUs required future service to be provided and vest in annual installments over a period ranging from 1 to 3 years beginning on the first anniversary of the grant date. During the vesting period, the RSUs carry dividend-equivalent rights, but the RSUs do not have voting rights. The RSUs and any related dividend-equivalent rights are forfeited in the event the holder is no longer an employee on the vesting date, unless the holder satisfies certain retirement-eligibility criteria. The following table summarizes RSU activity during 2022:

<i>(In thousands, except per share amounts)</i>	Number of Stock Units	Weighted Average Grant Date Fair Value
Non-vested, at January 1	1,491	\$ 14.67
Granted ⁽¹⁾	1,261	9.23
Forfeited	(83)	12.44
Vested	(412)	15.39
Non-vested, at June 30	<u>2,257</u>	<u>\$ 11.58</u>

⁽¹⁾ Includes 21 thousand shares reserved for issuance upon the settlement of dividend-equivalent rights carried by the reported RSUs concurrently with the settlement of such RSUs for shares.

Unrecognized compensation cost related to unvested RSUs as of June 30, 2022 was \$16 million, which is expected to be recognized over a weighted average period of 2.1 years. The total vest date fair value of shares that vested during the six months ended June 30, 2022 was \$4 million.

Performance Share Units

During the six months ended June 30, 2022, we granted performance share units (“PSUs”) to certain members of management which vest on the third anniversary of the grant date. Based on the achievement of a company performance target during a performance period set by our Compensation Committee, upon vesting, the PSUs are exchanged for a number of shares of common stock equal to the number of PSUs multiplied by a factor between 0% and 200%. We use our stock price on the grant date to estimate the fair value of our PSUs. We adjust the expense based on the likelihood of future achievement of performance metrics. If any of the performance targets are not achieved, the awards are forfeited. During the vesting period, the PSUs carry dividend-equivalent rights, but the PSUs do not have voting rights. The PSUs and any related dividend-equivalent rights are forfeited in the event the holder is no longer an employee on the vesting date, unless the holder satisfies certain retirement-eligibility criteria. The following table summarizes PSU activity during 2022:

<i>(In thousands, except per share amounts)</i>	Number of Stock Units	Weighted Average Grant Date Fair Value
Non-vested, at January 1	—	\$ —
Granted ⁽¹⁾	1,160	9.13
Forfeited	(49)	9.18
Non-vested, at June 30	<u>1,111</u>	<u>\$ 9.13</u>

⁽¹⁾ Includes 21 thousand shares reserved for issuance upon the settlement of dividend-equivalent rights carried by the reported PSUs concurrently with the settlement of such PSUs for shares.

Unrecognized compensation cost related to unvested PSUs as of June 30, 2022 was \$8 million, which is expected to be recognized over a weighted average period of 2.2 years.

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Note 17. Earnings Per Share

Earnings (loss) per share, including a reconciliation of the number of shares used for our earnings (loss) per share calculation, was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator				
Net earnings (loss) attributable to common shareholders - continuing operations	\$ 73	\$ 8	\$ 116	\$ (4)
Less: dividend-equivalents declared for equity based awards	(1)	—	(1)	—
Net earnings (loss) available to common shareholders - continuing operations	72	8	115	(4)
Net loss attributable to common shareholders - discontinued operations	—	(1)	—	(4)
Total net earnings (loss) available to common shareholders	<u>\$ 72</u>	<u>\$ 7</u>	<u>\$ 115</u>	<u>\$ (8)</u>
Denominator				
Weighted average number of shares outstanding - basic	177.7	177.4	177.7	177.3
Effect of dilutive securities	0.6	0.3	0.5	—
Weighted average number of shares outstanding - diluted	<u>178.3</u>	<u>177.7</u>	<u>178.2</u>	<u>177.3</u>
Earnings (loss) per share attributable to Pactiv Evergreen Inc. common shareholders				
From continuing operations				
Basic	\$ 0.41	\$ 0.05	\$ 0.65	\$ (0.02)
Diluted	\$ 0.40	\$ 0.05	\$ 0.65	\$ (0.02)
From discontinued operations				
Basic	\$ —	\$ (0.01)	\$ —	\$ (0.02)
Diluted	\$ —	\$ (0.01)	\$ —	\$ (0.02)
Total				
Basic	\$ 0.41	\$ 0.04	\$ 0.65	\$ (0.04)
Diluted	\$ 0.40	\$ 0.04	\$ 0.65	\$ (0.04)

The weighted average number of anti-dilutive potential common shares excluded from the calculation above was 0.4 million shares and 0.7 million shares for the three and six months ended June 30, 2022, respectively. There were no anti-dilutive potential common shares excluded from the calculation above for the three months ended June 30, 2021. The weighted average number of anti-dilutive potential common shares excluded from the calculation above was 0.2 million shares for the six months ended June 30, 2021.

On August 1, 2022, our Board of Directors declared a dividend of \$0.10 per share to be paid on September 15, 2022 to shareholders of record as of August 31, 2022.

Note 18. Segment Information

ASC 280 Segment Reporting establishes the standards for reporting information about segments in financial statements. In applying the criteria set forth in ASC 280, we have three reportable segments: Foodservice, Food Merchandising and Beverage Merchandising. These reportable segments reflect our operating structure and the manner in which our Chief Operating

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Decision Maker (“CODM”), who is our President and Chief Executive Officer, assesses information for decision-making purposes.

The key factors used to identify these reportable segments are the organization and alignment of our internal operations and the nature of our products. This reflects how our CODM monitors performance, allocates capital and makes strategic and operational decisions. Our reportable segments are described as follows:

Foodservice - Manufactures a broad range of products that enable consumers to eat and drink where they want and when they want with convenience. Foodservice manufactures food containers, drinkware (hot and cold cups and lids), tableware, serveware and other products which make eating on-the-go more enjoyable and easy to do.

Food Merchandising - Manufactures products that protect and attractively display food while preserving freshness. Food Merchandising products include clear rigid-display containers, containers for prepared and ready-to-eat food, trays for meat and poultry and egg cartons.

Beverage Merchandising - Manufactures cartons for fresh refrigerated beverage products, primarily serving dairy (including plant-based, organic and specialties), juice and other specialty beverage end-markets. Beverage Merchandising manufactures and supplies integrated fresh carton systems, which include printed cartons, spouts and filling machinery. It also produces fiber-based liquid packaging board for its internal requirements and to sell to other fresh beverage carton manufacturers as well as a range of paper-based products which it sells to paper and packaging converters.

Other/Unallocated - In addition to our reportable segments, we have other operating segments that do not meet the threshold for presentation as a reportable segment. These operating segments include the remaining components of our former closures business, which generate revenue from the sale of caps and closures, and are presented as “Other” in the reconciliation between total reportable segment amounts and the equivalent consolidated measure. Unallocated includes corporate costs, primarily relating to companywide functions such as finance, tax and legal and the effects of the PEPP and equity based compensation.

Information by Segment

We present reportable segment Adjusted EBITDA as this is the financial measure by which management and our CODM allocate resources and analyze the performance of our reportable segments.

A segment’s Adjusted EBITDA represents its earnings before interest, tax, depreciation and amortization and is further adjusted to exclude certain items, including but not limited to, restructuring, asset impairment and other related charges, gains or losses on the sale of businesses and noncurrent assets, non-cash pension income or expense, operational process engineering-related consultancy costs, business acquisition and integration costs and purchase accounting adjustments, unrealized gains or losses on derivatives, foreign exchange gains or losses on cash, executive transition charges and gains or losses on certain legal settlements.

Reportable segment assets represent trade receivables, inventory and property, plant and equipment.

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	Foodservice	Food Merchandising	Beverage Merchandising	Reportable Segment Total
For the Three Months Ended June 30, 2022				
Net revenues	\$ 791	\$ 444	\$ 378	\$ 1,613
Intersegment revenues	—	—	42	42
Total reportable segment net revenues	<u>\$ 791</u>	<u>\$ 444</u>	<u>\$ 420</u>	<u>\$ 1,655</u>
Adjusted EBITDA	<u>\$ 165</u>	<u>\$ 78</u>	<u>\$ 29</u>	<u>\$ 272</u>

For the Three Months Ended June 30, 2021				
Net revenues	\$ 571	\$ 388	\$ 369	\$ 1,328
Intersegment revenues	—	—	18	18
Total reportable segment net revenues	<u>\$ 571</u>	<u>\$ 388</u>	<u>\$ 387</u>	<u>\$ 1,346</u>
Adjusted EBITDA	<u>\$ 62</u>	<u>\$ 59</u>	<u>\$ 15</u>	<u>\$ 136</u>

For the Six Months Ended June 30, 2022				
Net revenues	\$ 1,488	\$ 848	\$ 750	\$ 3,086
Intersegment revenues	—	—	73	73
Total reportable segment net revenues	<u>\$ 1,488</u>	<u>\$ 848</u>	<u>\$ 823</u>	<u>\$ 3,159</u>
Adjusted EBITDA	<u>\$ 281</u>	<u>\$ 138</u>	<u>\$ 53</u>	<u>\$ 472</u>

For the Six Months Ended June 30, 2021				
Net revenues	\$ 1,025	\$ 730	\$ 708	\$ 2,463
Intersegment revenues	—	—	36	36
Total reportable segment net revenues	<u>\$ 1,025</u>	<u>\$ 730</u>	<u>\$ 744</u>	<u>\$ 2,499</u>
Adjusted EBITDA	<u>\$ 123</u>	<u>\$ 114</u>	<u>\$ (17)</u>	<u>\$ 220</u>

Reportable segment assets consisted of the following:

	Foodservice	Food Merchandising	Beverage Merchandising	Reportable Segment Total
As of June 30, 2022	\$ 1,528	\$ 819	\$ 991	\$ 3,338
As of December 31, 2021	1,380	737	951	3,068

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The following table presents a reconciliation of reportable segment Adjusted EBITDA to consolidated GAAP income (loss) from continuing operations before income taxes:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Reportable segment Adjusted EBITDA	\$ 272	\$ 136	\$ 472	\$ 220
Other	2	2	2	3
Unallocated	(25)	(8)	(43)	(16)
	<u>249</u>	<u>130</u>	<u>431</u>	<u>207</u>
<i>Adjustments to reconcile to GAAP income (loss) from continuing operations before income taxes</i>				
Interest expense, net	(50)	(42)	(99)	(84)
Depreciation and amortization	(86)	(77)	(170)	(150)
Restructuring, asset impairment and other related charges	(1)	(10)	(1)	(8)
Gain on sale of businesses and noncurrent assets	—	—	27	—
Non-cash pension (expense) income	(2)	25	8	48
Operational process engineering-related consultancy costs	(1)	(7)	(4)	(10)
Business acquisition and integration costs and purchase accounting adjustments	(2)	—	(6)	—
Unrealized gains (losses) on derivatives	1	(3)	6	(4)
Foreign exchange losses on cash	—	(1)	(2)	(1)
Executive transition charges	(2)	—	(2)	(10)
Gain on legal settlement	15	—	15	—
Costs associated with legacy sold facility	(3)	—	(6)	—
Other	1	(2)	1	(4)
Income (loss) from continuing operations before tax	<u>\$ 119</u>	<u>\$ 13</u>	<u>\$ 198</u>	<u>\$ (16)</u>

The following table presents a reconciliation of reportable segment assets to consolidated assets:

	As of June 30, 2022	As of December 31, 2021
Reportable segment assets	\$ 3,338	\$ 3,068
Other	45	37
Unallocated ⁽¹⁾	3,902	3,916
Total assets	<u>\$ 7,285</u>	<u>\$ 7,021</u>

⁽¹⁾ Unallocated is comprised of cash and cash equivalents, other current assets, assets held for sale, entity-wide property, plant and equipment, operating lease right-of-use assets, goodwill, intangible assets, deferred income taxes, related party receivables and other noncurrent assets.

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Information in Relation to Products

Net revenues by product line are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Foodservice				
Drinkware	\$ 352	\$ 233	\$ 620	398
Containers	312	238	620	447
Tableware	73	51	138	89
Serviceware and other	54	49	110	91
Food Merchandising				
Tableware	111	99	213	181
Bakery/snack/produce/fruit containers	111	87	202	156
Meat trays	90	93	175	180
Prepared food trays	41	38	82	72
Egg cartons	29	21	57	47
Other	62	50	119	94
Beverage Merchandising				
Cartons for fresh beverage products	230	208	447	400
Liquid packaging board	121	96	236	187
Paper products	69	83	140	157
Reportable segment net revenues	1,655	1,346	3,159	2,499
Other / Unallocated				
Other	27	24	49	53
Intersegment eliminations	(42)	(18)	(73)	(36)
Net revenues	\$ 1,640	\$ 1,352	\$ 3,135	\$ 2,516

For all product lines, there is a relatively short time period between the receipt of the order and the transfer of control over the goods to the customer.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Our discussion and analysis is intended to help the reader understand our results of operations and financial condition and is provided as an addition to, and should be read in connection with, our condensed consolidated financial statements and the accompanying notes included elsewhere in this Quarterly Report on Form 10-Q.

Description of the Company and its Business Segments

We are a leading manufacturer and distributor of fresh foodservice and food merchandising products and fresh beverage cartons in North America. We produce a broad range of on-trend and feature-rich products that protect, package and display food and beverages for today’s consumers. Our products, many of which are made with recycled, recyclable or renewable materials, are sold to a diversified mix of customers, including restaurants, foodservice distributors, retailers, food and beverage producers, packers and processors. We report our business in three reportable segments: Foodservice, Food Merchandising and Beverage Merchandising. Our Foodservice segment manufactures a broad range of products that enable consumers to eat and drink where they want and when they want with convenience. Our Food Merchandising segment manufactures products that protect and attractively display food while preserving freshness. Our Beverage Merchandising segment manufactures cartons for fresh refrigerated beverage products, primarily serving dairy (including plant-based, organic and specialties), juice and other specialty beverage end-markets.

Recent Developments and Items Impacting Comparability

Pension Partial Settlement Transactions

On February 24, 2022, we purchased with \$1,260 million of PEPP assets a non-participating group annuity contract from an insurance company and transferred \$1,257 million of the PEPP’s projected benefit obligations. Under the transaction, the insurance company assumed responsibility for pension benefits and annuity administration for approximately 13,300 retirees or their beneficiaries. As a result of this transaction, the PEPP’s projected benefit obligations and plan assets were remeasured, and we recognized a non-cash pre-tax pension settlement gain of \$10 million in the six months ended June 30, 2022.

On July 21, 2021, we purchased with \$941 million of PEPP assets a non-participating group annuity contract from an insurance company and transferred \$959 million of the PEPP’s projected benefit obligations. Under the transaction, the insurance company will assume responsibility for pension benefits and annuity administration for approximately 16,300 retirees or their beneficiaries. As a result of this transaction, the PEPP’s projected benefit obligations and plan assets were remeasured, and we recognized a non-cash pre-tax pension settlement gain of \$22 million in the third quarter of 2021.

Fabri-Kal Acquisition

On October 1, 2021, we acquired 100% of the outstanding ownership interests of Fabri-Kal for a purchase price of \$378 million, including final adjustments for cash, indebtedness and working capital of \$2 million paid during the six months ended June 30, 2022. Fabri-Kal is a U.S. manufacturer of thermoformed plastic packaging products. Its products include portion cups, lids, clamshells, drink cups and yogurt containers for the institutional foodservice and consumer packaged goods markets. The acquisition includes four manufacturing facilities in the United States. The acquisition is expected to broaden our portfolio of sustainable packaging products and expand our manufacturing capacity to better serve our customers. The acquisition was funded with our existing cash resources and a portion of the U.S. term loans Tranche B-3 incurred in September 2021.

Dispositions

On January 4, 2022, we entered into a definitive agreement with SIG Schweizerische Industrie-Gesellschaft GmbH to sell our carton packaging and filling machinery businesses in China, Korea and Taiwan. The transaction closed on August 2, 2022, and we received preliminary proceeds of \$336 million, which are subject to adjustments for cash, indebtedness and working capital as of the date of completion. We expect to recognize gain on sale in the third quarter of 2022.

On October 12, 2021, we entered into a definitive agreement for the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd., our 50% joint venture with Naturepak Limited, to affiliates of Elopak ASA. The transaction closed on March 29, 2022, and we received preliminary proceeds of \$47 million, which are subject to adjustments for cash, indebtedness and working capital as of the date of completion. We recognized a gain on the sale of our equity interests of \$27 million during the six months ended June 30, 2022.

Neither of these dispositions qualifies for presentation as discontinued operations.

Coated Groundwood Paper Business Exit

On July 28, 2021, we announced the decision to close our coated groundwood paper production line located in our Pine Bluff, Arkansas mill. With the decline in the coated groundwood market, our decision to exit this business enables us to re-invest resources into our strategic core competency of liquid packaging board, as well as other more profitable segments across the enterprise. On October 31, 2021, we ceased manufacturing coated groundwood paper, and we substantially completed our exit from this business during the fourth quarter of 2021. As a result of the closure, we recognized \$1 million for disassembly costs in the three months ended June 30, 2022 and \$8 million for contractual termination benefits in the three months ended June 30, 2021.

Winter Storm Uri

During February 2021, the Southern portion of the United States was impacted by Winter Storm Uri which brought record low temperatures, snow and ice and resulted in power failures, hazardous road conditions, damage to property and death and injury to individuals in those states. During most of this weather event, we were unable to fully operate some of our mills, plants and warehouses in Texas and Arkansas. During the first half of 2021, we incurred approximately \$50 million of incremental costs including energy costs, primarily related to natural gas, shut-down costs and some property damage during the storm. Our Beverage Merchandising segment was impacted to the greatest degree with total incremental costs of \$37 million incurred by our paper mill in Pine Bluff, Arkansas.

As a result of the storm, certain of our suppliers with locations in the impacted areas were also unable to operate which subsequently resulted in their declaration of force majeure on meeting the supply quantities due to us. In particular, our supply of various resin types was limited, and we were required to purchase from other suppliers, and at a higher price, in order to meet our production demands for March and April of 2021. As further discussed in our *Results of Operations*, our cost of sales was impacted for the three and six months ended June 30, 2021 as the products manufactured with this higher priced material were sold.

COVID-19

We have been actively responding to the COVID-19 pandemic and its impact. Our highest priorities continue to be the safety of our employees and working with our employees and network of suppliers and customers to help maintain the food supply chain as an essential business. As we are a part of the global food supply chain, we have taken a number of actions to promote the health and safety of our employees and customers in order to maintain the availability of our products to meet the needs of our customers. To date, we have not experienced significant issues within our supply chain due to the COVID-19 pandemic, including the sourcing of materials and logistics service providers.

During the early part of 2021, prior to the widespread availability of vaccines during which various measures restricted consumer mobility, we experienced lower demand for our products and, as a result, decreased revenues. Our Foodservice segment experienced lower net revenues due to the closure or reduced activity of restaurants and other food-serving institutions. Within our Beverage Merchandising segment, sales of fresh beverage cartons remained relatively constant with declines in sales of school milk cartons offset by higher demand in the retail sector, while sales in the paper markets declined due to a decrease in demand of printed publications and advertising and demand for liquid packaging board softened. Commencing in the second quarter of 2021, as the availability of vaccines and inoculation rates improved and measures that restricted consumer mobility were lifted, volumes improved in our business, most significantly in our Foodservice segment. Additionally, we have adapted along with our customers as COVID-19 restrictions were lifted, or subsequently reinstated, and as consumer behavior required more take-out and online ordering options.

As the general effects of the COVID-19 pandemic continue to change and remain unpredictable, the COVID-19 pandemic will continue to impact our results of operations in future periods as the macroeconomic environment changes and consumer behavior continues to evolve. We continue to proactively manage our business in response to the evolving impacts of the pandemic, and we will continue to communicate with and support our employees and customers, to monitor and take steps to further safeguard our supply chain, operations and assets, to protect our liquidity and financial position, to work toward our strategic priorities and to monitor our financial performance as we seek to position ourselves to withstand the current uncertainty related to this pandemic.

How We Assess the Performance of Our Business and Use of Non-GAAP Measures

In addition to financial measures determined in accordance with GAAP, we make use of the non-GAAP financial measure Adjusted EBITDA from continuing operations to evaluate and manage our business and to plan and make near-term and long-term operating and strategic decisions.

Non-GAAP Measures – Adjusted EBITDA from Continuing Operations

Adjusted EBITDA from continuing operations is defined as net income (loss) from continuing operations calculated in accordance with GAAP, plus the sum of income tax expense, net interest expense, depreciation and amortization and further adjusted to exclude certain items, including but not limited to restructuring, asset impairment and other related charges, gains or losses on the sale of businesses and noncurrent assets, non-cash pension income or expense, operational process engineering-related consultancy costs, business acquisition and integration costs and purchase accounting adjustments, unrealized gains or losses on derivatives, foreign exchange gains or losses on cash, executive transition charges and gains or losses on certain legal settlements.

We present Adjusted EBITDA from continuing operations because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans, make strategic decisions and incentivize and reward our employees. Accordingly, we believe that Adjusted EBITDA from continuing operations provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and Board of Directors. We also believe that using Adjusted EBITDA from continuing operations facilitates operating performance comparisons on a period-to-period basis because it excludes variations primarily caused by changes in the items noted above. In addition, our chief operating decision maker, who is our President and Chief Executive Officer, uses Adjusted EBITDA of each reportable segment to evaluate the operating performance of such segments.

Our use of Adjusted EBITDA from continuing operations has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Instead, you should consider it alongside other financial performance measures, including our net income (loss) and other GAAP results. In addition, in evaluating Adjusted EBITDA from continuing operations, you should be aware that in the future we will incur expenses such as those that are the subject of adjustments made in deriving Adjusted EBITDA from continuing operations, and you should not infer from our presentation of Adjusted EBITDA from continuing operations that our future results will not be affected by these expenses or any unusual or non-recurring items. The following is a reconciliation of our net income (loss) from continuing operations, the most directly comparable GAAP financial measure, to Adjusted EBITDA from continuing operations for each of the periods indicated:

(In millions)	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net income (loss) from continuing operations (GAAP)	\$ 74	\$ 8	\$ 117	\$ (3)
Income tax expense (benefit)	45	5	81	(13)
Interest expense, net	50	42	99	84
Depreciation and amortization	86	77	170	150
Restructuring, asset impairment and other related charges ⁽¹⁾	1	10	1	8
Gain on sale of businesses and noncurrent assets ⁽²⁾	—	—	(27)	—
Non-cash pension expense (income) ⁽³⁾	2	(25)	(8)	(48)
Operational process engineering-related consultancy costs ⁽⁴⁾	1	7	4	10
Business acquisition and integration costs and purchase accounting adjustments ⁽⁵⁾	2	—	6	—
Unrealized (gains) losses on derivatives ⁽⁶⁾	(1)	3	(6)	4
Foreign exchange losses on cash ⁽⁷⁾	—	1	2	1
Executive transition charges ⁽⁸⁾	2	—	2	10
Gain on legal settlement ⁽⁹⁾	(15)	—	(15)	—
Costs associated with legacy sold facility ⁽¹⁰⁾	3	—	6	—
Other	(1)	2	(1)	4
Adjusted EBITDA from continuing operations (Non-GAAP)	\$ 249	\$ 130	\$ 431	\$ 207

⁽¹⁾ Reflects restructuring, asset impairment and other related charges (net of reversals) primarily associated with our closure of Beverage Merchandising's coated groundwood operations. Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, for additional details.

⁽²⁾ Reflects the gain from the sale of businesses and noncurrent assets, primarily related to the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd. Refer to Note 2, *Acquisitions and Dispositions*, for additional details.

⁽³⁾ Reflects the non-cash pension expense (income) related to our employee benefit plans, including the pension settlement gain of \$10 million recognized during the six months ended June 30, 2022. Refer to Note 10, *Employee Benefits*, for additional details.

⁽⁴⁾ Reflects the costs incurred to evaluate and improve the efficiencies of our manufacturing and distribution operations.

- (5) Reflects integration costs related to the acquisition of Fabri-Kal. Refer to Note 2, *Acquisitions and Dispositions*, for additional details.
- (6) Reflects the mark-to-market movements in our commodity derivatives. Refer to Note 9, *Financial Instruments*, for additional details.
- (7) Reflects foreign exchange losses on cash, primarily on U.S. dollar amounts held in non-U.S. dollar functional currency entities.
- (8) Reflects charges relating to key executive retirement and separation agreements in the first half of 2021 and in the second quarter of 2022.
- (9) Reflects the gain, net of costs, arising from the settlement of a historical legal action.
- (10) Reflects costs related to a closed facility, sold prior to our acquisition of the entity.

Results of Operations

Three Months Ended June 30, 2022 compared with the Three Months Ended June 30, 2021

Consolidated Results

(In millions, except for %)	For the Three Months Ended June 30,					
	2022	% of Revenue	2021	% of Revenue	Change	% Change
Net revenues	\$ 1,640	100 %	\$ 1,352	100 %	\$ 288	21 %
Cost of sales	(1,332)	(81) %	(1,202)	(89) %	(130)	(11) %
Gross profit	308	19 %	150	11 %	158	105 %
Selling, general and administrative expenses	(148)	(9) %	(115)	(9) %	(33)	(29) %
Restructuring, asset impairment and other related charges	(1)	— %	(10)	(1) %	9	90 %
Other income, net	12	1 %	5	— %	7	NM
Operating income from continuing operations	171	10 %	30	2 %	141	NM
Non-operating (expense) income, net	(2)	— %	25	2 %	(27)	NM
Interest expense, net	(50)	(3) %	(42)	(3) %	(8)	(19) %
Income from continuing operations before tax	119	7 %	13	1 %	106	NM
Income tax expense	(45)	(3) %	(5)	— %	(40)	NM
Income from continuing operations	74	5 %	8	1 %	66	NM
Loss from discontinued operations, net of income taxes	—	—	(1)	—	1	—
Net income	\$ 74		\$ 7		\$ 67	
Adjusted EBITDA from continuing operations⁽¹⁾	\$ 249	15 %	\$ 130	10 %	\$ 119	92 %

(1) Adjusted EBITDA from continuing operations is a non-GAAP measure. For details, refer to *Non-GAAP Measures - Adjusted EBITDA from continuing operations*, including a reconciliation between net income (loss) from continuing operations and Adjusted EBITDA from continuing operations.

NM indicates that the calculation is “not meaningful”.

Components of Change in Reportable Segment Net Revenues for the Three Months Ended June 30, 2022 Compared with the Three Months Ended June 30, 2021

	Price/Mix	Volume	Acquisitions	FX	Total
Net revenues	23 %	(10) %	9 %	(1) %	21 %
By reportable segment:					
Foodservice	27 %	(9) %	21 %	— %	39 %
Food Merchandising	20 %	(6) %	— %	— %	14 %
Beverage Merchandising	19 %	(9) %	— %	(1) %	9 %

Net Revenues. Net revenues for the three months ended June 30, 2022 increased by \$288 million, or 21%, to \$1,640 million compared to the three months ended June 30, 2021. The increase was primarily due to favorable pricing, due to the contractual pass-through of higher material costs and pricing actions across all of our segments. In addition, the Foodservice segment’s acquisition of Fabri-Kal on October 1, 2021 contributed \$121 million of incremental sales for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021. These increases were partially offset by lower sales volume, primarily due to strong prior year period sales volume as businesses and restaurants re-opened post-COVID-19 lockdowns in our Foodservice segment, labor and related impacts in our Food Merchandising segment and our strategic exit from the coated groundwood business in our Beverage Merchandising segment in December 2021.

Cost of Sales. Cost of sales for the three months ended June 30, 2022 increased by \$130 million, or 11%, to \$1,332 million compared to the three months ended June 30, 2021. The increase was primarily due to higher material and manufacturing costs

across all of our segments as well as the Foodservice segment's acquisition of Fabri-Kal. These increases were partially offset by lower sales volume.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the three months ended June 30, 2022 increased by \$33 million, or 29%, to \$148 million compared to the three months ended June 30, 2021. The increase was primarily due to higher employee-related costs and higher costs related to the Foodservice segment's acquisition of Fabri-Kal.

Restructuring, Asset Impairment and Other Related Charges. Restructuring, asset impairment and other related charges for the three months ended June 30, 2022 and June 30, 2021 included a \$1 million and \$8 million charge, respectively, related to our strategic exit from the coated groundwood operations. Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, for additional details.

Other Income, Net. Other income, net for the three months ended June 30, 2022 increased by \$7 million to \$12 million compared to the three months ended June 30, 2021. The increase was primarily attributable to the \$15 million gain, net of costs, arising from the settlement of a historical legal action, partially offset by lower transition service agreement income.

Non-operating (Expense) Income, Net. Non-operating (expense) income, net, for the three months ended June 30, 2022 was \$2 million of expense compared to \$25 million of income for the three months ended June 30, 2021. The change reflects the net impact of lower gross plan assets and liabilities due to the completion of multiple pension partial settlement transactions as well as a decrease in the expected return on assets and in increase in discount rates due to changes in market conditions.

Interest Expense, Net. Interest expense, net, for the three months ended June 30, 2022 increased by \$8 million, or 19%, to \$50 million, compared to the three months ended June 30, 2021. The increase was primarily due to an increase in principal amounts outstanding under our senior secured notes. Refer to Note 8, *Debt*, for additional details.

Income Tax Expense. During the three months ended June 30, 2022, we recognized a tax expense of \$45 million on income from continuing operations before tax of \$119 million, compared to tax expense of \$5 million on income from continuing operations before tax of \$13 million for the three months ended June 30, 2021. The effective tax rate during the three months ended June 30, 2022 was primarily attributable to our overall projected earnings subject to taxation at varying rates in the jurisdictions in which we operate and limitations on the ability to recognize a tax benefit on all interest expense. The effective tax rate during the three months ended June 30, 2021 was primarily attributable to our overall projected earnings subject to taxation at varying rates in the jurisdictions in which we operate.

Adjusted EBITDA from Continuing Operations. Adjusted EBITDA from continuing operations for the three months ended June 30, 2022 increased by \$119 million to \$249 million compared to the three months ended June 30, 2021. The increase reflects favorable pricing, net of raw material costs passed through, and the impact from the acquisition of Fabri-Kal, partially offset by higher manufacturing and employee-related costs and lower sales volume.

Segment Information

Foodservice

(In millions, except for %)	For the Three Months Ended June 30,			
	2022	2021	Change	% Change
Total segment net revenues	\$ 791	\$ 571	\$ 220	39%
Segment Adjusted EBITDA	\$ 165	\$ 62	\$ 103	166%
Segment Adjusted EBITDA margin	21%	11%		

Total Segment Net Revenues. Foodservice total segment net revenues for the three months ended June 30, 2022 increased by \$220 million, or 39%, to \$791 million compared to the three months ended June 30, 2021. The increase was primarily due to favorable pricing, due to the contractual pass-through of higher material costs and pricing actions taken to offset higher input costs. In addition, the acquisition of Fabri-Kal on October 1, 2021 contributed \$121 million of incremental sales for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021. These increases were partially offset by lower sales volume as the prior year period had strong sales volume as businesses and restaurants re-opened post-COVID-19 lockdowns.

Adjusted EBITDA. Foodservice Adjusted EBITDA for the three months ended June 30, 2022 increased by \$103 million to \$165 million compared to the three months ended June 30, 2021. The increase was primarily due to favorable pricing, net of material costs passed through, and the impact from the acquisition of Fabri-Kal, partially offset by higher manufacturing costs, lower sales volume and higher employee-related costs.

Food Merchandising

(In millions, except for %)	For the Three Months Ended June 30,			
	2022	2021	Change	% Change
Total segment net revenues	\$ 444	\$ 388	\$ 56	14 %
Segment Adjusted EBITDA	\$ 78	\$ 59	\$ 19	32 %
Segment Adjusted EBITDA margin	18 %	15 %		

Total Segment Net Revenues. Food Merchandising total segment net revenues for the three months ended June 30, 2022 increased by \$56 million, or 14%, to \$444 million compared to the three months ended June 30, 2021. The increase was primarily due to favorable pricing, due to pricing actions taken to offset higher input costs and the contractual pass-through of higher material costs, partially offset by lower sales volume, primarily due to labor and related impacts.

Adjusted EBITDA. Food Merchandising Adjusted EBITDA for the three months ended June 30, 2022 increased by \$19 million, or 32%, to \$78 million compared to the three months ended June 30, 2021. The increase was primarily due to favorable pricing, net of material costs passed through, partially offset by higher manufacturing costs and lower sales volume.

Beverage Merchandising

(In millions, except for %)	For the Three Months Ended June 30,			
	2022	2021	Change	% Change
Total segment net revenues	\$ 420	\$ 387	\$ 33	9 %
Segment Adjusted EBITDA	\$ 29	\$ 15	\$ 14	93 %
Segment Adjusted EBITDA margin	7 %	4 %		

Total Segment Net Revenues. Beverage Merchandising total segment net revenues for the three months ended June 30, 2022 increased by \$33 million, or 9%, to \$420 million compared to the three months ended June 30, 2021. The increase was primarily due to favorable pricing, due to pricing actions taken to offset higher input costs and the contractual pass-through of higher material costs, and favorable product mix. These increases were partially offset by lower sales volume, primarily due to our strategic exit from the coated groundwood business in December 2021.

Adjusted EBITDA. Beverage Merchandising Adjusted EBITDA for the three months ended June 30, 2022 increased by \$14 million, or 93%, to \$29 million compared to the three months ended June 30, 2021. The increase was primarily due to favorable pricing, net of material costs passed through, partially offset by higher manufacturing costs, including \$11 million due to a scheduled annual pulp mill outage, higher employee-related costs and lower sales volume.

Six Months Ended June 30, 2022 compared with the Six Months Ended June 30, 2021

Consolidated Results

(In millions, except for %)	For the Six Months Ended June 30,					
	2022	% of Revenue	2021	% of Revenue	Change	% Change
Net revenues	\$ 3,135	100 %	\$ 2,516	100 %	\$ 619	25 %
Cost of sales	(2,595)	(83) %	(2,258)	(90) %	(337)	(15) %
Gross profit	540	17 %	258	10 %	282	109 %
Selling, general and administrative expenses	(290)	(9) %	(241)	(10) %	(49)	(20) %
Restructuring, asset impairment and other related charges	(1)	— %	(8)	— %	7	88 %
Other income, net	40	1 %	11	— %	29	NM
Operating income from continuing operations	289	9 %	20	1 %	269	NM
Non-operating income, net	8	— %	48	2 %	(40)	(83) %
Interest expense, net	(99)	(3) %	(84)	(3) %	(15)	(18) %
Income (loss) from continuing operations before tax	198	6 %	(16)	(1) %	214	NM
Income tax (expense) benefit	(81)	(3) %	13	1 %	(94)	NM
Income (loss) from continuing operations	117	4 %	(3)	— %	120	NM
Loss from discontinued operations, net of income taxes	—	— %	(4)	— %	4	— %
Net income (loss)	\$ 117		\$ (7)		\$ 124	
Adjusted EBITDA from continuing operations⁽¹⁾	\$ 431	14 %	\$ 207	8 %	\$ 224	108 %

(1) Adjusted EBITDA from continuing operations is a non-GAAP measure. For details, refer to *Non-GAAP Measures - Adjusted EBITDA from continuing operations*, including a reconciliation between net income (loss) from continuing operations and Adjusted EBITDA from continuing operations.

Components of Change in Reportable Segment Net Revenues for the Six Months Ended June 30, 2022 Compared with the Six Months Ended June 30, 2021

	Price/Mix	Volume	Acquisitions	Total
Net revenues	24%	(8)%	9%	25%
By reportable segment:				
Foodservice	29%	(6)%	22%	45%
Food Merchandising	22%	(6)%	—%	16%
Beverage Merchandising	18%	(7)%	—%	11%

Net Revenues. Net revenues for the six months ended June 30, 2022 increased by \$619 million, or 25%, to \$3,135 million compared to the six months ended June 30, 2021. The increase was primarily due to favorable pricing, due to the contractual pass-through of higher material costs and pricing actions across all of our segments. In addition, the Foodservice segment's acquisition of Fabri-Kal on October 1, 2021 contributed \$223 million of incremental sales for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. These increases were partially offset by lower sales volume, primarily due to strong sales volume in the prior year period as businesses and restaurants re-opened post-COVID-19 lockdowns in our Foodservice segment, labor and related impacts in our Food Merchandising segment and our strategic exit from the coated groundwood business in our Beverage Merchandising segment in December 2021.

Cost of Sales. Cost of sales for the six months ended June 30, 2022 increased by \$337 million, or 15%, to \$2,595 million compared to the six months ended June 30, 2021. The increase was primarily due to higher material, manufacturing and logistics costs across all of our segments, partially offset by the benefit related to prior year period costs of \$50 million from Winter Storm Uri and \$16 million due to a scheduled cold mill outage that did not recur, as well as the Foodservice segment's acquisition of Fabri-Kal. These increases were partially offset by lower sales volume.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the six months ended June 30, 2022 increased by \$49 million, or 20%, to \$290 million compared to the six months ended June 30, 2021. The increase was primarily due to higher employee-related costs and higher costs related to the Foodservice segment's acquisition of Fabri-Kal.

Restructuring, Asset Impairment and Other Related Charges. Restructuring, asset impairment and other related charges for the six months ended June 30, 2022 and June 30, 2021 included a \$1 million and \$8 million charge, respectively, related to our strategic exit from the coated groundwood operations. Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, for additional details.

Other Income, Net. Other income, net for the six months ended June 30, 2022 increased by \$29 million to \$40 million compared to the six months ended June 30, 2021. The increase was primarily attributable to the \$27 million gain on the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd. and the \$15 million gain, net of costs, arising from the settlement of a historical legal action, partially offset by lower transition service agreement income.

Non-operating Income, Net. Non-operating income, net, for the six months ended June 30, 2022 decreased by \$40 million, or 83%, to \$8 million compared to \$48 million for the six months ended June 30, 2021. The decrease reflects the net impact of lower gross plan assets and liabilities due to the completion of multiple pension partial settlement transactions as well as a decrease in the expected return on assets and in increase in discount rates due to changes in market conditions. Non-operating income, net for the six months ended June 30, 2022 also included a \$10 million pension settlement gain.

Interest Expense, Net. Interest expense, net, for the six months ended June 30, 2022 increased by \$15 million, or 18%, to \$99 million, compared to the six months ended June 30, 2021, primarily due to a net increase in principal amounts outstanding under our senior secured notes and an increase in the interest rate on our floating rate term loans. Refer to Note 8, *Debt*, for additional details.

Income Tax (Expense) Benefit. During the six months ended June 30, 2022, we recognized a tax expense of \$81 million on income from continuing operations before tax of \$198 million, compared to tax benefit of \$13 million on a loss from continuing operations before tax of \$16 million for the six months ended June 30, 2021. The effective tax rate during the six months ended June 30, 2022 was driven primarily by a \$14 million discrete expense from the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd., as well as the mix of income taxed at varying rates among the jurisdictions in which we operate and the inability to recognize a tax benefit on all interest expense. The effective tax rate during the six months ended June 30, 2021 was primarily attributable to the partial release of our valuation allowance for deferred interest deductions, which was partially offset by varying tax rates among the jurisdictions in which we operate.

Adjusted EBITDA from Continuing Operations. Adjusted EBITDA from continuing operations for the six months ended June 30, 2022 increased by \$224 million to \$431 million compared to the six months ended June 30, 2021. The increase reflects favorable pricing, net of material costs passed through, and the impact from the acquisition of Fabri-Kal, partially offset by higher manufacturing costs, lower sales volume and higher employee-related and logistics costs. The increase in Adjusted EBITDA also includes the benefit related to prior year period costs of \$50 million from Winter Storm Uri.

Segment Information

Foodservice

<i>(In millions, except for %)</i>	For the Six Months Ended June 30,			
	2022	2021	Change	% Change
Total segment net revenues	\$ 1,488	\$ 1,025	\$ 463	45 %
Segment Adjusted EBITDA	\$ 281	\$ 123	\$ 158	128 %
Segment Adjusted EBITDA margin	19 %	12 %		

Total Segment Net Revenues. Foodservice total segment net revenues for the six months ended June 30, 2022 increased by \$463 million, or 45%, to \$1,488 million compared to the six months ended June 30, 2021. The increase was primarily due to favorable pricing, due to the contractual pass-through of higher material costs and pricing actions taken to offset higher input costs. In addition, the acquisition of Fabri-Kal on October 1, 2021 contributed \$223 million of incremental sales for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. These increases were partially offset by lower sales volume, primarily due to strong sales volume in the prior year period as businesses and restaurants re-opened post-COVID-19 lockdowns.

Adjusted EBITDA. Foodservice Adjusted EBITDA for the six months ended June 30, 2022 increased by \$158 million to \$281 million compared to the six months ended June 30, 2021. The increase was primarily due to favorable pricing, net of material costs passed through, and the impact from the acquisition of Fabri-Kal, partially offset by higher manufacturing costs, lower sales volume and higher employee-related costs.

Food Merchandising

<i>(In millions, except for %)</i>	For the Six Months Ended June 30,			
	2022	2021	Change	% Change
Total segment net revenues	\$ 848	\$ 730	\$ 118	16 %
Segment Adjusted EBITDA	\$ 138	\$ 114	\$ 24	21 %
Segment Adjusted EBITDA margin	16 %	16 %		

Total Segment Net Revenues. Food Merchandising total segment net revenues for the six months ended June 30, 2022 increased by \$118 million, or 16%, to \$848 million compared to the six months ended June 30, 2021. The increase was primarily due to favorable pricing, due to the contractual pass-through of higher material costs and pricing actions taken to offset higher input costs, partially offset by lower sales volume, primarily due to labor and related impacts.

Adjusted EBITDA. Food Merchandising Adjusted EBITDA for the six months ended June 30, 2022 increased by \$24 million, or 21%, to \$138 million compared to the six months ended June 30, 2021. The increase was primarily due to favorable pricing, net of material costs passed through, partially offset by higher manufacturing costs, lower sales volume and higher logistics and employee-related costs.

Beverage Merchandising

<i>(In millions, except for %)</i>	For the Six Months Ended June 30,			
	2022	2021	Change	% Change
Total segment net revenues	\$ 823	\$ 744	\$ 79	11 %
Segment Adjusted EBITDA	\$ 53	\$ (17)	\$ 70	NM
Segment Adjusted EBITDA margin	6 %	(2) %		

Total Segment Net Revenues. Beverage Merchandising total segment net revenues for the six months ended June 30, 2022 increased by \$79 million, or 11%, to \$823 million compared to the six months ended June 30, 2021. The increase was primarily due to favorable pricing, due to pricing actions taken to offset higher input costs and the contractual pass-through of higher material costs, and favorable product mix. These increases were partially offset by lower sales volume, primarily due to our strategic exit from the coated groundwood business in December 2021.

Adjusted EBITDA. Beverage Merchandising Adjusted EBITDA for the six months ended June 30, 2022 increased by \$70 million to \$53 million compared to the six months ended June 30, 2021. The increase reflects favorable pricing, net of material

costs passed through, and the benefit related to prior year period costs of \$37 million from Winter Storm Uri. These items were partially offset by higher manufacturing and employee-related costs.

Liquidity and Capital Resources

We believe that we have sufficient liquidity to support our ongoing operations and to invest in future growth to create value for our shareholders. Our projected operating cash flows, existing cash balances, cash proceeds received from the sale of Beverage Merchandising Asia in August 2022 and available capacity under our revolving credit facility are our primary sources of liquidity for the next 12 months and are expected to be used for, among other things, capital expenditures, payment of interest and principal on our long-term debt obligations and distributions to shareholders that require approval by our Board of Directors. Additionally, we may continue to utilize long-term debt issuances for our funding requirements.

Cash provided by operating activities

Net cash provided by operating activities increased by \$44 million to \$166 million for the six months ended June 30, 2022 compared to \$122 million for the six months ended June 30, 2021. The increase was primarily driven by higher cash earnings and favorable changes in accounts payable, accrued expenses and accounts receivable balances. These increases were partially offset by planned inventory build activity, \$67 million of higher tax payments due to the comparative period including the receipt of a refund and higher interest payments.

Cash used in investing activities

Net cash used in investing activities decreased by \$68 million to \$69 million for the six months ended June 30, 2022 compared to \$137 million for the six months ended June 30, 2021. The decrease was primarily attributable to \$47 million of cash received from the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd. Property, plant and equipment additions were \$114 million during the six months ended June 30, 2022, compared to \$131 million during the six months ended June 30, 2021, with the decrease reflecting the timing of spend.

Cash used in financing activities

Net cash used in financing activities decreased by \$49 million to \$53 million for the six months ended June 30, 2022 compared to \$102 million for the six months ended June 30, 2021. The decrease was primarily attributable to the \$59 million redemption of the remaining portion of our 5.125% senior secured notes during the six months ended June 30, 2021.

Dividends

We paid cash dividends of \$36 million and \$35 million during the six months ended June 30, 2022 and 2021, respectively. On August 1, 2022, our Board of Directors declared a dividend of \$0.10 per share to be paid on September 15, 2022 to shareholders of record as of August 31, 2022.

Our Credit Agreement and Notes limit the ability to make dividend payments, subject to specified exceptions. Our Board of Directors must review and approve future dividend payments and will determine whether to declare additional dividends based on our operating performance, expected future cash flows, debt levels, liquidity needs and investment opportunities.

Debt and Liquidity

As of June 30, 2022, we had \$4,264 million of total principal amount of borrowings. Refer to Note 8, *Debt*, for additional details.

Our 2022 annual cash interest obligations on our borrowings are expected to be approximately \$201 million. As of June 30, 2022, the underlying one month LIBO rate for amounts borrowed under our Credit Agreement was 1.67%.

As of June 30, 2022, we had \$246 million of cash and cash equivalents on hand, with a further \$9 million of cash and cash equivalents classified within current assets held for sale and we received \$336 million of preliminary cash proceeds from our sale of Beverage Merchandising Asia in August 2022. We also had \$206 million available for drawing under our revolving credit facility. We believe that our existing cash balances, projected operating cash flows together with our available capacity under our revolving credit facility are sufficient to fund our principal debt payments, interest expense, working capital needs and expected capital expenditures for the next 12 months. Our next significant near term maturity of borrowings is \$276 million of Pactiv Debentures due in December 2025. We currently anticipate incurring approximately \$265 million of capital expenditures during fiscal year 2022.

Our ability to borrow under our revolving credit facility or our local working capital facilities or to incur additional indebtedness may be limited by the terms of such indebtedness or other indebtedness, including the Credit Agreement and the Notes. The

Credit Agreement and the respective indentures governing the Notes generally allow our subsidiaries to transfer funds in the form of cash dividends, loans or advances within the Company.

Under the Credit Agreement, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Incremental senior secured indebtedness under the Credit Agreement and senior secured or unsecured notes in lieu thereof are permitted to be incurred up to an aggregate principal amount of \$750 million subject to pro forma compliance with the Credit Agreement's total secured leverage ratio covenant. In addition, we may incur senior secured indebtedness in an unlimited amount as long as our total secured leverage ratio does not exceed 4.50 to 1.00 on a pro forma basis and (in the case of incremental senior secured indebtedness under the Credit Agreement only) we are in pro forma compliance with the Credit Agreement's total secured leverage ratio covenant. The incurrence of unsecured indebtedness, including the issuance of senior notes, and unsecured subordinated indebtedness is also permitted (subject to the terms of the Credit Agreement) if the fixed charge coverage ratio is at least 2.00 to 1.00 on a pro forma basis.

Under the respective indentures governing the Notes, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Indebtedness may be incurred under the incurrence tests if the fixed charge coverage ratio is at least 2.00 to 1.00 on a pro forma basis or the consolidated total leverage ratio is no greater than 5.50 to 1.00 and the liens securing first lien secured indebtedness do not exceed a 4.10 to 1.00 consolidated secured first lien leverage ratio.

We are required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% or 0% if specified senior secured first lien leverage ratios are met) as determined in accordance with the Credit Agreement. No excess cash flow prepayments were made in 2021 or will be due in 2022 for the year ended December 31, 2021.

Other than short-term leases entered into in the normal course of business, we have no material off-balance sheet obligations.

Critical Accounting Policies, Estimates and Assumptions

The most critical accounting policies and estimates are those that are most important to the portrayal of our financial condition and results of operations and require us to make the most difficult and subjective judgments, often estimating the outcome of future events that are inherently uncertain. Our significant accounting policies are described in Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2021. Our critical accounting estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2021.

Recent Accounting Pronouncements

New accounting guidance that we have recently adopted, as well as accounting guidance that has been recently issued but not yet adopted by us, is included in Note 1, *Nature of Operations and Basis of Presentation*.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes to our market risk during the six months ended June 30, 2022. For additional information, refer to Item 7A, *Quantitative and Qualitative Disclosures about Market Risk*, in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 4. Controls and Procedures.

a) Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. In connection with the preparation of this report, management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2022, our disclosure controls and procedures were effective.

b) Changes in Internal Control over Financial Reporting

There were no material changes in our internal control over financial reporting that occurred during the three months ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The information required to be set forth under this heading is incorporated by reference from Note 12, *Commitments and Contingencies*, to the interim Condensed Consolidated Financial Statements included in Part I, Item 1.

Item 1A. Risk Factors.

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are filed as part of, or are incorporated by reference in, this report:

Exhibit	Exhibit Title	Filed Here-With?	Incorporated by Reference		
			Form	Exhibit No.	Date Filed
10.1*	Employment Agreement, dated as of May 27, 2022, by and between Pactiv LLC and Jonathan Baksh.	X			
10.2*	Separation Agreement, dated June 15, 2022, by and between Pactiv LLC and Michael J. Ragen.	X			
10.3*	Annual Incentive Plan: 2022 Summary Plan Description.	X			
10.4*	Long-Term Incentive Plan: 2022 Summary Plan Description.	X			
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

* Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PACTIV EVERGREEN INC.
(Registrant)

By: /s/ Jonathan H. Baksht
Jonathan H. Baksht
Chief Financial Officer (principal financial officer and principal
accounting officer)
August 4, 2022

EMPLOYMENT AGREEMENT

This Employment Agreement, dated as of May 27, 2022 (this “Agreement”), is by and between Pactiv LLC (the “Company”) and Jonathan Baksht (“Employee”). The Company is an indirect subsidiary of Pactiv Evergreen Inc. (“PEI”). PEI and its direct and indirect subsidiaries are referred to in this Agreement at times as the “PEI Group.” The members of the PEI Group are intended third-party beneficiaries of the Company under this Agreement with the rights, but not the obligations, of the Company as employer. The Board of Directors of PEI (the “Board”) may elect to exercise certain rights on behalf of the Company or any other member of the PEI Group as provided in this Agreement.

R E C I T A L S

WHEREAS, Employee will commence employment with the Company on May 27, 2022 (the “Commencement Date”);

WHEREAS, the Company and Employee desire to enter into this Agreement to set forth their agreements regarding certain terms and conditions of Employee’s employment.

NOW, THEREFORE, the Company and Employee hereby agree as follows:

AGREEMENT

1. Term. The term of Employee’s employment pursuant to this Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with the terms hereof (the “Term”).

2. Position, Duties and Location. Employee shall serve in the position set forth on Schedule A attached hereto. Employee shall devote substantially all of Employee’s working time and efforts to the business and affairs of the Company and the other members of the PEI Group and shall not engage in any other business activity without prior written approval from the Board, other than those set forth on Schedule A. Employee shall perform the services required by this Agreement at the location indicated on Schedule A except for customary business travel to other locations as may be necessary to fulfill Employee’s duties and responsibilities hereunder.

3. Compensation and Related Matters. During the Term:

(a) Base Salary. As and from the Commencement Date, Employee’s annual base salary (the “Base Salary”) shall be as set forth on Schedule A. The Base Salary will not be reduced without Employee’s consent. The Base Salary shall be payable in periodic installments in accordance with the usual practice of the Company for its executive officers, but in no event less frequently than monthly. The Board (or its Compensation Committee if applicable) will review Employee’s Base Salary annually having regard to the performance of Employee, the performance of the Company, compensation practices and market data, among other considerations.

(b) Annual Incentive Plan Bonus. As and from the Commencement Date, Employee shall be eligible to receive an annual incentive plan bonus (the “Annual Bonus”) as set forth on Schedule A. The amount of the Annual Bonus for any fiscal year shall be determined by the Board or its Compensation Committee in its sole discretion based on criteria established by the Board or its Compensation Committee including the achievement of budgetary and other Company or Employee specific performance objectives set by the Board or its Compensation Committee for

such fiscal year. The Annual Bonus earned by Employee in respect of any year shall be paid to Employee at the time that the Board or its Compensation Committee authorizes payment of annual bonuses to executive officers of the Company generally, subject to Employee's continued employment with the Company through such time, but in no event later than by March 15 of the calendar year following the calendar year in which the applicable bonus period ended.

(c) Long Term Incentive Plan Award. As and from the Commencement Date, Employee shall be eligible to receive a long-term incentive plan bonus (the "LTIP Award") as set forth on Schedule A. The LTIP Award for any fiscal year shall be determined by the Board or its Compensation Committee in its sole discretion based on criteria established by the Board or its Compensation Committee including (if applicable) the achievement of budgetary and other Company or Employee-specific performance objectives set by the Board or its Compensation Committee for such fiscal year. The LTIP Award, if any, earned by Employee in respect of any year shall be granted to Employee as and when approved by the Board or its Compensation Committee.

(d) Sign-On Bonus. The Company will pay a one-time cash sign-on bonus to Employee as set forth on Schedule A.

(e) Other Compensation Programs. Employee shall be eligible to participate in such other compensation programs, including as it relates to relocation benefits, as are set forth on Schedule A.

(f) Expenses. Employee shall be entitled to receive reimbursement for all reasonable expenses incurred by Employee in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior officers.

(g) Employee Benefit Programs. Employee shall be entitled to participate in the Company's employee health and welfare plans, policies, programs and arrangements as they may be amended from time to time, to the extent Employee meets the eligibility requirements for any such plan, policy, program or arrangement. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time.

(h) Paid Time Off. Employee shall be entitled to 25 days of paid time off, as well as holidays and other paid absences, in accordance with the Company's policies and procedures for similarly situated employees of the Company, to the extent Employee meets the eligibility requirements for any such policy and procedures.

4. Termination. Employee's employment hereunder may be terminated as set forth in this Section 4. Upon any termination of Employee's employment, the Term shall automatically end.

(a) Death. Employee's employment hereunder shall automatically terminate upon Employee's death.

(b) Discharge by the Company for Cause. The Company or the Board may terminate Employee's employment hereunder for Cause at any time. For purposes of this Agreement, "Cause" shall mean in the good faith determination of the Company or the Board that Employee has engaged in conduct consisting of (i) fraud, conviction of a crime or other willful or intentional misconduct related to Employee's duties as an employee of the Company or as a director, officer, employee or other representative of any member of the PEI Group or (ii) willful and continual failure (unless due to incapacity resulting from physical or mental illness) to perform the duties of Employee's

employment after written demand for substantial performance is delivered to Employee by the Board or the Company specifically identifying the manner in which Employee has not substantially performed such duties. In the case of subparagraph (ii), Employee shall have 30 days from the date of receipt of such written demand to correct or remediate any issues set forth in the demand letter.

(c) Termination Without Cause. The Company or Board may terminate Employee's employment hereunder at any time without Cause upon 30 days' written notice to Employee. Any termination by the Company or Board of Employee's employment under this Agreement other than pursuant to Section 4(a) or Section 4(b) shall be deemed a termination without Cause; provided, however, that in no event shall a termination of Employee's employment be considered to be a termination by the Company or Board without Cause if Employee has accepted employment with any entity that is an affiliate of the Company or any other member of the PEI Group. As used in this Agreement, the phrase "affiliate" or "affiliated entity" will mean an entity (i) under the majority ownership and control of the Company or any other member of the PEI Group, (ii) that has majority ownership and control of the Company or any other member of the PEI Group or (iii) is under the common majority ownership and control of a person or entity with majority ownership and control of the Company or any other member of the PEI Group.

(d) Termination by Employee. Employee may terminate Employee's employment hereunder upon 30 days' written notice to the Board and the Company.

(e) Notice of Termination. Except for termination as specified in Section 4(a), any termination of Employee's employment by the Company or Board or any such termination by Employee shall be communicated by written notice to the other party hereto, specifying the applicable termination provision of this Agreement (a "Notice of Termination"). The "Date of Termination" shall mean: (i) if Employee's employment is terminated by death, the date of death; or (ii) the date specified in the applicable Notice of Termination. Notwithstanding the foregoing, if Employee gives a Notice of Termination to the Company and Board, the Company or Board may unilaterally accelerate the Date of Termination and such acceleration shall not be deemed a termination by the Company or Board for purposes of this Agreement. In addition, if the Company or Board gives a Notice of Termination to Employee, the Company or Board may unilaterally accelerate the Date of Termination, including, without limitation, having the Date of Termination being effective immediately on delivery of such notice to Employee. In either circumstance, the Severance Amount as defined below in Section 5(b), payable to Employee will be increased by the amount of Base Salary that would have accrued and been earned over the period accelerated and this accrued amount will be paid with the first installment of the Severance Amount. For example, if the Company elects to accelerate the Date of Termination to be effective immediately upon notice to Employee, the Severance Amount will be increased by an amount equal to 30 days of Employee's then current Base Salary and this increased amount will be paid to Employee with the first installment of the Severance Amount.

5. Compensation Upon Termination.

(a) Termination Generally. If Employee's employment with the Company is terminated for any reason, Employee (or Employee's authorized representative or estate) shall, through the Date of Termination, be paid or provided with (i) any earned but unpaid Base Salary, (ii) unpaid expense reimbursements and (iii) any vested benefits Employee may have under any employee or executive benefit plan of the Company (the "Accrued Obligations"). The Accrued Obligations shall be paid at the times specified under any applicable employee benefit plan or, if there is no applicable employee benefit plan, within 30 days after Employee's Date of Termination.

(b) Termination by the Company or Board Without Cause. If Employee's employment is terminated by the Company or Board without Cause as provided in Section 4(c), then Employee shall be paid or provided with the Accrued Obligations through the Date of Termination and, subject to Section 5(c), Employee shall also be paid or provided with the following:

(i) Severance. A severance payment (the "Severance Amount") in the Amount set forth on Schedule A. Subject to Section 5(c) and Section 6, the Severance Amount shall be paid over the period set forth on Schedule A (the "Severance Period"); provided, that no amount of the severance shall be payable until the revocation period for the Release described in Section 5(c) shall have expired (and Employee shall not have revoked Employee's agreements in the Release), and any amount that would have been paid to Employee but for this proviso shall be accrued and paid to Employee on the first payroll date immediately following the expiration of such revocation period.

(ii) Notwithstanding the foregoing, and in addition to any other rights or remedies the Company or other members of the PEI Group may have at law or in equity, if Employee breaches any of the provisions of the Restrictive Covenant Agreement, employee's right to receive further payments of the Severance Amount shall be terminated. Severance provided pursuant to this Agreement is in lieu of, and not in addition to, any severance that might be available to Employee by law, contract, policy or otherwise, all of which are hereby waived by Employee. If Employee receives any other severance, the Severance Amount shall be reduced by the amount of such other severance.

(iii) Health Care Continuation. In addition, Employee and Employee's eligible dependents, if any, shall continue to be covered by the Company's health plan (the "Health Plan"), as in effect from time to time, and subject to the rules thereof (including any requirement to make contributions or pay premiums, except that the Company shall continue to contribute or pay the employer's share of such premiums and Employee shall contribute or pay Employee's share of such premiums on an after-tax basis) for 12-months from Date of Termination. If the provision to Employee of the insurance coverage described in this Section would either: (A) violate the terms of the Health Plan (or any related insurance policies) or (B) violate any of the nondiscrimination requirements of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the health insurance coverage, then the Company, in its sole discretion, may elect to pay Employee, in lieu of the health insurance coverage described under this Section 5(b)(iii), a lump-sum cash payment equal to the total monthly premiums (or in the case of a self-funded plan, the cost of COBRA continuation coverage) that would have been paid by the Company for Employee under the Health Plan.

(c) Release. Any payment that may become due under Section 5(b) shall be subject to Employee signing a general release of claims in favor of the Company and related persons and entities in a form reasonably satisfactory to the Company and substantially on the terms set forth in Schedule B (the "Release") within the 21-day (or, if required by law, 45-day) period following the Date of Termination and the expiration of the seven-day revocation period for the Release. If Employee fails to sign such Release within the 21-day (or 45-day) period following the Date of Termination or revokes the Release prior to the expiration of the seven-day revocation period for the Release, Employee shall reimburse the Company for any payment made to Employee under Section 5(b) (if any) prior to the expiration of such seven-day revocation period for the Release. In addition, notwithstanding anything else herein to the contrary, Employee's entitlement to the payments and benefits described in Section 5(b) shall be contingent upon Employee abiding by and

not breaching any of the covenants set forth in the Release and in the Restrictive Covenant Agreement.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, to the extent that any payment or benefit described in this Agreement would be considered deferred compensation subject to Section 409A(a) of the Code, and to the extent that such payment or benefit is payable upon Employee's termination of employment or within a certain time following the "Date of Termination," then such payments or benefits shall be payable only upon Employee's "separation from service" within the meaning of Section 409A of the Code and the "Date of Termination" shall be the date on which Employee experiences such "separation from service." The determination of whether and when a "separation from service" has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h). If this Agreement provides for a payment to be made within a period of time, the date within such period on which such payment shall be made shall be determined by the Company in its sole discretion.

(b) Notwithstanding anything in this Agreement to the contrary, if at the time of Employee's "separation from service," Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then, to the extent any payment or benefit that Employee becomes entitled to under this Agreement on account of Employee's "separation from service" would be considered deferred compensation subject to Section 409A(a) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after Employee's "separation from service" or (B) Employee's death.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by Employee during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) The Company makes no representation or warranty and shall have no liability to Employee or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Restrictive Covenant Agreement. The Company's obligations under this Agreement, including the Company's agreement to provide severance and to allow Employee to participate in the other compensation programs as provided on Schedule A, are conditioned on Employee signing a Restrictive Covenant Agreement in the form of Schedule C (the "Restrictive Covenant Agreement"). A breach of the Restrictive Covenant Agreement will be deemed a breach of this Agreement.

8. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of Employee's employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination whether based on age or otherwise) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of JAMS in Chicago, Illinois in accordance with the JAMS Employment Arbitration Rules & Procedures and subject

to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. If any person or entity other than Employee or the Company is a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 8 shall be specifically enforceable. Notwithstanding the foregoing, this Section 8 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate (including, without limitation, the Company's enforcement of the Restrictive Covenant Agreement); provided, however, that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 8. Further notwithstanding the foregoing, this Section 8 shall not limit the Company's ability to terminate Employee's employment at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter.

10. Withholding. All payments made by the Company to Employee under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Survival. The provisions of this Agreement shall survive the termination of this Agreement or the termination of Employee's employment to the extent necessary to effectuate the terms contained herein.

13. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

14. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to Employee at the last address Employee has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Chairperson, Board of Directors.

15. Amendment. This Agreement may be amended or modified only by a written instrument signed by Employee and by a duly authorized representative of the Company (other than Employee).

16. Governing Law; Venue. This Agreement is made and entered into in the State of Illinois and in all respects the rights and obligations of the parties shall be interpreted, enforced and governed in accordance with the laws of the State of Illinois without regard to the principles of conflict of laws. Any and all lawsuits, legal actions or proceedings against either party arising out of this Agreement shall be brought in the Lake County or federal court of competent jurisdiction sitting nearest to Lake County, Illinois, and each party hereby submits to and accepts the exclusive jurisdiction of such courts (and any

appellate courts therefrom) for the purpose of such suit, legal action or proceeding. Each party hereby irrevocably waives any objection it may now have or hereinafter have to this choice of venue of any suit, legal action or proceedings in any such court and further waives any claim that any suit, legal action or proceeding brought in any such court has been brought in an inappropriate forum.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first set forth above.

PACTIV LLC

By: /s/ J.D. Bowlin
Name: J.D. Bowlin
Title: Chief Human Resources Officer

EMPLOYEE

/s/ Jonathan Baksht
Jonathan Baksht

SCHEDULE A

KEY TERMS OF EMPLOYMENT

1. Position: Chief Financial Officer of Pactiv LLC and Pactiv Evergreen Inc. Employee may also be designated to serve as a director, officer, employee or other representative of any other member of the PEI Group. Employee may continue to serve as a member of the Board of Directors of Duxion Motors Inc.
 2. Location: Lake Forest, Illinois.
 3. Manager: Michael J. King, President and Chief Executive Officer.
 4. Base Salary: \$750,000, less applicable tax withholdings.
 5. Annual Incentive Plan Target: 75% of Base Salary (which will be pro-rated for the period from the Commencement Date through December 31, 2022).
 6. Sign-On Bonus: A gross cash sign-on bonus of \$500,000 (the “Sign-On Bonus”), payable within the first 30 days of employment, less applicable tax withholdings. If Executive resigns his employment with the Company (other than for Good Reason (as defined below) following a Sale of Business (as defined below) in the circumstances described in Section 9 of this Schedule A), or the Company terminates his employment for Cause, in each case with effect (i) before the first anniversary of the Commencement Date, then Employee shall be required to repay the Company an amount equal to the full Sign-On Bonus, and (ii) before the second anniversary of the Commencement Date but on or after the first anniversary of the Commencement Date, then Employee shall be required to repay the Company an amount equal to half the Sign-On Bonus. The Company shall have the option, in its sole discretion, to offset all or any portion of any amounts payable to Employee in connection with his termination, including his final paycheck, against any amounts payable by Employee to the Company pursuant to the repayment obligations set forth in the immediately preceding sentence, to the extent that such amounts owed to Employee that are offset do not constitute “nonqualified deferred compensation” for purposes of Section 409A of the Code.
 7. Long-Term Incentive Plan Target: 250% of Base Salary, payable 50% in restricted stock units (“RSUs”) and 50% in performance stock units (“PSUs”), subject to the terms and conditions of the Pactiv Evergreen Inc. Equity Incentive Plan (the “Plan”) and the applicable award agreement. For 2022, the Compensation Committee of the Board, concurrently with its approval of this Agreement, has approved a long-term incentive plan award for Employee.
 8. Relocation Benefits: Employee will be entitled to relocation benefits pursuant to the Company’s Executive Relocation Package in connection with his relocation to the greater Chicago area. For clarity, tax gross ups will not be provided in connection with these benefits.
 9. Severance Amount; Severance Period:
 - (a) The Severance Amount shall be an amount equal to Employee’s (i) Base Salary plus (ii) his Annual Bonus at target prorated through Date of Termination. The Base Salary portion of the Severance Amount shall be paid in equal installments (but in no event less frequently than monthly) over the 12-month period following the Date of Termination, and the Annual Bonus portion of the Severance Amount shall be paid at the time Annual Bonuses are normally paid to similarly situated executives of the Company, but in no event later than March 15 of the calendar year following the calendar year in which the Date of Termination occurs. In addition, if Employee is terminated in a manner that would give rise to a severance payment under this Section 9 during
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the period between January 1st and March 15th of a calendar year and the Annual Bonus has not been paid for the immediately preceding calendar year, Employee shall receive payment of the Annual Bonus for the immediately preceding calendar year on or before March 15th of the calendar year during which such termination occurred.

(b) Notwithstanding the foregoing, if (i) a Sale of Business occurs and (ii) within 12 months following the closing of such Sale of Business either (A) Employee is terminated by the Company without Cause or (B) Employee terminates his employment with the Company for Good Reason then, in lieu of the Severance Amount specified above, the Severance Amount shall be an amount equal to (i) two times Employee's Base Salary plus (ii) his Annual Bonus at target prorated through Date of Termination. The Base Salary portion of this enhanced Severance Amount shall be paid in equal installments (but in no event less frequently than monthly) over the 24-month period following the Date of Termination, and the Annual Bonus portion of the Severance Amount shall be paid at the time Annual Bonuses are normally paid to similarly situated executives of the Company, but in no event later than March 15 of the calendar year following the calendar year in which the Date of Termination occurs. In addition, if Employee is terminated in a manner that would give rise to a severance payment under this Section 9 during the period between January 1st and March 15th of a calendar year and the Annual Bonus has not been paid for the immediately preceding calendar year, Employee shall receive payment of the Annual Bonus for the immediately preceding calendar year on or before March 15th of the calendar year during which such termination occurred.

(c) No portion of the Severance Amount shall be paid until the first scheduled payment date following the date the Release is executed and no longer subject to revocation, with the first such payment being in an amount equal to the total amount to which Employee would otherwise have been entitled during the period following the Date of Termination if such delay had not been required; provided, that to the extent that any portion of the Severance Amount constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code, and the period that Employee has to consider the Release falls in two calendar years, the payments shall commence in such second calendar year and shall include payment of any amount that was otherwise scheduled to be paid prior thereto absent this proviso.

(d) For purposes of this provision, "Good Reason" means any of the following without Employee's consent (a) the material reduction in Employee's Base Salary, target Annual Bonus or Long-Term Incentive Plan Target, (b) a material reduction in Employee's position or scope of duties, or (c) a change to Employee's principal place of employment to a location other than to his home or to a location more than 50 miles from the location in effect immediately prior to such relocation; provided, that Employee's termination of employment shall not be deemed to be for Good Reason unless (A) Employee notifies the Company in writing describing the occurrence of one or more Good Reason events within 30 days of such occurrence, (B) the Company fails to cure such Good Reason event within 30 days after its receipt of such written notice and (C) Employee's Date of Termination occurs within 30 days following the expiration of the Company's cure period. Employee's position shall not be deemed to have been materially reduced by reason of the Company being smaller or having less operations as a result of the Sale of Business so long as Employee's duties and responsibilities are generally consistent with Employee's duties and responsibilities prior to the Sale of Business.

(e) For purposes of this provision a "Sale of Business" shall mean the sale or other disposition of (x) more than 50% of the shares or other equity interests of PEI or (y) more than 50% of the businesses or assets that, as of the most recent year end, generated more than 50% of PEI's EBITDA (as determined in good faith by the Board, based on PEI's regularly prepared financial

statements); provided, that a disposition as a result of lender foreclosure on assets or pursuant to a bankruptcy or judicially administered reorganization shall not constitute a Sale of Business.

(f) All other terms of Section 5(b) and Section 5(c) of the Agreement shall apply.

SCHEDULE B

SEPARATION AGREEMENT AND RELEASE OF ALL CLAIMS

SEPARATION AGREEMENT

Date given to Employee: []
Employment Base: State of Illinois

This Separation Agreement (this “**Agreement**”) is dated [] for reference purposes only and is made and entered into by and between Jonathan Baksht (“**Employee**”) and Pactiv LLC (the “**Company**”) effective as of _____. The Company is an indirect subsidiary of Pactiv Evergreen Inc. (“**PEI**”). PEI and its direct and indirect subsidiaries from time to time are referred to in this Agreement as the “**PEI Group**”. Each member of the PEI Group is an intended third party beneficiary of the Company under this Agreement with the rights, but not the obligations, of the Company as employer. The Board of Directors of PEI (the “**Board**”) may elect to exercise certain rights on behalf of the Company or any other member of the PEI Group as provided in this Agreement.

- A. Employee and the Company are parties to an Employment Agreement dated as of [] (the “**Employment Agreement**”). The Employment Agreement includes an accompanying Restrictive Covenant Agreement dated as of [] (the “[] **Restrictive Covenant Agreement**”).
- B. Employee’s employment with the Company shall terminate effective [] (the “**Separation Date**”).
- C. The parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions and demands that Employee may have against the Company and otherwise to make provision in connection with Employee’s separation from the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements made herein, the Company and Employee hereby agree as follows:

- 1. **Definitions.** Capitalized terms used in this Agreement will have the same meaning as used in the Employment Agreement unless otherwise defined herein.
 - 2. **Separation Date.** In lieu of providing a notice of termination as required under the Employment Agreement, Employee and the Company have agreed that Employee’s employment with the Company will end on the Separation Date (for clarity, Employee is waiving his right to 30 days’ notice of termination under Section 4(c) of the Employment Agreement). Employee will be deemed to have resigned from any and all offices and positions Employee held with the Company and the other members of the PEI Group, effective on the Separation Date, including as the Chief Financial Officer of PEI. Employee acknowledges that any employment relationship between Employee and the Company and any other members of the PEI Group will end on the Separation Date, and Employee acknowledges that he will have no future employment relationship with the Company or any other member of the PEI Group. In consideration of the compensation
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and other benefits being granted under this Agreement, Employee waives any and all employment rights that Employee may now have with the Company and any other members of the PEI Group and agrees not to seek reinstatement and that the Company and any other member of the PEI Group shall have no obligation to employ, reemploy, hire, recall, or reinstate Employee in the future. Notwithstanding the foregoing or anything else in this Agreement to the contrary, the CEO or Board of PEI may elect at any time to: (a) place Employee on a paid leave from his employment with the Company prior to the Separation Date and (b) remove Employee from any or all offices and positions held by Employee within the PEI Group prior to the Separation Date.

3. **Benefits Owed.** The Company acknowledges its obligation to pay or provide the Accrued Obligations in connection with Employee's separation from employment.
 4. **Restrictive Covenants Agreement.** In addition to all of the covenants contained in this Agreement, Employee shall remain bound by the provisions of the Employment Agreement that expressly survive the Separation Date, as well as the Restrictive Covenants Agreement included as part of Executive's previous grants of restricted stock units (collectively, the "**Restrictive Covenant Agreement**"). If a court of competent jurisdiction determines that Employee has breached or threatened to breach any such covenants, the provision of benefits, severance and other consideration under Section 5 below shall cease, and the Company shall have no further obligation at any time to pay any consideration under Section 5 and Employee will repay such amounts paid to Employee from the date of the first breach or threatened breach of any covenant set forth in such agreements other than \$100. Notwithstanding anything in this Agreement, the Employment Agreement, the Restrictive Covenant Agreement or otherwise, it is understood that Employee has the right under federal law to certain protections for communicating directly with and providing information to the Company and other members of the PEI Group, Employee's supervisor, the Securities and Exchange Commission (the "**SEC**") and/or its Office of the Whistleblower, as well as certain other governmental authorities and self-regulatory organizations. As such, nothing in this Agreement or otherwise is intended to prohibit Employee from disclosing this Agreement to, or from communicating directly with or providing information to his supervisor, the SEC or any other such governmental authority or self-regulatory organization. Employee may communicate directly with or provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the SEC or any other such governmental authority or self-regulatory organization without notifying the Company. The Company may not retaliate against Employee for any of these activities, and nothing in this Agreement or otherwise would require Employee to waive any monetary award or other payment that Employee might become entitled to from the Company, the SEC or any other governmental authority.
 5. **Severance Payment.** In consideration for entering into this Agreement with Company, the Company and PEI will grant Employee the following benefits:
 - (a) **Severance.** In accordance with Section 5(b)(i) of the Employment Agreement, a severance payment (the "**Severance Amount**") in the amount of \$[], less any required payroll taxes and other withholding. The Severance Amount shall be paid to Employee in equal installments in accordance with the Company's normal
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payroll practices, but in no event less frequently than monthly, over a period of 12 months following the Separation Date (the “**Severance Period**”); provided, that no amount of the severance shall be payable until the revocation period for the Release described in Section 7 shall have expired (and Employee shall not have revoked Employee’s agreements in the Release). Any amount that would have been paid to Employee but for this provision, or Section 21 shall be accrued and paid to Employee on the first payroll date immediately following the expiration of such revocation period or delay period. The Severance Amount is in lieu of, and not in addition to, any severance that might be available to Employee by law, contract, policy, or otherwise, all of which are hereby waived by Employee. If Employee receives any other severance, the Severance Amount shall be reduced by the amount of such other severance.

- (b) **Health Care Continuation.** In accordance with Section 5(b)(ii) of the Employment Agreement, and subject to Employee timely electing coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), Employee and Employee’s eligible dependents, if any, shall be reimbursed, on a monthly basis, for the costs of continued participation in the Company’s health plan (the “**Health Plan**”), as in effect from time to time, and subject to the rules thereof (including any requirement to make contributions or pay premiums, except that Employee shall contribute or pay on an after-tax basis) for the twelve-month period following the Separation Date. If the provision to Employee of the insurance coverage described in this paragraph would either: (A) violate the terms of the Health Plan (or any related insurance policies), or (B) violate any of the nondiscrimination requirements of the Internal Revenue Code of 1986, as amended (the “**Code**”), applicable to the health insurance coverage, then the Company, in its sole discretion, may elect to pay Employee, in lieu of the health insurance coverage described under this paragraph, a lump-sum cash payment equal to the cost of COBRA continuation coverage that would have been paid by the Company for Employee under the Health Plan.

Any consideration under this Section 5 is conditioned upon: (i) Employee signing and not revoking this Agreement as provided in Sections 23 and 24, (ii) Employee signing, delivering to the Company and not revoking the reaffirmation of the release in the form Attachment 1 (the “**Reaffirmation**”) within 21 days following the Separation Date, and (iii) Employee complying with all obligations under this Agreement, the Employment Agreement and the Restrictive Covenant Agreement.

6. **Payments.** Employee acknowledges the payments and benefits specified in Section 4 and Section 5 are in full and complete satisfaction of all of the Company’s (and any of its affiliated entities’, including any PEI Group member’s) obligations under any contract, agreement, arrangement, policy, plan, practice, including, to the extent applicable, the Employment Agreement and the Plan, and otherwise at law, and that this amount paid is in lieu of any claim for salary, bonus (including any claim for an incentive award, including equity awards, for which employee may have been eligible), retention payments, transaction success payments, holiday pay, vacation, vacation pay, severance pay, life insurance, medical coverage, or any claim for payment or benefit not specifically
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mentioned in this Agreement. Except for any other obligations expressly set forth in this Agreement, the Company (and any of its affiliated entities, including any PEI Group member) will make no further payments to Employee, or make any payments or contributions on behalf of Employee, for salary, insurance, pension or any other compensation or benefits. Notwithstanding the foregoing, nothing in this Agreement affects or limits the Company's or any of its affiliates' (including any PEI Group member's) obligations to Employee under any indemnification agreements, by-laws, directors' and officers' insurance policies, or any similar agreements or policies related to Employee's service as an officer, director or employee of Company or any of its affiliates prior to the Separation Date (collectively, the "**Indemnification Obligations**").

7. **General Release.** EMPLOYEE HEREBY RELEASES, WAIVES, AND FOREVER DISCHARGES THE COMPANY AND EACH MEMBER OF THE PEI GROUP AND ANY AND ALL OF THEIR RESPECTIVE PAST OR PRESENT PREDECESSORS, SUCCESSORS, JOINT VENTURERS, SUBSIDIARIES, PARENTS, AND RELATED OR AFFILIATED ENTITIES, AND ANY AND ALL OF THEIR RESPECTIVE PAST OR PRESENT OFFICERS, MEMBERS, DIRECTORS, STOCKHOLDERS, OWNERS, ASSIGNS, INSURERS PARTNERS, AGENTS, ATTORNEYS, REPRESENTATIVES, EMPLOYEES, EMPLOYEE BENEFIT PROGRAMS (AND THE TRUSTEES, ADMINISTRATORS, FIDUCIARIES, AND INSURERS OF SUCH PROGRAMS), AND ANY OTHER PERSONS ACTING BY, THROUGH, UNDER OR IN CONCERT WITH ANY OF THE PERSONS OR ENTITIES LISTED IN THIS SECTION, AND THEIR SUCCESSORS (ALL COLLECTIVELY, THE "**RELEASED PARTIES**"), FROM ANY AND ALL MANNER OF ACTIONS, CAUSES OF ACTIONS, DEMANDS, CLAIMS, AGREEMENTS, PROMISES, DEBTS, LIABILITIES, LAWSUITS (INCLUDING CLAIMS FOR ATTORNEYS' FEES, COSTS, BACK PAY, FRONT PAY, PUNITIVE DAMAGES, AND/OR COMPENSATORY DAMAGES), CONTROVERSIES, COSTS, EXPENSES AND FEES WHATSOEVER, WHETHER ARISING IN CONTRACT, TORT OR ANY OTHER THEORY OF ACTION, WHETHER ARISING IN LAW OR EQUITY, WHETHER KNOWN OR UNKNOWN, ASSERTED OR UNASSERTED, FROM THE BEGINNING OF TIME UP TO AND INCLUDING THE DATE OF THIS AGREEMENT (COLLECTIVELY, "**CLAIMS**"), EXCEPT FOR THOSE OBLIGATIONS CREATED BY OR ARISING OUT OF THIS AGREEMENT AND THOSE OBLIGATIONS SPECIFICALLY EXCLUDED UNDER THIS AGREEMENT. EMPLOYEE EXPRESSLY WAIVES THE BENEFIT OF ANY STATUTE OR RULE OF LAW WHICH, IF APPLIED TO THIS AGREEMENT, WOULD OTHERWISE PRECLUDE FROM ITS BINDING EFFECT ANY CLAIM AGAINST ANY RELEASED PARTY NOT NOW KNOWN BY EMPLOYEE TO EXIST. EXCEPT AS NECESSARY FOR EMPLOYEE TO ENFORCE THIS AGREEMENT, THIS AGREEMENT IS INTENDED TO BE A GENERAL RELEASE THAT BARS ALL CLAIMS. IF EMPLOYEE COMMENCES OR CONTINUES ANY CLAIM IN VIOLATION OF THIS AGREEMENT, ANY RELEASED PARTY AGAINST WHICH SUCH CLAIM IS MADE MAY ASSERT THIS AGREEMENT AS A BAR TO SUCH ACTION OR PROCEEDING. EMPLOYEE IS NOT, HOWEVER, WAIVING ANY RIGHT OR CLAIM THAT FIRST ARISES AFTER THE DATE THIS AGREEMENT IS EXECUTED.
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Without in any way limiting the generality of the foregoing, this Agreement constitutes a full release and disclaimer of any and all Claims arising out of or relating in any way to Employee's employment, continued employment, retirement, resignation, or termination of employment with the Company (and any of its affiliated entities, including any member of the PEI Group), whether arising under or out of a statute including, but not limited to, the Reconstruction-Era Civil Rights Acts, as amended, 42 U.S.C. §§ 1981 to 1988; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq.*; the Rehabilitation Act of 1973, 29 U.S.C. § 701 *et seq.*, the Age Discrimination in Employment Act of 1967 and the Older Workers Benefit Protection Act of 1990, 29 U.S.C. § 621 *et seq.*; the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*; the Immigration Reform and Control Act, 8 U.S.C. § 1324b; the National Labor Relations Act, 29 U.S.C. §§ 151-169; the Employee Retirement Income Security Act of 1974, 29 U.S.C. Ch. 18; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 to 2109; the Americans With Disabilities Act of 1990 and the Americans with Disabilities Act Amendments Act of 2008, 42 U.S.C. § 12101 *et seq.*; the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*; the Employee Polygraph Protection Act, 29 U.S.C. § 2001 *et seq.*; the Genetic Information Non-Discrimination Act, 42 U.S.C. §§ 2000ff *et seq.*; the Equal Pay Act, 29 U.S.C. § 206(d); the Illinois Human Rights Act, as amended (if applicable), 775 ILCS § 5; the Victims' Economic Security and Safety Act, 820 ILCS § 180; the Illinois Wage Payment and Collection Act, 820 ILCS § 115; the Illinois Right to Privacy in the Workplace Act, 820 ILCS § 55; the Illinois Equal Pay Act of 2003, 820 ILCS § 112; the Illinois Equal Wage Act, 820 ILCS § 110; the Illinois Wages for Women and Minors Act, 820 ILCS § 125; the Illinois Religious Freedom Restoration Act, 775 ILCS § 35; the Illinois Personnel Records Review Act, 820 ILCS § 40; the Illinois One Day Rest in Seven Act, 820 ILCS § 140; the Illinois Minimum Wage Law, 820 ILCS § 105; the Illinois Whistleblower Act, 740 ILCS § 174; the Illinois Worker Adjustment and Retraining Notification Act, 820 ILCS § 65; any and all claims under the Illinois Constitution; and any other federal, state, county, municipal or local statute, ordinance or regulation, all as may be amended from time to time, any collective bargaining agreement, or common law claims or causes of action in each case relating to alleged discrimination, harassment, retaliation (including whistleblower-type claims), breach of express or implied contract, violations of public policy, promissory estoppel, breach of good faith and fair dealing, wrongful or retaliatory discharge, fraud, negligent misrepresentation, infliction of emotional distress, assault and/or battery, defamation, loss of consortium, or any other tortious action, inaction, or interference of any sort, defamation, libel, slander, personal or business injury, including attorneys' fees and costs, all claims for salary, bonus, vacation pay, and reimbursement for expenses. Except as set forth in Section 7(c) below, Employee specifically waives the right to recover in Employee's own lawsuit as well as the right to recover in a suit brought by any other entity on Employee's own behalf. To the extent applicable, the parties agree to waive the requirements of Illinois statute 735 ILCS 5/2 2301.

8. **Covenant Not to Sue.**

- (a) A "covenant not to sue" is a legal term which means a promise not to file a lawsuit in court. It is different from the release of claims provided for in Section 7 above. In addition to waiving and releasing the claims provided for in Section 7 above, in consideration for the promises set forth in this Agreement, and to the extent
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permitted by law, Employee covenants that he will not file, commence, institute, or prosecute any lawsuits, class actions, complaints by himself or collectively in any state or federal court, against the Company or any of the Released Parties based on, arising out of, or connected with any of the claims released by Employee under this Agreement.

- (b) If Employee breaches the covenant contained in Section 8(a), provision of the benefits under Section 4 above shall cease, and the Company shall have no further obligation at any time to provide benefits. In addition, if Employee breaches the covenant contained in Section 8(a), Employee shall indemnify the Company and any of the Released Parties for all damages, costs and expenses, including, without limitation, legal fees, incurred by the Company or any of the Released Parties in defending, participating in, or investigating any matter or proceeding covered by this Section 8(b).
- (c) Notwithstanding this Covenant Not to Sue, Employee retains the right: (i) to cooperate, participate in or assist in any governmental or regulatory entity investigation or proceeding; (ii) to report any allegations of unlawful conduct to federal, state, or local officials for investigation including, but not limited to, alleged criminal conduct or “unlawful employment practices” as that term is defined in the Illinois Workplace Transparency Act, 820 ILCS 96/1-15; (iii) to make truthful statements and testify truthfully in any government agency or court proceeding; and (iv) to file a claim or charge with the U.S. Equal Employment Opportunity Commission, the U.S. Department of Labor, the National Labor Relations Board, or any other, similar federal, state, or local agency dealing with employee rights. However, under this Covenant Not to Sue, Employee will no longer have a right to recover any equitable or monetary relief from the Released Parties in any claim, action, or suit against the Released Parties which is brought by or through any federal, state, or local agency, or anyone else representing or purporting to represent Employee’s interests, except with respect to any monetary recovery under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Sarbanes-Oxley Act of 2002.
- (d) Nothing in this Section 8 bars Employee from filing suit to enforce this Agreement or the Indemnification Obligations.

9. **No Assignment of Claims.** Employee represents that Employee has neither assigned or transferred nor purported to assign or transfer, to any person or entity, any Claim or any portion thereof or interest therein.

10. **Assistance Upon Request.** Employee shall, during the twenty-four (24) month period following Employee’s Separation Date, provide accurate information or testimony or both in connection with any legal matters as may be reasonably requested by the Company or the Board, but Employee shall not disclose or discuss with anyone who is not directing or assisting in any investigation or case involving the Company or any other member of the PEI Group, other than an attorney representing the Company and another member of the PEI Group, the fact of or the subject matter of any investigation, except as required by law.

The Company or any other member of the PEI Group requesting assistance from Employee shall reasonably accommodate Employee's schedule so that Employee may assist the Company or any other member of the PEI Group after Employee's Separation Date. The Company or any other member of the PEI Group requesting assistance from Employee shall reimburse Employee for all reasonable expenses incurred in connection with such accommodation. Employee shall also provide all business-related information and reasonable assistance to the Company and any other member of the PEI Group following Employee's Separation Date as reasonably requested by the Company or the Board.

11. **Non-Disparagement.** Except as provided for in the whistleblower protections set forth in Sections 4, and 7 above, and as otherwise set forth in Section 8(c) above, Employee shall not disparage, place in a false or negative light or criticize, or make any false statements that may damage the reputation of, orally or in writing, the Company or any member of the PEI Group, any of the Released Parties, their business practices, products, policies, services, decisions, directors, officers, employees, agents, representatives, advisors or any other entity or person covered by this Agreement.
 12. **Company Property and Expenses.** Employee shall, within seven days of the Separation Date, do the following:
 - (a) Return all Company property (and any of its affiliated entities' property, including that of any member of the PEI Group), including, but not limited to, Proprietary Information, keys, office passes, credit cards, computers, computer diskettes, electronic files and documents, however stored, mobile phones, memoranda, manuals, customer and price lists, marketing and sales plans, office equipment, fax machines, mobile telephones, sales records, strategic planning documents, business records and any other materials and information obtained during Employee's employment with the Company.
 - (b) Submit all outstanding expenses and clear all personal advances and loans. Employee acknowledges that any amounts unaccounted for and due to the Company will be deducted from the payments provided for in Section 5.
 13. **Non-Admissions.** Employee and the Company acknowledge that nothing in this Agreement is meant to suggest or imply that the Company or any other Released Party has violated any law or contract or otherwise engaged in any wrongdoing of any kind. This Agreement is entered into merely to resolve any differences between the parties amicably and without the necessity or expense of litigation.
 14. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the respective successors, heirs, assigns, administrators, executors and legal representatives of the parties and other entities described in this Agreement.
 15. **Consequences of Breach.** The parties acknowledge that actual damages incurred as a result of a breach of this Agreement may be difficult to measure. Therefore, in addition to any other remedies, equitable relief will be available in the case of a breach of this Agreement. Also, in addition to any other remedies, in the event of a breach of this
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Agreement by Employee, including but not limited to Employee's breach of the provisions contained in in the Restrictive Covenants Agreement or Sections 11 or 12 above:

- (a) The Company may elect to suspend or terminate payment of any or all of the consideration provided for in Section 5 of this Agreement except that Employee shall receive and may retain at least \$100 of such consideration;
- (b) The Company may require the forfeiture of any Retained RSUs that have not been settled and paid to Employee and, or any Retained RSUs that have been so settled, the repayment of the value of such Retained RSUs as of the settlement date thereof; and
- (c) The Company may elect to require Employee to repay to the Company all but \$100 of the payments and benefits received by Employee pursuant to Section 5 of this Agreement.

Employee acknowledges that (i) the actual damages of the Company may be extremely difficult to ascertain with precision in the event of a breach by Employee of this Agreement, (ii) the suspension, termination and repayment of all but \$100 of the consideration received by Employee pursuant to Section 5 of this Agreement will represent a reasonable approximation of the actual damages that the Company will incur in the event such a breach by Employee and (iii) the Company's election to suspend, terminate or require repayment of all but \$100 of the consideration received by Employee pursuant to Section 5 of this Agreement will be intended as, and will represent, lawful liquidated damages and not an unlawful penalty. Notwithstanding the foregoing, the Company shall provide Employee notice and a reasonable opportunity to cure any alleged breach of this Agreement, but the Company will not be required to provide Employee more than ten (10) days to cure any such alleged breach under any circumstance. Unless the Company elects liquidated damages as provided above, nothing in this provision shall prevent either party from seeking other forms of damages caused by a breach.

- 16. **Employee Representations.** Unless expressly stated herein, Employee is unaware of any actions by the Company or any of the Released Parties up through and including the Separation Date that evidences: (i) any inappropriate, discriminatory, unlawful, unethical, or retaliatory conduct of any kind whatsoever against or relating to Employee ("**Inappropriate Conduct**"), or (ii) any failure of the Company to reasonably investigate or respond to any complaint that Employee has made about Inappropriate Conduct. In addition, Employee acknowledges that Employee has not suffered any on-the-job injury for which Employee has not already filed a claim. The Company may require Employee to update these representations on or following the Separation Date.
 - 17. **Severability.** In the event that any condition or provision in any Section of this Agreement shall be held by a court of competent jurisdiction from which there is no appeal to be invalid, illegal or contrary to public policy and incapable of being modified, this Agreement shall be construed as though such provision or condition did not appear therein and the remaining provisions of this Agreement shall continue to full force and effect.
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18. **Arbitration of Disputes.** Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of JAMS in Chicago, Illinois in accordance with the JAMS Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. If any person or entity other than Employee or the Company is a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 18 shall be specifically enforceable. Notwithstanding the foregoing, this Section 18 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided, however, that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 18. Further notwithstanding the foregoing, this Section 18 shall not limit the Company's ability to terminate Employee's employment at any time.
19. **Governing Law/Agreed Venue.** This Agreement is made and entered into in the State of Illinois and in all respects the rights and obligations of the parties will be interpreted, enforced and governed in accordance with the laws of the State of Illinois without regard to the principles of conflict of laws. Any and all lawsuits, legal actions or proceedings against either party arising out of this Agreement will be brought in the Illinois state or federal court of competent jurisdiction sitting nearest to Lake County, Illinois, and each party hereby submits to and accepts the exclusive jurisdiction of such court (and any appellate courts therefrom) for the purpose of such suit, legal action or proceeding. Each party hereby irrevocably waives any objection it may now have or hereinafter have to this choice of venue of any suit, legal action, or proceedings in any such court and further waives any claim that any suit, legal action or proceeding brought in any such court has been brought in an inappropriate forum.
20. **Duty to Cooperate.** The parties shall cooperate fully to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force to the terms and intent of this Agreement that are not inconsistent with its terms.
21. **Tax Matters.** The Company, its subsidiaries and affiliates may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes or social security charges as may be required to be withheld pursuant to any applicable law or regulation. Employee acknowledges and agrees that, as a "specified employee" (as such term is defined under Section 409A(a)(2)(B)(i) of the Code, a portion of the payments and/or benefits that Employee may receive under this Agreement may be subject to additional tax under Section 409A(a)(1)(B) of the Code unless the commencement of such payments and/or benefits will be delayed until the earlier of (x) the date that is six months following the Separation Date or (y) the date of Employee's death. Each payment under this Agreement as a result of the separation of Employee's service shall be considered a separate payment for purposes of Section 409A of the Code. None of the Company, its subsidiaries or affiliates guarantees any tax result with respect to any payments or benefits
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provided hereunder. Executive is responsible for all taxes owed with respect to all such payments and benefits.

22. **Entire Agreement.** This Agreement, along with the Employee Agreement, the grant materials related to the Retained RSUs and the Restrictive Covenant Agreement, contains the entire agreement between Employee and the Company and it fully supersedes any and all prior agreements and understandings between Employee and any of the Released Parties, except for any earlier restrictive covenant, nondisclosure, noncompetition, or confidentiality agreements, or any combination of these items, and for the Indemnification Obligations, all of which are expressly not superseded but instead remain fully valid. Employee acknowledges that no representations, promises, agreements or inducements (whether written or oral) have been made to Employee which are not stated in this Agreement and that Employee's execution of this Agreement is not based on any representation, promise, agreement or inducement which is not contained in this Agreement. This Agreement will not be modified or altered except by a subsequent written agreement signed by the parties.
23. **Consideration of Agreement and Revocation Period.**
- (a) **ADEA Release Requirements Satisfied:** Employee acknowledges that this Agreement satisfies all applicable legal requirements to validly release any Claims (including Claims arising under the Age Discrimination in Employment Act, as amended (the "ADEA"). These requirements are that (i) Employee voluntarily entered into this Agreement with full knowledge of its terms (*i.e.*, free from fraud, duress, coercion or mistake of fact); (ii) this Agreement is in writing and fully comprehensible and understandable to Employee; (iii) this Agreement explicitly waives current ADEA claims; (iv) this Agreement does not waive future ADEA claims; (v) the Severance Amount constitutes money to which Employee would not be entitled in the absence of him entering into this Agreement; (vi) the Company provided Employee with at least 21 days in which to decide whether to enter into this Agreement; and (viii) the Company provided Employee with at least seven days within which to revoke this Agreement after signing it.
- (b) **Consideration Period:** Employee acknowledges that, before signing this Agreement, he was allowed at least 21 days in which to consider this Agreement. Employee waives any right to additional time within which to consider this Agreement. Employee further acknowledges that: (i) he took advantage of the time he was given to consider this Agreement before signing it; (ii) he carefully read this Agreement; (iii) he fully understands it; (iv) he is entering into it voluntarily; (v) he will receive the Severance Amount in exchange for her execution of this Agreement, which he would not otherwise be entitled to receive; and (vi) the Company, in writing, encouraged Employee to discuss this Agreement with an attorney (at his own expense) before signing it, and that Employee did so to the extent he deemed appropriate.
- (c) **Revocation Period:** Employee further understands that he may revoke this Agreement within seven (7) days after signing it. In order for any revocation to be
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effective, Employee must deliver by email or overnight delivery to JD Bowlin, Chief HR Officer, Pactiv Evergreen Inc., 1900 W. Field Court, Lake Forest, IL 60045 by 5:00 PM, Chicago time on the seventh day following the date on which he signs the Agreement, a written statement signed by Employee indicating that Employee wishes to revoke this Agreement. Employee and the Company understand this Agreement will not become enforceable or effective until the revocation period has expired without revocation by Employee and both parties have executed this Agreement. Employee expressly acknowledges and understands that the Company will not be obligated to take any of the actions described in this Agreement unless and until this Agreement becomes enforceable and effective. In the event Employee exercises Employee's right to revoke this Agreement, all obligations of the Company under this Agreement will immediately cease. If Employee declines to accept this Agreement, delivery of this Agreement to Employee will serve as the Company's notice of termination without cause to Employee under the Employment Agreement.

24. **Effective Date.** This Agreement will not become effective until the eighth day after Employee executes this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date or dates set forth below.

EMPLOYEE:

Jonathan Baksht

Date: _____

EMPLOYER:

Pactiv LLC

By:

Name: J.D. Bowlin

Title: Chief Human Resources Officer

Date: _____

Attachment 1
Reaffirmation

This page represents your reaffirmation of the commitments set forth in the Separation Agreement from Pactiv LLC dated for reference and delivered to you on [] the ("**Separation Agreement**") from the date you signed the Separation Agreement through the date that you sign this Reaffirmation, and you hereby agree that the release of claims pursuant to Section 7 of the Separation Agreement extends to cover any act, omission or occurrence occurring up to and including the date you sign this Reaffirmation. You will have seven (7) days following your execution of this Reaffirmation to revoke your signature by notifying, in writing, to the Chief Human Resources Officer of Pactiv Evergreen Inc., of this fact within such seven (7) day period. If you revoke your signature on this Reaffirmation, you will forego all benefits in the Separation Agreement other than payment to you of \$100.

I ratify and reaffirm the commitments set forth in the Separation Agreement:

By: _____
Jonathan Baksht

Date:

By:
Name:
Title:

Schedule C

Restrictive Covenant Agreement

This Restrictive Covenant Agreement, dated as of May 27, 2022 (this “Agreement”), by and between Pactiv LLC (the “Company”) and Jonathan Baksht (“Employee”). The Company is an indirect subsidiary of Pactiv Evergreen Inc. (“PEI”). PEI and its direct and indirect subsidiaries are referred to in this Agreement at times as the “PEI Group.” The PEI Group are intended third-party beneficiaries of the Company under this Agreement with the rights, but not the obligations, of Company as employer. The Board of Directors of PEI (the “Board”) may elect to exercise certain rights on behalf of the Company or any other member of the PEI Group as provided in this Agreement.

RECITALS

WHEREAS, the Company and Employee have entered into an Employment Agreement of even date herewith. The execution of this Restrictive Covenant Agreement is a condition to the Company’s obligations under the Employment Agreement; and

WHEREAS, in addition, the Company is providing Employee other consideration for Employee’s execution of this Agreement, as provided in a separate letter of even date herewith.

NOW, THEREFORE, the Company and Employee agree as follows:

1. Definitions. As used in this Agreement:

(a) “Company Product” means any product developed, manufactured, produced or distributed by the Company and all other members of the PEI Group during the 24-month period immediately preceding the termination of Employee’s employment with the Company. Such a product shall only constitute the Company Product for purposes of this Agreement if, as a result of Employee’s employment with the Company or service to or representation of any other member of the PEI Group, Employee had access to Proprietary Information related to the product or Employee designed, marketed, or interacted with Customers or Prospective Customers regarding the product during the 12-month period immediately preceding the termination of Employee’s employment with the Company.

(b) “Competitive Activity” means the marketing, distribution, promotion, sales, development, delivery, or servicing of any Company Product.

(c) “Competitor Company” means i) those entities listed on Attachment 1 plus (ii) such other entities that the Company reasonably determines are engaged in a Competitive Activity, minus (iii) such entities that the Company reasonably determines are no longer engaged in a Competitive Activity. Company shall notify Employee in writing of any additions to or deletions from Attachment 1.

(d) “Customer” means any business, including without limitation customers or distributors, with whom the Company and any other member of the PEI Group transacted business during the 24-month period immediately preceding the termination of Employee’s employment with the Company. Such a person or entity shall only constitute a Customer for purposes of this Agreement if, as a result of Employee’s employment with the Company or service to or representation of any other member of the PEI Group, Employee had Material Contact with, or

knew Proprietary Information of or about, the Customer during the 24-month period immediately preceding the termination of Employee's employment with the Company.

(e) "Material Contact" means any contact between Employee and any Customer or Prospective Customer:

(i) with whom or with which Employee dealt on behalf of the Company or any other member of the PEI Group;

(ii) whose dealings with the Company or any other member of the PEI Group were coordinated or supervised by Employee;

(iii) who receives products or services sold or provided by the Company or any other member of the PEI Group, the sale or provision of which results or resulted in compensation, commissions, or earnings for Employee, within the 12-month period preceding the last day of Employee's employment with the Company; or

(iv) that resulted in Employee obtaining Proprietary Information about a Customer or Prospective Customer.

(f) "Proprietary Information" means confidential or proprietary information or trade secrets of the Company and other members of the PEI Group, or of any customer, supplier or other person who entrust their confidential or proprietary information or trade secrets to the Company or any other member of the PEI Group (each being a "Protected Party"), including, but not limited to, materials and information, whether written, electronic, or otherwise: a) disclosed to Employee or known by Employee as a result of his or her employment with the Company or service to or representative of any other member of the PEI Group, b) which is not generally known, and c) which relates to or concerns a Protected Party's: innovations; ideas; plans; processes; structures; systems; know-how; algorithms; computer programs; software; code; publications; designs; methods; techniques; drawings; apparatuses; government filings; patents; patent applications; materials; devices; research activities; reports and plans; specifications; promotional methods; financial information; forecasts; sales, profit and loss figures; personal identifying information of employees; marketing and sales methods and strategies; plans and systems; customer protocols and training programs; customer, prospective customer, vendor, licensee and client lists; information about customers, prospective customers, vendors, licensees and clients; information about relationships between a Protected Party or its affiliates and their business partners, acquisition prospects, vendors, suppliers, prospective customers, customers, employees, owners, licensees and clients; information about deals and prospective deals; information about products, including but not limited strengths, weaknesses and vulnerabilities of existing products, as well as product strategies and roadmaps for future products and releases; and information about pricing including but not limited to license types, models, implementation costs, discounts and tolerance for discounts. Proprietary Information shall also include all information and matters specifically designated as proprietary and/or confidential by a Protected Party or its affiliates or their customers or other business partners. The following information will not be considered Proprietary Information under this Agreement: a) information that has become generally available to the public through no wrongful act of Employee; b) information that Employee identified prior to Employee's employment with the Company; and c) information that is disclosed to the public pursuant to the binding order of a government agency or court.

(g) "Prospective Customer" means any prospective business, including without limitation prospective customers and prospective distributors, with whom the Company or any other member of the PEI Group was attempting to transact business within the six-month period immediately preceding the termination of Employee's employment with the Company. Such a person or entity shall only constitute a

Prospective Customer for purposes of this Agreement if, as a result of Employee's employment with the Company, Employee had Material Contact with, or knew Proprietary Information of or about, the Prospective Customer during the six-month period immediately preceding the termination of Employee's employment.

2. Legitimate Interest. Due to the nature of the business of the Company and other members of the PEI Group, certain of the employees of the Company and other members of the PEI Group, including Employee, have access to Proprietary Information. Likewise, via their employment, certain of the employees of the Company and members of the PEI Group, including Employee, receive specialized training and/or shall be introduced to, given the opportunity to develop personal contacts with, and actually develop an advantageous familiarity as to the Customers and Prospective Customers. If the confidential or "trade secret" information, specialized training, or contacts and familiarity were made available to the competitors of the Company and other members of the PEI Group or other individuals outside the Company and other members of the PEI Group, or otherwise used against the interests of the Company and other members of the PEI Group, it would undoubtedly result in a loss of business or competitive position for the Company or other members of the PEI Group and/or harm the goodwill of the Company or other members of the PEI Group and their investment in developing and maintaining their business relationships. Employee also agrees he holds a position uniquely essential to the management, organization, and/or service of the Company and other members of the PEI Group and the business of the PEI Group is inherently global in character.

3. Disclosure of Existing Obligations. Except as disclosed in writing on Attachment 2, Employee certifies the following:

(a) Employee is not bound by any written agreement or other obligation that directly or indirectly (i) restricts Employee from using or disclosing any confidential or proprietary information of any person or entity, (ii) restricts Employee from competing with, or soliciting actual or potential customers or business from, any person or entity, (iii) restricts Employee from soliciting any current or former employees of any person or entity, or (iv) limits Employee's ability to perform any assigned duties for the Company or any other members of the PEI Group.

(b) Employee does not have in Employee's possession any confidential or proprietary information or documents belonging to others (except as disclosed in Attachment 2), and will not use, disclose to, or induce the Company or any other member of the PEI Group to use any such information or documents. To the extent Employee possesses any confidential information or documents from a former employer or other party, Employee agrees to immediately return any such confidential information or documents to the owner unless Employee has express written authorization to retain it or them or destroy such information or documents.

(c) Employee understands that the Company expects Employee to fulfill any contractual and fiduciary obligations Employee may owe to any former employer or other party, and Employee agrees to do so. Prior to execution of this Agreement, Employee certifies that Employee tendered to the Company all agreements and understandings described by this Section 3.

4. Work Made for Hire - Assignment of Inventions.

(a) Employee understands and agrees all "Work" (defined to mean all concepts, data, databases, inventions, formulas, discoveries, improvements, trade secrets, original works of authorship, know-how, algorithms, computer programs, software, code, publications, websites, designs, proposals, strategies, processes, methodologies and techniques, and any and all other information, materials and intellectual property, in any medium) that Employee, alone or jointly,

creates, conceives, develops, or reduces to practice or causes another to create, conceive, develop, or reduce to practice, shall be a “work made for hire” within the meaning of that term under United States Copyright Act, 17 U.S.C. §§101 et seq. Employee agrees to promptly disclose to the Company, or any persons designated by it, all Work. Employee agrees to and hereby assigns and transfers to the Company, effective as of the date of its creation, any and all rights, title and interest Employee may have or may acquire in any Work (including any Work not deemed, for whatever reason, to have been created as a work made for hire), effective as of the date of its creation, including any and all intellectual property rights in the Work, and the right to prosecute and recover damages for all infringements or other violations of the Work.

(b) Employee hereby gives the Company and other members of the PEI Group the unrestricted right to use, display, distribute, modify, combine with other information or materials, create derivative works based on, sell, or otherwise exploit for any purpose, the Work and any portion thereof, in any manner and medium throughout the world. Employee irrevocably waives and assigns to the Company any and all so-called moral rights Employee may have in or with respect to any Work. Upon the Company’s request, Employee shall promptly execute and deliver to the Company any and all further assignments, patent applications, or such other documents as the Company may deem necessary to effectuate the purposes of this Agreement. Employee hereby irrevocably designates and appoints the Company and its officers and agents as Employee’s agent and attorney-in-fact, with full powers of substitution, to act for and on Employee’s behalf to execute, verify and file any such documents and to do all other lawfully permitted acts as permitted in the preceding paragraph with the same legal effect as if executed by Employee. The foregoing agency and power shall only be used by the Company if Employee fails to execute within five business days after the Company’s request related to any document or instrument described above. Employee hereby waives and quitclaims to the Company all claims of any nature which Employee now has or may later obtain for infringement of any intellectual property rights assigned under this Agreement or otherwise to the Company.

(c) Employee has identified on Attachment 3 all inventions or improvements relevant to the subject matter of Employee’s engagement with the Company and other members of the PEI Group that Employee desires to remove from the operation of this Agreement, and Employee’s post-employment restrictions. If there is no such list on Attachment 3, Employee represents that Employee has made no such inventions and improvements at the time of signing this Agreement.

(d) The provisions of this Agreement requiring the assignment to the Company of Employee’s rights to certain inventions do not apply to an invention for which no equipment, supplies, facility, or trade secret information of the Company or other member of the PEI Group was used and which was developed entirely on Employee’s own time, unless (i) the invention relates a) directly to the business of the Company and other members of the PEI Group, or (ii) to the actual or demonstrably anticipated research or development of the Company or other members of the PEI Group, or (iii) the invention results from any work performed by Employee for the Company or other members of the PEI Group.

5. Restrictive Covenants.

(a) Non-Solicitation of Customers. Employee agrees that, during Employee’s employment with the Company and for a period of 12 months following the termination of Employee’s employment, Employee shall not, on behalf of any entity or person other than the Company and other members of the PEI Group, directly or indirectly, contact or solicit any Customer, for the purpose of delivering, selling, or otherwise offering a product that is the same or similar to that of the Company Product.

(b) Non-Solicitation of Prospective Customers. Employee agrees that, during Employee's employment with the Company and for a period of 12 months following the termination of Employee's employment, Employee shall not, on behalf of any entity or person other than the Company and other members of the PEI Group, directly or indirectly, contact or solicit any Prospective Customer, for the purpose of delivering, selling or otherwise offering a product that is the same or similar to that of the Company Product.

(c) Non-Solicitation of Employees. Employee agrees that, during Employee's employment with the Company and for a period of 12 months following the termination of Employee's employment, Employee shall not, directly or indirectly: a) induce or attempt to induce any employee of the Company and of any other member of the PEI Group or of any of their respective affiliates with whom Employee had a working relationship in the 24 months prior to the termination of Employee's employment to terminate his or her employment with the Company; b) hire or employ, or attempt to hire or employ, any employee of the Company or of any other member of the PEI Group or of any of their respective affiliates with whom Employee had a working relationship in the 24 months prior to the termination of Employee's employment; or c) assist any other person or entity in doing any of the foregoing.

(d) Limited Non-Competition. Employee agrees that during Employee's employment with the Company and for a period of 12 months following the termination of Employee's employment, Employee shall not, (i) work for any Competitor Company or (ii) anywhere in North America (United States, Mexico or Canada) or in any other country in which a member of the PEI Group manufactures or sells Company Products: (x) act in any capacity, whether or not for consideration, for any person or entity that is engaged in a Competitive Activity, or is actively planning to engage in a Competitive Activity with the Company or any other member of the PEI Group, to the extent Employee would inevitably rely upon the Proprietary Information in his work for that person or entity; (y) act in the same or substantially similar capacity that Employee acted in for the Company or any other member of the PEI Group, whether or not for consideration, for any person or entity that is engaged in a Competitive Activity, or is actively planning to engage in a Competitive Activity with the Company or any other member of the PEI Group; or (z) take, facilitate or encourage any action the purpose or effect of which is to evade the intent of this subsection. Notwithstanding the global nature of the business of the Company and other members of the PEI Group, the extent to which Employee has been (or will be) exposed to Proprietary Information, and the ability of Employee to carry out Employee's work remotely, regardless of physical location, Employee acknowledges the geographic scope of the post-employment restriction in this Section 5(d) is reasonable and appropriate.

(e) Confidentiality Covenant. During Employee's employment with the Company and following the termination of Employee's employment:

(i) Employee shall not disclose or transfer, directly or indirectly, any Proprietary Information to any person or entity other than as authorized by the Company. Employee understands and agrees that disclosures authorized by the Company or Board for the benefit of the Company and other members of the PEI Group must be made in accordance with the policies and practices of the Company and Board designed to maintain the confidentiality of Proprietary Information, for example providing information after obtaining signed non-disclosure or confidentiality agreements;

(ii) Employee shall not use, directly or indirectly, any Proprietary Information for the benefit or profit of any person or organization, including Employee, other than the Company and other members of the PEI Group;

(iii) Employee shall not remove or transfer from any of the offices or premises any materials or property of the Company or any other member of the PEI Group (including, without limitation, materials and property containing Proprietary Information), except as is strictly necessary in the performance of Employee's assigned duties as an employee;

(iv) Employee shall not copy any Proprietary Information except as needed in furtherance of and for use in the business of the Company and other members of the PEI Group. Employee agrees that copies of Proprietary Information must be treated with the same degree of confidentiality as the original information and are subject to the same restrictions contained in this Agreement;

(v) Employee shall promptly upon the Company's or Board's request, and in any event promptly upon the termination of Employee's employment with the Company, return all materials and property removed from or belonging to the Company and other members of the PEI Group and Employee will not retain copies of any of such materials and property;

(vi) Employee shall take all reasonable steps to preserve the confidential and proprietary nature of Proprietary Information and to prevent the inadvertent or accidental disclosure of Proprietary Information; and

(vii) Employee shall not use or rely on the confidential or proprietary information or trade secrets of a third party in the performance of Employee's work for the Company and other members of the PEI Group except when obtained through lawful means such as contractual teaming agreements, purchase of copyrights, or other written permission for use of such information.

(f) Scope of Covenants. The parties desire for the restrictive covenants, including any time period and geographic scope, to be construed as broadly as permitted by applicable law. It is the parties' intent, and a critical inducement to the Company entering into this Agreement, to protect and preserve the legitimate interests of the Company and other members of the PEI Group, and thus the parties agree that the time period and the geographic coverage and scope of the post-employment restrictions herein are reasonable and necessary. However, if a court of competent jurisdiction finds that the time period of any of the foregoing post-employment restrictions is too lengthy, the geographic scope is too broad, or the agreement overreaches in any way, the parties authorize and respectfully ask the court to modify or, if modification is not possible, strike the offending portion, but only that portion, and grant the relief reasonably necessary to protect the interests of the Company and other members of the PEI Group so as to achieve the original intent of the parties.

(g) Remedies. Employee agrees that a threatened or existing violation of any of the restrictions contained in this Agreement would cause irreparable injury to one or more of the Company and other members of the PEI Group for which such person would have any adequate remedy at law and agrees that the Company and other members of the PEI Group will be entitled to obtain injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it at law or in equity. Employee also agrees that Employee will be liable to the Company and other members of the PEI Group for the attorneys' fees, expert witness fees, and costs incurred by such persons as a result of: (i) any action by the Company or other members of the PEI Group against Employee to enforce any of the restrictions contained in this Agreement in which the Company or any other member of the PEI Group prevails in any respect, or (ii) any action by Employee against the Company or any other member of the PEI Group challenging the legal

enforceability of any such restriction in which Employee does not prevail. Employee's obligations under each sub-section of Section 5 of this Agreement are distinct, separable, and independently enforceable. The real or perceived existence of any claim or cause of action against the Company or any other member of the PEI Group, whether predicated on this Agreement or some other basis, will not alleviate Employee of Employee's obligations under this Agreement and will not constitute a defense to the enforcement by the Company or other members of the PEI Group of restrictions contained herein.

(h) Alternative Dispute Resolution. Any controversy or claim arising out of or relating to this Restrictive Covenant Agreement or the breach thereof shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of JAMS in Chicago, Illinois in accordance with Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. In the event that any person or entity other than Employee or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 5(h) shall be specifically enforceable. Notwithstanding the foregoing, this Section 5(h) shall not preclude the Company from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction with respect to the Company's enforcement of the Restrictive Covenant Agreement; provided, however, that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 5(h). Further notwithstanding the foregoing, this Section 5(h) shall not limit the Company's ability to terminate Employee's employment at any time.

(i) Tolling of Time Periods. Employee agrees that in the event Employee violates any subsection of Section 5 of this Agreement as to which there is a specific time period during which Employee is prohibited from certain actions and activities, such violation shall toll the running of such time period from the date of such violation until the date the violation ceases.

(j) Inevitable Use of Proprietary Information. Employee acknowledges and agrees that, after Employee's separation of employment, Employee will possess the Proprietary Information which Employee would inevitably use if Employee were to engage in the conduct prohibited by Section 5 (including each of its sub-sections), that such use would be unfair and extremely detrimental to the Company and other members of the PEI Group and, in view of the benefits provided to Employee in this Agreement, that such conduct on his part would be inequitable. Accordingly, Employee separately and severally agrees for the benefit of the Company and the other members of the PEI Group to be bound by each of the covenants described above.

6. Reasonable Restrictions. Employee acknowledges that it is necessary and appropriate for the Company and other members of the PEI Group to protect their legitimate business interests by restricting Employee's ability to engage in certain competitive activities and any violation of such restrictions would result in irreparable injury to the legitimate business interests of the Company and other members of the PEI Group. The parties agree that the restrictions contained in this Agreement are drafted narrowly to safeguard the legitimate business interests of the Company and other members of the PEI Group while not unreasonably interfering with Employee's ability to obtain other employment.

7. Entire Agreement. No representation, promise, understanding, or warranty not set forth herein has been made or relied upon by either party in making this Agreement. No modification, amendment or addition will be valid, unless set forth in writing and signed by the party against whom enforcement of any

such modification, amendment or addition is sought. Notwithstanding, this Agreement supersedes any prior confidentiality agreements or restrictive covenants between the Company and Employee provided however that if a court of competent jurisdiction refuses to enforce this Agreement, then the parties agree that the term of any prior confidentiality or restrictive covenants shall govern.

8. At Will Employment. Nothing in this Agreement shall be deemed to constitute a contract of employment for any given duration. The relationship between the Company and Employee shall be employment-at-will and either the Company or Employee may terminate it at any time for any reason without liability.

9. Obligation to Inform Others of Post-Employment Restrictions.

(a) To protect the rights of the Company and other members of the PEI Group under this Agreement:

- (i) For a period of 12 months after the termination of Employee's employment with the Company for any reason, Employee shall provide the Company and Board with complete and accurate information concerning Employee's plans for employment and shall inform any prospective or subsequent employer of the post-employment restrictions contained in this Agreement or any other policy or agreement between Employee and the Company and any other member of the PEI Group that may be in effect on Employee's last day of employment. Employee understands that Employee has a duty to contact the Company and Board if Employee has any questions regarding whether or not conduct by Employee would be restricted by this Agreement.
- (ii) Employee shall make the terms and conditions of the post-employment restrictions in this Agreement known to any business, entity or persons engaged in activities competitive with the business of the Company and other members of the PEI Group with which Employee becomes associated during Employee's employment with the Company and in the 12-month period after the termination of Employee's employment

(b) The Company or Board may, in its sole and absolute discretion, permit Employee to engage in work or activity that would otherwise be restricted by this Agreement, if Employee first provides the Company and Board with written evidence satisfactory to the Company and Board, including assurances from any new employer, that the contribution of Employee's knowledge to that work or activity will not cause Employee to disclose, base judgment upon, or use Proprietary Information. Employee shall not engage in such work or activity unless and until Employee receives written consent from the Company and Board.

10. Assignment of Agreement. The Company may assign this Agreement, its rights, interests and remedies under this Agreement, and its obligations under this Agreement, at any time in the discretion of the Company and without notice to Employee. The validity of this Agreement will not be affected by the sale (whether via a stock or asset sale), merger, or any other change in ownership of the Company. Employee understands that Employee's obligations under this Agreement are personal, and that Employee may not assign this Agreement, or any of Employee's rights, interests, or obligations under this Agreement.

11. Non-Waiver. No failure or delay by any party to this Agreement in exercising any right, power or privilege hereunder, will operate as a waiver thereof, nor will any single or partial exercise thereof

preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein will be cumulative and in addition to any rights or remedies provided by law or equity.

12. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois without giving effect to any conflict of law principles.

13. Consent to Jurisdiction. The parties expressly consent to the exclusive jurisdiction of the state or federal courts of Illinois to resolve any and all disputes arising under the post-employment restrictions contained in Section 5 of this Agreement and hereby waive any right that they might have to object to jurisdiction or venue within such court or any defense based on the doctrine of forum non conveniens.

14. Entire Agreement. This is the entire agreement and understanding between Employee and the Company with respect to the matters contained in this Agreement. This Agreement supersedes any and all prior discussions, communications and agreements with respect to the subject matter of this Agreement. Any prior or contemporaneous discussions, communications or agreements about the subject matter of this Agreement have no effect, are not binding on either party and are superseded by this Agreement.

15. Counterparts & Signatures. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. Electronic (PDF, etc.) and other copies or duplicates of this Agreement are valid and enforceable as originals. Similarly, Agreements signed by hand, electronically (DocuSign or similar service) or, on behalf of the Company, by signature stamp, are valid and enforceable as original signatures.

16. Notice of Immunity. Employee understands that nothing in this Agreement is intended to prohibit Employee from disclosing information, including Proprietary Information, which is permitted to be disclosed by the Federal Defend Trade Secrets Act, which provides that an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret (a) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, Employee understands that if Employee files a lawsuit against the Company for retaliation based on the reporting of a suspected violation of law, Employee may disclose a trade secret to Employee's attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order. To the extent Employee suspects a violation of the law, Employee should report their suspicion to an officer of the Company or in accordance with relevant the Company policies.

17. Whistleblower Protection. Notwithstanding anything in this Agreement or otherwise, it is understood that Employee has the right under federal law to certain protections for communicating directly with and providing information to the Company, Employee's supervisor(s), the Securities and Exchange Commission (the "SEC") and/or its Office of the Whistleblower, as well as certain other governmental authorities and self-regulatory organizations. As such, nothing in this Agreement nor otherwise is intended to prohibit Employee from disclosing this Agreement to, or from communicating directly with or providing information to my supervisor(s), the SEC or any other such governmental authority or self-regulatory organization. Employee may communicate directly with or provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the SEC or any other such governmental authority or self-regulatory organization without notifying the Company. The Company may not retaliate against Employee for any of these activities, and nothing in this Agreement or otherwise would

require Employee to waive any monetary award or other payment that Employee might become entitled to from the Company, the SEC or any other governmental authority.

18. Return of the Property of the Company and Other Members of PEI Group. At the request of the Company or Board (or, without any request, upon termination of my employment with the Company), Employee will immediately deliver to the Company and other members of the PEI Group (a) all the property of the Company and other members of the PEI Group that is then in Employee's possession, custody or control, including, without limitation, all keys, access cards, cell phones, tablets, computer hardware including but not limited to any hard drives, external storage devices, diskettes, fobs, laptops, tablets, computers and personal data assistants (and the contents thereof), internet connectivity devices, computer software and programs, data, materials, papers, books, files, documents, records; (b) any and all documents or other items containing, summarizing, or describing any Proprietary Information, including all originals and copies in whatever form; (c) any personal device that Employee synced with or used to access any the systems of the Company and other members of the PEI Group for purpose of inspection and copying; and (d) a list of passwords or codes needed to operate or access any of the items referenced in this Section 18.

19. Promotional Materials. Employee authorizes and consents to the creation and/or use of Employee's likeness as well as Employee's name by the Company and other members of the PEI Group, and persons or organizations authorized by it, without reservation or limitation and without further consideration. Pursuant to this authorization and consent, the Company and other members of the PEI Group may, for example, use Employee's likeness on its website, and publish and distribute advertising, sales, or other promotional literature containing a likeness of Employee in the course of performing Employee's job duties. Employee also waives any cause of action for personal injury and/or property damage by virtue of the creation and use of such a likeness. Property rights to any likeness of Employee produced or prepared by the Company and other members of the PEI Group, or any person or organization authorized by it, shall vest in and remain with the Company and other members of the PEI Group as applicable. As used herein, "likeness" shall include a photograph, photographic reproduction, audio transmission, audio recording, video transmission and/or video recording, as well as any other similar medium.

20. Fair Meaning. The language of this Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against any party.

21. Additional Consideration. Employee understands that the Company's obligations under the Employment Agreement, as well as the provision of the additional consideration identified in the Preliminary Statement, are conditioned upon Employee signing this Agreement. Further, as a result of Employee's employment, Employee shall be (or has been) given access to Proprietary Information, provision of confidential information, opportunities for advancement, and opportunities to participate in confidential meetings and specialized training, which shall constitute independent consideration for the post-employment restrictions contained in this Agreement and would not be (or would not have been) given to Employee without Employee's agreement to abide by the terms and conditions of this Agreement, including without limitation the ancillary obligations of confidentiality and non-disclosure.

By initialing below, Employee specifically acknowledges that Employee has read, understands and agrees to this Section 21.

JB

Employee Initials

By executing this Agreement below, the parties confirm they have read, understood, and voluntarily agreed to be bound by the entire Agreement.

PACTIV LLC

By: /s/ J.D. Bowlin
Name: J.D. Bowlin
Title: Chief Human Resources Officer

EMPLOYEE

/s/ Jonathan Baksht
Jonathan Baksht

Attachment 1

Non-Exclusive List of Competitor Companies

- Anchor
 - Berry Plastics
 - Cascade
 - CKF
 - Cool-Pak
 - D&W Fine Pak
 - Dart Container Corporation
 - Direct Pack
 - Dolco
 - Dyne-a-Pak
 - Elopak
 - Genpak
 - Georgia Pacific
 - Grupo Convernex
 - Hartmann
 - Huhtamaki
 - Inline Plastics
 - International Paper/IP Foodservice
 - LBP
 - Paper Excellence Group
 - Peninsula Packaging
 - Sabert
 - Sealed Air
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- Seda
 - SIG Combibloc
 - Silgan Holdings
 - Solo Cup Company
 - Sonoco
 - Stora Enso Oyj
 - Tetra Pak
 - The Waddington Group
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Attachment 2

List of Confidential or Proprietary Information Belonging to Others

None.

Attachment 3

List of Prior Inventions or Improvements

None.

SEPARATION AGREEMENT

Date given to Employee: May 27, 2022
Employment Base: State of Illinois

This Separation Agreement (this “**Agreement**”) is dated June 15, 2022 for reference purposes only and is made and entered into by and between Michael J. Ragen (“**Employee**”) and Pactiv LLC (the “**Company**”) effective as of May 27, 2022. The Company is an indirect subsidiary of Pactiv Evergreen Inc. (“**PEI**”). PEI and its direct and indirect subsidiaries from time to time are referred to in this Agreement as the “**PEI Group**”. Each member of the PEI Group is an intended third party beneficiary of the Company under this Agreement with the rights, but not the obligations, of the Company as employer. The Board of Directors of PEI (the “**Board**”) may elect to exercise certain rights on behalf of the Company or any other member of the PEI Group as provided in this Agreement.

- A. Employee and the Company are parties to an Employment Agreement dated as of July 8, 2019 (the “**Employment Agreement**”). The Employment Agreement includes an accompanying Restrictive Covenant Agreement dated as of July 8, 2019 (the “**2019 Restrictive Covenant Agreement**”).
- B. Employee’s employment with the Company shall terminate effective May 27, 2022 (the “**Separation Date**”).
- C. The parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions and demands that Employee may have against the Company and otherwise to make provision in connection with Employee’s separation from the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements made herein, the Company and Employee hereby agree as follows:

1. **Definitions.** Capitalized terms used in this Agreement will have the same meaning as used in the Employment Agreement unless otherwise defined herein.
 2. **Separation Date.** In lieu of providing a notice of termination as required under the Employment Agreement, Employee and the Company have agreed that Employee’s employment with the Company will end on the Separation Date (for clarity, Employee is waiving his right to 30 days’ notice of termination under Section 4(c) of the Employment Agreement). Employee will be deemed to have resigned from any and all offices and positions Employee held with the Company and the other members of the PEI Group, effective on the Separation Date, including as the Chief Financial Officer of PEI. Employee acknowledges that any employment relationship between Employee and the Company and any other members of the PEI Group will end on the Separation Date, and Employee acknowledges that he will have no future employment relationship with the Company or any other member of the PEI Group. In consideration of the compensation and other benefits being granted under this Agreement, Employee waives any and all employment rights that Employee may now have with the Company and any other
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members of the PEI Group and agrees not to seek reinstatement and that the Company and any other member of the PEI Group shall have no obligation to employ, reemploy, hire, recall, or reinstate Employee in the future. Notwithstanding the foregoing or anything else in this Agreement to the contrary, the CEO or Board of PEI may elect at any time to: (a) place Employee on a paid leave from his employment with the Company prior to the Separation Date and (b) remove Employee from any or all offices and positions held by Employee within the PEI Group prior to the Separation Date.

3. **Benefits Owed.** The Company acknowledges its obligation to pay or provide the Accrued Obligations in connection with Employee's separation from employment.
 4. **Restrictive Covenants Agreement.** In addition to all of the covenants contained in this Agreement, Employee shall remain bound by the provisions of the Employment Agreement that expressly survive the Separation Date, the 2019 Restrictive Covenants Agreement, as well as the Restrictive Covenants Agreement included as part of Executive's previous grants of restricted stock units; provided, that each such agreement is hereby amended to replace references to "12 months" or a "12 month period" with references to "18 months" or an "18-month period," as appropriate (collectively, as so amended, the "**Restrictive Covenant Agreement**"). If a court of competent jurisdiction determines that Employee has breached or threatened to breach any such covenants (as so amended), the provision of benefits, severance and other consideration under Section 5 below shall cease, and the Company shall have no further obligation at any time to pay any consideration under Section 5 and Employee will repay such amounts paid to Employee from the date of the first breach or threatened breach of any covenant set forth in such agreements other than \$100. Notwithstanding anything in this Agreement, the Employment Agreement, the Restrictive Covenant Agreement or otherwise, it is understood that Employee has the right under federal law to certain protections for communicating directly with and providing information to the Company and other members of the PEI Group, Employee's supervisor, the Securities and Exchange Commission (the "**SEC**") and/or its Office of the Whistleblower, as well as certain other governmental authorities and self-regulatory organizations. As such, nothing in this Agreement or otherwise is intended to prohibit Employee from disclosing this Agreement to, or from communicating directly with or providing information to his supervisor, the SEC or any other such governmental authority or self-regulatory organization. Employee may communicate directly with or provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the SEC or any other such governmental authority or self-regulatory organization without notifying the Company. The Company may not retaliate against Employee for any of these activities, and nothing in this Agreement or otherwise would require Employee to waive any monetary award or other payment that Employee might become entitled to from the Company, the SEC or any other governmental authority.
 5. **Severance Payment.** In consideration for entering into this Agreement with Company, the Company and PEI will grant Employee the following benefits:
 - (a) **Severance.** In accordance with Section 5(b)(i) of the Employment Agreement, a severance payment (the "**Severance Amount**") in the amount of \$1,234,800 less any required payroll taxes and other withholding. The Severance Amount shall be
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paid to Employee in equal installments in accordance with the Company's normal payroll practices, but in no event less frequently than monthly, over a period of 12 months following the Separation Date (the "**Severance Period**"); provided, that no amount of the severance shall be payable until the revocation period for the Release described in Section 22(c) shall have expired (and Employee shall not have revoked Employee's agreements in the Release). Any amount that would have been paid to Employee but for this provision, or Section 20 shall be accrued and paid to Employee on the first payroll date immediately following the expiration of such revocation period or delay period. The Severance Amount is in lieu of, and not in addition to, any severance that might be available to Employee by law, contract, policy, or otherwise, all of which are hereby waived by Employee. If Employee receives any other severance, the Severance Amount shall be reduced by the amount of such other severance.

- (b) **Health Care Continuation.** In accordance with Section 5(b)(ii) of the Employment Agreement, and subject to Employee timely electing coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), Employee and Employee's eligible dependents, if any, shall be reimbursed, on a monthly basis, for the costs of continued participation in the Company's health plan (the "**Health Plan**"), as in effect from time to time, and subject to the rules thereof (including any requirement to make contributions or pay premiums, except that Employee shall contribute or pay on an after-tax basis) for the twelve-month period following the Separation Date. If the provision to Employee of the insurance coverage described in this paragraph would either: (A) violate the terms of the Health Plan (or any related insurance policies), or (B) violate any of the nondiscrimination requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), applicable to the health insurance coverage, then the Company, in its sole discretion, may elect to pay Employee, in lieu of the health insurance coverage described under this paragraph, a lump-sum cash payment equal to the cost of COBRA continuation coverage that would have been paid by the Company for Employee under the Health Plan.
- (c) **Additional Consideration.** In addition to the amounts set forth above, the Company agrees to provide the following additional payments and benefits, which Employee acknowledges and agrees is in addition to any amounts Employee is owed pursuant to any existing contract or arrangement:
- (i) \$150,624.66, payable in cash, less any required payroll taxes or other withholding, in the same manner, at the same times and subject to the same conditions as the Severance Amount.
 - (ii) The Company shall pay Employee the amount to which he would have been entitled for 2022 under Pactiv LLC's 2020 cash long-term incentive plan (which is currently expected to be \$293,020) as if he were still employed by the Company at the time that payments are made thereunder to other eligible employees of the Company.
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- (iii) The Compensation Committee of the Board, by virtue of its approval of this Agreement, in its capacity as Administrator of PEI's Equity Incentive Plan (the "**Plan**"), hereby modifies the terms pursuant to which the restricted stock units of PEI set forth on Exhibit A of this Agreement (the "**Retained RSUs**") were granted to Employee to (x) remove the condition that Employee not experience a Termination of Service (as defined in the Plan) before any applicable vesting date, such that, notwithstanding the termination of his employment on the Separation Date, and except as otherwise set forth in clause (y), Employee shall receive the Retained RSUs on the dates on which such Retained RSUs would have been settled absent such Termination of Service in accordance with the terms of the applicable grant document with respect to the Retained RSUs and (y) revise the settlement date of the Retained RSUs to mitigate potential concerns under Code Section 409A as permitted under the Plan and the applicable award agreements, in each case as more specifically set forth on Exhibit A. Any equity grants to Employee that are not reflected on Exhibit A of this Agreement, and therefore are not Retained RSUs, including but not limited to any performance share units of PEI that may have been granted to Employee, shall be deemed to have been forfeited as of the Separation Date and Employee shall have no entitlement thereto.

Any consideration under this Section 5 is conditioned upon: (i) Employee signing and not revoking this Agreement as provided in Sections 22 and 23, (ii) Employee signing, delivering to the Company and not revoking the reaffirmation of the release in the form Attachment 1 (the "Reaffirmation") within 21 days following the Separation Date, and (iii) Employee complying with all obligations under this Agreement, the Employment Agreement and the Restrictive Covenant Agreement.

6. **Payments.** Employee acknowledges the payments and benefits specified in Section 4 and Section 5 are in full and complete satisfaction of all of the Company's (and any of its affiliated entities', including any PEI Group member's) obligations under any contract, agreement, arrangement, policy, plan, practice, including, to the extent applicable, the Employment Agreement and the Plan, and otherwise at law, and that this amount paid is in lieu of any claim for salary, bonus (including any claim for an incentive award, including equity awards, for which employee may have been eligible), retention payments, transaction success payments, holiday pay, vacation, vacation pay, severance pay, life insurance, medical coverage, or any claim for payment or benefit not specifically mentioned in this Agreement. Except for any other obligations expressly set forth in this Agreement, the Company (and any of its affiliated entities, including any PEI Group member) will make no further payments to Employee, or make any payments or contributions on behalf of Employee, for salary, insurance, pension or any other compensation or benefits. Notwithstanding the foregoing, nothing in this Agreement affects or limits the Company's or any of its affiliates' (including any PEI Group member's) obligations to Employee under any indemnification agreements, by-laws, directors' and officers' insurance policies, or any similar agreements or policies related to Employee's service as an officer, director or employee of Company or any of its affiliates prior to the Separation Date (collectively, the "**Indemnification Obligations**").
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7. **General Release.** EMPLOYEE HEREBY RELEASES, WAIVES, AND FOREVER DISCHARGES THE COMPANY AND EACH MEMBER OF THE PEI GROUP AND ANY AND ALL OF THEIR RESPECTIVE PAST OR PRESENT PREDECESSORS, SUCCESSORS, JOINT VENTURERS, SUBSIDIARIES, PARENTS, AND RELATED OR AFFILIATED ENTITIES, AND ANY AND ALL OF THEIR RESPECTIVE PAST OR PRESENT OFFICERS, MEMBERS, DIRECTORS, STOCKHOLDERS, OWNERS, ASSIGNS, INSURERS PARTNERS, AGENTS, ATTORNEYS, REPRESENTATIVES, EMPLOYEES, EMPLOYEE BENEFIT PROGRAMS (AND THE TRUSTEES, ADMINISTRATORS, FIDUCIARIES, AND INSURERS OF SUCH PROGRAMS), AND ANY OTHER PERSONS ACTING BY, THROUGH, UNDER OR IN CONCERT WITH ANY OF THE PERSONS OR ENTITIES LISTED IN THIS SECTION, AND THEIR SUCCESSORS (ALL COLLECTIVELY, THE “**RELEASED PARTIES**”), FROM ANY AND ALL MANNER OF ACTIONS, CAUSES OF ACTIONS, DEMANDS, CLAIMS, AGREEMENTS, PROMISES, DEBTS, LIABILITIES, LAWSUITS (INCLUDING CLAIMS FOR ATTORNEYS’ FEES, COSTS, BACK PAY, FRONT PAY, PUNITIVE DAMAGES, AND/OR COMPENSATORY DAMAGES), CONTROVERSIES, COSTS, EXPENSES AND FEES WHATSOEVER, WHETHER ARISING IN CONTRACT, TORT OR ANY OTHER THEORY OF ACTION, WHETHER ARISING IN LAW OR EQUITY, WHETHER KNOWN OR UNKNOWN, ASSERTED OR UNASSERTED, FROM THE BEGINNING OF TIME UP TO AND INCLUDING THE DATE OF THIS AGREEMENT (COLLECTIVELY, “**CLAIMS**”), EXCEPT FOR THOSE OBLIGATIONS CREATED BY OR ARISING OUT OF THIS AGREEMENT AND THOSE OBLIGATIONS SPECIFICALLY EXCLUDED UNDER THIS AGREEMENT. EMPLOYEE EXPRESSLY WAIVES THE BENEFIT OF ANY STATUTE OR RULE OF LAW WHICH, IF APPLIED TO THIS AGREEMENT, WOULD OTHERWISE PRECLUDE FROM ITS BINDING EFFECT ANY CLAIM AGAINST ANY RELEASED PARTY NOT NOW KNOWN BY EMPLOYEE TO EXIST. EXCEPT AS NECESSARY FOR EMPLOYEE TO ENFORCE THIS AGREEMENT, THIS AGREEMENT IS INTENDED TO BE A GENERAL RELEASE THAT BARS ALL CLAIMS. IF EMPLOYEE COMMENCES OR CONTINUES ANY CLAIM IN VIOLATION OF THIS AGREEMENT, ANY RELEASED PARTY AGAINST WHICH SUCH CLAIM IS MADE MAY ASSERT THIS AGREEMENT AS A BAR TO SUCH ACTION OR PROCEEDING. EMPLOYEE IS NOT, HOWEVER, WAIVING ANY RIGHT OR CLAIM THAT FIRST ARISES AFTER THE DATE THIS AGREEMENT IS EXECUTED.

Without in any way limiting the generality of the foregoing, this Agreement constitutes a full release and disclaimer of any and all Claims arising out of or relating in any way to Employee’s employment, continued employment, retirement, resignation, or termination of employment with the Company (and any of its affiliated entities, including any member of the PEI Group), whether arising under or out of a statute including, but not limited to, the Reconstruction-Era Civil Rights Acts, as amended, 42 U.S.C. §§ 1981 to 1988; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq.*; the Rehabilitation Act of 1973, 29 U.S.C. § 701 *et seq.*, the Age Discrimination in Employment Act of 1967 and the Older Workers Benefit Protection Act of 1990, 29 U.S.C. § 621 *et seq.*; the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*; the Immigration Reform and Control Act, 8 U.S.C. § 1324b; the National Labor Relations Act, 29 U.S.C. §§ 151-169; the Employee Retirement Income Security Act of 1974, 29 U.S.C. Ch. 18; the

Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 to 2109; the Americans With Disabilities Act of 1990 and the Americans with Disabilities Act Amendments Act of 2008, 42 U.S.C. § 12101 *et seq.*; the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*; the Employee Polygraph Protection Act, 29 U.S.C. § 2001 *et seq.*; the Genetic Information Non-Discrimination Act, 42 U.S.C. §§ 2000ff *et seq.*; the Equal Pay Act, 29 U.S.C. § 206(d); the Illinois Human Rights Act, as amended (if applicable), 775 ILCS § 5; the Victims' Economic Security and Safety Act, 820 ILCS § 180; the Illinois Wage Payment and Collection Act, 820 ILCS § 115; the Illinois Right to Privacy in the Workplace Act, 820 ILCS § 55; the Illinois Equal Pay Act of 2003, 820 ILCS § 112; the Illinois Equal Wage Act, 820 ILCS § 110; the Illinois Wages for Women and Minors Act, 820 ILCS § 125; the Illinois Religious Freedom Restoration Act, 775 ILCS § 35; the Illinois Personnel Records Review Act, 820 ILCS § 40; the Illinois One Day Rest in Seven Act, 820 ILCS § 140; the Illinois Minimum Wage Law, 820 ILCS § 105; the Illinois Whistleblower Act, 740 ILCS § 174; the Illinois Worker Adjustment and Retraining Notification Act, 820 ILCS § 65; any and all claims under the Illinois Constitution; and any other federal, state, county, municipal or local statute, ordinance or regulation, all as may be amended from time to time, any collective bargaining agreement, or common law claims or causes of action in each case relating to alleged discrimination, harassment, retaliation (including whistleblower-type claims), breach of express or implied contract, violations of public policy, promissory estoppel, breach of good faith and fair dealing, wrongful or retaliatory discharge, fraud, negligent misrepresentation, infliction of emotional distress, assault and/or battery, defamation, loss of consortium, or any other tortious action, inaction, or interference of any sort, defamation, libel, slander, personal or business injury, including attorneys' fees and costs, all claims for salary, bonus, vacation pay, and reimbursement for expenses. Except as set forth in Section 7(c) below, Employee specifically waives the right to recover in Employee's own lawsuit as well as the right to recover in a suit brought by any other entity on Employee's own behalf. To the extent applicable, the parties agree to waive the requirements of Illinois statute 735 ILCS 5/2 2301.

8. **Covenant Not to Sue.**

- (a) A "covenant not to sue" is a legal term which means a promise not to file a lawsuit in court. It is different from the release of claims provided for in Section 6 above. In addition to waiving and releasing the claims provided for in Section 6 above, in consideration for the promises set forth in this Agreement, and to the extent permitted by law, Employee covenants that he will not file, commence, institute, or prosecute any lawsuits, class actions, complaints by himself or collectively in any state or federal court, against the Company or any of the Released Parties based on, arising out of, or connected with any of the claims released by Employee under this Agreement.
 - (b) If Employee breaches the covenant contained in Section 7(a), provision of the benefits under Section 4 above shall cease, and the Company shall have no further obligation at any time to provide benefits. In addition, if Employee breaches the covenant contained in Section 7(a), Employee shall indemnify the Company and any of the Released Parties for all damages, costs and expenses, including, without limitation, legal fees, incurred by the Company or any of the Released Parties in defending, participating in, or investigating any matter or proceeding covered by this Section 7(b).
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- (c) Notwithstanding this Covenant Not to Sue, Employee retains the right: (i) to cooperate, participate in or assist in any governmental or regulatory entity investigation or proceeding; (ii) to report any allegations of unlawful conduct to federal, state, or local officials for investigation including, but not limited to, alleged criminal conduct or “unlawful employment practices” as that term is defined in the Illinois Workplace Transparency Act, 820 ILCS 96/1-15; (iii) to make truthful statements and testify truthfully in any government agency or court proceeding; and (iv) to file a claim or charge with the U.S. Equal Employment Opportunity Commission, the U.S. Department of Labor, the National Labor Relations Board, or any other, similar federal, state, or local agency dealing with employee rights. However, under this Covenant Not to Sue, Employee will no longer have a right to recover any equitable or monetary relief from the Released Parties in any claim, action, or suit against the Released Parties which is brought by or through any federal, state, or local agency, or anyone else representing or purporting to represent Employee’s interests, except with respect to any monetary recovery under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Sarbanes-Oxley Act of 2002.
- (d) Nothing in this Section 7 bars Employee from filing suit to enforce this Agreement or the Indemnification Obligations.
9. **No Assignment of Claims.** Employee represents that Employee has neither assigned or transferred nor purported to assign or transfer, to any person or entity, any Claim or any portion thereof or interest therein.
10. **Assistance Upon Request.** Employee shall provide accurate information or testimony or both in connection with any legal matters as may be reasonably requested by the Company or the Board, but Employee shall not disclose or discuss with anyone who is not directing or assisting in any investigation or case involving the Company or any other member of the PEI Group, other than an attorney representing the Company and another member of the PEI Group, the fact of or the subject matter of any investigation, except as required by law. The Company or any other member of the PEI Group requesting assistance from Employee shall reasonably accommodate Employee’s schedule so that Employee may assist the Company or any other member of the PEI Group after Employee’s Separation Date. The Company or any other member of the PEI Group requesting assistance from Employee shall reimburse Employee for all reasonable expenses incurred in connection with such accommodation. Employee shall also provide all business-related information and reasonable assistance to the Company and any other member of the PEI Group following Employee’s Separation Date as reasonably requested by the Company or the Board.
11. **Non-Disparagement.** Except as provided for in the whistleblower protections set forth in Sections 4, and 7 above, and as otherwise set forth in Section 8(c) above, Employee shall not disparage, place in a false or negative light or criticize, or make any false statements that may damage the reputation of, orally or in writing, the Company or any member of the PEI Group, any of the Released Parties, their business practices, products, policies,
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services, decisions, directors, officers, employees, agents, representatives, advisors or any other entity or person covered by this Agreement.

12. **Company Property and Expenses.** Employee shall, within seven days of the Separation Date, do the following:
 - (a) Return all Company property (and any of its affiliated entities' property, including that of any member of the PEI Group), including, but not limited to, Proprietary Information, keys, office passes, credit cards, computers, computer diskettes, electronic files and documents, however stored, mobile phones, memoranda, manuals, customer and price lists, marketing and sales plans, office equipment, fax machines, mobile telephones, sales records, strategic planning documents, business records and any other materials and information obtained during Employee's employment with the Company.
 - (b) Submit all outstanding expenses and clear all personal advances and loans. Employee acknowledges that any amounts unaccounted for and due to the Company will be deducted from the payments provided for in Section 5.
 13. **Non-Admissions.** Employee and the Company acknowledge that nothing in this Agreement is meant to suggest or imply that the Company or any other Released Party has violated any law or contract or otherwise engaged in any wrongdoing of any kind. This Agreement is entered into merely to resolve any differences between the parties amicably and without the necessity or expense of litigation.
 14. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the respective successors, heirs, assigns, administrators, executors and legal representatives of the parties and other entities described in this Agreement.
 15. **Consequences of Breach.** The parties acknowledge that actual damages incurred as a result of a breach of this Agreement may be difficult to measure. Therefore, in addition to any other remedies, equitable relief will be available in the case of a breach of this Agreement. Also, in addition to any other remedies, in the event of a breach of this Agreement by Employee, including but not limited to Employee's breach of the provisions contained in in the Restrictive Covenants Agreement or Sections 11 or 12 above:
 - (a) The Company may elect to suspend or terminate payment of any or all of the consideration provided for in Section 5 of this Agreement except that Employee shall receive and may retain at least \$100 of such consideration;
 - (b) The Company may require the forfeiture of any Retained RSUs that have not been settled and paid to Employee and, or any Retained RSUs that have been so settled, the repayment of the value of such Retained RSUs as of the settlement date thereof; and
 - (c) The Company may elect to require Employee to repay to the Company all but \$100 of the payments and benefits received by Employee pursuant to Section 5 of this Agreement.
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Employee acknowledges that (i) the actual damages of the Company may be extremely difficult to ascertain with precision in the event of a breach by Employee of this Agreement, (ii) the suspension, termination and repayment of all but \$100 of the consideration received by Employee pursuant to Section 5 of this Agreement will represent a reasonable approximation of the actual damages that the Company will incur in the event such a breach by Employee and (iii) the Company's election to suspend, terminate or require repayment of all but \$100 of the consideration received by Employee pursuant to Section 5 of this Agreement will be intended as, and will represent, lawful liquidated damages and not an unlawful penalty. Notwithstanding the foregoing, the Company shall provide Employee notice and a reasonable opportunity to cure any alleged breach of this Agreement, but the Company will not be required to provide Employee more than ten (10) days to cure any such alleged breach under any circumstance. Unless the Company elects liquidated damages as provided above, nothing in this provision shall prevent either party from seeking other forms of damages caused by a breach.

16. **Employee Representations.** Unless expressly stated herein, Employee is unaware of any actions by the Company or any of the Released Parties up through and including the Separation Date that evidences: (i) any inappropriate, discriminatory, unlawful, unethical, or retaliatory conduct of any kind whatsoever against or relating to Employee (“**Inappropriate Conduct**”), or (ii) any failure of the Company to reasonably investigate or respond to any complaint that Employee has made about Inappropriate Conduct. In addition, Employee acknowledges that Employee has not suffered any on-the-job injury for which Employee has not already filed a claim. The Company may require Employee to update these representations on or following the Separation Date.
 17. **Severability.** In the event that any condition or provision in any Section of this Agreement shall be held by a court of competent jurisdiction from which there is no appeal to be invalid, illegal or contrary to public policy and incapable of being modified, this Agreement shall be construed as though such provision or condition did not appear therein and the remaining provisions of this Agreement shall continue to full force and effect.
 18. **Arbitration of Disputes.** Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of JAMS in Chicago, Illinois in accordance with the JAMS Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. If any person or entity other than Employee or the Company is a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 18 shall be specifically enforceable. Notwithstanding the foregoing, this Section 18 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided, however, that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 18. Further notwithstanding the foregoing, this Section 18 shall not limit the Company's ability to terminate Employee's employment at any time.
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19. **Governing Law/Agreed Venue.** This Agreement is made and entered into in the State of Illinois and in all respects the rights and obligations of the parties will be interpreted, enforced and governed in accordance with the laws of the State of Illinois without regard to the principles of conflict of laws. Subject to Section 18 hereof, any and all lawsuits, legal actions or proceedings against either party arising out of this Agreement will be brought in the Illinois state or federal court of competent jurisdiction sitting nearest to Lake County, Illinois, and each party hereby submits to and accepts the exclusive jurisdiction of such court (and any appellate courts therefrom) for the purpose of such suit, legal action or proceeding. Each party hereby irrevocably waives any objection it may now have or hereinafter have to this choice of venue of any suit, legal action, or proceedings in any such court and further waives any claim that any suit, legal action or proceeding brought in any such court has been brought in an inappropriate forum.
20. **Duty to Cooperate.** The parties shall cooperate fully to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force to the terms and intent of this Agreement that are not inconsistent with its terms.
21. **Tax Matters.** The Company, its subsidiaries and affiliates may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes or social security charges as may be required to be withheld pursuant to any applicable law or regulation. Employee acknowledges and agrees that, as a “specified employee” (as such term is defined under Section 409A(a)(2)(B)(i) of the Code, a portion of the payments and/or benefits that Employee may receive under this Agreement may be subject to additional tax under Section 409A(a)(1)(B) of the Code unless the commencement of such payments and/or benefits will be delayed until the earlier of (x) the date that is six months following the Separation Date or (y) the date of Employee’s death. Each payment under this Agreement as a result of the separation of Employee’s service shall be considered a separate payment for purposes of Section 409A of the Code. None of the Company, its subsidiaries or affiliates guarantees any tax result with respect to any payments or benefits provided hereunder. Executive is responsible for all taxes owed with respect to all such payments and benefits.
22. **Entire Agreement.** This Agreement, along with the Employee Agreement, the grant materials related to the Retained RSUs and the Restrictive Covenant Agreement, contains the entire agreement between Employee and the Company and it fully supersedes any and all prior agreements and understandings between Employee and any of the Released Parties, except for any earlier restrictive covenant, nondisclosure, noncompetition, or confidentiality agreements, or any combination of these items, and for the Indemnification Obligations, all of which are expressly not superseded but instead remain fully valid. Employee acknowledges that no representations, promises, agreements or inducements (whether written or oral) have been made to Employee which are not stated in this Agreement and that Employee’s execution of this Agreement is not based on any representation, promise, agreement or inducement which is not contained in this Agreement. This Agreement will not be modified or altered except by a subsequent written agreement signed by the parties.
23. **Consideration of Agreement and Revocation Period.**
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- (a) **ADEA Release Requirements Satisfied:** Employee acknowledges that this Agreement satisfies all applicable legal requirements to validly release any Claims (including Claims arising under the Age Discrimination in Employment Act, as amended (the “ADEA”). These requirements are that (i) Employee voluntarily entered into this Agreement with full knowledge of its terms (*i.e.*, free from fraud, duress, coercion or mistake of fact); (ii) this Agreement is in writing and fully comprehensible and understandable to Employee; (iii) this Agreement explicitly waives current ADEA claims; (iv) this Agreement does not waive future ADEA claims; (v) the Severance Amount constitutes money to which Employee would not be entitled in the absence of him entering into this Agreement; (vi) the Company provided Employee with at least 21 days in which to decide whether to enter into this Agreement; and (viii) the Company provided Employee with at least seven days within which to revoke this Agreement after signing it.
- (b) **Consideration Period:** Employee acknowledges that, before signing this Agreement, he was allowed at least 21 days in which to consider this Agreement. Employee waives any right to additional time within which to consider this Agreement. Employee further acknowledges that: (i) he took advantage of the time he was given to consider this Agreement before signing it; (ii) he carefully read this Agreement; (iii) he fully understands it; (iv) he is entering into it voluntarily; (v) he will receive the Severance Amount in exchange for her execution of this Agreement, which he would not otherwise be entitled to receive; and (vi) the Company, in writing, encouraged Employee to discuss this Agreement with an attorney (at his own expense) before signing it, and that Employee did so to the extent he deemed appropriate.
- (c) **Revocation Period:** Employee further understands that he may revoke this Agreement within seven (7) days after signing it. In order for any revocation to be effective, Employee must deliver by email or overnight delivery to JD Bowlin, Chief HR Officer, Pactiv Evergreen Inc., 1900 W. Field Court, Lake Forest, IL 60045 by 5:00 PM, Chicago time on the seventh day following the date on which he signs the Agreement, a written statement signed by Employee indicating that Employee wishes to revoke this Agreement. Employee and the Company understand this Agreement will not become enforceable or effective until the revocation period has expired without revocation by Employee and both parties have executed this Agreement. Employee expressly acknowledges and understands that the Company will not be obligated to take any of the actions described in this Agreement unless and until this Agreement becomes enforceable and effective. In the event Employee exercises Employee’s right to revoke this Agreement, all obligations of the Company under this Agreement will immediately cease. If Employee declines to accept this Agreement, delivery of this Agreement to Employee will serve as the Company’s notice of termination without cause to Employee under the Employment Agreement.

24. **Effective Date.** This Agreement will not become effective until the eighth day after Employee executes this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date or dates set forth below.

EMPLOYEE:

/s/ Michael J. Ragen

Michael J. Ragen

Date: 15 June 2022

EMPLOYER:

Pactiv LLC

By: /s/ J.D. Bowlin

Name: J.D. Bowlin

Title: Chief Human Resources Officer

Date: 15 June 2022

**Exhibit A
Retained RSUs**

Grant Date	Number of RSUs	Settlement Date
September 21, 2020	11,667	December 15, 2022*
September 21, 2020	11,667	March 2, 2023*
Total:	23,334	N/A

* Settlement dates modified to mitigate concerns under Code Section 409A pursuant to the Plan and the applicable award agreements.

Attachment 1
Reaffirmation

This page represents your reaffirmation of the commitments set forth in the Separation Agreement from Pactiv LLC dated for reference and delivered to you on May 26, 2022 the (“**Separation Agreement**”) from the date you signed the Separation Agreement through the date that you sign this Reaffirmation, and you hereby agree that the release of claims pursuant to Section 7 of the Separation Agreement extends to cover any act, omission or occurrence occurring up to and including the date you sign this Reaffirmation. You will have seven (7) days following your execution of this Reaffirmation to revoke your signature by notifying, in writing, to the Chief Human Resources Officer of Pactiv Evergreen Inc., of this fact within such seven (7) day period. If you revoke your signature on this Reaffirmation, you will forego all benefits in the Separation Agreement other than payment to you of \$100.

I ratify and reaffirm the commitments set forth in the Separation Agreement:

By: _____
Michael J. Ragen

Date: [DATE]

By:
Name:
Title:

Annual Incentive Plan

2022 Summary Plan Description

I. PURPOSE

Pactiv Evergreen Inc. (the “Company”) has established this 2022 Annual Incentive Plan (this “Plan”) to provide incentive compensation to individuals who make important contributions to the Company’s performance. Specific Plan objectives are to:

- Reward individuals for enhancing business results by creating a strong linkage of pay for performance and achievement of Company business objectives;
- Attract, motivate and retain highly talented and skilled individuals by providing competitive payout opportunities; and
- Provide significant financial reward potential for achieving outstanding business results.

Participants may earn incentive opportunities if the business meets Company financial goals and the individual achieves or exceeds agreed-upon objectives, subject to the plan administration guidelines.

Participants will be informed of their incentive target expressed as a percent of their base salary. The individual and their manager will also agree upon objectives for that individual to achieve during the performance period.

II. PLAN DESCRIPTION

The Plan promotes a pay for performance model and provides the opportunity for eligible individuals to receive cash awards based on business and individual achievements. This document outlines the overall design and administration of the Plan. Should unexpected business changes occur, such as acquisitions or divestitures that cause variance in this plan, the Plan may be adjusted accordingly. Plan eligibility is subject to approval by the Chief Human Resources Officer or the CEO. Approval must be obtained prior to offering the opportunity to participate in the Plan to any employee or candidate for employment.

Annual financial metrics have been established by senior management and approved by the Compensation Committee.

III. PLAN ADMINISTRATION

This document outlines the overall design and administration of the Plan. The Compensation Committee reserves the right to make changes to this Plan and the performance metrics to the extent that it, in its sole discretion, considers it appropriate. The Company may terminate any incentive compensation plan at any time with or without notice, and no participant has a right to any payment hereunder.

Eligibility: Plan eligibility is based on the individual's position, as set out below. In general, employees who work in a corporate function or contribute to the Company's overall goals and objectives at the organizational level would be eligible under Plan rules. Participants must be regular, full-time employees and be actively employed through the date of the actual payment to be eligible.

The following roles are eligible for participation in the Plan:

- All salaried exempt roles for Pactiv Evergreen Inc. or any of its subsidiaries;
- Certain salaried non-exempt jobs identified by the Chief Human Resources Officer and which are not eligible for participation in a sales incentive plan (SIP), performance bonus plan (PBP), or any other variable pay plan, including individual site bonus or incentive plans, such as the Safety Excellence Program (SEP).

Target Award Amount: A participant's target award amount is determined by multiplying his or her base salary by a target incentive percentage specified in advance for each participant, which is generally determined based on his or her role. Please see below for further information on how this calculation is made, how target amounts may be prorated in the case of mid-year new hires or changes in role and how payments may be adjusted based on individual and company performance.

New Hires/Rehires: Employees must be employed on or before Monday, October 3, 2022 to be eligible for participation in the Plan. Employees who are hired after that date may be eligible for participation in the 2023 Annual Incentive Plan. Rehires will be treated the same as new hires regardless of the amount of time that lapsed between termination of employment and rehire. Any exceptions must be approved by the Chief Human Resources Officer.

Promotions/Demotions: The target award amount of employees who are promoted or demoted into a role with a different target incentive percentage during 2022 will be adjusted based on the effective date of the change in role, regardless of when the change occurred during the plan year. In short, for each role in which the participant served during 2022, the participant's eligible earnings at the end of his or her service in that role during 2022 will be multiplied by the participant's target incentive percentage at the end of his or her service in that role during 2022 and rounded to the nearest dollar. For purposes of this Plan, a participant's "eligible earnings" is the amount of his or her annual base salary actually paid during the relevant period, as shown by the Company's

payroll records. Then, the amounts obtained for each role in which the participant served during the year will be added together.

For example:

Alexis was employed as an Accountant before January 1, 2022. She was promoted to a Senior Accountant role effective June 16, 2022.

Job	Accountant	Senior Accountant
Dates in Job	January 1 - June 15, 2022	June 16 - December 31, 2022
Base Pay	\$50,000	\$60,000
Eligible Earnings	\$22,917	\$32,500
Incentive Target %	5%	10%
Incentive Earned \$	\$1,146	\$3,250

Total Incentive Earned	\$4,396
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Promotions (Hourly to Salary): Employees who are promoted from an hourly position to a salaried position, and would be Plan eligible, will be treated as new hires/rehires. They must be promoted on or before Monday, October 3, 2022. Employees who are promoted after that day may be eligible to participate in the 2023 Annual Incentive Plan, if they are still in an eligible salaried position.

Demotions/Transfers (Salary to Hourly): Employees who are demoted or transfer from a salaried position to an hourly position, and would be Plan eligible, will receive a prorated bonus based on eligible earnings during the time they were AIP participants, taking into account the final results attainment level, and regardless of when the change occurred during the plan year.

Transfers (SIP to AIP or vice versa): Employees who transfer between roles that are eligible for the different incentive plans during the year will receive a prorated bonus based on the number of days in 2022 during they were SIP participants and eligible earnings during the time they were AIP participants, taking into account the final results attainment level, and regardless of when the change occurred during the plan year.

For example:

David has been a participant in the SIP since the beginning of the year. His SIP target is \$5,000. He was transferred into a different role and department which made him eligible under AIP plan rules.

Job	Regional Sales Associate	Financial Analyst
Dates in Job	January 1 – August 31, 2022	September 1 – December 31, 2022
Base Pay	\$60,000	\$60,000
Time in Plan / Eligible Earnings	66.6%	\$20,000
Incentive Target %	\$3,329*	10%
Plan Attainment Level %	90%	--
Incentive Earned \$	\$2,996	\$2,000

Total Incentive Earned	\$4,996
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*Prorated

If the SIP incentive target is a flat amount, it will be prorated based on the time in plan. If it is a percentage of base salary, we will multiply the participant's eligible earnings during the time that their role was subject to the plan by their SIP target incentive percentage and attainment level as described in the table above.

Leaves of Absence (LOA): Employees on LOA are eligible to receive a portion of their target award, determined as described above as if, during the effectiveness of the LOA, they had been demoted to a role with a target incentive percentage of 0%; in other words, they are only eligible to participate for the fraction during which they served as an active employee. Any amounts payable as described in this paragraph will be withheld until the employee returns from the LOA and will be forfeited if the employee does not return from the LOA.

Retirement, Death, or Total Disability: A participant whose employment ends due to retirement, death, or total disability on or after January 1, 2022 but before the date that payments are made under the Plan, and who was an active employee for at least 180 consecutive days during 2022, are eligible to receive (either personally or by payment to his or her estate) a prorated amount also based on the number of days in 2022 during which he or she was an active employee. The prorated amount will be determined as described above, with any period in 2022 during which the participant was not actively serving (whether due to such retirement, death or disability or otherwise) being treated as time served in a role with a target incentive percentage of 0%. Any amounts payable under this paragraph will be paid at the same time as all other awards under the Plan, But Participants may request an earlier payment, which must be approved by the Chief Human Resources Officer.

Reduction in Force: A participant whose employment ends after January 1, 2022 but before awards are paid under the Plan in connection with an event or series of events that trigger the notice requirements of the WARN Act (29 U.S.C. § 2102(a)) may be considered for a partial incentive award at the sole discretion of the Company. The Company may consider the Participant's work history, performance, the results achieved by the Participant during 2022, the amount of time actively employed during 2022, and any other factors deemed by the Company to be appropriate. The Company will determine, in its sole discretion, the amount of the partial incentive award, if any. Any approved partial incentive award will be paid at the same time as all other awards under the Plan. Any payment under this paragraph must be approved by the Chief Human Resources Officer.

Voluntary Terminations: If an employee voluntarily terminates his or her employment (other than as described in earlier paragraphs) at any time before payments are made under the Plan, he or she is not eligible for any payment under the Plan.

MULTIPLIERS

As noted above, a participant's target award amount may be further adjusted based on individual performance, as well as company performance.

Individual Performance: Actual award amounts factor in individual performance. The actual award for AIP eligible employees may be increased or decreased based on achieved individual performance measures. Managers have discretion to adjust an employee's target award based on employee performance as documented by the performance management program. The following matrix will be used as a guideline to recognize individual performance:

- Exceeded Expectations – Employees may qualify for a multiplier of 110% to 150%
- Achieved Expectations – Employees may qualify for a multiplier of 80% to 110%
- Partially Met Expectations – Employees may qualify for a 50% to 80% multiplier
- Missed Expectations – Employees may qualify for a multiplier of 0% to 50%

The individual performance multiplier may not exceed 150% without CEO approval and may not in any case exceed 200%.

For example:

Using Alexis and David as examples, we would apply the discretionary performance rating multiplier to calculate the incentive payout.

Employee	Alexis	David
Total Incentive Earned	\$4,396	\$4,996
Performance Rating	Exceeded Expectations	Achieved Expectations
Individual Performance Rating Multiplier	125%	100%

Incentive Payout	\$5,495	\$4,996
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Thus a participant's target award amount will be subject to an individual performance multiplier in a range of between 0% and 200%, with CEO approval required for a multiplier greater than 150%. The total amount paid to all participants under the Plan may not exceed the total of the available bonus pool (which is the sum of all participants' target award amounts, after applying the company performance multiplier described below and assuming that all participants receive a 100% individual performance multiplier). Therefore, if a manager exercises discretion to award an individual performance multiplier greater than 100%, some employees will need to receive an individual performance multiplier of less than 100% to offset.

Company Performance: All participants' awards are also subject to a Company performance multiplier, which will be applied after a participant's target award amount and individual performance multiplier have been determined. Therefore, the calculated payout for AIP eligible employees may increase or decrease based on the Company's performance against Company-wide financial metrics approved by the Compensation Committee and applied uniformly across all AIP plan participants. The Company performance multiplier can range from 0% to 200%.

For example:

Continuing with Alexis and David as examples, we would apply the uniform company performance rating multiplier to calculate the final incentive payout.

Employee	Alexis	David
Incentive Payout	\$5,495	\$4,996
Company Performance Rating Multiplier	95%	95%

Final Incentive Payout	\$5,220	\$4,746
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IV. TIMING OF PAYOUT AND TAXATION

The timing of the payment of awards under the Plan is in the discretion of the Company and subject to all necessary processes to determine eligibility and payment amounts and administrate the payments, but shall occur no later than March 15, 2023. Payroll taxes will be withheld from the payout amounts as required by law. The Company cannot provide you with tax advice, and we recommend that you consult a tax advisor for all questions relating to taxation of your compensation; however, generally speaking, bonuses for federal and state income tax purposes are taxed during the year in which they are paid, and not the earlier year of service during which they were earned.

Long-Term Incentive Plan

2022 Summary Plan Description

I. PURPOSE

Pactiv Evergreen Inc. (the “Company”) has established this 2022 Long-Term Incentive Plan (this “Plan”) to provide equity grants to individuals who make important contributions to the Company’s long-term performance. Specific Plan objectives are to:

- Recognize and reward individuals who contribute to driving the organization’s financial performance over the long-term;
- Align business strategy and leadership objectives through focusing on growth and profitability and creating long-term shareholder value; and
- Strengthening the link between organizational success over time and individual total compensation, delivering value to both the individual and shareholders.

Participants are awarded grants annually. The grants are a combination of Restricted Stock Units (“RSUs”) and Performance Share Units (“PSUs”) based upon overall plan design approved by the Compensation Committee of the Board of Directors (the “Committee”).

II. PLAN DESCRIPTION

The Plan promotes a pay for performance model and provides the opportunity for eligible individuals to receive equity grants based on business and individual achievements. This document outlines the overall design and administration of the Plan. The Committee reserves the right to adjust the Plan as circumstances warrant, in its sole discretion, including in the event of significant corporate events such as acquisitions or divestitures that impact previously-established goals. Except as otherwise determined by the Committee, the Chief Human Resources Officer shall determine which employees of the Company and its subsidiaries are eligible for participation in the Plan eligibility (and the Chief Executive Officer may also determine or revoke eligibility). Approval from the Chief Human Resources Officer (or Chief Executive Officer) must be obtained prior to offering the opportunity to participate in the Plan to any employee or candidate for employment.

The participant’s specific award terms and contractual obligations are outlined in their 2022 Restricted Stock Units (RSU) Award Agreement and/or 2022 Performance Share Units (PSU) Award Agreement (collectively, the “Agreements”).

III. PLAN ADMINISTRATION

This document outlines the overall design and administration of the Plan. The Committee reserves the right to make changes to this Plan to the extent that it, in its sole discretion, considers it appropriate. The Company may terminate any employee compensation plan, including the Plan, at any time with or without notice, and no participant has a right to any payment hereunder, except as otherwise set forth in an Agreement.

Eligibility: Plan eligibility is based on the individual's position, as set out below. Participants must be regular, full-time employees in order to be eligible for a grant of RSUs or PSUs under the Plan, and the terms of their Agreements govern eligibility for vesting of the RSUs or PSUs awarded.

Unless otherwise determined by the Chief Executive Officer or Chief Human Resources Officer in individual cases, the following roles are eligible for participation in the Plan within the U.S. & Canada for Pactiv Evergreen Inc. or any of its subsidiaries:

- All salaried exempt roles in salary grades 10 and above
- All salaried exempt Plant Manager and Warehouse Leader roles, regardless of salary grade

Target Plan Award Amount: Each participant is provided with a target Plan award amount, which is a valuation in dollars determined by multiplying the Participant's base salary on the grant date by his or her individual target award opportunity, which is a percentage determined in advance by the Chief Executive Officer or Chief Human Resources Officer for each participant, typically based on his or her position. Then, each participant's target Plan award amount is divided by two to produce his or her target RSU award amount and target PSU award amount.

Number of RSUs: On the grant date, the participant will be awarded a number of RSUs determined by dividing his or her target RSU award amount by the closing price of the Company's common stock on the grant date (rounding to the nearest share).

These RSUs then vest in installments that are as equal as possible over a three-year period, on the first, second, and third anniversaries of the date of the grant.

- *1 year grant date anniversary – one-third vested*
- *2 year grant date anniversary – two-thirds vested*
- *3 year grant date anniversary – 100% vested*

Unvested RSUs are generally forfeited if the participant leaves the company. The specific terms are outlined in the participant's RSU Award Agreement.

RSU Award Calculation Example:

Example: RSU Award Calculation		
Base Salary	\$100,000	
LTI Target Award Opportunity	10%	
LTI Target Award Amount	\$10,000	
RSU Mix		50%
RSU LTI Target Award Amount	\$5,000	*50% of \$10,000
Grant Date Closing Stock Price	\$10	
RSUs Granted	500 units	*\$5,000 / \$10
Stock Price at Vesting	\$20	
RSU LTI Award	\$10,000	*500 units * \$20

Target Number of PSUs: On the grant date, the participant will be awarded a number of PSUs determined by dividing his or her target PSU award amount by the closing price of the Company's common stock on the grant date (rounding to the nearest share). All PSUs vest simultaneously on the third anniversary of the grant date. Each PSU that vests on that anniversary will be converted into shares of Company common stock at a ratio between 50% to 200% based on the Company's performance against pre-determined performance metrics that the Committee established at the time of the grant. In 2022, the performance metric is exclusively Adjusted EBITDA during 2024.

Unvested PSUs are generally forfeited if the participant leaves the company. The specific terms are outlined in the participant's PSU Award Agreement.

PSU Award Calculation Example:

Example: PSU Award Calculation

Base Salary	\$100,000	
LTI Target Award Opportunity	10%	
LTI Target Award Amount	\$10,000	
PSU Mix		50%
PSU LTI Target Award Amount	\$5,000	*50% of \$10,000
Grant Date Closing Stock Price	\$10	
PSUs Granted	500 units	*\$5,000 / \$10
Achieved Performance Result		at Threshold - 50% payout
Adjusted EBITDA in 2024		100% weight
Total Shares Received Upon PSU Vesting	250	*100% X 500 units X 50% payout
Stock Price at Vesting	\$20	
PSU LTI Award at Vesting	\$5,000	*250 units * \$20

New Hires/Rehires: Employees who are hired or rehired after the date of the regular Committee meeting occurring in closest proximity to the filing of the Company's Annual Report on Form 10-K may not participate in the 2022 LTIP program without the approval of the Chief Human Resources Officer or Chief Executive Officer and the Committee. Otherwise, eligible new hires/rehires will participate the following year.

Job Transfers: Employees who transfer into an LTIP eligible role after the Committee meeting referred to above may not participate in the 2022 LTIP program without the approval of the Chief Human Resources Officer or Chief Executive Officer and the Committee. Otherwise, eligible transfers will participate the following fiscal year.

Employees who transfer out of LTIP eligible roles after they receive an LTIP award will retain the LTIP grants that they have already received, subject to the provisions outlined in their RSU Award Agreement and/or PSU Award Agreement concerning continued active employment, as applicable. They will be ineligible to receive additional LTIP grants moving forward unless they transfer back into an LTIP eligible role.

Leaves of Absence (LOA): Employees on a leave of absence at the time an LTIP award is made are not eligible for an LTIP award.

Death or Retirement: The applicable Agreement contains provisions relating to what happens to awards if the participant dies or retires, and participants are strongly encouraged to review their Agreements and consult their legal and financial advisors.

IV. TAX LIABILITY & WITHHOLDING REQUIREMENTS

Although the Company will typically withhold applicable taxes from employees' RSUs and PSUs that vest from time to time, each participant is responsible for the payment of income and other taxes and similar obligations that are associated with the vesting of his or her RSUs and PSUs.

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. King, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pactiv Evergreen Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2022

By: _____
/s/ Michael J. King
Michael J. King
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jonathan H. Baksht, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pactiv Evergreen Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2022

By: _____
/s/ Jonathan H. Baksht
Jonathan H. Baksht
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Pactiv Evergreen Inc (the "Company") on Form 10-Q for the period ending June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 4, 2022

By: _____
/s/ Jonathan H. Baksht
Jonathan H. Baksht
Chief Financial Officer
