# 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 March 31, 2023**

☐ **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** | **98-1538656** |
|---|---|
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(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 178,277,047 shares of common stock, $0.001 par value per share, outstanding as of May 2, 2023.

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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, 2022. 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;
- 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 global macroeconomic environment, including higher rates of inflation;
- the restructuring of the operations of our Beverage Merchandising segment;
- the impact of natural disasters, public health crises and catastrophic events outside of our control;
- our ability to successfully complete acquisitions, divestitures, investments and other similar transactions that we pursue from time to time;
- our ability to realize the benefits of our capital investment, acquisitions, restructuring and other cost savings programs;
- our safety performance;
- 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; and
- 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 beneficially owned by Mr. Graeme Hart.

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 (Loss) Income**
**(In millions, except per share amounts)**
**(Unaudited)**

| | For the Three Months Ended March 31, | |
|---|---|---|
| | **2023** | **2022** |
| Net revenues | $ 1,431 | $ 1,495 |
| Cost of sales | (1,316) | (1,263) |
| **Gross profit** | **115** | **232** |
| Selling, general and administrative expenses | (130) | (142) |
| Restructuring, asset impairment and other related charges | (73) | — |
| Other income, net | — | 28 |
| **Operating (loss) income** | **(88)** | **118** |
| Non-operating (expense) income, net | (1) | 10 |
| Interest expense, net | (63) | (49) |
| **(Loss) income before tax** | **(152)** | **79** |
| Income tax benefit (expense) | 19 | (36) |
| **Net (loss) income** | **(133)** | **43** |
| Income attributable to non-controlling interests | (1) | — |
| **Net (loss) income attributable to Pactiv Evergreen Inc. common shareholders** | **$ (134)** | **$ 43** |
| **(Loss) earnings per share attributable to Pactiv Evergreen Inc. common shareholders** | | |
| Basic | $ (0.76) | $ 0.24 |
| Diluted | $ (0.76) | $ 0.24 |

See accompanying notes to the condensed consolidated financial statements.

**Pactiv Evergreen Inc.**

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

| | For the Three Months Ended March 31, | |
|---|---|---|
| | **2023** | **2022** |
| Net (loss) income | $ (133) | $ 43 |
| Other comprehensive income (loss), net of income taxes: | | |
| Currency translation adjustments | 14 | 4 |
| Defined benefit plans | (1) | (103) |
| Interest rate derivatives | (6) | — |
| Other comprehensive income (loss) | 7 | (99) |
| **Comprehensive loss** | **(126)** | **(56)** |
| Comprehensive income attributable to non-controlling interests | (1) | — |
| **Comprehensive loss attributable to Pactiv Evergreen Inc. common shareholders** | **$ (127)** | **$ (56)** |

See accompanying notes to the condensed consolidated financial statements.

**Pactiv Evergreen Inc.**

**Condensed Consolidated Balance Sheets**
**(In millions, except share amounts)**
**(Unaudited)**

| | As of March 31, 2023 | As of December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 427 | $ 531 |
| Accounts receivable, net of allowances of $3 and $3 | 484 | 448 |
| Related party receivables | 66 | 46 |
| Inventories | 983 | 1,062 |
| Other current assets | 109 | 126 |
| Assets held for sale | — | 6 |
| **Total current assets** | **2,069** | **2,219** |
| Property, plant and equipment, net | 1,675 | 1,773 |
| Operating lease right-of-use assets, net | 255 | 262 |
| Goodwill | 1,815 | 1,815 |
| Intangible assets, net | 1,049 | 1,064 |
| Other noncurrent assets | 172 | 173 |
| **Total assets** | **$ 7,035** | **$ 7,306** |
| **Liabilities** | | |
| Accounts payable | $ 379 | $ 388 |
| Related party payables | 17 | 6 |
| Current portion of long-term debt | 18 | 31 |
| Current portion of operating lease liabilities | 64 | 65 |
| Income taxes payable | 8 | 6 |
| Accrued and other current liabilities | 430 | 415 |
| Liabilities held for sale | — | 3 |
| **Total current liabilities** | **916** | **914** |
| Long-term debt | 4,004 | 4,105 |
| Long-term operating lease liabilities | 205 | 209 |
| Deferred income taxes | 278 | 319 |
| Long-term employee benefit obligations | 59 | 60 |
| Other noncurrent liabilities | 163 | 146 |
| **Total liabilities** | **$ 5,625** | **$ 5,753** |
| Commitments and contingencies (Note 12) | | |
| **Equity** | | |
| Common stock, $0.001 par value; 2,000,000,000 shares authorized; 178,276,952 and 177,926,081 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively | $ — | $ — |
| Preferred stock, $0.001 par value; 200,000,000 shares authorized; no shares issued or outstanding | — | — |
| Additional paid in capital | 650 | 647 |
| Accumulated other comprehensive loss | (95) | (102) |
| Retained earnings | 851 | 1,003 |
| **Total equity attributable to Pactiv Evergreen Inc. common shareholders** | **1,406** | **1,548** |
| Non-controlling interests | 4 | 5 |
| **Total equity** | **1,410** | **1,553** |
| **Total liabilities and equity** | **$ 7,035** | **$ 7,306** |

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 March 31, 2022** | | | | | | | |
| Balance as of December 31, 2021 | 177.3 | $ — | $ 625 | $ (99) | $ 758 | $ 4 | $ 1,288 |
| Net income | — | — | — | — | 43 | — | 43 |
| Other comprehensive loss, net of income taxes | — | — | — | (99) | — | — | (99) |
| Equity based compensation | — | — | 4 | — | — | — | 4 |
| Vesting of restricted stock units, net of tax withholdings | 0.4 | — | (1) | — | — | — | (1) |
| Dividends declared - common shareholders ($0.10 per share) | — | — | — | — | (18) | — | (18) |
| **Balance as of March 31, 2022** | **177.7** | **$ —** | **$ 628** | **$ (198)** | **$ 783** | **$ 4** | **$ 1,217** |
| | | | | | | | |
| **For the Three Months Ended March 31, 2023** | | | | | | | |
| Balance as of December 31, 2022 | 177.9 | $ — | $ 647 | $ (102) | $ 1,003 | $ 5 | $ 1,553 |
| Net (loss) income | — | — | — | — | (134) | 1 | (133) |
| Other comprehensive income, net of income taxes | — | — | — | 7 | — | — | 7 |
| Equity based compensation | — | — | 5 | — | — | — | 5 |
| Vesting of restricted stock units, net of tax withholdings | 0.4 | — | (2) | — | — | — | (2) |
| Dividends declared - common shareholders ($0.10 per share) | — | — | — | — | (18) | — | (18) |
| Dividends declared - non-controlling shareholders | — | — | — | — | — | (1) | (1) |
| Disposal of subsidiary | — | — | — | — | — | (1) | (1) |
| **Balance as of March 31, 2023** | **178.3** | **$ —** | **$ 650** | **$ (95)** | **$ 851** | **$ 4** | **$ 1,410** |

See accompanying notes to the condensed consolidated financial statements.

**Pactiv Evergreen Inc.**

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

| | For the Three Months Ended March 31, | |
|---|---|---|
| | **2023** | **2022** |
| **Operating Activities:** | | |
| Net (loss) income | $ (133) | $ 43 |
| Adjustments to reconcile net (loss) income to operating cash flows: | | |
| Depreciation and amortization | 174 | 84 |
| Deferred income taxes | (39) | 18 |
| Unrealized losses (gains) on derivatives | 2 | (5) |
| Restructuring related non-cash charges (net of reversals) | 32 | — |
| Gain on sale of businesses and noncurrent assets | — | (27) |
| Non-cash portion of employee benefit obligations | 1 | (10) |
| Non-cash portion of operating lease expense | 21 | 19 |
| Other non-cash items, net | 6 | 7 |
| Change in assets and liabilities: | | |
| Accounts receivable, net | (53) | (11) |
| Inventories | 61 | (115) |
| Accounts payable | 11 | 66 |
| Operating lease payments | (21) | (19) |
| Accrued and other current liabilities | 10 | 59 |
| Other assets and liabilities | 16 | 11 |
| **Net cash provided by operating activities** | **88** | **120** |
| **Investing Activities:** | | |
| Acquisition of property, plant and equipment | (63) | (50) |
| Disposal of businesses and joint venture equity interests, net of cash disposed | 1 | 47 |
| Other investing activities | 2 | (2) |
| **Net cash used in investing activities** | **(60)** | **(5)** |
| **Financing Activities:** | | |
| Long-term debt repayments | (112) | (6) |
| Dividends paid to common shareholders | (18) | (18) |
| Other financing activities | (5) | (3) |
| **Net cash used in financing activities** | **(135)** | **(27)** |
| Effect of exchange rate changes on cash and cash equivalents | 1 | — |
| (Decrease) increase in cash and cash equivalents | (106) | 88 |
| Cash and cash equivalents, including amounts classified as held for sale, as of beginning of the period | 533 | 214 |
| **Cash and cash equivalents as of end of the period** | **$ 427** | **$ 302** |
| Cash and cash equivalents are comprised of: | | |
| Cash and cash equivalents | $ 427 | $ 283 |
| Cash and cash equivalents classified as assets held for sale | — | 19 |
| **Cash and cash equivalents as of end of the period** | **$ 427** | **$ 302** |
| Cash paid: | | |
| Interest | $ 44 | $ 22 |
| Income taxes paid, net | 7 | 19 |

*Significant non-cash investing and financing activities*

During the three months ended March 31, 2023 and 2022, we recognized operating lease right-of-use assets and lease liabilities of $11 million and $10 million, respectively.

See accompanying notes to the condensed consolidated financial statements.

## 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 statement 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, 2022 filed with the SEC on March 7, 2023. Operating results for interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. 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, balance sheet and cash flows. 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.

***Recent Accounting Pronouncements***

We reviewed all 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. Dispositions

*Beverage Merchandising Asia*

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 ("Beverage Merchandising Asia") included in the Beverage Merchandising segment. The transaction closed on August 2, 2022, and we received proceeds of $336 million. The operations of Beverage Merchandising Asia did not meet the criteria to be presented as discontinued operations. Income from operations before income taxes for Beverage Merchandising Asia for the three months ended March 31, 2022 was $5 million.

*Closures Businesses*

During 2022, we committed to a plan to sell our remaining closures businesses included in the Other operating segment. We completed the sale of a substantial portion of these businesses on October 31, 2022, and the remaining operations in the first quarter of 2023, all for an immaterial amount. We recognized a partial reversal of the initial impairment charge of $1 million during the three months ended March 31, 2023 which was reflected in restructuring, asset impairment and other related charges. The operations of the remaining closures businesses did not meet the criteria to be presented as discontinued operations. The remaining closures businesses' income from operations before income taxes for the three months ended March 31, 2023 and 2022 was immaterial.

*Naturepak Beverage*

On March 29, 2022, we completed the sale of our equity interests in Naturepak Beverage Packaging Co. Ltd. ("Naturepak Beverage"), our 50% joint venture with Naturepak Limited, to affiliates of Elopak ASA. We received proceeds of $47 million and recognized a gain on the sale of our equity interests of $27 million during the three months ended March 31, 2022 which was reflected in other income, net. Our interests in Naturepak Beverage 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 for the three months ended March 31, 2022 was immaterial.

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

## Note 3. Restructuring, Asset Impairment and Other Related Charges

On March 6, 2023, we announced the Beverage Merchandising Restructuring, a plan approved by our Board of Directors to take significant restructuring actions related to our Beverage Merchandising operations. We currently expect the Beverage Merchandising Restructuring to include, among other things:

- Closure of our Canton, North Carolina mill during the second quarter of 2023;
- Closure of our Olmsted Falls, Ohio converting facility and concurrent reallocation of production to our remaining converting facilities during the second quarter of 2023; and
- Reorganizing our operating and reporting structure to achieve increased efficiencies and related cost savings.

We currently estimate that the Beverage Merchandising Restructuring will result in a workforce reduction of approximately 1,300 employees. We also continue to explore strategic alternatives for our Pine Bluff, Arkansas mill and our Waynesville, North Carolina facility. We have not set a timetable in relation to this process.

As a result of the Beverage Merchandising Restructuring, we incurred charges during the three months ended March 31, 2023, and we estimate we will incur further charges in future periods, as follows:

| | For the Three Months Ended March 31, 2023 | Total Expected Charges[1] |
|---|---|---|
| Non-cash: | | |
| Accelerated property, plant and equipment depreciation | $ 90 | $ 280 - 285 |
| Other non-cash charges[2] | 33 | 40 - 45 |
| **Total non-cash charges** | **123** | **320 - 330** |
| Cash: | | |
| Severance, termination and related costs | 32 | 45 |
| Exit, disposal and other transition costs[3] | 32 | 85 - 115 |
| **Total cash charges** | **64** | **130 - 160** |
| **Total Beverage Merchandising Restructuring charges** | **$ 187** | **$ 450 - 490** |

(1) We expect to incur these charges primarily during 2023. These estimates are provisional and include significant management judgments and assumptions that could change materially as we execute our plans. Actual results may differ from these estimates, and the execution of our plan could result in additional restructuring charges or impairments not reflected above.

(2) Other non-cash charges includes the write-down of certain spare parts classified as inventories on our condensed consolidated balance sheet, the write-off of certain construction in-progress balances and accelerated amortization expense for certain operating lease right-of-use assets.

(3) Exit, disposal and other transition costs are primarily related to equipment dismantlement, transition labor associated with the facility closures and management restructuring, site remediation costs, contract termination costs and other related costs.

In addition, we completed the sale of our remaining closures businesses in the first quarter of 2023 and recognized a partial reversal of the initial impairment charge of $1 million in restructuring, asset impairment and other related charges. Refer to Note 2, *Dispositions*, for additional details.

The Beverage Merchandising Restructuring charges and other restructuring and asset impairment charges (net of reversals) were classified on our condensed consolidated statement of (loss) income as follows by segment:

| | Beverage Merchandising | Other | Total |
|---|---|---|---|
| **For the Three Months Ended March 31, 2023** | | | |
| Cost of sales | $ 112 | $ — | **$ 112** |
| Selling, general and administrative expenses | 1 | — | **1** |
| Restructuring, asset impairment and other related charges | 69 | 4 | **73** |
| **Total** | **$ 182** | **$ 4** | **$ 186** |

There were no restructuring, asset impairment and other related charges during the three months ended March 31, 2022.

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

The following table summarizes the changes to our restructuring liability related to the Beverage Merchandising Restructuring during the three months ended March 31, 2023:

| | December 31, 2022 | Charges to Earnings | Cash Paid | March 31, 2023 |
|---|---|---|---|---|
| Severance, termination and related costs | $ — | $ 32 | $ — | **$ 32** |
| Exit, disposal and other transition costs | — | 32 | (1) | **31** |
| **Total**[1] | **$ —** | **$ 64** | **$ (1)** | **$ 63** |

(1) Included $55 million classified within accrued and other current liabilities and $8 million classified within other non-current liabilities as of March 31, 2023.

## Note 4. Inventories

The components of inventories consisted of the following:

| | As of March 31, 2023 | As of December 31, 2022 |
|---|---|---|
| Raw materials | $ 238 | $ 260 |
| Work in progress | 104 | 101 |
| Finished goods | 555 | 596 |
| Spare parts | 86 | 105 |
| **Inventories** | **$ 983** | **$ 1,062** |

## Note 5. Property, Plant and Equipment, Net

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

| | As of March 31, 2023 | As of December 31, 2022 |
|---|---|---|
| Land and land improvements | $ 72 | $ 72 |
| Buildings and building improvements | 672 | 661 |
| Machinery and equipment | 3,543 | 3,485 |
| Construction in progress | 171 | 189 |
| Property, plant and equipment, at cost | 4,458 | 4,407 |
| Less: accumulated depreciation | (2,783) | (2,634) |
| **Property, plant and equipment, net** | **$ 1,675** | **$ 1,773** |

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

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Cost of sales | $ 152 | $ 63 |
| Selling, general and administrative expenses | 7 | 6 |
| **Total depreciation expense**[1] | **$ 159** | **$ 69** |

(1) For the three months ended March 31, 2023, total depreciation expense included $90 million of accelerated depreciation expense related to the Beverage Merchandising Restructuring, substantially all of which was included in cost of sales. Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, for additional details.

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

## Note 6. Goodwill and Intangible Assets

Goodwill by reportable segment was as follows:

| | Foodservice | Food Merchandising | Beverage Merchandising | Total |
|---|---|---|---|---|
| As of December 31, 2022 | $ 993 | $ 770 | $ 52 | $ 1,815 |
| Movements | — | — | — | — |
| **As of March 31, 2023** | **$ 993** | **$ 770** | **$ 52** | **$ 1,815** |

Intangible assets, net consisted of the following:

| | As of March 31, 2023 | | | As of December 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net | Gross Carrying Amount | Accumulated Amortization | Net |
| **Finite-lived intangible assets** | | | | | | |
| Customer relationships | $ 1,060 | $ (653) | $ 407 | $ 1,060 | $ (639) | $ 421 |
| Trademarks | 42 | (13) | 29 | 42 | (12) | 30 |
| Other | 7 | (7) | — | 7 | (7) | — |
| **Total finite-lived intangible assets** | **$ 1,109** | **$ (673)** | **$ 436** | **$ 1,109** | **$ (658)** | **$ 451** |
| **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** | **$ 1,722** | **$ (673)** | **$ 1,049** | **$ 1,722** | **$ (658)** | **$ 1,064** |

Amortization expense for intangible assets of $15 million for each of the three months ended March 31, 2023 and 2022 was recognized in selling, general and administrative expenses.

## Note 7. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

| | As of March 31, 2023 | As of December 31, 2022 |
|---|---|---|
| Rebates and credits | $ 112 | $ 108 |
| Personnel costs | 81 | 160 |
| Restructuring costs[(1)] | 55 | — |
| Interest | 40 | 17 |
| Other[(2)] | 142 | 130 |
| **Accrued and other current liabilities** | **$ 430** | **$ 415** |

(1) Restructuring costs relate to the Beverage Merchandising Restructuring. Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, for additional details.

(2) Other included items such as freight, utilities and property and other non-income related taxes.

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

## Note 8. Debt

Debt consisted of the following:

| | As of March 31, 2023 | As of December 31, 2022 |
|---|---|---|
| Credit Agreement | $ 2,115 | $ 2,227 |
| 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 | 217 | 217 |
| 8.375% Debentures due 2027 | 167 | 167 |
| Other | 46 | 49 |
| **Total principal amount of borrowings** | **4,045** | **4,160** |
| Deferred debt issuance costs ("DIC") | (14) | (14) |
| Original issue discounts, net of premiums ("OID") | (9) | (10) |
| | **4,022** | **4,136** |
| Less: current portion | (18) | (31) |
| **Long-term debt** | **$ 4,004** | **$ 4,105** |

We were in compliance with all debt covenants during the three months ended March 31, 2023 and the year ended December 31, 2022.

***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 March 31, 2023 | Applicable Interest Rate as of March 31, 2023[1] |
|---|---|---|---|
| Term Tranches | | | |
| U.S. term loans Tranche B-2 | February 5, 2026 | $ 1,115 | LIBOR (floor of 0.000%) + 3.250% |
| U.S. term loans Tranche B-3 | September 24, 2028 | $ 1,000 | LIBOR (floor of 0.500%) + 3.250% |
| Revolving Tranche[2] | | | |
| U.S. Revolving Loans | August 5, 2024 | $ 50 | — |

(1) On April 17, 2023, we amended the Credit Agreement, replacing the LIBOR-based reference rate with a Secured Overnight Financing Rate ("SOFR") based reference rate, effective for interest payments for the period commencing April 28, 2023.

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

During January and February of 2023, we repaid and repurchased an aggregate of $110 million of our U.S. term loans Tranche B-2. The repayment was first applied to the remaining U.S term loans Tranche B-2 quarterly amortization payments, thereby eliminating all remaining quarterly amortization payments for the U.S term loans Tranche B-2, with the residual balance applied to the outstanding principal balance due at maturity.

The weighted average contractual interest rates related to our U.S. term loans Tranche B-2 and B-3 for the three months ended March 31, 2023 and 2022 were 7.77%, 7.78%, 3.39% and 4.00%, respectively. Including the impact of interest rate swap agreements, which were entered into in November and December 2022, the weighted average rate on our U.S. term loans was 7.59% for the three months ended March 31, 2023. The effective interest rates of our debt obligations under the Credit Agreement are not materially different from the contractual interest rates. Refer to Note 9, *Financial Instruments*, for additional details regarding the interest rate swap agreements.

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

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 our U.S. term loans Tranche B-3. 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 2022 or are due in 2023 for the year ended December 31, 2022.

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

***Notes***

As of March 31, 2023, our outstanding Notes were as follows:

| | 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 |

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 (as defined below) 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% Senior Secured Notes due 2028 (together with the 4.000% Notes, the “Notes”) contain customary covenants which restrict us from certain activities including, among others, 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.

***Pactiv Debentures***

As of March 31, 2023, our outstanding debentures (together, the “Pactiv Debentures”) were as follows:

| | Maturity Date | Interest Payment Dates |
|---|---|---|
| 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.

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

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 $46 million and $49 million as of March 31, 2023 and December 31, 2022, respectively.

***Scheduled maturities***

Below is a schedule of required future repayments on our debt outstanding as of March 31, 2023:

| | |
|---|---|
| 2023 | $ 14 |
| 2024 | 17 |
| 2025 | 233 |
| 2026 | 1,131 |
| 2027 | 1,182 |
| Thereafter | 1,468 |
| **Total principal amount of borrowings** | **$ 4,045** |

***Fair value of our long-term debt***

The fair value of our long-term debt as of March 31, 2023 and December 31, 2022 is a Level 2 fair value measurement. Below is a schedule of carrying values and fair values of our debt outstanding:

| | As of March 31, 2023 | | As of December 31, 2022 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Credit Agreement | $ 2,106 | $ 2,099 | $ 2,217 | $ 2,206 |
| Notes: | | | | |
| 4.000% Senior Secured Notes due 2027 | 993 | 899 | 993 | 890 |
| 4.375% Senior Secured Notes due 2028 | 496 | 438 | 496 | 447 |
| Pactiv Debentures: | | | | |
| 7.950% Debentures due 2025 | 215 | 219 | 215 | 210 |
| 8.375% Debentures due 2027 | 166 | 165 | 166 | 162 |
| Other | 46 | 46 | 49 | 49 |
| **Total** | **$ 4,022** | **$ 3,866** | **$ 4,136** | **$ 3,964** |

***Interest expense, net***

Interest expense, net consisted of the following:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Interest expense: | | |
| Credit Agreement | $ 43 | $ 21 |
| Notes | 15 | 15 |
| Pactiv Debentures | 8 | 10 |
| Interest income | (4) | — |
| Amortization of DIC and OID | 1 | 1 |
| Derivative gains | (1) | — |
| Net foreign currency exchange losses | — | 1 |
| Other | 1 | 1 |
| **Interest expense, net** | **$ 63** | **$ 49** |

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

## Note 9. Financial Instruments

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

| | As of March 31, 2023 | | As of December 31, 2022 | |
|---|---|---|---|---|
| | Asset Derivatives | Liability Derivatives | Asset Derivatives | Liability Derivatives |
| Commodity swap contracts | $ — | $ (7) | $ — | $ (5) |
| Interest rate derivatives | 5 | (14) | 8 | (9) |
| **Total fair value** | **$ 5** | **$ (21)** | **$ 8** | **$ (14)** |
| Classification: | | | | |
| Other current assets | $ 5 | $ — | $ 7 | $ — |
| Other noncurrent assets | — | — | 1 | — |
| Accrued and other current liabilities | — | (4) | — | (3) |
| Other noncurrent liabilities | — | (17) | — | (11) |
| **Total fair value** | **$ 5** | **$ (21)** | **$ 8** | **$ (14)** |

Our derivatives are comprised of commodity and interest rate 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 and interest rates. 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 fourth quarter of 2022, we entered into derivative financial instruments with several large financial institutions which swapped the LIBO rate for a weighted average fixed rate of 4.120% for an aggregate notional amount of $1,000 million to hedge a portion of the interest rate exposure resulting from our U.S. term loans. These instruments are classified as cash flow hedges and mature in October 2025. In April 2023, we amended our interest rate swap agreements to replace the interest rate benchmark from LIBOR to SOFR, effective for swap payments for the period commencing April 28, 2023. The weighted average fixed rate of 4.120% was unchanged as a result of these amendments.

During the three months ended March 31, 2023 and 2022, we recognized an unrealized loss of $2 million and an unrealized gain of $5 million, respectively, in cost of sales, for our commodity swap contracts.

During the three months ended March 31, 2023, we recognized a realized gain of $1 million within interest expense, net and an unrealized loss of $7 million within other comprehensive income (loss) for our interest rate derivatives. At March 31, 2023, we expected to reclassify $4 million of gains, net of tax, from AOCL to earnings over the next twelve months. The actual amount that will be reclassified to future earnings may vary from this amount as a result of changes in market conditions.

The following table provides the detail of outstanding commodity derivative contracts as of March 31, 2023:

| Type | Unit of Measure | Contracted Volume | Contracted Price Range | Contracted Date of Maturity |
|---|---|---|---|---|
| Natural gas swaps | Million BTU | 4,959,254 | $3.94 - $5.37 | May 2023 - Dec 2025 |

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

## Note 10. Employee Benefits

Net periodic benefit (expense) income for our defined benefit pension plans and other post-employment benefit plans, which was recognized in non-operating (expense) income, net, consisted of the following:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Interest cost | $ (13) | $ (21) |
| Expected return on plan assets | 11 | 21 |
| Amortization of actuarial gains | 1 | — |
| Ongoing net periodic benefit cost | (1) | — |
| Income due to settlements[(1)] | — | 10 |
| **Total net periodic benefit (expense) income** | **$ (1)** | **$ 10** |

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

Contributions to the Pension Plan for Pactiv Evergreen ("PPPE") during the year ending December 31, 2023 are expected to be less than $1 million.

***Pension Partial Settlement Transaction***

On February 24, 2022 using PPPE assets, we purchased a non-participating group annuity contract from an insurance company and transferred $1,257 million of the PPPE's projected benefit obligations. The insurance company has assumed responsibility for pension benefits and annuity administration. The transaction resulted in the recognition of a $10 million non-cash settlement gain in the three months ended March 31, 2022.

## Note 11. Other Income, Net

Other income, net consisted of the following:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Gain on sale of businesses and noncurrent assets | $ — | $ 27 |
| Other | — | 1 |
| **Other income, net** | **$ —** | **$ 28** |

## 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 are also involved in various administrative and other proceedings relating to environmental matters that arise in the normal course of business, and we may become involved in similar matters in the future. 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.

***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

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

terms and conditions affecting the duration and total amount of the indemnities. Any claims pursuant to these warranties and indemnities, if successful, could have a material effect on our balance sheet, results of operations or cash flows.

## 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 March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Currency translation adjustments:** | | |
| Balance as of beginning of period | $ (189) | $ (207) |
| Currency translation adjustments | 14 | 4 |
| Other comprehensive income | 14 | 4 |
| **Balance as of end of period** | **$ (175)** | **$ (203)** |
| **Defined benefit plans:** | | |
| Balance as of beginning of period | $ 88 | $ 108 |
| Net actuarial loss arising during year[(1)] | — | (126) |
| Deferred tax benefit on net actuarial loss | — | 31 |
| Gain reclassified from AOCL: | | |
| Amortization of experience gains | (1) | — |
| Defined benefit plan settlement gain | — | (10) |
| Deferred tax expense on reclassification | — | 2 |
| Other comprehensive loss | (1) | (103) |
| **Balance as of end of period** | **$ 87** | **$ 5** |
| **Interest rate derivatives:** | | |
| Balance as of beginning of period | $ (1) | $ — |
| Net derivative loss | (7) | — |
| Deferred tax benefit on net derivative loss | 2 | — |
| Gain reclassified from AOCL | (1) | — |
| Other comprehensive loss | (6) | — |
| **Balance as of end of period** | **$ (7)** | **$ —** |
| **AOCL** | | |
| Balance as of beginning of period | $ (102) | $ (99) |
| Other comprehensive income (loss) | 7 | (99) |
| **Balance as of end of period** | **$ (95)** | **$ (198)** |

(1) Net actuarial loss arising during the three months ended March 31, 2022 relates to the interim measurement of the PPPE due to the pension partial settlement transaction and 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 months ended March 31, 2023 and 2022 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 March 31, 2023, we recognized a tax benefit of $19 million on loss before tax of $152 million. The effective tax rate was driven primarily by the inability to recognize a tax benefit on all interest expense.

During the three months ended March 31, 2022, we recognized a tax expense of $36 million on income before tax of $79 million. The effective tax rate was driven primarily by a $14 million discrete expense from the sale of our equity interests in Naturepak Beverage.

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

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 March 31, 2023, 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 March 31, 2023, approximately 77% of our shares were owned by PFL.

Transactions with our related parties are detailed below. All of our related parties are commonly controlled by Mr. Graeme Hart, our controlling shareholder, except for our joint ventures.

| | Income (expense) for the Three Months Ended March 31, | | Balance Outstanding as of | |
|---|---|---|---|---|
| | 2023 | 2022 | March 31, 2023 | December 31, 2022 |
| **Joint ventures** | | | | |
| Included in other current assets | | | $ 2 | $ 3 |
| Sale of goods and services[1] | $ 2 | $ 7 | | |
| **Other common controlled entities** | | | | |
| Related party receivables[2] | | | 66 | 46 |
| Sale of goods and services[2] | 106 | 100 | | |
| Transition services agreements and rental income[2] | 1 | 1 | | |
| Related party payables[2] | | | (17) | (6) |
| Purchase of goods[2] | (27) | (27) | | |
| Charges[3] | (3) | (3) | | |

(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 settled on normal trade terms.

(2) We sell and purchase various goods and services with Reynolds Consumer Products Inc. ("RCPI") under contractual arrangements that expire over a variety of periods through December 31, 2027. During the three months ended March 31, 2023, we amended these contractual arrangements with RCPI, which, among other things, extended the expiration date for certain arrangements and included price adjustments for certain goods we sold to and purchased from RCPI in the current and prior periods. The price adjustments resulted in $22 million of incremental net revenues and $9 million of incremental costs of goods sold recognized during the three months ended March 31, 2023.

We also lease a portion of two facilities to RCPI and are party to an information technology services agreement with RCPI. We do not trade with Graham Packaging Company Inc. ("GPCI") on an ongoing basis. We entered into a transition services agreement and a tax matters agreement with GPCI. As of March 31, 2023, there were no amounts outstanding under the tax matters agreement with GPCI.

(3) These charges are for various costs incurred including services provided under a transition services agreement, an insurance sharing agreement and an investment advisory agreement with Rank Group Limited ("Rank"). All amounts are unsecured, non-interest bearing and settled on normal trade terms.

## Note 16. Equity Based Compensation

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. As of March 31, 2023, the maximum number of shares of common stock available for issuance under our Equity Incentive Plan was 797,610 shares.

Equity-based compensation expense of $5 million and $4 million for the three months ended March 31, 2023 and 2022, respectively, was recognized in selling, general and administrative expenses.

***Restricted Stock Units***

During the three months ended March 31, 2023, we granted restricted stock units ("RSUs") to certain members of management. These RSUs require future service to be provided and vest in annual installments over a period ranging from one to three 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 2023:

| *(In thousands, except per share amounts)* | Number of RSUs | Weighted Average Grant Date Fair Value |
|---|---|---|
| Non-vested, at January 1 | 1,983 | $ 11.89 |
| Granted[(1)] | 1,610 | 9.78 |
| Forfeited | (22) | 12.26 |
| Vested | (460) | 13.91 |
| Non-vested, at March 31 | 3,111 | $ 10.50 |

(1) Includes 31 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 March 31, 2023 was $21 million, which is expected to be recognized over a weighted average period of 2.2 years. The total vest date fair value of shares that vested during the three months ended March 31, 2023 was $5 million.

***Performance Share Units***

During the three months ended March 31, 2023, 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 2023:

| *(In thousands, except per share amounts)* | Number of PSUs | Weighted Average Grant Date Fair Value |
|---|---|---|
| Non-vested, at January 1 | 1,155 | $ 9.29 |
| Granted[(1)] | 1,599 | 9.76 |
| Forfeited | (16) | 9.18 |
| Non-vested, at March 31 | 2,738 | $ 9.56 |

(1) Includes 48 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 March 31, 2023 was $24 million, which is expected to be recognized over a weighted average period of 2.2 years.

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

## Note 17. Earnings Per Share

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

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Numerator** | | |
| Net (loss) earnings attributable to common shareholders | $ (134) | $ 43 |
| Less: dividend-equivalents declared for equity based awards | (1) | — |
| Net (loss) earnings available to common shareholders | $ (135) | $ 43 |
| **Denominator** | | |
| Weighted average number of shares outstanding - basic | 178.4 | 177.6 |
| Effect of dilutive securities | — | 0.4 |
| Weighted average number of shares outstanding - diluted | 178.4 | 178.0 |
| **(Loss) earnings per share attributable to Pactiv Evergreen Inc. common shareholders** | | |
| Basic | $ (0.76) | $ 0.24 |
| Diluted | $ (0.76) | $ 0.24 |

The weighted average number of anti-dilutive potential common shares excluded from the calculation above was 0.8 million shares and 0.7 million shares for the three months ended March 31, 2023 and 2022, respectively.

On May 5, 2023, our Board of Directors declared a dividend of $0.10 per share to be paid on June 15, 2023 to shareholders of record as of May 31, 2023.

## Note 18. Segment Information

As of March 31, 2023, we had three reportable segments: Foodservice, Food Merchandising and Beverage Merchandising. These reportable segments reflect our operating structure and the manner in which our Chief Operating 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 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, serviceware 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 comprised the remaining components of our former closures business, which generate revenue from the sale of caps and closures, and are presented as "Other." As of March 31, 2023, we had disposed of all of the remaining components of our

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

former closures business. Unallocated includes corporate costs, primarily relating to general and administrative functions such as finance, tax and legal and the effects of the PPPE.

During the second quarter of 2023, in conjunction with the Beverage Merchandising Restructuring, we implemented a new operating and reporting structure. Therefore, as of the second quarter, we will begin to analyze the results of our business through the following reportable segments: Foodservice; and Food and Beverage Merchandising. As a result of this change, beginning with our Quarterly Report on Form 10-Q for the quarter ending June 30, 2023, we will report our results in these two reportable segments.

***Information by Segment***

We present reportable segment Adjusted EBITDA as this is the financial measure by which management allocates resources and analyzes 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 and gains or losses on certain legal settlements.

| | Foodservice | Food Merchandising | Beverage Merchandising | Reportable Segment Total |
|---|---|---|---|---|
| **For the Three Months Ended March 31, 2023** | | | | |
| Net revenues | $ 654 | $ 440 | $ 335 | **$ 1,429** |
| Intersegment revenues | — | — | 35 | **35** |
| Total reportable segment net revenues | $ 654 | $ 440 | $ 370 | **$ 1,464** |
| Adjusted EBITDA | $ 113 | $ 93 | $ 1 | **$ 207** |
| | | | | |
| **For the Three Months Ended March 31, 2022** | | | | |
| Net revenues | $ 697 | $ 404 | $ 372 | **$ 1,473** |
| Intersegment revenues | — | — | 31 | **31** |
| Total reportable segment net revenues | $ 697 | $ 404 | $ 403 | **$ 1,504** |
| Adjusted EBITDA | $ 116 | $ 60 | $ 24 | **$ 200** |

Reportable segment assets consisted of the following:

| | Foodservice | Food Merchandising | Beverage Merchandising | Reportable Segment Total |
|---|---|---|---|---|
| As of March 31, 2023 | $ 1,381 | $ 811 | $ 935 | **$ 3,127** |
| As of December 31, 2022 | 1,411 | 804 | 1,054 | **3,269** |

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

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

| | For the Three Months Ended March 31, | |
|---|---|---|
| | **2023** | **2022** |
| Reportable segment Adjusted EBITDA | $ 207 | $ 200 |
| Unallocated | (18) | (18) |
| | 189 | 182 |
| *Adjustments to reconcile to (loss) income before income taxes* | | |
| Interest expense, net | (63) | (49) |
| Depreciation and amortization (excluding restructuring-related charges) | (84) | (84) |
| Beverage Merchandising Restructuring charges | (187) | — |
| Other restructuring and asset impairment charges (reversals) | 1 | — |
| Gain on sale of businesses and noncurrent assets | — | 27 |
| Non-cash pension (expense) income | (1) | 10 |
| Operational process engineering-related consultancy costs | — | (3) |
| Business integration costs | — | (4) |
| Unrealized (losses) gains on commodity derivatives | (2) | 5 |
| Foreign exchange losses on cash | (4) | (2) |
| Costs associated with legacy facility | — | (3) |
| Other | (1) | — |
| **(Loss) income before tax** | **$ (152)** | **$ 79** |

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

| | **As of March 31, 2023** | **As of December 31, 2022** |
|---|---|---|
| Reportable segment assets[(1)] | $ 3,127 | $ 3,269 |
| Unallocated[(2)] | 3,908 | 4,037 |
| **Total assets** | **$ 7,035** | **$ 7,306** |

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

(2) 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, related party receivables and other noncurrent assets.

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

***Information in Relation to Products***

Net revenues by product line are as follows:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | **2023** | **2022** |
| **Foodservice** | | |
| Containers | $ 268 | $ 308 |
| Drinkware | 264 | 268 |
| Tableware | 75 | 65 |
| Serviceware and other | 47 | 56 |
| **Food Merchandising** | | |
| Meat trays | 106 | 85 |
| Tableware | 103 | 102 |
| Bakery/snack/produce/fruit containers | 88 | 91 |
| Egg cartons | 38 | 28 |
| Prepared food trays | 36 | 41 |
| Other | 69 | 57 |
| **Beverage Merchandising** | | |
| Cartons for fresh beverage products | 195 | 217 |
| Liquid packaging board | 128 | 115 |
| Paper products | 47 | 71 |
| **Reportable segment net revenues** | **1,464** | **1,504** |
| **Other / Unallocated** | | |
| Other | 2 | 22 |
| Intersegment eliminations | (35) | (31) |
| **Net revenues** | **$ 1,431** | **$ 1,495** |

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.

**Our Company**

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 include containers, drinkware (such as hot and cold cups and lids), cartons for fresh refrigerated beverage products, tableware, meat and poultry trays, paper products, liquid packaging board, serviceware, prepared food trays and egg cartons. 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. As of March 31, 2023, we report our business in three reportable segments: Foodservice, Food Merchandising and Beverage Merchandising. Refer to Note 18, *Segment Information*, for additional details.

**Business Environment**

During the first quarter of 2023, we experienced a continued moderation in consumer demand for certain of our products, primarily driven by sustained high levels of inflation and general macroeconomic uncertainty. While we have not seen a material economic contraction to-date, these pressures may continue to impact consumer demand and thus our customers' purchasing decisions and order patterns throughout the remainder of 2023.

Our input costs have largely stabilized and have begun to moderate in certain circumstances as compared to recent periods, and our pricing strategy continues to provide us with flexibility to effectively manage our margins through cost recovery mechanisms and strategic competitive pricing.

We also believe that through the Beverage Merchandising Restructuring, we will continue to solidify our leadership position in large, growing end markets while prioritizing our distinctive core strengths. In this dynamic environment, we remain focused on servicing our customers and improving manufacturing productivity across our business.

Elevated interest rates and the resulting volatility within the capital markets over recent periods have created uncertainty with respect to the economic outlook. If economic conditions were to deteriorate, a further decline in consumer spending may result, which could lead to a meaningful decline in demand for our products in the remainder of 2023 and beyond.

**Recent Developments and Items Impacting Comparability**

***Beverage Merchandising Restructuring***

On March 6, 2023, we announced the Beverage Merchandising Restructuring, a plan approved by our Board of Directors to take significant restructuring actions related to our Beverage Merchandising operations. We expect these actions to increase our production efficiency, streamline our management structure and reduce our ongoing capital expenditures and overhead costs.

We expect that the Beverage Merchandising Restructuring will enable us to maintain our strong position in the liquid packaging market by increasing our overall productivity over time and optimizing our manufacturing footprint. We also expect it to result in our exit from the uncoated freesheet paper market.

As part of these restructuring actions, we implemented a new operating and reporting structure during the second quarter of 2023. Therefore, as of the second quarter, we will begin to analyze the results of our business through the following reportable segments: Foodservice; and Food and Beverage Merchandising. As a result of this change, beginning with our Quarterly Report on Form 10-Q for the quarter ending June 30, 2023, we will report our results in these two reportable segments.

We also continue to explore strategic alternatives for our Pine Bluff, Arkansas mill and our Waynesville, North Carolina facility. We have not set a timetable in relation to this process.

The operations impacted by the Beverage Merchandising Restructuring did not qualify for presentation as discontinued operations.

Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, and Note 18, *Segment Information*, for additional details.

***Dispositions***

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 proceeds of $336 million.

During 2022, we committed to a plan to sell our remaining closures businesses included in the Other operating segment. We completed the sale of a substantial portion of these businesses on October 31, 2022, and the remaining operations in the first quarter of 2023, all for an immaterial amount.

On March 29, 2022, we completed the sale of our equity interests in Naturepak Beverage, our 50% joint venture with Naturepak Limited, to affiliates of Elopak ASA. We received proceeds of $47 million and recognized a gain on the sale of our equity interests of $27 million during the three months ended March 31, 2022.

None of these dispositions qualify for presentation as discontinued operations.

***Pension Partial Settlement Transactions***

On September 20, 2022 and February 24, 2022, using PPPE assets, we purchased non-participating group annuity contracts from insurance companies and transferred a portion of the PPPE's projected benefit obligations. In each instance, the respective insurance companies have assumed responsibility for pension benefits and annuity administration. The following table provides details regarding each transaction:

| | | (In millions) | | | |
|---|---|---|---|---|---|
| Transaction Date | Reporting Period | Assets Transferred | Projected Benefit Obligations Transferred | Settlement Gain Recognized | Number of Participants Impacted |
| September 20, 2022 | Q3 2022 | $ 629 | $ 656 | $ 47 | 10,200 |
| February 24, 2022 | Q1 2022 | 1,260 | 1,257 | 10 | 13,300 |

**Non-GAAP Measures – Adjusted EBITDA**

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

Adjusted EBITDA is defined as net (loss) income 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 and gains or losses on certain legal settlements.

We present Adjusted EBITDA 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 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 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 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 (loss) income and other GAAP results. In addition, in evaluating Adjusted EBITDA, 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, and you should not infer from our presentation of Adjusted EBITDA 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 (loss) income, the most directly comparable GAAP financial measure, to Adjusted EBITDA for each of the periods indicated:

| *(In millions)* | For the Three Months Ended March 31, 2023 | 2022 |
|---|---|---|
| **Net (loss) income (GAAP)** | **$ (133)** | **$ 43** |
| Income tax (benefit) expense | (19) | 36 |
| Interest expense, net | 63 | 49 |
| Depreciation and amortization (excluding restructuring-related charges) | 84 | 84 |
| Beverage Merchandising Restructuring charges[(1)] | 187 | — |
| Other restructuring and asset impairment charges (reversals)[(2)] | (1) | — |
| Gain on sale of businesses and noncurrent assets[(3)] | — | (27) |
| Non-cash pension expense (income)[(4)] | 1 | (10) |
| Operational process engineering-related consultancy costs[(5)] | — | 3 |
| Business integration costs[6)] | — | 4 |
| Unrealized losses (gains) on commodity derivatives | 2 | (5) |
| Foreign exchange losses on cash | 4 | 2 |
| Costs associated with legacy facility[(7)] | — | 3 |
| Other | 1 | — |
| **Adjusted EBITDA (Non-GAAP)** | **$ 189** | **$ 182** |

(1) Reflects charges related to the Beverage Merchandising Restructuring, including $90 million of accelerated depreciation expense. Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, for additional details.

(2) Reflects a partial reversal of the initial impairment charge taken in 2022 associated with our remaining closures businesses. Refer to Note 3, *Restructuring, Asset Impairment and Other Related Charges*, for additional details.

(3) Reflects the gain from the sale of our equity interests in Naturepak Beverage. Refer to Note 2, *Dispositions*, for additional details.

(4) Reflects the non-cash pension expense (income) related to our employee benefit plans, including the pension settlement gain of $10 million recognized during the three months ended March 31, 2022. Refer to Note 10, *Employee Benefits*, for additional details.

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

(6) Reflects integration costs related to Fabri-Kal.

(7) Reflects costs related to a closed facility that was sold prior to our acquisition of the entity.

**Results of Operations**

**Three Months Ended March 31, 2023 and 2022**

***Consolidated Results***

| *(In millions, except for %)* | For the Three Months Ended March 31, 2023 | % of Revenue | 2022 | % of Revenue | Change | % Change |
|---|---|---|---|---|---|---|
| Net revenues | $ 1,431 | 100% | $ 1,495 | 100% | $ (64) | (4)% |
| Cost of sales | (1,316) | (92)% | (1,263) | (84)% | (53) | (4)% |
| **Gross profit** | **115** | **8%** | **232** | **16%** | **(117)** | **(50)%** |
| Selling, general and administrative expenses | (130) | (9)% | (142) | (9)% | 12 | 8% |
| Restructuring, asset impairment and other related charges | (73) | (5)% | — | —% | (73) | NM |
| Other income, net | — | —% | 28 | 2% | (28) | NM |
| **Operating (loss) income** | **(88)** | **(6)%** | **118** | **8%** | **(206)** | **NM** |
| Non-operating (expense) income, net | (1) | —% | 10 | 1% | (11) | NM |
| Interest expense, net | (63) | (4)% | (49) | (3)% | (14) | (29)% |
| **(Loss) income before tax** | **(152)** | **(11)%** | **79** | **5%** | **(231)** | **NM** |
| Income tax benefit (expense) | 19 | 1% | (36) | (2)% | 55 | NM |
| **Net (loss) income** | **$ (133)** | **(9)%** | **$ 43** | **3%** | **$ (176)** | **NM** |
| **Adjusted EBITDA[(1)]** | **$ 189** | **13%** | **$ 182** | **12%** | **$ 7** | **4%** |

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

NM indicates that the calculation is “not meaningful”.

***Components of Change in Reportable Segment Net Revenues***

| | Price/Mix | Volume | Dispositions | FX | Total |
|---|---|---|---|---|---|
| Net revenues | 6% | (6)% | (4)% | —% | (4)% |
| By reportable segment: | | | | | |
| Foodservice | (1)% | (5)% | —% | —% | (6)% |
| Food Merchandising | 15% | (7)% | —% | 1% | 9% |
| Beverage Merchandising | 7% | (6)% | (9)% | —% | (8)% |

*Net Revenues.* Net revenues for the three months ended March 31, 2023 decreased by $64 million, or 4%, to $1,431 million compared to the prior year period. The decrease was primarily due to lower sales volume and the impact from dispositions, primarily the disposition of Beverage Merchandising Asia on August 2, 2022. Lower sales volume was primarily due to a focus on value over volume in the Foodservice and Food Merchandising segments and the market softening amid inflationary pressures in the Beverage Merchandising and Food Merchandising segments. These decreases were partially offset by favorable pricing, due to pricing actions in the Food Merchandising and Beverage Merchandising segments and the contractual pass-through of higher material costs across all segments.

*Cost of Sales.* Cost of sales for the three months ended March 31, 2023 increased by $53 million, or 4%, to $1,316 million compared to the prior year period. The increase was primarily due to $112 million of charges related to the Beverage Merchandising Restructuring as well as higher manufacturing costs across all of our segments. These increases were partially offset by lower sales volume and the impact from dispositions, primarily the disposition of Beverage Merchandising Asia.

*Selling, General and Administrative Expenses*. Selling, general and administrative expenses for the three months ended March 31, 2023 decreased by $12 million, or 8%, to $130 million compared to the prior year period. The decrease was primarily due to lower employee-related costs.

*Restructuring, Asset Impairment and Other Related Charges.* Restructuring, asset impairment and other related charges for the three months ended March 31, 2023 included $74 million of charges related to the Beverage Merchandising Restructuring. 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 March 31, 2022 included a gain of $27 million related to the sale of Naturepak Beverage.

*Non-operating (Expense) Income, Net.* Non-operating (expense) income, net, for the three months ended March 31, 2023 was $1 million of expense compared to $10 million of income for the three months ended March 31, 2022. The change was primarily due to a $10 million pension settlement gain recognized in the prior year period. Refer to Note 10, *Employee Benefits*, for additional details.

*Interest Expense, Net.* Interest expense, net, for the three months ended March 31, 2023 increased by $14 million, or 29%, to $63 million, compared to the prior year period. The increase was primarily due to an increase in the interest rate on our floating rate term loans. Refer to Note 8, *Debt*, for additional details.

*Income Tax Benefit (Expense).* During the three months ended March 31, 2023, we recognized a tax benefit of $19 million on a loss before tax of $152 million, compared to tax expense of $36 million on income before tax of $79 million for the prior year period. The effective tax rate was driven primarily by the inability to recognize a tax benefit on all interest expense. The effective tax rate during the prior year period was primarily attributable to a $14 million discrete expense from the sale of our equity interests in Naturepak Beverage.

*Adjusted EBITDA.* Adjusted EBITDA for the three months ended March 31, 2023 increased by $7 million, or 4%, to $189 million compared to the prior year period. The increase reflects favorable pricing, net of material costs passed through, and lower transportation costs, partially offset by higher manufacturing costs and lower sales volume. Higher costs included $15 million related to a scheduled cold mill outage.

***Segment Information***

**Foodservice**

| *(In millions, except for %)* | For the Three Months Ended March 31, 2023 | 2022 | Change | % Change |
|---|---|---|---|---|
| Total segment net revenues | $ 654 | $ 697 | $ (43) | (6)% |
| Segment Adjusted EBITDA | $ 113 | $ 116 | $ (3) | (3)% |
| Segment Adjusted EBITDA margin | 17% | 17% | | |

*Total Segment Net Revenues.* Foodservice total segment net revenues for the three months ended March 31, 2023 decreased by $43 million, or 6%, to $654 million compared to the prior year period. The decrease was primarily due to lower sales volume due to a continued focus on value over volume.

*Adjusted EBITDA.* Foodservice Adjusted EBITDA for the three months ended March 31, 2023 decreased by $3 million, or 3%, to $113 million compared to the prior year period. The decrease was primarily due to higher manufacturing costs and lower sales volume, mostly offset by lower material costs, net of costs passed through, and lower transportation costs.

**Food Merchandising**

| *(In millions, except for %)* | For the Three Months Ended March 31, 2023 | 2022 | Change | % Change |
|---|---|---|---|---|
| Total segment net revenues | $ 440 | $ 404 | $ 36 | 9% |
| Segment Adjusted EBITDA | $ 93 | $ 60 | $ 33 | 55% |
| Segment Adjusted EBITDA margin | 21% | 15% | | |

*Total Segment Net Revenues.* Food Merchandising total segment net revenues for the three months ended March 31, 2023 increased by $36 million, or 9%, to $440 million compared to the prior year period. The increase was primarily due to favorable pricing, due to pricing actions taken to offset higher input costs including pricing benefit from the extension of key business, and the contractual pass-through of higher material costs, partially offset by lower sales volume, primarily due to a focus on value over volume and the market softening amid inflationary pressures.

*Adjusted EBITDA.* Food Merchandising Adjusted EBITDA for the three months ended March 31, 2023 increased by $33 million, or 55%, to $93 million compared to the prior year period. 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 March 31, 2023 | 2022 | Change | % Change |
|---|---|---|---|---|
| Total segment net revenues | $ 370 | $ 403 | $ (33) | (8)% |
| Segment Adjusted EBITDA | $ 1 | $ 24 | $ (23) | (96)% |
| Segment Adjusted EBITDA margin | —% | 6% | | |

*Total Segment Net Revenues*. Beverage Merchandising total segment net revenues for the three months ended March 31, 2023 decreased by $33 million, or 8%, to $370 million compared to the prior year period. The decrease was primarily due to the impact from the disposition of Beverage Merchandising Asia on August 2, 2022 and lower sales volume primarily due to the market softening amid inflationary pressures. These decreases were partially offset by favorable pricing, due to pricing actions taken to offset higher input costs and the contractual pass-through of higher material costs.

*Adjusted EBITDA.* Beverage Merchandising Adjusted EBITDA for the three months ended March 31, 2023 decreased by $23 million, or 96%, to $1 million compared to the prior year period. The decrease was primarily due to higher manufacturing costs and the impact from the disposition of Beverage Merchandising Asia, partially offset by favorable pricing, net of material costs passed through. Higher costs included $15 million related to a scheduled cold mill outage.

**Liquidity and Capital Resources**

We manage our capital structure in an effort to most effectively execute our strategic priorities and maximize shareholder value. We believe that we have sufficient liquidity to support our ongoing operations and to re-invest in our business to drive future growth. Our projected operating cash flows, cash on-hand and available capacity under our revolving credit facility are our primary sources of liquidity for the next 12 months. We expect our liquidity to fund capital expenditures, payments of interest and principal on our debt, cash-based restructuring charges and distributions to shareholders that require approval by our Board of Directors. Additionally, we may utilize portions of our excess cash to repurchase certain amounts of our long-term debt prior to maturity depending on market conditions, among other factors.

*Cash flows*

Our cash flows for the three months ended March 31, 2023 and 2022 were as follows:

| | For the Three Months Ended March 31, | |
|---|---|---|
| ***(In millions)*** | **2023** | **2022** |
| Net cash provided by operating activities | $ 88 | $ 120 |
| Net cash used in investing activities | (60) | (5) |
| Net cash used in financing activities | (135) | (27) |
| Effect of exchange rate on cash and cash equivalents | 1 | — |
| **Net (decrease) increase in cash and cash equivalents** | **$ (106)** | **$ 88** |

Net cash flows were an outflow of $106 million in the current year period compared to an inflow of $88 million in the prior year period primarily due to $110 million of early debt repayments and repurchases in January and February 2023, proceeds received for the sale of Naturepak Beverage during the prior year period and lower net cash provided by operating activities. Net cash provided by operating activities decreased as compared to the prior year period primarily due to higher incentive compensation payments as well as higher cash interest payments, partially offset by the strategic inventory build during the prior year period that did not recur.

During the three months ended March 31, 2023, our primary source of cash was $88 million of net cash provided by operating activities. The net cash provided by operating activities reflects income from operations, partially offset by $44 million of cash interest payments and $7 million of cash taxes. Our primary uses of cash for the same period were $110 million of early debt repayments and repurchases, $63 million of capital expenditures and $18 million of dividends paid.

During the three months ended March 31, 2022, our primary sources of cash were $120 million of net cash provided by operating activities and $47 million of proceeds from the sale of Naturepak Beverage. The net cash provided by operating activities reflects income from operations, partially offset by $22 million of cash interest payments and $19 million of cash taxes. Our primary uses of cash for the same period were $50 million of capital expenditures and $18 million of dividends paid.

*Dividends*

During each of the three months ended March 31, 2023 and 2022, we paid cash dividends of $18 million. On May 5, 2023, our Board of Directors declared a dividend of $0.10 per share to be paid on June 15, 2023 to shareholders of record as of May 31, 2023.

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.

*Financing and capital resources*

As of March 31, 2023, we had $4,045 million of total principal amount of borrowings. Refer to Note 8, *Debt*, for additional details. Of our total debt, $2,115 million is subject to variable interest rates, representing borrowings drawn under our Credit Agreement. As of March 31, 2023, the underlying one-month LIBO rate for amounts borrowed under our Credit Agreement was 4.84%. During the fourth quarter of 2022, we entered into derivative financial instruments with large institutions that fixed the LIBO rate at a weighted average rate of 4.12% for an aggregate notional amount of $1,000 million to hedge a portion of the interest rate exposure resulting from our U.S. term loans and classified the instruments as cash flow hedges. Our cash flow hedge contracts mature in October 2025.

During January and February of 2023, we repaid and repurchased an aggregate of $110 million of our U.S. term loans Tranche B-2.

In April 2023, we amended the Credit Agreement and our interest rate swap agreements, replacing the LIBOR-based reference rate with a Secured Overnight Financing Rate ("SOFR") based reference rate, effective for interest and swap payments for the period commencing April 28, 2023. The weighted average fixed rate of 4.120% for our interest rate swap agreements was unchanged as a result of these amendments.

Based on the one-month LIBO rate as of March 31, 2023, and including the impact of our interest rate swap agreements, our 2023 annual cash interest obligations on our borrowings are expected to be approximately $260 million.

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 2022 or will be due in 2023 for the year ended December 31, 2022.

*Liquidity and working capital*

Our liquidity position is summarized in the table below:

| ***(In millions, except for current ratio)*** | **As of March 31, 2023** | **As of December 31, 2022** |
|---|---|---|
| Cash and cash equivalents[(1)] | $ 427 | $ 531 |
| Availability under revolving credit facility | 200 | 200 |
| | **$ 627** | **$ 731** |
| Working capital[(2)] | 1,153 | 1,305 |
| Current ratio | 2.3 | 2.4 |

(1) Excludes $2 million of cash classified as held for sale as of December 31, 2022.

(2) Includes $6 million of assets and $3 million of liabilities classified as held for sale as of December 31, 2022.

As of March 31, 2023, we had $427 million of cash and cash equivalents on-hand. We also had $200 million available for drawing under our revolving credit facility, net of $50 million utilized in the form of letters of credit under the facility. Our next debt maturity is $217 million of Pactiv Debentures due in December 2025, excluding amortization payments related to our U.S. term loans tranche B-3 under our Credit Agreement.

We believe that we have sufficient liquidity to support our ongoing operations in the next 12 months and to invest in future growth to create further value for our shareholders. Our primary drivers of decreased liquidity for the three months ended March 31, 2023 were $110 million of debt repayments and repurchases, $63 million of capital expenditures and $18 million of dividends paid. These drivers of decreased liquidity were partially offset by net operating cash flows of $88 million during the three months ended March 31, 2023. We currently anticipate incurring a total of approximately $280 million in capital expenditures and cash restructuring charges in the range of $120 million to $130 million during 2023.

During the three months ended March 31, 2023, our working capital decreased $152 million, or 12%, primarily due to $110 million of early debt repayments and repurchases, capital expenditures and dividend payments, which were partially offset by income from operations. Our working capital position provides us the flexibility for further consideration of strategic initiatives, including reinvestment in our business and deleveraging of our balance sheet. As a result, we may utilize portions of our excess cash to repurchase certain amounts of our long-term debt prior to maturity depending on market conditions, among other factors.

Our ability to borrow under our revolving credit facility 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.

Other than short-term leases executed 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, 2022. 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, 2022.

**Recent Accounting Pronouncements**

New accounting standards that we have recently adopted, as well as accounting standards that have 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 three months ended March 31, 2023. 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, 2022.

**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 March 31, 2023. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2023, our disclosure controls and procedures were effective.

b) Changes in Internal Control over Financial Reporting

During the first quarter of 2023, we transitioned to a new financial reporting consolidation system. Internal controls over the new consolidation system were in place at March 31, 2023.

Other than as described in the preceding paragraph, there were no material changes in our internal control over financial reporting that occurred during the three months ended March 31, 2023 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, 2022.

**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:

| | | | Incorporated by Reference | | |
|---|---|---|---|---|---|
| **Exhibit** | **Exhibit Title** | **Filed Here-With?** | **Form** | **Exhibit No.** | **Date Filed** |
| 3.1 | Amended and Restated Certificate of Incorporation of the Registrant. | | 8-K | 3.1 | Sept. 21, 2020 |
| 3.2 | Amended and Restated Bylaws of the Registrant. | | 8-K | 3.2 | Sept. 21, 2020 |
| 10.1* | Annual Incentive Plan: Summary Plan Description. | X | | | |
| 10.2* | Long-Term Incentive Plan: Summary Plan Description. | X | | | |
| 10.3* | Form of Restricted Stock Unit Award and Agreement under the Pactiv Evergreen Inc. Equity Incentive Plan. | X | | | |
| 10.4* | Form of Restricted Stock Unit Award and Agreement under the Pactiv Evergreen Inc. Equity Incentive Plan. | X | | | |
| 10.5* | Form of Performance Share Unit Award and Agreement under the Pactiv Evergreen Inc. Equity Incentive Plan. | X | | | |
| 10.6* | Transaction Bonus Agreement, dated as of March 28, 2023, between Byron J. Racki and the Registrant. | X | | | |
| 10.7** | Master Supply Agreement, dated as of November 1, 2019, between Reynolds Consumer Products LLC, as Seller, and Pactiv LLC, as Buyer, and Amendment No. 1 and Amendment No. 2 thereto. | X | | | |
| 10.8** | Master Supply Agreement, dated as of November 1, 2019, between Pactiv LLC, as Seller, and Reynolds Consumer Products LLC, as Buyer, and Amendment No. 1 and Amendment No. 2 thereto. | 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.

** Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because they are not material and are of the type that the registrant treats as private or confidential. The registrant agrees to furnish an unredacted copy of this exhibit and the registrant's materiality and privacy or confidentiality analyses on a supplemental basis to the SEC or its staff upon request.

**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)
May 8, 2023

# Annual Incentive Plan

## Summary Plan Description

### I. PURPOSE

Pactiv Evergreen Inc. (the “Company”) has established this 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.

Employees who are eligible to participate in this Plan (“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 (“CHRO”) or the Chief Executive Officer (“CEO”).

Annual financial metrics have been established by senior management and approved by the Compensation Committee of the Board of Directors of the Company (the “Committee”).

### III. PLAN ADMINISTRATION

This document outlines the overall design and administration of the Plan. Each calendar year, Participants are eligible for an award hereunder. Each period from January 1

through December 31 during which Participants are eligible for awards is referred to as a “Plan Year.” Pursuant to its Charter, the 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 or amend any incentive compensation plan at any time with or without notice, and any exceptions to the Plan must be approved by the CHRO. The CEO and the CHRO shall have the authority to administer this Plan, subject to the general superintendence of the Committee pursuant to its Charter and the Committee’s approval of any awards payable hereunder to executive officers of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934.

***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 will be eligible under Plan rules. Participants must be regular, full-time employees, or part-time employees working at least 24 hours per week, and be actively employed through the date of the actual payment to be eligible.

***Participation:*** 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).

***Award Amount:*** A Participant’s award amount is determined by multiplying the Participant’s base salary by a target incentive percentage specified in advance for each Participant, which is generally determined based on the Participant’s role. Please see below for further information on how this calculation is made, how award 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.

***Executive Officer Targets:*** The Committee shall reevaluate the target Plan award amounts for executive officers of the Company within the meaning of the Securities Exchange Act of 1934, as amended, from time to time and in the course of such reevaluation may revise such officers’ target Plan award amounts.

***New Hires/Rehires:*** Employees must be employed on or before the first Monday of October of the Plan Year to be eligible to participate in that year’s Plan. Employees who are hired after the beginning of the fourth quarter may be eligible for participation in the next year’s 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.

***Promotions/Demotions:*** The target award amount of employees who are promoted or demoted into a role with a different target incentive percentage during the Plan Year 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 the Plan Year, the Participant's eligible earnings at the end of the employee's service in that role during the Plan Year will be multiplied by the Participant's target incentive percentage at the end of the Participant's service in that role during the Plan Year 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. She was promoted to a Senior Accountant role effective June 16.*

| **Job** | Accountant | Senior Accountant |
|---|---|---|
| **Dates in Job** | January 1 - June 15 | June 16 - December 31 |
| **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** | |

***Promotions (Hourly to Salary):*** Employees who are promoted from an hourly position to a salaried position that is Plan eligible, will be treated as new hires/rehires. They must be promoted on or before the beginning of the fourth quarter of the Plan Year to be eligible to participate in that year's Plan. Employees who are promoted after the beginning of the fourth quarter of the Plan Year and not eligible to participate in that year's Plan but they may be eligible to participate in the next year's Annual Incentive Plan, if they remain in an eligible salaried position.

***Demotions/Transfers (Salary to Hourly):*** Employees who are demoted or transfer from a salaried position that is Plan eligible to an hourly position will receive a prorated bonus regardless of when they were demoted or transferred to the hourly position during the Plan Year. The employee's prorated bonus will be based on eligible earnings during the time they were AIP participants, taking into account the final results attainment level.

***Transfers (SIP to AIP or vice versa):*** Employees who transfer between roles that are eligible for the different incentive plans during the year may qualify for a prorated bonus based on eligible plan design. Please reference the SIP document for the employee's respective business unit.

***Leaves of Absence:*** If a Participant is on a Leave of Absence ("LOA") during the Plan Year, the Participant will be eligible to receive an award under the Plan. The Participant's eligible earnings will be multiplied by the Participant's target incentive percentage and rounded to the nearest dollar. For purposes of LOAs under this Plan, a Participant's "eligible earnings" are the amount of the Participant's annual base salary that was actually paid during the relevant period, as shown by the Company's payroll records, and the amount of any Short Term Disability ("STD") benefits that were actually paid during the relevant period.

***Retirement:*** A Participant whose employment ends due to a Qualifying Retirement on or after January 1 of the Plan Year but before the date that payments are made under the Plan and who was an active employee for at least 180 consecutive days during the Plan Year, is eligible to receive an amount based on the Participant's eligible earnings. Any amounts received by the Participant during any period in the Plan Year during which the Participant was not an actively serving employee, whether due to such retirement or otherwise, will not be treated as eligible earnings. Any amounts payable under this paragraph will be paid at the same time as all other awards under the Plan.

For purposes of this section, a "Qualifying Retirement" is a retirement of which the Participant notified the Company at least three months before its effective date if, on the effective date of such retirement, such Participant fulfills at least one of the following criteria:

- The Participant is at least age 55 with at least 10 years of service to the Company and/or its affiliates or their predecessors; *or*

- The sum of the number of whole years in the Participant's age plus the number of whole years of service that the Participant has provided to the Company and/or its affiliates or their predecessors equals at least 65, beginning at age 55.

***Death or Total Disability:*** A Participant whose employment ends due to death or total disability on or after January 1 of the Plan Year but before the date that payments are made under the Plan, and who was an active employee for at least 180 consecutive days during the Plan Year, is eligible to receive (either personally or by payment to the Participant's estate) an amount based on the Participant's eligible earnings during the portion of the Plan Year during which the Participant was an active employee. Any amounts received during any period in the Plan Year during which the employee was not actively serving (whether due to such death or total disability) will not be treated as

eligible earnings. Any amounts payable under this paragraph will be paid at the same time as all other awards under the Plan.

***Reduction in Force:*** Participants whose employment ends on or after January 1 of the Plan Year 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 Company's sole discretion.

***Voluntary and Involuntary Terminations:*** If a Participant's employment terminates (voluntarily or involuntarily for any reason other than under those circumstances described in the above paragraphs) at any time before payments are made under the Plan, the Participant 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 Manuel as examples, we would apply the discretionary performance rating multiplier to calculate the incentive payout.*

| **Employee** | Alexis | Manuel |
|---|---|---|
| **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** |

Thus the 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 Participants will need to receive an individual performance multiplier of less than 100% to offset.

***Company Performance:*** All Participants' awards are 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 Participants may increase or decrease based on the Company's performance against Company-wide financial metrics approved by the Committee and applied uniformly across all Participants. The Company performance multiplier can range from 0% to 200%.

For example:

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

| **Employee** | Alexis | Manuel |
|---|---|---|
| **Incentive Payout** | $5,495 | $4,996 |
| **Company Performance Rating Multiplier** | 95% | 95% |
| **Final Incentive Payout** | **$5,220** | **$4,746** |

## 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 all necessary processes to administer the payments, but shall occur no later than March 15 of the year after the Plan Year. Payroll taxes will be withheld from the payout amounts as required by law. The Company cannot provide employees with tax advice and therefore employees should consult a tax advisor for all questions relating to taxation of their compensation.

## V. GENERAL PROVISIONS

**Compliance with Legal Requirements:** The Plan and the granting of awards shall be subject to all applicable federal and state laws, rules and regulations.

**Non-transferability:** A person's rights and interests under the Plan, including any award previously made to such person or any amounts payable under the Plan may not be assigned, pledged or transferred.

**No Right to Employment:** Nothing in the Plan or in any notice of award shall confer upon any person the right to continue in the employment of the Company or any affiliate or affect the right of the Company or any Affiliate to terminate the employment of any eligible employee.

**No Right to Award:** Unless otherwise expressly set forth in an employment agreement signed by the Company and the Participant, a Participant shall not have any right to any award under the Plan until such award has been paid to such Participant and participation in the Plan in a Plan Year does not connote any right to become a Participant in the Plan in any future Plan Year.

**Unfunded Status:** All payments to be made under the Plan shall be paid from the general funds of the Company and no special or separate fund is established and no segregation of assets will be made to assure payment of award amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

**Section 409A of the Code** It is intended that payments under the Plan qualify as short-term deferrals exempt from the requirements of Section 409A of the Code. In the event that any Award does not qualify for treatment as an exempt short-term deferral, it is intended that such amount will be paid in a manner that satisfies the requirements of Section 409A of the Code. The Plan shall be interpreted and construed accordingly.

**Section Headings:** The headings of the Plan have been inserted for convenience of reference only and in the event of any conflict, the text of the Plan, rather than such headings, shall control.

**Clawback:** All awards are subject to the Company's clawback policy as in effect from time to time and, in accordance with such policy, may be subject to the requirement that the awards be repaid to the Company after they have been distributed to the Participant.

# Long-Term Incentive Plan

## Summary Plan Description

### I. PURPOSE

Pactiv Evergreen Inc. (the “Company”) has established this 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 applicable Restricted Stock Units (RSU) Award Agreement and/or 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 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 and/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 equally to produce his or her target RSU award amount and target PSU award amount.

***Executive Officer Targets:*** The Committee shall reevaluate the target Plan award amounts for executive officers of the Company within the meaning of the Securities Exchange Act of 1934, as amended, from time to time and in the course of such reevaluation may revise such officers' target Plan award amounts.

***Number of RSUs:*** On the grant date, subject to the Committee's approval, 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 generally (and subject to the details contained in the applicable award agreement) 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 (and subject to the details contained in the appliable award agreement) forfeited if the participant leaves the company.

***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, subject to the Committee's approval, 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 generally (and subject to the details contained in the applicable award agreement) vest simultaneously on the third anniversary of the grant date. Each PSU that vests on that anniversary will then generally be converted into shares of Company common stock at a ratio between 0% to 200% based on the Company's performance against pre-determined performance metrics that the Committee established at the time of the grant.

Unvested PSUs are generally (and subject to the details contained in the applicable award agreement) forfeited if the participant leaves the company.

***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 2025 | 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 that year's 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 2023 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 may contain 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.

**PACTIV EVERGREEN INC.**
**EQUITY INCENTIVE PLAN**

**NOTICE OF RESTRICTED STOCK UNIT AWARD**

[Date]

Pactiv Evergreen Inc., a Delaware corporation (the "**Company**"), has granted the Participant, effective as of the Grant Date (as set forth below), a Restricted Stock Unit Award (the "**Award**") under the Pactiv Evergreen Inc. Equity Incentive Plan (as amended from time to time, the "**Plan**"). The Award is subject to the terms and conditions set forth in this award grant letter (this "**Grant Letter**"), the Restricted Stock Unit award agreement attached hereto as Exhibit A (and all exhibits and appendices thereto) (the "**Award Agreement**" and, together with this Grant Letter, this "**Agreement**") and the Plan.

Unless otherwise defined in this Agreement, capitalized terms shall have the meanings assigned to them in the Plan. In the event of a conflict among the provisions of the Plan, this Agreement and any descriptive materials provided to the Participant, the provisions of the Plan will prevail.

**AWARD TERMS**

| | |
|---|---|
| **Participant:** | [•] |
| **Number Restricted Stock Units:** | [•] |
| **Grant Date:** | [•] (the "**Grant Date**") |
| **Vesting:** | Subject to the terms and conditions of the Award Agreement, the Restricted Stock Units shall vest ratably on [•] (each, a "**Vesting Date**", and each such period, a "**Vesting Period**"); *provided*, that the Participant does not experience a Termination of Service at any time prior to the applicable Vesting Date, except as specifically set forth in the Award Agreement. |

Please review this Agreement and let us know if you have any questions about this Agreement, the Award or the Plan. You are advised to consult with your own tax advisors in respect of any tax consequences arising in connection with this Award.

If you have questions please contact [•], the Company's [•], via email at [•]. Otherwise, please provide your signature, address and the date for this Agreement where indicated below.

**EXHIBIT A**

**PACTIV EVERGREEN INC.**
**EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This Restricted Stock Unit Award Agreement (together with all exhibits and appendices hereto, this "**Award Agreement**"), dated as of the date of the Grant Letter, is by and between the Company and the individual listed in the Grant Letter as the Participant.

WHEREAS, the Company hereby grants the Award to the Participant under the Plan, and the Participant hereby accepts the Award, in each case, subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, by accepting the Award and entering into this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the parties hereto agree as follows.

1. *Grant of Award*. The Company hereby grants to the Participant on the Grant Date the aggregate number of restricted stock units ("**RSUs**") as set forth in the Grant Letter, subject to the terms and conditions of the Plan and this Agreement. This Award is granted under the Plan, the provisions of which are incorporated herein by reference and made a part of this Agreement.

2. *Issuance of RSUs*. Each RSU shall represent the right to receive one Share upon the vesting of such RSU, as determined in accordance with and subject to the terms of this Agreement and the Plan.

3. *Terms and Conditions*. It is understood and agreed that the Award evidenced hereby is subject to the following terms and conditions:

(a) *Vesting of Award*. Subject to Sections 4, 5, 6 and 11, the Award shall vest and become non-forfeitable in accordance with the vesting schedule set forth in the Grant Letter.

(b) *Voting Rights*. The Participant shall have no voting rights or any other rights as a shareholder of the Company with respect to the RSUs unless and until the Participant becomes the record owner of the Shares, including Dividend Shares (as defined below) to the extent applicable, underlying such RSUs.

(c) *Dividend Shares*. If a dividend is paid to holders of Shares during the period commencing on the Grant Date and ending on the date on which the Shares underlying the RSUs are distributed to the Participant pursuant to Section 3(d), the Participant shall receive, at the time that the Shares underlying the RSUs are distributed to the Participant pursuant to Section 3(d), (i) in the case of a dividend paid in cash, an additional number of Shares determined by dividing (x) the total cash dividend that the Participant would have received had the Shares underlying the RSUs been distributed to the Participant immediately prior to the record date with respect to such dividend payment by (y) the closing price of the Shares on the date that the dividend is paid; and (ii) in the case of a dividend paid in Shares or other property other than cash, the number of Shares or amount of such other property that the Participant would have received had the Shares underlying the RSUs been distributed to the Participant immediately prior to the record date with respect to such dividend payment; *provided, however,* that the Participant shall receive nothing pursuant to this Section 3(c) with respect to any RSUs that are forfeited. Any

Shares that the Participant is eligible to receive pursuant to this Section 3(c) are referred to herein as "**Dividend Shares**," and if the aggregate number of Dividend Shares that this Section 3(c) entitles the Participant to receive at any time that a distribution of Shares is to be made to the Participant pursuant to Section 3(d) is not a whole number of Shares, then such number of Dividend Shares shall be rounded down to the nearest whole Share before such distribution pursuant to Section 3(d).

(d) *Distribution on Vesting*. Subject to the provisions of this Agreement, upon the vesting of any of the RSUs, the Company shall deliver to the Participant, as soon as reasonably practicable after the applicable Vesting Date (or the date of the triggering event, if vesting is accelerated pursuant to Section 5(a) or Section 6), one Share for each such RSU and the number of any Dividend Shares (as determined in accordance with Section 3(c)); *provided* that such delivery of Shares shall be made no later than the later of (i) the end of the calendar year in which the applicable Vesting Date (or the date of the triggering event, if vesting is accelerated pursuant to Section 5(a) or Section 6, such event being referred to as the "**Acceleration Event**") occurs, or (ii) the date that is 60 days after the applicable Vesting Date or Acceleration Event. For purposes of compliance with Section 409A of the Code and for the avoidance of doubt, (a) the applicable "Vesting Date" shall be the specific original dates and anniversaries set forth in the Award, without regard to any discretion to accelerate, (b) the Acceleration Event shall only be a payment event if such event represents a death or a "change in control event," in each case for purposes of Section 409A of the Code (a "**Qualifying Acceleration Event**"), and if an Acceleration Event is not a Qualifying Acceleration Event, payment of the Award shall be made within 60 days the first Vesting Date or Qualifying Acceleration Event to occur following such time. Upon such delivery, such Shares (including any Dividend Shares) shall be fully assignable, alienable, saleable and transferrable by the Participant; *provided*, that any such assignment, alienation, sale, transfer or other alienation with respect to such Shares shall be in accordance with applicable securities laws and any applicable Company policy.

(e) *Adjustment in Capitalization*. If, as a result of any dividend (other than ordinary cash dividends) or other distribution (whether in the form of cash, Shares or other securities), recapitalization, share split (share subdivision), reverse share split (share consolidation), reorganization, merger, amalgamation, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, issuance of Shares pursuant to the anti-dilution provisions of securities of the Company, or other similar corporate transaction or event affecting the Shares, or of changes in applicable laws, regulations or accounting principles, an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or this Agreement, then the Committee shall adjust the terms of this Agreement and this Award, to the extent necessary, in its sole discretion, but in no event shall the Committee adjust the terms of this Agreement or the RSUs in a manner which would cause the RSUs to be subject to the provisions of Section 409A or 457A of the Code.

(f) *Restrictions on Transferability*. Except as may be permitted by the Committee, neither this Award nor any right under this Award shall be assignable, alienable, saleable or transferable by the Participant otherwise than by will or pursuant to the laws of descent and distribution or to a designated Beneficiary. This provision shall not apply to any portion of this Award for which Shares have been fully distributed and shall not preclude forfeiture of any portion of this Award in accordance with the terms herein.

(g) *No Right to Continued Service*. The grant of an Award shall not be construed as giving the Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any of its Affiliates. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Agreement.

(h) *No Right to Future Awards*. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

4. *Termination of Service*. Except as otherwise provided in Section 5, in the event of the Participant's Termination of Service for any reason, prior to the date on which the Award otherwise becomes vested, the unvested portion of the Award shall immediately be forfeited by the Participant and become the property of the Company, without any payment or consideration being due to the Participant.

5. *Vesting Acceleration Upon Termination Due to Death or Retirement*. Notwithstanding any provisions of this Agreement that would otherwise result in the forfeiture of this Award:

(a) Death. If a Termination of Service occurs due to the Participant's death (i) on or after the first anniversary of the Grant Date but before the second anniversary of the Grant Date, then a number of Shares shall be delivered to the Participant pursuant to Section 3(d) equal to the sum of (x) the amount obtained by multiplying the number of shares that would have vested on the second anniversary of the Grant Date by the fraction obtained by dividing by 24 the number of months the Participant was employed between the Grant Date and the Participant's death and (y) the amount obtained by multiplying the number of shares that would have vested on the third anniversary of the Grant Date by the fraction obtained by dividing by 36 the number of months the Participant was employed between the Grant Date and the Participant's death, or (ii) on or after the second anniversary of the Grant Date, then a number of Shares shall be delivered to the Participant pursuant to Section 3(d) equal to the amount obtained by multiplying the number of shares that would have vested on the third anniversary of the Grant Date by the fraction obtained by dividing by 36 the number of months the Participant was employed between the Grant Date and the Participant's death. For purposes of this Section 5 (including subsection (b)), the number of months that have passed as of a date of determination is the number of monthly anniversaries of the Grant Date that have passed as of such date, rounded down to the nearest whole month.

(b) Retirement. In the event of the Participant's Termination of Service due to a Qualifying Retirement (as defined below) (subject to (i) the Participant's execution of the Company's standard form waiver and general release of claims in favor of the Company and its Affiliates no later than 45 days following such Termination of Service and (ii) such waiver and release becoming effective in accordance with its terms no later than 60 days after such Termination of Service (collectively, the "**Release Requirement**")), any unvested RSUs granted pursuant to this Agreement shall continue to vest as if the Participant had not experienced a Termination in Service. A "**Qualifying Retirement**" is a retirement that meets each of the following conditions:

(i) (x) Employee is age 62, (y) Employee is at least age 55 with at least 15 years of service to the Company and its Affiliates or their predecessors or (z) the sum of the number of whole years in Employee's age plus the number of whole years of service that Employee has provided to the Company and its Affiliates or their predecessors equals at least 75, in each case, at time of retirement;

(ii) Employee enters into an agreement within 60 days after such Termination of Service to extend the duration of the restrictive covenants contained in the Restrictive Covenant Agreement (as defined below) through the remaining vesting period;

(iii) Employee has been employed by the Company for at least six months following the Grant Date; and

(iv) Employee notified the Company of the retirement at least six months in advance of the retirement date.

6. *Change in Control*. Notwithstanding any provision of this Agreement to the contrary, subject to the satisfaction of the Release Requirement, in the event of a Change in Control, any unvested RSUs that remain outstanding at such time shall immediately become fully vested and non forfeitable and the Shares underlying the RSUs shall be distributed to the Participant pursuant to Section 3(d).

7. *Tax Liability; Withholding Requirements*.

(a) The Participant shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes) and penalties, and any interest that accrues thereon, that the Participant incurs in connection with the receipt, vesting or distribution of any RSU granted hereunder.

(b) The Company may withhold any tax (or other governmental obligation) that becomes due with respect to the RSUs (or any dividend distribution thereon) and take such action as it deems appropriate to ensure that all applicable withholding, income or other taxes, which are the sole and absolute responsibility of the Participant, are withheld or collected from the Participant and to the extent such withholding would not result in liability classification of any portion of the Award pursuant to FASB ASC Subtopic 718-10. The Participant shall make arrangements satisfactory to the Company to enable the Company to satisfy all such withholding requirements. Notwithstanding the foregoing, the Company may, in its sole discretion, permit the Participant to satisfy any such withholding requirement by transferring to the Company pursuant to such procedures as the Company may require, effective as of the date on which such requirement arises, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of such date that is at least equal to the minimum, and not more than the maximum, amount required to be withheld (including by the Company's withholding of Shares that would otherwise be issuable or deliverable to the Participant as a result of the vesting of the Award), to the extent such withholding would not result in liability classification of any portion of the Award pursuant to FASB ASC Subtopic 718-10. If the Company permits the Participant to satisfy any such withholding requirement pursuant to the preceding sentence, the Company shall remit to the Internal Revenue Service and appropriate state and local revenue agencies, for the credit of the Participant, an amount of cash withholding equal to the Fair Market Value of the Shares transferred to the Company as provided above.

8. *Not Salary, Pensionable Earnings or Base Pay*. The Participant acknowledges that the Award shall not be included in or deemed to be a part of (a) salary, normal salary or other ordinary compensation, (b)any definition of pensionable or other earnings (however defined) for the purpose of calculating any benefits payable to or on behalf of the Participant under any pension, retirement, termination or dismissal indemnity, severance benefit, retirement indemnity or other benefit arrangement of the Company or any Subsidiary or (c) any calculation of base pay or regular pay for any purpose.

9. *Whistleblower Protection*. The Participant has the right under federal law to certain protections for cooperating with or reporting legal violations to the SEC or its Office of the Whistleblower, as well as certain other governmental entities and self-regulatory organizations. As such, nothing in this Agreement or otherwise is intended to prohibit the Participant from disclosing this Agreement to, or from cooperating with or reporting violations to, the SEC or any such governmental entity or self-regulatory organization, and the Participant may do so without notifying the Company. The Company may not retaliate against the Participant for any of these activities, and nothing in this Agreement or otherwise requires the Participant to waive any monetary award or other payment that the Participant might become entitled to from the SEC or any such governmental entity or self-regulatory organization.

10. *Restrictive Covenants*. The Company's obligations under this Agreement are conditioned on the Participant signing and returning to the Company a Restrictive Covenant Agreement in the form of Exhibit A (the "**Restrictive Covenant Agreement**") within 40 days of the Grant Date. The Participant is advised to consult with counsel before signing the Restrictive Covenants Agreement.

11. *Recoupment/Clawback*. This Award (including any amounts or benefits arising from this Award) shall be subject to recoupment or "clawback" as may be required by applicable law, stock exchange rules or by any applicable Company policy or arrangement the Company has in place from time to time.

12. *References*. References herein to rights and obligations of the Participant shall apply, where appropriate, to the Participant's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

13. *Miscellaneous*.

(a) *Notices*. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

Pactiv Evergreen Inc.
1900 W. Field Court
Lake Forest, Illinois 60045
Attention: [•]
Email: [•]

If to the Participant:

At the Participant's most recent address shown on the signature page of this Award Agreement, or at any other address which the Participant may specify in a notice delivered to the Company in the manner set forth herein.

(b) *Entire Agreement*. This Agreement, the Plan and any other agreements, schedules, exhibits and other documents referred to herein or therein constitute the entire agreement and understanding between the parties in respect of the subject matter hereof and supersede all prior and contemporaneous arrangements, agreements and understandings, both oral and written, whether in term sheets, presentations or otherwise, between the parties with respect to the subject matter hereof, *provided* that the restrictions set forth in this Agreement are in addition to, not in lieu of, any other obligation and/or restriction that the Participant may have with respect to the Company or any of its Affiliates, whether by operation of law, contract, or otherwise, including, without limitation, any non-solicitation obligations contained in an employment agreement, consulting agreement or other similar agreement entered into by and between the Participant and the Company or one of its Affiliates, which shall survive the termination of any such agreements, and be enforceable independently of such other agreements.

(c) *Sections 409A and 457A of the Code*. For the avoidance of doubt, to the extent that this Award is subject to Section 409A and/or Section 457A of the Code, the Award is intended to comply with the requirements of Sections 409A and 457A of the Code,

and the provisions of the Award shall be interpreted in a manner that satisfies the requirements of Sections 409A and 457A of the Code.

(d) *Severability*. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or this Agreement under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Agreement, such provision shall be stricken as to such jurisdiction, and the remainder of this Agreement shall remain in full force and effect.

(e) *Amendment; Waiver*. No amendment or modification of any provision of this Agreement that has a material adverse effect on the Participant shall be effective unless signed in writing by or on behalf of the Company and the Participant; *provided* that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(f) *Assignment*. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Participant.

(g) *Successors and Assigns; No Third-Party Beneficiaries*. This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(h) *Governing Law; Waiver of Jury Trial*. This Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof. TO THE EXTENT ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS NOT GOVERNED BY THE ARBITRATION AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH LEGAL PROCEEDING.

(i) *Participant Undertaking; Acceptance*. The Participant agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable to carry out or give effect to any of the obligations or restrictions imposed on either the Participant or the Award pursuant to this Agreement. The Participant acknowledges receipt of a copy of the Plan and this Agreement and understands that material definitions and provisions concerning the Award and the Participant's rights and obligations with respect thereto are set forth in the Plan. The Participant has read carefully, and understands, the provisions of this Agreement and the Plan.

(j) *Captions*. Captions provided herein are for convenience only and shall not affect the scope, meaning, intent or interpretation of the provisions of this Award Agreement.

(k) *Counterparts*. This Agreement may be executed in two counterparts, each of which shall constitute one and the same instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**PACTIV EVERGREEN INC.**

By: _____

**AGREED AND ACCEPTED:**

PARTICIPANT

By: ____

Address:

_____

**PACTIV EVERGREEN INC.**
**EQUITY INCENTIVE PLAN**

**NOTICE OF RESTRICTED STOCK UNIT AWARD**

May 27, 2022

Pactiv Evergreen Inc., a Delaware corporation (the "**Company**"), has granted the Participant, effective as of the Grant Date (as set forth below), a Restricted Stock Unit Award (the "**Award**") under the Pactiv Evergreen Inc. Equity Incentive Plan (as amended from time to time, the "**Plan**"). The Award is subject to the terms and conditions set forth in this award grant letter (this "**Grant Letter**"), the Restricted Stock Unit award agreement attached hereto as Exhibit A (and all exhibits and appendices thereto) (the "**Award Agreement**" and, together with this Grant Letter, this "**Agreement**") and the Plan.

Unless otherwise defined in this Agreement, capitalized terms shall have the meanings assigned to them in the Plan. In the event of a conflict among the provisions of the Plan, this Agreement and any descriptive materials provided to the Participant, the provisions of the Plan will prevail.

**AWARD TERMS**

| | |
|---|---|
| **Participant:** | Jonathan H. Baksht |
| **Number Restricted Stock Units:** | 93,843 |
| **Grant Date:** | May 27, 2022 (the "**Grant Date**") |
| **Vesting:** | Subject to the terms and conditions of the Award Agreement, the Restricted Stock Units shall vest ratably on each of the first three anniversaries of the Grant Date (each, a "**Vesting Date**", and each such one-year period, a "**Vesting Period**"); *provided*, that the Participant does not experience a Termination of Service at any time prior to the applicable Vesting Date, except as specifically set forth in the Award Agreement. |

Please review this Agreement and let us know if you have any questions about this Agreement, the Award or the Plan. You are advised to consult with your own tax advisors in respect of any tax consequences arising in connection with this Award.

If you have questions please contact JD Bowlin, the Company's CHRO, via email at jd.bowlin@pactivevergreen.com. Otherwise, please provide your signature, address and the date for this Agreement where indicated below.

**EXHIBIT A**

**PACTIV EVERGREEN INC.**
**EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This Restricted Stock Unit Award Agreement (together with all exhibits and appendices hereto, this "**Award Agreement**"), dated as of the date of the Grant Letter, is by and between the Company and the individual listed in the Grant Letter as the Participant.

WHEREAS, the Company hereby grants the Award to the Participant under the Plan, and the Participant hereby accepts the Award, in each case, subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, by accepting the Award and entering into this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the parties hereto agree as follows.

1. *Grant of Award*. The Company hereby grants to the Participant on the Grant Date the aggregate number of restricted stock units ("**RSUs**") as set forth in the Grant Letter, subject to the terms and conditions of the Plan and this Agreement. This Award is granted under the Plan, the provisions of which are incorporated herein by reference and made a part of this Agreement.

2. *Issuance of RSUs*. Each RSU shall represent the right to receive one Share upon the vesting of such RSU, as determined in accordance with and subject to the terms of this Agreement and the Plan.

3. *Terms and Conditions*. It is understood and agreed that the Award evidenced hereby is subject to the following terms and conditions:

(a) *Vesting of Award*. Subject to Sections 4, 5, 6 and 11, the Award shall vest and become non-forfeitable in accordance with the vesting schedule set forth in the Grant Letter.

(b) *Voting Rights*. The Participant shall have no voting rights or any other rights as a shareholder of the Company with respect to the RSUs unless and until the Participant becomes the record owner of the Shares, including Dividend Shares (as defined below) to the extent applicable, underlying such RSUs.

(c) *Dividend Shares*. If a dividend is paid to holders of Shares during the period commencing on the Grant Date and ending on the date on which the Shares underlying the RSUs are distributed to the Participant pursuant to Section 3(d), the Participant shall receive, at the time that the Shares underlying the RSUs are distributed to the Participant pursuant to Section 3(d), (i) in the case of a dividend paid in cash, an additional number of Shares determined by dividing (x) the total cash dividend that the Participant would have received had the Shares underlying the RSUs been distributed to the Participant immediately prior to the record date with respect to such dividend payment by (y) the closing price of the Shares on the date that the dividend is paid; and (ii) in the case of a dividend paid in Shares or other property other than cash, the number of Shares or amount of such other property that the Participant would have received had the Shares underlying the RSUs been distributed to the Participant immediately prior to the record date with respect to such dividend payment; *provided, however,* that the Participant shall receive nothing pursuant to this Section 3(c) with respect to any RSUs that are forfeited. Any

Shares that the Participant is eligible to receive pursuant to this Section 3(c) are referred to herein as "**Dividend Shares**," and if the aggregate number of Dividend Shares that this Section 3(c) entitles the Participant to receive at any time that a distribution of Shares is to be made to the Participant pursuant to Section 3(d) is not a whole number of Shares, then such number of Dividend Shares shall be rounded down to the nearest whole Share before such distribution pursuant to Section 3(d).

(d) *Distribution on Vesting*. Subject to the provisions of this Agreement, upon the vesting of any of the RSUs, the Company shall deliver to the Participant, as soon as reasonably practicable after the applicable Vesting Date (or the date of the triggering event, if vesting is accelerated pursuant to Section 5(a) or Section 6), one Share for each such RSU and the number of any Dividend Shares (as determined in accordance with Section 3(c)); *provided* that such delivery of Shares shall be made no later than the later of (i) the end of the calendar year in which the applicable Vesting Date (or the date of the triggering event, if vesting is accelerated pursuant to Section 5(a) or Section 6, such event being referred to as the "**Acceleration Event**") occurs, or (ii) the date that is 60 days after the applicable Vesting Date or Acceleration Event. For purposes of compliance with Section 409A of the Code and for the avoidance of doubt, (a) the applicable "Vesting Date" shall be the specific original dates and anniversaries set forth in the Award, without regard to any discretion to accelerate, (b) the Acceleration Event shall only be a payment event if such event represents a death or a "change in control event," in each case for purposes of Section 409A of the Code (a "**Qualifying Acceleration Event**"), and if an Acceleration Event is not a Qualifying Acceleration Event, payment of the Award shall be made within 60 days of the first Vesting Date or Qualifying Acceleration Event to occur following such time. Upon such delivery, such Shares (including any Dividend Shares) shall be fully assignable, alienable, saleable and transferrable by the Participant; *provided*, that any such assignment, alienation, sale, transfer or other alienation with respect to such Shares shall be in accordance with applicable securities laws and any applicable Company policy.

(e) *Adjustment in Capitalization*. If, as a result of any dividend (other than ordinary cash dividends) or other distribution (whether in the form of cash, Shares or other securities), recapitalization, share split (share subdivision), reverse share split (share consolidation), reorganization, merger, amalgamation, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, issuance of Shares pursuant to the anti-dilution provisions of securities of the Company, or other similar corporate transaction or event affecting the Shares, or of changes in applicable laws, regulations or accounting principles, an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or this Agreement, then the Committee shall adjust the terms of this Agreement and this Award, to the extent necessary, in its sole discretion, but in no event shall the Committee adjust the terms of this Agreement or the RSUs in a manner which would cause the RSUs to be subject to the provisions of Section 409A or 457A of the Code.

(f) *Restrictions on Transferability*. Except as may be permitted by the Committee, neither this Award nor any right under this Award shall be assignable, alienable, saleable or transferable by the Participant otherwise than by will or pursuant to the laws of descent and distribution or to a designated Beneficiary. This provision shall not apply to any portion of this Award for which Shares have been fully distributed and shall not preclude forfeiture of any portion of this Award in accordance with the terms herein.

(g) *No Right to Continued Service*. The grant of an Award shall not be construed as giving the Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any of its Affiliates. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Agreement.

(h) *No Right to Future Awards*. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

4. *Termination of Service*. Except as otherwise provided in Section 5, in the event of the Participant's Termination of Service for any reason, prior to the date on which the Award otherwise becomes vested, the unvested portion of the Award shall immediately be forfeited by the Participant and become the property of the Company, without any payment or consideration being due to the Participant.

5. *Vesting Acceleration in Certain Circumstances*. Notwithstanding any provisions of this Agreement that would otherwise result in the forfeiture of this Award:

(a) Death. If a Termination of Service occurs due to the Participant's death (i) on or after the first anniversary of the Grant Date but before the second anniversary of the Grant Date, then a number of Shares shall be delivered to the Participant pursuant to Section 3(d) equal to the sum of (x) the amount obtained by multiplying the number of shares that would have vested on the second anniversary of the Grant Date by the fraction obtained by dividing by 24 the number of full calendar months the Participant was employed between the Grant Date and the Participant's death and (y) the amount obtained by multiplying the number of shares that would have vested on the third anniversary of the Grant Date by the fraction obtained by dividing by 36 the number of full calendar months the Participant was employed between the Grant Date and the Participant's death, or (ii) on or after the second anniversary of the Grant Date, then a number of Shares shall be delivered to the Participant pursuant to Section 3(d) equal to the amount obtained by multiplying the number of shares that would have vested on the third anniversary of the Grant Date by the fraction obtained by dividing by 36 the number of full calendar months the Participant was employed between the Grant Date and the Participant's death.

(b) Retirement. In the event of the Participant's Termination of Service due to a Qualifying Retirement (as defined below) (subject to (i) the Participant's execution of the Company's standard form waiver and general release of claims in favor of the Company and its Affiliates no later than 45 days following such Termination of Service and (ii) such waiver and release becoming effective in accordance with its terms no later than 60 days after such Termination of Service (collectively, the "**Release Requirement**")), any unvested RSUs granted pursuant to this Agreement shall continue to vest as if the Participant had not experienced a Termination of Service. A "**Qualifying Retirement**" is a retirement that meets each of the following conditions:

(i) (x) Employee is age 62, (y) Employee is at least age 55 with at least 15 years of service to the Company and its Affiliates or their predecessors or (z) the sum of the number of whole years in Employee's age plus the number of whole years of service that Employee has provided to the Company and its Affiliates or their predecessors equals at least 75, in each case, at time of retirement;

(ii) Employee enters into an agreement within 60 days after such Termination of Service to extend the duration of the restrictive covenants contained in the Restrictive Covenant Agreement (as defined below) through the remaining vesting period;

(iii) Employee has been employed by the Company for at least six months following the Grant Date; and

(iv) Employee notified the Company of the retirement at least six months in advance of the retirement date.

(c) Termination Without Cause. If (i) a Termination of Service occurs due to the Company's termination of the Participant's employment without Cause and (ii) the last Vesting Date with respect to the RSUs granted pursuant to this Agreement shall not have occurred before the effective date of such termination, then, subject to the Release Requirement, any unvested RSUs granted pursuant to this Agreement that, absent such Termination of Service, would have vested on the first Vesting Date for such RSUs next succeeding the effective date of such termination (the "**Next Vesting Date**") shall continue to vest as if the Participant had not experienced such Termination of Service. For clarity, any unvested RSUs granted pursuant to this Agreement that would have vested on a Vesting Date other than the Next Vesting Date shall be forfeited immediately upon such Termination of Service.

6. *Change in Control*. Notwithstanding any provision of this Agreement to the contrary, subject to the satisfaction of the Release Requirement, in the event of a Change in Control, any unvested RSUs that remain outstanding at such time shall immediately become fully vested and non forfeitable and the Shares underlying the RSUs shall be distributed to the Participant pursuant to Section 3(d).

7. *Tax Liability; Withholding Requirements*.

(a) The Participant shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes) and penalties, and any interest that accrues thereon, that the Participant incurs in connection with the receipt, vesting or distribution of any RSU granted hereunder.

(b) The Company may withhold any tax (or other governmental obligation) that becomes due with respect to the RSUs (or any dividend distribution thereon) and take such action as it deems appropriate to ensure that all applicable withholding, income or other taxes, which are the sole and absolute responsibility of the Participant, are withheld or collected from the Participant and to the extent such withholding would not result in liability classification of any portion of the Award pursuant to FASB ASC Subtopic 718-10. The Participant shall make arrangements satisfactory to the Company to enable the Company to satisfy all such withholding requirements. Notwithstanding the foregoing, the Company may, in its sole discretion, permit the Participant to satisfy any such withholding requirement by transferring to the Company pursuant to such procedures as the Company may require, effective as of the date on which such requirement arises, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of such date that is at least equal to the minimum, and not more than the maximum, amount required to be withheld (including by the Company's withholding of Shares that would otherwise be issuable or deliverable to the Participant as a result of the vesting of the Award), to the extent such withholding would not result in liability classification of any portion of the Award pursuant to FASB ASC Subtopic 718-10. If the Company permits the Participant to satisfy any such withholding requirement pursuant to the preceding sentence, the Company shall remit to the Internal Revenue Service and appropriate state and local revenue agencies, for the credit of the Participant, an amount of cash withholding equal to the Fair Market Value of the Shares transferred to the Company as provided above.

8. *Not Salary, Pensionable Earnings or Base Pay*. The Participant acknowledges that the Award shall not be included in or deemed to be a part of (a) salary, normal salary or other ordinary compensation, (b)any definition of pensionable or other earnings (however defined) for the purpose of calculating any benefits payable to or on behalf of the Participant under any pension, retirement, termination or dismissal indemnity, severance benefit, retirement indemnity or other benefit arrangement of the Company or any Subsidiary or (c) any calculation of base pay or regular pay for any purpose.

9. *Whistleblower Protection*. The Participant has the right under federal law to certain protections for cooperating with or reporting legal violations to the SEC or its Office of the Whistleblower, as well as certain other governmental entities and self-regulatory organizations. As

such, nothing in this Agreement or otherwise is intended to prohibit the Participant from disclosing this Agreement to, or from cooperating with or reporting violations to, the SEC or any such governmental entity or self-regulatory organization, and the Participant may do so without notifying the Company. The Company may not retaliate against the Participant for any of these activities, and nothing in this Agreement or otherwise requires the Participant to waive any monetary award or other payment that the Participant might become entitled to from the SEC or any such governmental entity or self-regulatory organization.

10. *Restrictive Covenants*. The Company's obligations under this Agreement are conditioned on the Participant signing and returning to the Company a Restrictive Covenant Agreement in the form of Exhibit A (the "**Restrictive Covenant Agreement**") within 40 days of the Grant Date. The Participant is advised to consult with counsel before signing the Restrictive Covenants Agreement.

11. *Recoupment/Clawback*. This Award (including any amounts or benefits arising from this Award) shall be subject to recoupment or "clawback" as may be required by applicable law, stock exchange rules or by any applicable Company policy or arrangement the Company has in place from time to time.

12. *References*. References herein to rights and obligations of the Participant shall apply, where appropriate, to the Participant's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

13. *Miscellaneous*.

(a) *Notices*. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

Pactiv Evergreen Inc.
1900 W. Field Court
Lake Forest, Illinois 60045
Attention: CHRO
Email: jd.bowlin@pactivevergreen.com

If to the Participant:

At the Participant's most recent address shown on the signature page of this Award Agreement, or at any other address which the Participant may specify in a notice delivered to the Company in the manner set forth herein.

(b) *Entire Agreement*. This Agreement, the Plan and any other agreements, schedules, exhibits and other documents referred to herein or therein constitute the entire agreement and understanding between the parties in respect of the subject matter hereof and supersede all prior and contemporaneous arrangements, agreements and understandings, both oral and written, whether in term sheets, presentations or otherwise, between the parties with respect to the subject matter hereof, *provided* that the restrictions set forth in this Agreement are in addition to, not in lieu of, any other obligation and/or restriction that the Participant may have with respect to the Company or any of its Affiliates, whether by operation of law, contract, or otherwise, including, without limitation, any non-solicitation obligations contained in an employment

agreement, consulting agreement or other similar agreement entered into by and between the Participant and the Company or one of its Affiliates, which shall survive the termination of any such agreements, and be enforceable independently of such other agreements.

(c) *Sections 409A and 457A of the Code*. For the avoidance of doubt, to the extent that this Award is subject to Section 409A and/or Section 457A of the Code, the Award is intended to comply with the requirements of Sections 409A and 457A of the Code, and the provisions of the Award shall be interpreted in a manner that satisfies the requirements of Sections 409A and 457A of the Code.

(d) *Severability*. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or this Agreement under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Agreement, such provision shall be stricken as to such jurisdiction, and the remainder of this Agreement shall remain in full force and effect.

(e) *Amendment; Waiver*. No amendment or modification of any provision of this Agreement that has a material adverse effect on the Participant shall be effective unless signed in writing by or on behalf of the Company and the Participant; *provided* that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(f) *Assignment*. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Participant.

(g) *Successors and Assigns; No Third-Party Beneficiaries*. This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(h) *Governing Law; Waiver of Jury Trial*. This Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof. TO THE EXTENT ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS NOT GOVERNED BY THE ARBITRATION AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH LEGAL PROCEEDING.

(i) *Participant Undertaking; Acceptance*. The Participant agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable to carry out or give effect to any of the obligations or restrictions imposed on either the Participant or the Award pursuant to this Agreement. The Participant acknowledges receipt of a copy of the Plan and this Agreement and understands that material definitions and provisions concerning the Award and the Participant's rights and obligations with respect thereto are set forth in the Plan. The Participant has read carefully, and understands, the provisions of this Agreement and the Plan.

(j) *Captions*. Captions provided herein are for convenience only and shall not affect the scope, meaning, intent or interpretation of the provisions of this Award Agreement.

(k) *Counterparts*. This Agreement may be executed in two counterparts, each of which shall constitute one and the same instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**PACTIV EVERGREEN INC.**

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

**AGREED AND ACCEPTED:**

PARTICIPANT

By: /s/ Jonathan H. Baksht
Jonathan H. Baksht

Address:

_____

_____

_____

Exhibit A

Restrictive Covenant Agreement

Restrictive Covenants Agreement (this "**Agreement**") retroactive and effective as of May 27, 2022 (the "**Effective Date**"), between Pactiv Evergreen Inc. (the "**Company**") and Jonathan H. Baksht ("**Participant**"). The Company and its direct and indirect subsidiaries, as they may exist from time to time, 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 the Company. The Board of Directors of the Company (the "**Board**") may elect to exercise or waive certain rights on behalf of the Company or any other member of the PEI Group as provided in this Agreement.

Preliminary Statement

**A.** Participant is a director, officer, employee or other representative of the Company or one or more other members of the PEI Group. The total period during which Participant serves as a

director, officer, employee or other representative of the Company and other members of the PEI Group is referred to as the "**Service Period**". The Service Period will end for purposes of this Agreement when Participant is no longer a director, officer, employee or other representative of any member of the PEI Group.

**B.** To encourage performance and retention, the Board has granted Participant certain equity awards in the Company under the Pactiv Evergreen Equity Incentive Plan (the "**Award**").

**C.** The execution of this Agreement is a condition to Participant receiving the Award.

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

**1. Definitions.** As used in this Agreement:

**(a)** "**Company Product**" means any product developed, manufactured, produced or distributed by the Company or any other member of the PEI Group during the Service Period. For purpose of complying with, and enforcing, the restrictive covenants in Subsections 4(a) through 4(d) during the 12-month period after the Service Period has ended, however, such a product shall only constitute a Company Product for purposes of this Agreement if, as a result of Participant's employment with, or Participant's service to, or representation of, the Company or any other member of the PEI Group, Participant had access to Proprietary Information related to the product or Participant designed, marketed, advised on or interacted with Customers, Prospective Customers or industry representatives regarding the product during the last 24-month period of the Service Period.

**(b)** "**Competitive Activity**" means the marketing, distribution, promotion, sales, development, delivery, financing or servicing of any Company Product. For the avoidance of doubt, "**Competitive Activity**" includes any actions which may result in any entity becoming a Competitor Company, including any preparation, financing or other actions in which an entity may enter into the business of marketing, distributing, promoting, selling, developing, delivering, financing or servicing any Company Product.

**(c)** "**Competitor Company**" means (i) those entities listed on Schedule 1 plus (ii) such other entities that the Company reasonably determines are or may reasonably become engaged in a Competitive Activity, minus (iii) such entities that the Company reasonably determines are no longer engaged in a Competitive Activity.

**(d)** "**Customer**" means any business, including without limitation customers or distributors, with whom the Company or any other member of the PEI Group transacted business during the Service Period. For purpose of complying with, and enforcing, the restrictive covenants in Subsections 4(a) through 4(d) during the 12-month period after the Service Period has ended, however, such a person or entity shall only constitute a Customer for purposes of this Agreement if, as a result of Participant's employment with, or Participant's service to, or representation of, the Company or any other member of the PEI Group, Participant had Material Contact with, or knew Proprietary Information of or about, or advised on, the Customer during the last 24-month period of the Service Period.

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

**(1)** with whom or with which Participant dealt on behalf of the Company or any other member of the PEI Group;

**(2)** whose dealings with the Company or any other member of the PEI Group were coordinated or supervised by Participant;

**(3)** 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 Participant ; or

**(4)** that resulted in Participant obtaining Proprietary Information about a Customer or Prospective Customer.

**(f)** "**Proprietary Information**" means confidential or proprietary information or trade secrets of the Company or any other member of the PEI Group, or of any customer, supplier or other person who entrust their confidential or proprietary information or trade secreted 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: (1) disclosed to Participant or known by Participant as a result of his or her employment with, or provision of other service to, or representation of, the Company and any other member of the PEI Group, (2) which is not generally known, and (3) which relates to or concerns the 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 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 the Protected Party or its affiliates or their customers or other business partners. The following information will not be considered Proprietary Information under this Agreement: (1) information that has become generally available to the public through no wrongful act of Participant; (2) information that Participant identified prior to Participant's employment with the Company; and (3) 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 during the Service Period. For purpose of complying with, and enforcing, the restrictive covenants in Subsections 4(a) through 4(d) during the 12-month period after the Service Period has ended, however, such a person or entity shall only constitute a Prospective Customer for purposes of this Agreement if, as a result of Participant's employment with, or provision of service to, or representation of, the Company and any other members of the PEI Group, Participant had Material Contact with, or knew Proprietary Information of or about, or advised on, the Prospective Customer during the last 24 months of the Service Period.

**2. Legitimate Interest.** Due to the nature of the business of the Company and other members of the PEI Group, certain of the directors, officers, employees and other representatives of the Company and other members of the PEI Group, including Participant, have access to Proprietary Information. Likewise, via their employment or provision of services to, or other representation of, the Company and other members of the PEI Group, certain of the directors, officers, employees and other representatives of the Company and other members of the PEI Group, including Participant, 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 or other

members of the PEI Group or other individuals outside of the directors, officers, employees and other representatives of the Company and other members of the PEI Group, or otherwise used against the interests of the Company or other members of the PEI Group, it would undoubtedly result in a loss of business or competitive position for the Company and other members of the PEI Group or harm the goodwill of the Company or other members of the PEI Group and their investment in developing and maintaining these business relationships. Participant also agrees that Participant holds a position uniquely essential to the management, organization, and/or service of the Company or one or more other members of the PEI Group and the business of the PEI Group is inherently global in character.

**3. Work Made for Hire – Assignment of Inventions.**

**(a)** Participant 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 Participant, alone or jointly, creates, conceives, develops, or reduces to practice or causes another to create, conceive, develop, or reduce to practice, during the Service Period 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. Participant agrees that Participant shall promptly disclose to the Company, or any persons designated by it, all Work. Participant 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 Participant 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)** Participant hereby gives the Company or any other member 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. Participant irrevocably waives and assigns to the Company any and all so-called moral rights Participant may have in or with respect to any Work. Upon the Company's request, Participant 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. Participant hereby irrevocably designates and appoints the Company and its officers and agents as Participant's agent and attorney-in-fact, with full powers of substitution, to act for and on Participant'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 Participant. The foregoing agency and power shall only be used by the Company if Participant fails to execute within five business days after the Company's request related to any document or instrument described above. Participant hereby waives and quitclaims to the Company all claims of any nature which Participant now has or may later obtain for infringement of any intellectual property rights assigned under this Agreement or otherwise to the Company.

**(c)** Participant has identified on Schedule 2 all inventions or improvements relevant to the subject matter of Participant's engagement with the Company or any other member of the PEI Group that Participant desires to remove from the operation of this Agreement, and Participant's restrictions. If there is no such list on Schedule 2, Participant represents that Participant 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 Participant'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 any other member of the PEI Group was used and which was developed entirely on the Participant's own time, unless (1) the invention relates directly to the business of the Company or any other member of the PEI Group, or (2) to

the actual or demonstrably anticipated research or development of the Company or other members of the PEI Group, or (3) the invention results from any work performed by the Participant for the Company or other members of the PEI Group.

**4. Restrictive Covenants.**

**(a)** Non-Solicitation of Customers. Participant agrees that, during the Service Period and for a period of 12 months following the final date of the Service Period, Participant shall not, on behalf of any entity or person other than the Company or any other member 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 a Company Product.

**(b)** Non-Solicitation of Prospective Customers. Participant agrees that, during the Service Period and for a period of 12 months following the final date of the Service Period, Participant shall not, on behalf of any entity or person other than the Company or any other member 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 a Company Product.

**(c)** Non-Competition. Participant agrees that, during the Service Period and for a period of 12 months following the final date of the Service Period, Participant shall not, directly or indirectly, (1) provide services to any Competitor Company as an employee, officer, director, Participant, advisor, contractor, agent or other role, whether or not for consideration, or (2) anywhere in North America (United States, Mexico or Canada) or in any other country in which a member of the PEI Group manufactures, distributes or sells Company Products: (i) act in any capacity, including, without limitation, as an employee, officer, director, Participant, advisor, contractor, agent or other role, 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 Participant would inevitably rely upon the Proprietary Information in his work for that person or entity; (ii) act in the same or substantially similar capacity that Participant acted in for the Company or any other member of the PEI Group, including, without limitation, as an employee, officer, director, Participant, advisor, contractor, agent or other role, 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; (iii) act in any capacity, including, without limitation, as an employee, officer, director, Participant, advisor, contractor, agent or other role, whether or not for consideration, for any person or entity that is engaged in any activity that could, in the reasonable determination of the Company or Board, result in such person or entity to become engaged in a Competitive Activity or to acquire, finance or otherwise engage in a transaction with person or entity that may be engaged in a Competitive Activity; (iv) act in any capacity, including, without limitation, as an employee, officer, director, Participant, advisor, contractor, agent or other role, whether or not for consideration, for any person or entity engaged in the practice of venture capital, hedge fund, private equity, special purpose acquisition company or similar person or entity to the extent such person or entity is engaged in, or through a transaction would reasonably engage in, a Competitive Activity; (v) finance, invest in or otherwise take any ownership stake in any entity engaged in the activities set forth in this Subsection; *provided*, *however*, that minority ownership of no more than 5% of the outstanding shares of a publicly-traded company that may be engaged in a Competitive Activity shall not violate this clause as long as Participant is in compliance with the other provisions of this Subsection or (vi) 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 PEI Group, the extent to which Participant has been (or will be) exposed to the Company's Proprietary Information, and the ability of Participant to carry out Participant's work remotely, regardless of physical location, Participant acknowledges the geographic scope of the restriction in this Subsection is reasonable and appropriate.

**(d)** Noninterference. Participant agrees that, during the Service Period and for a period of 12 months following the final date of the Service Period, Participant shall not, on behalf of any entity

or person other than the Company or any other member of the PEI Group, directly or indirectly, interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company or any member of the PEI Group and any of their respective Customers, Prospective Customers, suppliers, vendors, joint venturers or licensors or any other third-party with a relationship with the Company or any member of the PEI Group.

**(e)** Non-Solicitation of Employees. Participant agrees that, during the Service Period and for a period of 12 months following the final date of the Service Period, Participant shall not, directly or indirectly: (1) induce or attempt to induce any director, officer, employee or other representative of the Company or any other member of the PEI Group or of any of their respective affiliates with whom Participant had a working relationship during the Service Period to terminate his or her employment with, service to, or representation of, the Company or any other member of the PEI Group; (2) hire or employ, or attempt to hire or employ, any director, officer, employee or other representative of the Company or of any other member of the PEI Group or of any of their respective affiliates with whom Participant had a working relationship during the Service Period; or (iii) assist any other person or entity in doing any of the foregoing. For purpose of compliance with, and enforcement of, the restrictive covenants in this Subsection during the 12-month period after the Service Period has ended, however, this Subsection will only apply to directors, officers, employees and other representatives of the Company and other members of the PEI Group with whom Participant interacted during the last 24-month period of the Service Period

**(f)** Confidentiality Covenant. During the Service Period and at all times following the final date of the Service Period:

**(1)** Participant will not disclose or transfer, directly or indirectly, any Proprietary Information to any person or entity other than as expressly authorized by the Company. Participant understands and agrees that disclosures authorized by the Company or the Board for the benefit of the Company or any other member 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;

**(2)** Participant will not use, directly or indirectly, any Proprietary Information for the benefit or profit of any person or organization, including Participant, other than the Company or any other member of the PEI Group;

**(3)** Participant will not remove or transfer from any of the Company's offices, premises or computer systems 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 Participant's assigned duties as a Participant;

**(4)** Participant will not copy any Proprietary Information except as needed in furtherance of and for use in the business of the Company or any other member of the PEI Group. Participant 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;

**(5)** Participant will promptly upon the Company's or Board's request, and in any event promptly upon the termination of Participant's services with the Company, return all materials and property removed from or belonging to

the Company or any other member of the PEI Group and Participant will not retain copies of any of such materials and property;

**(6)** Participant agrees to 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

**(7)** Participant will not use or rely on the confidential or proprietary information or trade secrets of a third party in the performance of Participant's work for the Company or any other member 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.

**(g)** Nondisparagement. 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, its business practices, products, policies, services, decisions, directors, officers, employees, agents, representatives, advisors or any other entity or person covered by this Agreement.

**(h)** 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 or any other member of the PEI Group, and thus the parties agree that the time period and the geographic coverage and scope of the restrictions herein are reasonable and necessary. However, if a court of competent jurisdiction finds that the time period of any of the foregoing 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 or any other member of the PEI Group so as to achieve the original intent of the parties.

**(i)** Remedies. Participant agrees that a threatened or existing violation of any of the restrictions contained in this Agreement or any other breach of this Agreement would cause the Company irreparable injury to one or more of the Company or any other member of the PEI Group for which such person(s) would have any adequate remedy at law and agrees that the Company or any other member of the PEI Group will be entitled to obtain injunctive relief prohibiting such violation, including, without limitation, in the form of a temporary restraining order or preliminary injunction. In addition, if the Participant violates any restrictions in the Agreement or otherwise breaches any obligation of Participant under this Agreement, the Company or other members of the PEI Group may:

**(1)** Suspend, terminate, revoke, rescind or otherwise end the employment, service or other representation of the Participant by, to or of the Company and other members of the PEI Group. Such a suspension, termination, revocation, rescission or other ending of the Participant's employment, service or presentation by, to or of the Company and other members of the PEI Group will be deemed for good cause.

**(2)** Suspend, terminate, revoke, rescind or otherwise end the grants of any outstanding and unvested equity awards of Participant in the Company or other members of the PEI Group, including, without limitation to, the Award.

**(3)** Suspend, terminate, revoke, rescind or otherwise end payment of any severance benefits being received by Participant under any severance

benefits plan or agreement with the Company or other members of the PEI Group.

**(4)** Require Participant to repay to the Company an amount equal to aggregate value, less one hundred U.S. dollars ($100), of the severance benefits and equity awards (valued as of their vesting dates) received by the Participant from and in the Company and other members of the PEI Group during the 24-month period immediately prior to the violation of the restrictions in this Agreement or any other breach of this Agreement. Participant acknowledges that (i) the actual damages of the Company and other members of the PEI Group may be extremely difficult to ascertain with precision in the event of a breach by Employee of this Agreement, (ii) the repayment of all but $100 of the aforementioned consideration received by Participant will represent a reasonable approximation of the actual damages that the Company and other members of the PEI Group will incur in the event such a breach by Participant and (iii) the Company's election to require repayment of all but $100 of the aforementioned consideration received by Participant is intended as, and will represent, lawful liquidated damages and not an unlawful penalty. Liquidated damages under this Subsection may only be elected by the Company with the approval of the Board. Unless the Company elects liquidated damages under this Subsection, nothing in this provision shall prevent the Company and other members of the PEI Group from seeking other forms of damages caused by a breach.

**(5)** Exercise all other rights and remedies available to the Company and other members of the PEI Group at law or in equity.

Participant also agrees that Participant will be liable to the Company or any other member of the PEI Group for the attorneys' fees, expert witness fees, and costs incurred by such person as a result of: (1) any action by the Company or other members of the PEI Group against Participant 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 (2) any action by Participant against the Company or any other member of the PEI Group challenging the legal enforceability of any such restriction in which Participant does not prevail. Participant's obligations under each subsection of this Section 3(d) 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 Participant of Participant'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.

**(j)** Tolling of Time Periods. Participant agrees that, in the event Participant violates any subsection of Section 3(d) of this Agreement as to which there is a specific time period during which Participant 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.

**(k)** Inevitable Use of Proprietary Information. Participant acknowledges and agrees that, following the termination of Participant's services, Participant will possess the Proprietary Information which Participant would inevitably use if Participant were to engage in the conduct prohibited by Section 3(d) (including each of its subsections), that such use would be unfair and extremely detrimental to the Company or any other member of the PEI Group and, in view of the benefits provided to Participant in this Agreement, that such conduct on his or her part would be inequitable. Accordingly, Participant 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.

**5. Reasonable Restrictions.** Participant acknowledges that it is necessary and appropriate for the Company or any other member of the PEI Group to protect their legitimate business interests by restricting Participant'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 or any other member 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 or any other member of the PEI Group while not unreasonably interfering with Participant's ability to obtain other employment.

**6. Obligations to Inform Others of Restrictions.**

**(a)** In order to protect the rights of the Company or any other member of the PEI Group under this Agreement, Participant agrees that:

**(1)** During and for a period of 12 months following the last day of the Service Period, Participant shall provide the Company and Board with complete and accurate information concerning Participant's plans for employment or provision of other services (including, for the avoidance of doubt, consulting services) and shall inform any prospective or subsequent employer or entity of the restrictions contained in this Agreement or any other policy or agreement between Participant and the Company and any other member of the PEI Group that may be in effect during the Service Period. Participant understands that Participant has a duty to contact the Company and Board if Participant has any questions regarding whether or not conduct by Participant would be restricted by this Agreement; and

**(2)** Participant shall make the terms and conditions of the restrictions in this Agreement known to any business, entity or persons engaged in activities competitive with the business of the Company or any other member of the PEI Group with which Participant becomes associated during Participant's provision of services to the Company, during the Service Period and for a period of 12 months following the final day of the Service Period.

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

**7. 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 Participant. 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. Participant understands that Participant's obligations under this Agreement are personal, and that Participant may not assign this Agreement, or any of Participant's rights, interests, or obligations under this Agreement.

**8. 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.

**9. Governing Law; Agreed Venue.** In all respects the rights and obligations of the parties under this Agreement will be interpreted, enforced and governed in accordance with the laws of the State of Delaware 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 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 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.

**10. 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 restrictions contained in Section 3(d) 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.

**11. Entire Agreement**. This Agreement represent the entire agreement and understanding between Participant and the Company with respect to the subject matters contained in this Agreement and supersedes any and all prior discussions, communications and agreements with respect to those subject matters; *provided, however,* that (i) this Agreement will supplement, and will not supersede, any written agreements between the Participant and the Company or other members of the PEI Group on the same subject matters entered into prior to the Effective Date (a "**Prior Agreement**") and (ii) where the terms of this Agreement and the terms of a Prior Agreement conflict, this Agreement shall control. 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.

**12. 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. Facsimile, 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.

**13. Notice of Immunity.** Participant understands that nothing in this Agreement is intended to prohibit Participant 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, Participant understands that if Participant files a lawsuit against the Company for retaliation based on the reporting of a suspected violation of law, Participant may disclose a trade secret to Participant'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 Participant suspects a violation of the law, Participant should report their suspicion to an officer of the Company or in accordance with relevant the Company policies.

**14. Whistleblower Protection**. Notwithstanding anything in this Agreement or otherwise, it is understood that Participant has the right under federal law to certain protections for communicating directly with and providing information to the Company, Participant'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 Participant from disclosing this Agreement to, or

from communicating directly with or providing information to Participant's supervisor(s), the SEC or any other such governmental authority or self-regulatory organization. Participant 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 Participant for any of these activities, and nothing in this Agreement or otherwise would require Participant to waive any monetary award or other payment that Participant might become entitled to from the Company, the SEC or any other governmental authority.

**15. Return of the Property or the Company or Any Other Member of PEI Group.** At the request of the Company or Board (or, without any request, upon termination of the Service Period), Participant will immediately deliver to the Company (a) all property of the Company or any other member of the PEI Group that is then in Participant'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 Participant synced with or used to access any of the systems of the Company or any other member 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 15.

**16. Promotional Materials.** Participant authorizes and consents to the creation and/or use of Participant's likeness as well as Participant's name by the Company or any other member 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 or any other member of the PEI Group may, for example, use Participant's likeness on its website, and publish and distribute advertising, sales, or other promotional literature containing a likeness of Participant in the course of performing Participant's job duties. Participant 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 Participant produced or prepared by the Company or any other member of the PEI Group, or any person or organization authorized by it, shall vest in and remain with the Company or any other member of the PEI Group. 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.

**17. 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.

**18. Additional Consideration. Participant understands that receipt of the Award is conditioned upon Participant signing this Agreement. Further, as a result of Participant's services as a director, officer, employee or other representative of the Company or other members of the PEI Group, Participant shall be (or has been) given access to the Proprietary Information, opportunities for advancement, and opportunities to participate in confidential meetings and specialized training, which shall constitute independent consideration for the restrictions contained in this Agreement and would not be (or would not have been) given to Participant without Participant'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, Participant specifically acknowledges that Participant has read, understands and agrees to this Section 18.**

_____
**Participant Initial**

[*Signature Page and Schedules Follow*]

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

**PACTIV EVERGREEN INC.**

By: /s/ JD Bowlin
JD Bowlin
Chief Human Resources Officer

**PARTICIPANT**

/s/ Jonathan H. Baksht
Jonathan H. Baksht

**Schedule 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
Seda
SIG Combibloc
Silgan Holdings
Solo Cup Company
Sonoco
Stora Enso Oyj
Tetra Pak
The Waddington Group

**Schedule 2**
**List of Prior Inventions or Improvements**

None

**PACTIV EVERGREEN INC.**
**EQUITY INCENTIVE PLAN**
**NOTICE OF PERFORMANCE SHARE UNIT AWARD**

[•]

Pactiv Evergreen Inc., a Delaware corporation (the "**Company**"), has granted the Participant, effective as of the Grant Date (as set forth below), a Performance Share Unit Award (the "**Award**") under the Pactiv Evergreen Inc. Equity Incentive Plan (as amended from time to time, the "**Plan**"). The Award is subject to the terms and conditions set forth in this award grant letter (this "**Grant Letter**"), the Performance Share Unit award agreement attached hereto as Exhibit A (and all exhibits and appendices thereto) (the "**Award Agreement**" and, together with this Grant Letter, this "**Agreement**") and the Plan. Unless otherwise defined in this Agreement, capitalized terms shall have the meanings assigned to them in the Plan. In the event of a conflict among the provisions of the Plan, this Agreement and any descriptive materials provided to the Participant, the provisions of the Plan will prevail.

**AWARD TERMS**

| | |
|---|---|
| **Participant:** | [•] |
| **Target Number of Performance Share Units:** | [•] is the target number of performance share units (the "**PSUs**") granted under this Award. Each PSU shall be settled in Shares at a range from [•]% to [•]% of target based on the achieved results against the Performance Condition set forth on Attachment 1 to the Award Agreement (such percentage, the "**Settlement Percentage**"); *provided*, *however*, that no settlement shall occur unless both (i) Participant does not experience a Termination of Service at any time prior to the applicable Vesting Date and (ii) the minimum Performance Condition (as set forth in Attachment 1) is satisfied. |
| **Grant Date:** | [•] (the "**Grant Date**") |
| **Performance Period:** | The Performance Period shall be the period from and including [•] through and including [•]. |
| **Performance Condition:** | The Award shall be subject to satisfaction of the Performance Condition as set forth on Attachment 1 to the Award Agreement, subject to the terms set forth in the Award Agreement. |
| **Vesting:** | Subject to the terms and conditions of the Award Agreement (including the satisfaction of the Performance Condition), the Shares subject to the Award shall vest on [•] (the "**Vesting Date**"); *provided*, that the Participant does not experience a Termination of Service at any time prior to the Vesting Date, except as specifically set forth in the Award Agreement. |

Please review this Agreement and let us know if you have any questions about this Agreement, the Award or the Plan. You are advised to consult with your own tax advisors in respect of any tax consequences arising in connection with this Award.

If you have questions please contact [•], the Company's [•], via email at [•]. Otherwise, please provide your signature, address and the date for this Agreement where indicated below.

**EXHIBIT A**
**PACTIV EVERGREEN INC.**
**EQUITY INCENTIVE PLAN**
**PERFORMANCE SHARE UNIT AWARD AGREEMENT**

This Performance Share Unit Award Agreement (together with all exhibits and appendices hereto, this "**Award Agreement**"), dated as of the date of the Grant Letter, is by and between the Company and the individual listed in the Grant Letter as the Participant.

WHEREAS, the Company hereby grants the Award to the Participant under the Plan, and the Participant hereby accepts the Award, in each case, subject to the terms and conditions of the Plan and this Agreement; and

WHEREAS, by accepting the Award and entering into this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the parties hereto agree as follows.

**1.** *Grant of Award*. The Company hereby grants to the Participant on the Grant Date the aggregate number of performance share units ("**PSUs**") as set forth in the Grant Letter, subject to the terms and conditions of the Plan and this Agreement. The PSUs granted hereunder constitute Performance Awards within the meaning of Section 9 of the Plan. This Award is granted under the Plan, the provisions of which are incorporated herein by reference and made a part of this Agreement.

**2.** *Issuance of PSUs*. To the extent that the Award has vested, the PSUs associated with such Award shall be settled based on the level of attainment of the "**Performance Condition**" (as detailed in this Agreement or Attachment 1 to this Agreement), determined in accordance with and subject to the terms of this Award Agreement and the Plan.

**3.** *Terms and Conditions*. It is understood and agreed that the Award evidenced hereby is subject to the following terms and conditions:

**(a)** *Vesting of Award*. Subject to Sections 4, 5, 6 and 11, the Award shall vest and become non-forfeitable in accordance with the vesting schedule set forth in the Grant Letter, subject to (i) the satisfaction of the Performance Condition and (ii) the Participant's continuous service with the Company or any of its Affiliates through the Vesting Date.

**(b)** *Voting Rights*. The Participant shall have no voting rights or any other rights as a shareholder of the Company with respect to the PSUs unless and until the Participant becomes the record owner of the Shares, including Dividend Shares (as defined below) to the extent applicable, underlying such PSUs.

**(c)** *Dividend Shares*.

(i) If a dividend is paid to holders of Shares during the period commencing on the Grant Date and ending on the date on which the Shares underlying the PSUs are distributed to the Participant pursuant to Section 3(d), the Participant shall receive, at the time that the Shares underlying the PSUs are distributed to the Participant pursuant to Section 3(d), subject to adjustment pursuant to Section 3(c)(iii), (A) in the case of a dividend paid in cash, an additional number of Shares determined by dividing (x) the total cash dividend that the Participant would have received had the Shares underlying the PSUs been distributed to the Participant immediately prior to the record date with respect to such dividend payment by (y) the closing price of the Shares on the date that the dividend is paid; and (B) in the case of a dividend paid in Shares or other property other than cash, the number of Shares or amount of

such other property that the Participant would have received had the Shares underlying the RSUs been distributed to the Participant immediately prior to the record date with respect to such dividend payment; *provided, however,* that the Participant shall receive nothing pursuant to this Section 3(c) with respect to any PSUs that are forfeited.

(ii) Any Shares that the Participant is eligible to receive pursuant to this Section 3(c) are referred to herein as "**Dividend Shares**," and if the aggregate number of Dividend Shares that this Section 3(c) entitles the Participant to receive at any time that a distribution of Shares is to be made to the Participant pursuant to Section 3(d) is not a whole number of Shares, then such number of Dividend Shares shall be rounded down to the nearest whole Share before such distribution pursuant to Section 3(d).

(iii) If, for any reason, the Settlement Percentage is not 100% of target, then any Dividend Shares or other property that the Participant is eligible to receive pursuant to this Section 3(c) shall, before distribution pursuant to Section 3(d), be increased or decreased, as the case may be, by the Settlement Percentage.

**(d)** *Distribution on Vesting*. Subject to the provisions of this Agreement, upon the vesting of any of the PSUs, the Company shall deliver to the Participant, as soon as reasonably practicable after the Vesting Date (or the date of the triggering event, if vesting is accelerated pursuant to Section 5(a) or Section 6), a number of Shares for each such PSUs equal to the total number of such PSUs multiplied by the Settlement Percentage and the number of any Dividend Shares (as determined in accordance with Section 3(c), including clause (iii) thereof); *provided* that such delivery of Shares shall be made upon the earlier of (i) as soon as reasonably practicably following the end of the Performance Period and the Vesting Date that the Committee determines the level at which the Performance Condition is satisfied, but in any event within calendar year 2025 or (ii) within 60 days following the date of the triggering event, if vesting is accelerated pursuant to Section 5(a) or Section 6 (such event an "**Acceleration Event**). For purposes of compliance with Section 409A of the Code and for the avoidance of doubt, the Acceleration Event shall only be a payment event if such event represents a death or a "change in control event," in each case for purposes of Section 409A of the Code (a "**Qualifying Acceleration Event")**, and if an Acceleration Event is not a Qualifying Acceleration Event, payment of the Award shall be made within 60 days after the first Qualifying Acceleration Event to occur after such time or, if earlier, during calendar year 2025**.**Upon such delivery, such Shares (including any Dividend Shares) shall be fully assignable, alienable, saleable and transferrable by the Participant; provided, that any such assignment, alienation, sale, transfer or other alienation with respect to such Shares shall be in accordance with applicable securities laws and any applicable Company policy.

**(e)** *Adjustment in Capitalization*. If, as a result of any dividend (other than ordinary cash dividends) or other distribution (whether in the form of cash, Shares or other securities), recapitalization, share split (share subdivision), reverse share split (share consolidation), reorganization, merger, amalgamation, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, issuance of Shares pursuant to the anti-dilution provisions of securities of the Company, or other similar corporate transaction or event affecting the Shares, or of changes in applicable laws, regulations or accounting principles, an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or this Agreement, then the Committee shall adjust the terms of this Agreement and this Award, to the extent necessary, in its sole discretion, but in no event shall the Committee adjust the terms of this Agreement or the PSUs in a manner which would cause the PSUs to be subject to the provisions of Section 409A or 457A of the Code.

**(f)** *Restrictions on Transferability*. Except as may be permitted by the Committee, neither this Award nor any right under this Award shall be assignable, alienable, saleable or transferable by the Participant otherwise than by will or pursuant to the laws of descent and distribution or to a designated Beneficiary. This provision shall not apply to any portion of this Award for which Shares

have been fully distributed and shall not preclude forfeiture of any portion of this Award in accordance with the terms herein.

**(g)** *No Right to Continued Service*. The grant of an Award shall not be construed as giving the Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any of its Affiliates. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Agreement.

**(h)** *No Right to Future Awards*. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

**4.** *Termination of Service*. Except as otherwise provided in Section 5, in the event of the Participant's Termination of Service for any reason, prior to the date on which the Award otherwise becomes vested, the unvested portion of the Award shall immediately be forfeited by the Participant and become the property of the Company, without any payment or consideration being due to the Participant.

**5.** *Vesting Acceleration Upon Termination Due to Death or Retirement*. Notwithstanding any provisions of this Agreement that would otherwise result in the forfeiture of this Award:

**(a)** Death. If the Participant dies after the first anniversary of the Grant Date but before the Vesting Date, a prorated number of the PSUs shall vest effective as of the date of death based on the likely level of achievement of the Performance Condition, as determined in the sole discretion of the Committee, prorated based on a fraction, the numerator of which is the number of months the Participant has been employed from the Grant Date through the date of death, and the denominator of which is 36. The Shares underlying the PSUs shall be distributed to the Participant pursuant to Section 3(d). For purposes of this Section 5 (including subsection (b)), the number of months that have passed as of a date of determination is the number of monthly anniversaries of the Grant Date that have passed as of such date, rounded down to the nearest whole month.

**(b)** Retirement. In the event of the Participant's Termination of Service due to a Qualifying Retirement (as defined below) (subject to (i) the Participant's execution of the Company's standard form waiver and general release of claims in favor of the Company and its Affiliates no later than 45 days following such Termination of Service and (ii) such waiver and release becoming effective in accordance with its terms no later than 60 days after such Termination of Service (collectively, the "**Release Requirement**")), any unvested PSUs granted pursuant to this Agreement shall vest following the Vesting Date as if the Participant's Termination of Service had not occurred. A "**Qualifying Retirement**" is a retirement that meets each of the following conditions:

(i) (x) Employee is age 62, (y) Employee is at least age 55 with at least 15 years of service to the Company and its Affiliates or their predecessors or (z) the sum of the number of whole years in Employee's age plus the number of whole years of service that Employee has provided to the Company and its Affiliates or their predecessors equals at least 75, in each case, at time of retirement;

(ii) Employee enters into an agreement within 60 days after such Termination of Service to extend the duration of the restrictive covenants contained in the Restrictive Covenant Agreement (as defined below) through the remaining vesting period;

(iii) Employee has been employed by the Company for at least six months following the Grant Date; and

(iv) Employee notified the Company of the retirement at least six months in advance of the retirement date.

**6.** *Change in Control*. Notwithstanding any provision of this Agreement to the contrary, subject to the satisfaction of the Release Requirement, in the event of a Change in Control, any unvested PSUs shall vest effective as of the date of such Change in Control based on the likely level of achievement of the Performance Condition, as determined in the sole discretion of the Committee, and the Shares underlying the PSUs shall be distributed to the Participant pursuant to Section 3(d).

**7.** *Tax Liability; Withholding Requirements*.

**(a)** The Participant shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes) and penalties, and any interest that accrues thereon, that the Participant incurs in connection with the receipt, vesting or distribution of any PSU granted hereunder.

**(b)** The Company may withhold any tax (or other governmental obligation) that becomes due with respect to the RSUs (or any dividend distribution thereon) and take such action as it deems appropriate to ensure that all applicable withholding, income or other taxes, which are the sole and absolute responsibility of the Participant, are withheld or collected from the Participant and to the extent such withholding would not result in liability classification of any portion of the Award pursuant to FASB ASC Subtopic 718-10. The Participant shall make arrangements satisfactory to the Company to enable the Company to satisfy all such withholding requirements. Notwithstanding the foregoing, the Company may, in its sole discretion, permit the Participant to satisfy any such withholding requirement by transferring to the Company pursuant to such procedures as the Company may require, effective as of the date on which such requirement arises, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of such date that is at least equal to the minimum, and not more than the maximum, amount required to be withheld (including by the Company's withholding of Shares that would otherwise be issuable or deliverable to the Participant as a result of the vesting of the Award), to the extent such withholding would not result in liability classification of any portion of the Award pursuant to FASB ASC Subtopic 718-10. If the Company permits the Participant to satisfy any such withholding requirement pursuant to the preceding sentence, the Company shall remit to the Internal Revenue Service and appropriate state and local revenue agencies, for the credit of the Participant, an amount of cash withholding equal to the Fair Market Value of the Shares transferred to the Company as provided above.

**8.** *Not Salary, Pensionable Earnings or Base Pay*. The Participant acknowledges that the Award shall not be included in or deemed to be a part of (a) salary, normal salary or other ordinary compensation, (b) any definition of pensionable or other earnings (however defined) for the purpose of calculating any benefits payable to or on behalf of the Participant under any pension, retirement, termination or dismissal indemnity, severance benefit, retirement indemnity or other benefit arrangement of the Company or any Subsidiary or (c) any calculation of base pay or regular pay for any purpose.

**9.** *Whistleblower Protection*. The Participant has the right under federal law to certain protections for cooperating with or reporting legal violations to the SEC or its Office of the Whistleblower, as well as certain other governmental entities and self-regulatory organizations. As such, nothing in this Agreement or otherwise is intended to prohibit the Participant from disclosing this Agreement to, or from cooperating with or reporting violations to, the SEC or any such governmental entity or self-regulatory organization, and the Participant may do so without notifying the Company. The Company may not retaliate against the Participant for any of these activities, and nothing in this Agreement or otherwise requires the Participant to waive any monetary award or other payment that the Participant might become entitled to from the SEC or any such governmental entity or self-regulatory organization.

**10.** *Restrictive Covenants*. The Company's obligations under this Agreement are conditioned on the Participant signing and returning to the Company a Restrictive Covenant Agreement with the Company in the form appended as Attachment 2 (the "**Restrictive Covenant Agreement**") within 40 days of the Grant Date. The Participant is advised to consult with counsel before signing the Restrictive Covenants Agreement.

**11.** *Recoupment/Clawback*. This Award (including any amounts or benefits arising from this Award) shall be subject to recoupment or "clawback" as may be required by applicable law, stock exchange rules or by any applicable Company policy or arrangement the Company has in place from time to time.

**12.** *References*. References herein to rights and obligations of the Participant shall apply, where appropriate, to the Participant's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

**13.** *Miscellaneous*.

**(a)** *Notices*. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:
Pactiv Evergreen Inc.
1900 W. Field Court
Lake Forest, Illinois 60045
Attention: [•]
Email: [•]

If to the Participant:

At the Participant's most recent address shown on the signature page of this Award Agreement, or at any other address which the Participant may specify in a notice delivered to the Company in the manner set forth herein.

(b) *Entire Agreement*. This Agreement, the Plan and any other agreements, schedules, exhibits and other documents referred to herein or therein constitute the entire agreement and understanding between the parties in respect of the subject matter hereof and supersede all prior and contemporaneous arrangements, agreements and understandings, both oral and written, whether in term sheets, presentations or otherwise, between the parties with respect to the subject matter hereof, *provided* that the restrictions set forth in this Agreement are in addition to, not in lieu of, any other obligation and/or restriction that the Participant may have with respect to the Company or any of its Affiliates, whether by operation of law, contract, or otherwise, including, without limitation, any non-solicitation obligations contained in an employment agreement, consulting agreement or other similar agreement entered into by and between the Participant and the Company or one of its Affiliates, which shall survive the termination of any such agreements, and be enforceable independently of such other agreements.

(c) *Sections 409A and 457A of the Code*. For the avoidance of doubt, to the extent that this Award is subject to Section 409A and/or Section 457A of the Code, the Award is intended to comply with the requirements of Sections 409A and 457A of the Code, and the provisions of the Award shall be interpreted in a manner that satisfies the requirements of Sections 409A and 457A of the Code.

(d) *Severability*. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or this Agreement under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Agreement, such provision shall be stricken as to such jurisdiction, and the remainder of this Agreement shall remain in full force and effect.

(e) *Amendment; Waiver*. No amendment or modification of any provision of this Agreement that has a material adverse effect on the Participant shall be effective unless signed in writing by or on behalf of the Company and the Participant; *provided* that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(f) *Assignment*. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Participant.

(g) *Successors and Assigns; No Third-Party Beneficiaries*. This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(h) *Governing Law; Waiver of Jury Trial*. This Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof. TO THE EXTENT ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS NOT GOVERNED BY THE ARBITRATION AGREEMENT, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH LEGAL PROCEEDING.

(i) *Participant Undertaking; Acceptance*. The Participant agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable to carry out or give effect to any of the obligations or restrictions imposed on either the Participant or the Award pursuant to this Agreement. The Participant acknowledges receipt of a copy of the Plan and this Agreement and understands that material definitions and provisions concerning the Award and the Participant's rights and obligations with respect thereto are set forth in the Plan. The Participant has read carefully, and understands, the provisions of this Agreement and the Plan.

(j) *Captions*. Captions provided herein are for convenience only and shall not affect the scope, meaning, intent or interpretation of the provisions of this Award Agreement.

(k) *Counterparts*. This Agreement may be executed in two counterparts, each of which shall constitute one and the same instrument.

[*Signature Page and Attachments Follow*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**PACTIV EVERGREEN INC.**

By: _____

**AGREED AND ACCEPTED:**

**PARTICIPANT**

By: ____

Address:

_____

**Attachment 1**
**Performance Conditions**

March 27, 2023

Byron J. Racki
5955 Whitestone Lane
Suwanee, Georgia 30024

Re: Transaction Bonus Agreement Dear Byron,

As you know, the completion of the recently-announced restructuring (the "Restructuring") of the Beverage Merchandising business unit of Pactiv Evergreen Group Holdings Inc. (the "Company") is a critical component of the Company's strategic plan and its future success. The Company requires your assistance as it prepares for and implements the Restructuring. To that end, the Company is offering you a special transaction bonus in connection with the Restructuring that will become payable as set forth below.

This offer will remain open until March 31, 2023, after which time it will be rescinded and you will no longer have the opportunity to accept the terms and conditions of the Transaction Bonus.

**1. Transaction Bonus.** Subject to all terms and conditions of this letter, you will have the opportunity to earn a Transaction Bonus in an amount equal to your gross annual base salary as of April 1, 2023, less legally required withholdings. To earn the Transaction Bonus, the following must occur: (a) a Pine Bluff Sale must occur; and (b) you must not voluntarily leave your employment with the Company prior to the Pine Bluff sale. If earned, the Transaction Bonus will be paid to you on the last business day of the first calendar month after a Pine Bluff Sale occurs.

For purposes of this paragraph, a "Pine Bluff Sale" occurs on the closing date of a transaction involving the sale to an unaffiliated third party of all or substantially all of the assets associated with the Company's Pine Bluff, Arkansas paper mill located at 4104 Emmett Sanders Road, Pine Bluff, Arkansas 71601.

**2. No Additional Benefits.** No part of the Transaction Bonus will be considered eligible compensation for, or result in the earning of additional benefits under any benefit or deferred compensation plan or program of the Company.

**3. Employment Status.** At all times, your employment remains "at will," which means that the Company is not promising to employ you for any period of time and either you or the Company may end your employment at any time, for any reason, with or without notice.

**4. Confidentiality.** You agree to keep the fact and terms of this letter agreement strictly confidential, except you may disclose these terms to your spouse, financial advisor, legal advisor, or as may be required by applicable law or court order. In the event that you fail to satisfy this confidentiality obligation, you will forfeit any right to receive the Transaction Bonus and will promptly return to the Company any payment previously received.



**5. Entire Agreement.** This letter sets forth the entire agreement between you and the Company concerning the Transaction Bonus and supersedes any prior discussions or agreements concerning the Transaction Bonus.

**6. Modification.** No provision of this letter agreement may be amended, modified, waived or discharged unless such amendment, waiver, modification or discharge is agreed to in writing and such writing is signed by you and an authorized Company official. This letter agreement will have no effect on your obligation under any other agreement that you may have signed with the Company.

**7. Representation.** You acknowledge that you have read this letter and agree to the conditions and obligations set forth in the letter. Further, you agree that you have had adequate time to consider the terms of this letter. You also acknowledge that you have had the opportunity to consult with an attorney of your choice and you are voluntarily agreeing to the terms set forth in this letter with a full understanding of its meaning.

If you wish to accept the Bonus on the conditions set forth herein, please so indicate by signing below and returning this letter to the undersigned.

Yours truly,

PACTIV EVERGREEN GROUP HOLDINGS INC.

By: /s/ J.D. Bowlin
Name: J.D. Bowlin
Title: Authorized Signatory

**Agreed to and Accepted by:**

/s/ Byron J. Racki
Byron J. Racki

3/28/23
Date

**[*] – Text omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K under the Securities Exchange Act of 1934, as amended, because it is not material and is of the type that the registrant treats as private or confidential.**

## MASTER SUPPLY AGREEMENT

**MASTER SUPPLY AGREEMENT** (the "Agreement") dated November 1, 2019 (the "Effective Date") between **REYNOLDS CONSUMER PRODUCTS LLC**, a Delaware limited liability company with its headquarters at 1900 West Field Court, Lake Forest, IL 60045 ("Seller"), and **PACTIV LLC**, a Delaware limited liability company with its headquarters at 1900 West Field Court, Lake Forest, IL 60045 ("Buyer"). Seller and Buyer are referred to individually at times as a "Party" and collectively at times as the "Parties".

## BACKGROUND

**A.** Seller sells various types of products used in the consumer and food service markets.

**B.** Buyer sells various types of products, including certain products of the type made by Seller, to its customers.

**C.** The Parties are entering into this Agreement to establish the terms and conditions under which Seller may agree to sell specific products to Buyer, and Buyer may agree to purchase specific products from Seller for later resale by Buyer to its business customers.

## AGREEMENT

**1.** **Term**. The "Term" of this Agreement will commence on the Effective Date and will end on the earlier of: (a) the first anniversary of the expiration date of the last Purchase Schedule (as defined in this next Section); (b) a termination date elected by a Party in a written notice delivered to the other Party any time after the expiration of the last Purchase Schedule; or (c) a termination date elected by a Party in a written notice delivered to the other Party as provided in Subsection 11(d) of this Agreement. The rights and obligations of the Parties under this Agreement will survive the expiration or earlier termination of this Agreement with respect to any (i) products purchased and sold under this Agreement during the Term and products sold after the Term for orders accepted during the Term; (ii) Confidential Information (as defined in Section 10 of this Agreement) disclosed or received by a Party during the Term; (iii) breach of this Agreement by a Party; (iv) any other statement, decision, act or omission of a Party concerning or related to this Agreement; (v) any Dispute (as defined in Section 11 of this Agreement) between the Parties concerning or related to this Agreement; (vi) products and other materials manufactured or maintained by Seller in inventory for sale to Buyer that Buyer is obligated to purchase under a Purchase Schedule; and (vii) any provision that expressly states that it will survive the expiration or earlier termination of this Agreement.

**2.** **Scope**. This Agreement will apply to all products sold by Seller to Buyer, and all products purchased by Buyer from Seller, during the Term unless the Parties expressly agree that this Agreement will not apply to a particular type of transaction in a separate written document signed by an officer of each Party. This Agreement will not require Seller to sell any type or quantity of a product to Buyer, nor will this Agreement required Buyer to purchase any type or quantity of a product from Seller, except as expressly provided by the Parties in a Purchase Schedule. The phrase "Purchase Schedule" will mean a written supplement to this Agreement signed by an officer of each Party which references this Agreement and which identities, among other terms and conditions, the specific types and quantities of products that will be purchased and sold by the Parties on terms and conditions in the schedule, the specifications for the identified products, the duration of the commitment period during which the Parties will be obligated to purchase and sell the identified products on the terms and conditions in the schedule, the prices of the identified products, any mechanisms for adjusting the prices of the identified products over the commitment period, and the facilities at which the identified products will be manufactured, stored and delivered by Seller. The Parties may add terms and conditions to, and amend the terms and conditions of, this Agreement in a Purchase Schedule, but any additional and amended terms and conditions in a Purchase Schedule supplementing and

modifying this Agreement will only apply the specific products identified in that Purchase Schedule for its duration.

**3. Standard Operating Procedures**. Over approximately the past eight years, the Parties have been supplying select Products to one another for use in the operation of their respective businesses within the United States of America, Canada and Mexico. The Parties developed and been following certain standard operating procedures in connecting with, among other topics, forecasting, production planning, ordering, delivering and resolving claims on the Products supplied to one another (the "Current SOPs"). The Parties will be updating their respective business systems over the next six months, and the updates to these business systems will require the Parties to modify the Current SOPs. Once the Parties have completed the updates to the business systems and agreed on the necessary modifications to the Current SOPs, the Parties will sign a written amendment to this Agreement appending the updated standard operating procedures (the "Updated SOPs"). Until the Parties have signed a written amendment appending the Updated SOPs, the parties will continue to follow the Current SOPs. The Parties will comply with the applicable SOPs in connection with the purchase and sale of products identified in a Purchase Schedule. The Parties may add terms and conditions to, and amend the terms and conditions of, the SOP in a Purchase Schedule, but any additional and amended terms and conditions in a Purchase Schedule supplementing and modifying the SOP will only apply the specific products identified in that Purchase Schedule for its duration.

**4. Order and Priority of Interpretation**. In the event of any conflict, inconsistency or ambiguity between two or more provisions in this Agreement, including the provisions in its Exhibits and Purchase Schedules, the provisions in the documents will govern, supersede and control over one another in the following order of priority: (1st) a Purchase Schedule with regards to the purchase and sale of the specific products identified in that Purchase Schedule for its duration; (2nd) the SOP; (3rd) any Exhibit to this Agreement but only with regards to specific subject matter of the Exhibit; and (4th) the main body of this Agreement prior to the signature page.

**5. General Representations, Warranties and Covenants**. A Party represents, warrant and covenants on the Effective Date and at all times during the Term that:

**a.** The Party is formed, registered, licensed and operating its business in compliance with the laws of the United States of America, its states and territories, and any districts, municipalities and other political subdivisions of the foregoing ("Applicable Laws").

**b.** The Party is operating its business in compliance with a commercially reasonable code of ethics adopted by such Party.

**c.** The Party may enter into and perform its obligations under this Agreement without being in conflict with, or in breach of, any other agreement of the Party.

**d.** The Party is solvent, is capable of paying its debts as and when they become due and is paying its debts as and when due.

**e.** The Party is not the subject of a criminal investigation nor a defendant in any criminal indictment, petition, complaint or proceeding that carries a potential sentence involving incarceration in excess of one year for any director or executive officer of the Party involved in the alleged criminal misconduct or a fine in excess of $100,000 USD.

A Party will promptly notify the other Party of any change in circumstance during the Term in which the Party is no longer in compliance with the foregoing general representations, warranties and covenants. An incident of actual, alleged or suspected non-compliance by a Party with a warranty under this Section being investigated, contested or corrected in good faith by the Party and which, regardless of outcome, will have no material adverse effect on the Party or its performance under this Agreement or on the other Party, will not be considered a breach of this clause. An incident of actual, alleged or suspected non-compliance by a

Party of this Section or any other Section of this Agreement will be grounds for the other Party to demand adequate assurances of performance as provided by Section 2-609 of the Illinois Uniform Commercial Code. A Party will have ten (10) days to provide adequate assurances of performance to the other Party in a form acceptable to the other Party in its good faith discretion.

**6. Specific Product Warranties**. Seller represents and warrants to Buyer that each product sold under this Agreement will at the time of delivery to Buyer:

a. Be in new, undamaged and unadulterated condition free of any defects in design, materials and manufacture. Seller is not making any representation or warranty under this clause with regards to the design of a product to the extent the design constitutes, incorporates or otherwise embodies intellectual property that Buyer has represented and warranted to Seller is owned by Buyer and which Buyer has licensed to Seller to manufacture the product for Buyer.

b. Have been manufactured and stored by Seller at a plant (and, if applicable under a Purchase Schedule, a warehouse) of Seller approved in the applicable Purchase Schedule prior to its delivery to Buyer.

c. Has been manufactured, packaged, labelled, sold and delivered by Seller, and may be sold by Buyer in interstate commerce, in compliance with Applicable Laws, including without limitation with food safety regulations issued by the United States Food and Drug Administration that are applicable to the product. Seller will not be in breach of this warranty because an Applicable Law prohibits, restricts or imposes a charge on a product in a district, municipality or other political subdivision of the United States of America or its states or territories.

d. Comply with the written specifications for the product identified in the applicable Purchase Schedule.

e. Be fit for the purpose of packaging, selling or use in consuming food subject to qualifications and instructions on the use of the product in the written specifications for the product identified in the applicable Purchase Schedule.

f. Be conveyed by Seller to Buyer with good and marketable title free and clear of all liens, encumbrances and claims arising by, through or under Seller.

g. Not infringe on any patent, trademark, copyright, trade secret or other the intellectual property of any third-party registered or otherwise recognized and enforceable under Applicable Law. Seller is not making any representation or warranty under this clause with regards to the design of a product to the extent the design constitutes, incorporates or otherwise embodies intellectual property that Buyer has represented and warranted to Seller is owned by Buyer and which Buyer has licensed to Seller to manufacture the product for Buyer.

h. Comply with any additional representations and warranties of Seller regarding the product in the applicable Purchase Schedule.

If a Buyer receives a product that fails to conform to these representations and warranties, the sole remedies of Buyer for the breach of warranty will be to: (1) reject and return the non-conforming product to Seller for a refund or credit, or a replacement conforming product, in the manner and time period provided in the SOP; (2) obtain reimbursement from Seller for actual, reasonable, substantiated out-of-pocket expenses incurred by Buyer in the recovery, return or disposal of a non-conforming product that is the subject of a mandatory product recall required under Applicable Laws or a voluntary withdrawal declared by Seller or approved by Seller (such approval not to be unreasonably withheld, conditioned or delayed); and (3) obtain indemnification from Seller for any Indemnified Claim arising from or related to the nonconforming product as provided in Section 7.

**7. Indemnification**.

**a.** A claim that a Party (referred to at times in this Section as an "Indemnifying Party") is required to defend and indemnify the other Party (referred to at times in this Section as an "Indemnified Party") under this Agreement is referred to at times in this Section as an "Indemnified Claim". Defense and indemnification under this Section will include, without limitation, (1) paying or reimbursing the actual, reasonable, substantiated out-of-pocket expenses incurred in connection with the investigation, defense and settlement of any civil, criminal or administrative action, suit, arbitration, mediation, hearing, audit, investigation or other proceeding threatened or commenced against an Indemnified Party on an Indemnified Claim (e.g., fees and expenses of attorneys, accountants, auditors, investigators, consulting experts, testifying experts and other consultants; fees and expenses of an arbitrator or mediator; filing fees and costs imposed by any court, administrative agency or other tribunal; etc.), and (2) satisfying any judgment, award, order, lien, levy, fine, penalty or other sanction imposed against an Indemnified Party on an Indemnified Claim.

**b.** Seller will defend and indemnify Buyer against: (1) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged breach of this Agreement by Seller, including, without limitation, any product supplied by Seller which fails to conform to the representations and warranties in this Agreement; (2) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged negligence or other legally culpable misconduct of Seller in the design, manufacture, storage, sale or delivery of any product sold by Seller under this Agreement or in the performance of other obligation of Seller under this Agreement; (3) any third-party claim for actual or alleged infringement of a product sold by Seller under this Agreement or its design, manufacture, storage, packaging, sale or delivery by Seller under this Agreement or in the performance of any other obligation of Seller under this Agreement (except to the extent that the infringement is based on intellectual property that that Buyer has represented and warranted to Seller that Buyer owns and that Buyer has licensed to Seller and that Seller has used in compliance with the license terms in supplying the product); (4) the threat or imposition of any fine, penalty or other sanction by a governmental authority on Buyer to the extent caused by any actual or alleged violation by Seller of Applicable Law; or (5) any other matter that Seller has agreed to defend and indemnify Buyer against under a Purchase Schedule.

**c.** Buyer will defend and indemnify Seller against: (1) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged breach of this Agreement by Buyer; (2) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged negligence or other legally culpable misconduct of Buyer in the purchase, storage, repackaging, resale or delivery of any product purchased from Seller under this Agreement or in the performance of other obligation of Buyer under this Agreement; (3) any third-party claim for actual or alleged infringement of a product sold by Seller under this Agreement or its design, manufacture, storage, sale or delivery by Seller under this Agreement or in the performance of any other obligation of Seller under this Agreement to the extent based on intellectual property that that Buyer has represented and warranted to Seller that Buyer owns and that Buyer has licensed to Seller and that Seller has used in compliance with the license term in supplying the product; (4) the threat or imposition of any fine, penalty or other sanction by governmental authority on Seller to the extent caused by any actual or alleged violation by Buyer of Applicable Law; or (5) any other matter that Buyer has agreed to defend and indemnify Seller against under a Purchase Schedule.

**d.** As a condition of receiving defense and indemnification under this Section for an Indemnified Claim, the Indemnified Party must:

**(1)** notify and tender the defense of an Indemnified Claim to the Indemnifying Party promptly after the Indemnified Party learns of the Indemnified Claim; and

**(2)** provide information and cooperation reasonably requested by the Indemnifying Party in the investigation, defense, settlement and satisfaction of the Indemnified Claim. An Indemnifying Party will reimburse the Indemnified Party of any reasonable, actual, substantiated out-of-pocket expense incurred in providing the requested information or cooperation.

**e.** If the Indemnifying Party accepts the tender of defense of an Indemnified Claim, with or without reservation, the Indemnifying Party will:

**(1)** promptly notify the Indemnified Party of the acceptance of the tender of defense of the Indemnified Claim.

**(2)** control the investigation, defense, settlement and satisfaction of the Indemnified Claim, including, without limitation, the selection of licensed, qualified and reputable attorneys and expert witnesses and all decisions over settlement and litigation strategy. The Indemnifying Party must act in good faith in exercising control over the investigation, defense, settlement and satisfaction of the Indemnified Claim.

**(3)** Provide information reasonably requested by the Indemnified Party regarding the investigation, defense, settlement and satisfaction of the Indemnified Claim

**f.** An Indemnifying Party, acting in good faith, may settle an Indemnified Claim for which it is responsible under this Agreement involving infringement on the intellectual property of a third-party by: (1) obtaining a license from the third-party allowing the required use of its intellectual property; (2) modifying a product, equipment or process in a manner which avoids infringing on the intellectual property of the third-party; or (3) voluntarily withdrawing the infringing product from the market and either refunding the amount paid by the Indemnified Party for the infringing product or replacing the infringing product with a non-infringing product.

**g.** The Parties may disagree on whether a claim is an Indemnified Claim under this Agreement, which Party should be considered the Indemnifying Party and Indemnified Party for an Indemnified Claim or whether each Party is partially liable for an Indemnified Claim and how liability for such an Indemnified Claim should be allocated between them. In these and other circumstances in which an actual or potential conflict of interest exists or arises between the Parties with regards to an alleged or agreed upon Indemnified Claim that would preclude their joint representation by a single defense counsel, the Parties will endeavor in good faith to attempt to resolve the conflict. If the Parties are able to resolve the actual or potential conflict of interest, the Parties will memorialize the agreed upon resolution in a written joint defense agreement signed by officers of each Party and their joint defense counsel. If the Parties are unable to resolve the actual or potential conflict of interest, each Party may independently and separately investigate, defend, settle and satisfy the claim subject to their right to pursue payment or reimbursement for costs incurred in doing so from the other Party as provided in this Agreement.

**8.** **Insurance**. During the Term of this Agreement, each Party will maintain the following minimum types and amounts of insurance coverage during the Term of this Agreement:

***a.*** ***Commercial General Liability Insurance***. Occurrence based coverage with a combined single limit of at least $10,000,000 per occurrence and in the aggregate for premises and operations; products and completed operations; contractual liability coverage for indemnities of a Party contained within this Agreement; broad form property damage (including completed operations); explosion, collapse and underground hazards; and personal injury. *Requires additional insured endorsement and waiver of subrogation endorsement.*

***b.*** ***Automobile Liability Insurance***. Occurrence based coverage with a combined single limit of at least $10,000,000 per occurrence and in the aggregate for owned, non-owned, and hired

automotive equipment of the Party. *Requires additional insured endorsement and waiver of subrogation endorsement.*

***c.*** ***Workers' Compensation Liability Insurance***. Occurrence based coverage providing benefits in the minimal amount required by Applicable Law for workplace and work related injuries and illnesses to the employees of a Party, including, without limitation, Workers Compensation Acts of applicable U.S. States, the U.S. Longshoremen's and Harbor Workers Compensation Act and the U.S. Jones Act. *Requires alternate employer endorsement and waiver of subrogation endorsement.*

***d.*** ***Employers' Liability Insurance***. Occurrence based coverage with a limit of at least $10,000,000 per occurrence or any greater limits set by Applicable Law workplace and work related injuries and illnesses to the employees of a Party. *Requires waiver of alternate employer endorsement.*

***e.*** ***Property Insurance***. Coverage providing "*all risk*" property insurance at the replacement value of the machinery, equipment, fixtures, tools, materials and other property of the Party. "All risk" coverage will include, by way of example and not limitation, loss or damage resulting from earthquakes, floods, wind, fire or other natural or weather-related phenomenon. *Requires waiver of subrogation endorsement.*

All insurers of a Party on such policies must have at all times an A.M. Best financial rating of at least "*A-Minus VII*". An insuring Party may satisfy the required minimum amounts of insurance through a primary policy and one or more excess policies. All insurance of an insuring Party must be "*primary and noncontributory*" with respect to any insurance that the other Party may maintain, but only with respect to the negligence or other legal liability of the insuring Party.

An insuring Party must deliver the following written evidence of the required insurance coverage to the other Party (Attention: Risk Management), or its designated insurance monitoring service, within ten (10) of written request and at least thirty (30) days in advance of the expiration of a then current policy term (if a declaration or endorsement is not available from an insurer at the time requested or required, an insuring Party will provide them as soon as the declaration or endorsement is available from the insurer):

i. Certificate of insurance confirming that the required insurance coverage and minimal limits are met for the extended, renewed or replacement policy term.

ii. Declaration pages of insurance policy (or a copy of the binder until the declaration pages are available) confirming that the required insurance coverage and minimal limits are met for the extended, renewed or replacement policy term.

iii. Copies of additional insured endorsements required for applicable policies in the name and for the benefit of: "[NAME OF OTHER PARTY], *its parent, subsidiaries and affiliates; any lessors of the foregoing and any mortgagees, deed of trust beneficiaries and secured creditors of such lessors; and any successors and assignees of all of the foregoing*."

iv. Copies of alternate employer endorsements and waiver of subrogation endorsements required for applicable policies in the name and for the benefit of: ""[NAME OF OTHER PARTY], *its parent, subsidiaries and affiliates; any lessors of the foregoing and any mortgagees, deed of trust beneficiaries and secured creditors of such lessors; and any successors and assignees of all of the foregoing*."

A Party may maintain any level of deductible on required insurance coverage allowed by Applicable Law. A Party may also self-insure any of the required insurance coverage, in whole or in part, if allowed by Applicable Law during any period that the Party maintains a tangible net worth in excess of $100 million USD and maintains a professionally managed and adequately reserved for and funded self-insurance program.

**9. Limitations on Liability**.

**a.** ***Disclaimer of Representations and Warranties***. Each Party: (1) disclaims all representations and warranties regarding its products, performance, supplied information or business, whether oral or written, express or implied, arising by operation of law or otherwise, including, without limitation, the implied warranty of merchantability and the implied warranty of fitness for a particular purpose, other than those express representations and warranties of the Party in this Agreement; (2) acknowledges that the Party has not relied on, and will not rely on, any representations and warranties of the other Party regarding its products, performance, supplied information or business, whether oral or written, express or implied, arising by operation of law or otherwise, other than those express representations and warranties of the other Party in this Agreement; and (3) waives any claim that the Party may have based, in whole or in part, on any representations and warranties of the other Party regarding its products, performance, supplied information or business, whether oral or written, express or implied, arising by operation of law or otherwise, other than those express representations and warranties of the other Party in this Agreement. Notwithstanding the foregoing, Buyer is entitled to rely on (i) the descriptive information in transaction documents issued by either Party in the ordinary course of business during the Term identifying the ordered Products (e.g., the type and quantity of ordered products and scheduled date and location for delivery) and (ii) FDA guaranty letters and other similar written assurances in Seller's standard forms certifying that a product complies with Applicable Laws issued by Seller to Buyers and other U.S. customers in the ordinance course of business during the Term.

**b.** ***Exclusion of Indirect Damages; Waiver of Claim for Insured Damage or Loss***. A Party that breaches this Agreement will only be liable to the other Party for direct damages arising from the breach. Each Party waives any right to recover consequential, incidental, indirect, exemplary, punitive or any other types of indirect damages from the other Party for a breach of this Agreement. Notwithstanding the preceding sentences, this Subsection will not limit the liability of a Party for any amount or type of damages for: (1) the defense and indemnification of an Indemnified Claim on which the Party is the Indemnifying Party; (2) infringement by the Party on the intellectual property of the other Party; (3) the unauthorized disclosure or use by the Party of the Confidential Information of the other Party; (4) payment or reimbursement of any amount expressly required to be paid or reimbursed by the Party under a provision of this Agreement; or (5) the intentional misconduct of the Party in violation of Applicable Laws.

**c.** ***Force Majeure***. A Party will not be considered in breach of this Agreement or liable to the other Party for any interruption or delay in performance under this Agreement to the extent caused by an event outside of the ability of the performing Party to foresee and avoid with the exercise of commercially reasonable efforts (such an event is referred to at times as an event of "Force Majeure"). Examples of events of Force Majeure include, without limitation: natural disasters; war; acts of terrorism; government action; accident; strikes, slowdowns and other labor disputes; shortages in or inability to obtain material, equipment, transportation or labor; any breach, negligence, criminal misconduct or other act or omission of any third-party; fire or other insured or uninsured casualty. A Party whose performance is interrupted or delayed by an event of Force Majeure will be excused from the interruption or delay in performance during the event of Force Majeure and for a commercially reasonable period of additional time after the event of Force Majeure that the Party needs to recover from the event of Force Majeure and restore performance. Notwithstanding the foregoing, a Party will only be excused for an interruption or delay in performance under this Subsection for an event of Force Majeure only if the Party (1) promptly notifies the other Party of the event of Force Majeure and provides information reasonably requested by the other Party regarding the event of Force Majeure, the efforts undertaken by the Party to foresee and avoid interruption or delay in its performance before the occurrence of the event, to mitigate interruption or delay in performance during the event, and to recover from and restore performance following the event; and (2) the Party exercises commercially reasonable efforts to mitigate, recover from and restore performance following the event of Force Majeure. During, and while recovering from and restoring performance following, an event of Force Majeure,

Seller will act in good faith in allocating its available manufacturing capacity to supply products to Buyer under this Agreement and any products to other customers of Seller. If an event of Force Majeure interrupts or delays Seller from supplying a product to Buyer under this Agreement in the quantities and timetable required by Buyer, Buyer may cancel any unfilled orders for the product with Seller and procure the required quantities of the product from one or more other sources until Seller has recovered from and restored its ability to perform following the event of Force Majeure. If the interruption or delay in the supply of a product to Buyer under this Agreement caused by an event of Force Majeure has exceeded, or is reasonably likely to exceed, thirty (30) days, Buyer may enter into longer term supply agreements or make other arrangements to procure the required quantities of the product from one or more other sources for a duration and on terms acceptable to Buyer in its good faith discretion. In such a circumstance, Buyer will not have to resume purchasing the product from Seller under this Agreement until Seller has recovered from and restored its ability to perform following the event of Force Majeure and the longer term agreements or other arrangements have expired or Buyer is able to end them without liability. This Subsection will not excuse nor extend a deadline by which a Party must pay an amount owed under this Agreement or Applicable Law or by which a Party must exercise any right or remedy under this Agreement or Applicable Law.

**10. Confidential Information and Other Intellectual Property**.

**a.** The Parties anticipate exchanging Confidential Information (as defined in in the next Subsection) over the Term of this Agreement for the purpose of negotiating and entering into Purchase Schedules and amendments to this Agreement, transacting business with one in accordance with this Agreement and exercising their rights and performing their obligations under this Agreement (collectively referred to as the "Authorized Purpose").

**b.** The phrase "Confidential Information" means information meeting all of the following criteria:

1) The information is a trade secret or other non-public, proprietary information owned by a Party or its direct and indirect subsidiaries under Applicable Law (this Party is referred to at times in this Section as the "Disclosing Party"); and

2) The other Party (referred to at times in this Section as the "Receiving Party") requests such information from the Disclosing Party for the Authorized Purpose during the Term (i.e., neither Party wants unsolicited Confidential Information from the other Party); and

3) The Disclosing Party discloses such requested information to the Receiving Party during the Term either labelled as "Confidential" or words of similar intent, or describes the disclosed information in reasonable detail in a written notice to the Receiving Party delivered, either at the time of disclosure or within five (5) days of disclosure. If a Disclosing Party neglects to label or deliver timely written notice to the Receiving Party identifying the disclosed information as confidential in nature, the disclosed information will only be treated as Confidential Information under this Agreement if the Disclosing Party is able to demonstrate by clear and convincing evidence that the Receiving Party knew that the disclosed information was a trade secret or other non-public, proprietary information of the Disclosing Party at the time of disclosure.

The criteria in Clause (2) and Clause (3) will not apply to Confidential Information of a Disclosing Party observed or heard by a Receiving Party in a plant, warehouse, facility or system of the Disclosing Party. The existence and terms of this Agreement, and the existence, nature and extent of the business relationship between the Parties, will be considered the Confidential Information of each Party.

**c.** The phrase "Confidential Information" also means the Know-How of a Disclosing Party and its direct and indirect subsidiaries that a Receiving Party and its direct and indirect subsidiaries learned of, acquired or otherwise used prior to the Effective Date. The phrase "Know-How" means trade secret

and other confidential, proprietary information of a Party or its Affiliate concerning the manufacture, storage, packaging, marketing, sale and delivery of its products. Examples of Know-How may be in the form of drawings, equipment specifications, formulae, formulations, guidelines, manuals, methods, plans, policies, procedures, processes, properties and applications of raw materials and products, tools, dies and molds. A Receiving Party and its direct and indirect subsidiaries may continue to use the Know-How of the Disclosing Party and its direct and indirect subsidiaries in the possession of the Receiving Party and its direct and indirect subsidiaries as of the Effective Date for the Authorized Purpose and in connection with the operation of the business of the Receiving Party and its direct and indirect subsidiaries. Nothing in this Subsection or any other provisions of this Agreement will obligate a Party to disclose or license the use of its Know-How of any kind and in any form arising, discovered, acquired or developed after the Effective Date to the other Party.

**d.** The phrase "Confidential Information" does **not** include, and there will not be any duties of confidentiality or other restrictions under this Agreement for, the following types of information:

**(1)** Information which is or becomes available as part of the public domain through any means other than as a result of a breach of this Agreement by the Receiving Party; or

**(2)** Information, other than Know-How received prior the Effective Date, which is known to the Receiving Party before the disclosure of the same information by the Disclosing Party; or

**(3)** Information which is or becomes available to the Receiving Party from a third-party who is not under any duty to preserve the confidentiality of such information; or

**(4)** Information which is furnished by the Disclosing Party to a third-party without imposing any duty on the third-party to preserve the confidentiality of such information; or

**(5)** Information which is independently developed by the Receiving Party without the use of or reliance on any trade secret or other non-public, proprietary information provided by the Disclosing Party as Confidential Information under this Agreement or under any prior agreement between the Parties; or

**(6)** Information that ceases to be a trade secret or other non-public, proprietary information of the Disclosing Party under applicable law through any means other than those enumerated above that does not involve nor result from a breach of this Agreement by the Receiving Party.

**e.** A Party may request and disclose Confidential Information in any form or medium. Confidential Information may include, without limitation, information concerning the assets, liabilities, financing, financial statements, ownership, goods, services, customers, suppliers, marketing, manufacturing, equipment, software, technology, supply chain, business strategies, plans, models, policies, methods, processes, formulae, specifications, drawings, schematics, software and technical know-how of a Disclosing Party. A Receiving Party will take all commercially reasonable actions required to safeguard the Confidential Information of a Disclosing Party in the possession of such Receiving Party against the unauthorized disclosure or use of the Confidential Information by other persons. A Receiving Party will promptly notify the Disclosing Party if the Receiving Party learns of any unauthorized disclosure or use of the Confidential Information of the Disclosing Party by any person. A Receiving Party will cooperate in good faith with the Disclosing Party to prevent any unauthorized disclosure or use of the Confidential Information of the Disclosing Party by any person.

**f.** A Receiving Party will not disclose nor use the Confidential Information of a Disclosing Party except as follows:

**(1)** A Receiving Party may disclose Confidential Information of a Disclosing Party on a "need to know" basis to the Representatives of the Receiving Party who require such information for the

Authorized Purpose and in order for the Receiving Party and its Affiliates to comply with Applicable Laws, accounting standards and securities exchange requirements. Before making such a disclosure, the Receiving Party will advise the Representatives of the confidential nature of the information being shared and ensure that duties and restrictions are, or have been, imposed on the Representatives receiving the Confidential Information similar to those imposed on the Receiving Party under this Agreement. A Receiving Party will be liable for any breach of this Agreement by its Representatives. An "Affiliate" of a Party means a legal entity that owns and controls, or is owned and controlled by, or is under common ownership and control with, a Party (other than the other Party or any of its direct and indirect subsidiaries), with ownership and control of a legal entity being determined by the ownership of the majority voting interest in the legal entity. A "Representative" means the Affiliates of a Party and the directors, officers, managers, employees, accountants, attorneys, auditors and other agents and consultants of a Party and its Affiliates.

**(2)** A Receiving Party may disclose Confidential Information of a Disclosing Party to a court, governmental entity or any other person in order for the Receiving Party and its Affiliates to comply with Applicable Laws, accounting standards and securities exchange requirements. If legally permissible and reasonably possible, a Receiving Party will notify the Disclosing Party prior to disclosing its Confidential Information pursuant to this Section and cooperate in good faith with any lawful efforts by the Disclosing Party to avoid or limit the disclosure of its Confidential Information. A Receiving Party will not be obligated to incur any liability, expense or risk in extending such cooperation to a Disclosing Party. Based on legal advice of its attorney, a Receiving Party may disclose the Confidential Information of the Disclosing Party by any deadline established under an Applicable Law, accounting standard and securities exchange requirement.

**(3)** A Receiving Party may disclose and use the Confidential Information of a Disclosing Party to enforce or interpret this Agreement or any other agreement with the Disclosing Party in any arbitration, court or other legal proceeding. A Receiving Party may disclose and use this Confidential Information of a Disclosing Party to defend the Receiving Party or its Affiliates or their respective Representatives in any arbitration, court or other legal proceeding. In either circumstance, the Receiving Party will ensure that a protective order, agreement or other mechanism is in place to preserve the confidentiality of the Confidential Information.

**(4)** A Receiving Party and its Representatives may disclose and use the Confidential Information for any other purpose consented to by a Disclosing Party in a written notice signed by an officer of the Disclosing Party delivered to the Receiving Party.

**g.** In disclosing its Confidential Information to a Receiving Party, a Disclosing Party represents, warrants and covenants to the Receiving Party that:

**(1)** The Disclosing Party owns and has the right to disclose and authorize the use of Confidential Information as provided in this Agreement.

**(2)** The Receiving Party and its Representatives may use the Confidential Information of the Disclosing Party for the Authorized Purpose and other limited purposes provided in this Agreement.

**(3)** The Disclosing Party will indemnify, defend and hold harmless the Receiving Party and its Representatives against any claim of a third-party that the disclosure and use of the Confidential Information of the Disclosing Party as provided in this Agreement infringes on a patent, trademark, copyright, trade secret or other intellectual property of the third-party registered in or otherwise recognized and enforceable under Applicable Laws.

Except for the limited representations and warranties in this Section, a Disclosing Party disclaims all other representations and warranties of any kind related to its Confidential Information, whether express, implied or arising by operation of law, including the disclaimer, without limitation, of any representation and warranties concerning merchantability, fitness for a particular purpose, truth, accuracy or completeness.

**h.** The rights and obligations of the Parties under this Section with regards to disclosed Confidential Information will continue:

**(1)** Until the earlier of (i) sixty (60) months from the date of disclosure to a Receiving Party or (ii) the date such information ceases to be considered Confidential Information under this Agreement, for Confidential Information that is not a trade secret of a Disclosing Party under Applicable Law; and

**(2)** Until Confidential Information that is a trade secret of a Disclosing Party under Applicable Law ceases to be a trade secret of the Disclosing Party under Applicable Law.

**i.** A Receiving Party will return or destroy all forms of Confidential Information of the Disclosing Party in the custody of the Receiving Party and its Representatives within ten (10) days of receipt of a written request from the Disclosing Party and after the expiration or earlier termination of this Agreement. This will include, without limitation, all copies, records, documents and other information representing, comprising, containing, referencing or created based on Confidential Information of the Disclosing Party. Notwithstanding the foregoing, a Receiving Party and its Representatives may retain copies of Confidential Information of the Disclosing Party which (x) the Receiving Party and its Representatives are required to retain to comply with Applicable Laws, accounting standards and security exchange requirements (but only for the duration and in the manner so required for this limited purpose); or (y) have been archived in electronic form by the Receiving Party and its Representatives and which would be unduly burdensome for the Receiving Party and its Representatives to have to search for and delete the Confidential Information of the Disclosing Party.

**j.** Except for the limited right to disclose and use Confidential Information of a Disclosing Party for the Authorized Purpose and other purposes provided in the this Section and except for any license of intellectual property granted by a Disclosing Party to the Receiving Party in a Purchase Schedule, this Agreement does not grant a Receiving Party or its Representatives any right, title, interest or ownership in the Confidential Information of the Disclosing Party nor in any patent, trademark, copyright or other intellectual property of the Disclosing Party. As between the Parties during the Term, to be effective, the grant of any right, title, interest and ownership in and to any Confidential Information of Party or in an patents, trademarks, copyrights and other intellectual property of the Party must be in writing and signed by the chief executive officers of the Parties. During the Term, a Party will not develop intellectual property for, on behalf of, or in collaboration with, the other Party unless the Parties have entered into a Purchase Schedule or other separate written agreement signed by an officer of each Party.

**11. Dispute Resolution**.

**a.** ***Negotiation***. If a Party believes that the other Party has breached this Agreement or if there is a dispute between the Parties over the interpretation of this Agreement (a "Dispute"), the Parties will endeavor to resolve the Dispute through good faith negotiation for a period of thirty (30) days after a Party notifies the other Party of the Dispute and before either Party requests mediation or files litigation to resolve the Dispute.

**b.** ***Mediation***. If the Parties have been unable to resolve a Dispute through good faith negotiation as provided in the prior Subsection, a Party may request that the Parties attempt to resolve the Dispute through mediation by notifying the other Party with a copy to JAMS. The Parties will attempt to

select a mutually acceptable JAMS mediator within ten (10) days of the notice requesting mediation. The mediation will be held in Lake County or Cook County, Illinois within thirty (30) days of the notice requesting mediation before a JAMS mediator and in compliance with JAMS mediation guidelines. Each party will bear its own costs in preparing for and participating in the mediation and one-half of the fees and expenses charged by JAMS for conducting the mediation.

**c.** ***Litigation***. If the Parties have been unable to resolve a Dispute through mediation as provided in the prior Subsection, a Party may file litigation against the other Party in a court of competent jurisdiction in the United States of America. With respect to litigation involving only the Parties or their Affiliates, the Parties irrevocably consent to the exclusive personal jurisdiction and venue of the U.S. federal and Illinois state courts of competent subject matter jurisdiction located in Lake County, Illinois or Cook County, Illinois and their respective higher courts of appeal for the limited purpose of resolving a Dispute, and the Parties waive, to the fullest extent permitted by law, any defense of inconvenient forum. The Parties waive any right to trial by jury as to any Disputes resolved through litigation. Notwithstanding the foregoing, a Party may file litigation to resolve a Dispute without undergoing either negotiation or mediation as provided in the prior Subsections for any Dispute involving: (i) infringement on intellectual property; (ii) the unauthorized use or disclosure of Confidential Information; or (iii) a request for a temporary restraining order, a preliminary or permanent injunction or any other type of equitable relief.

**d.** ***Remedies***. Except as expressly limited in the preceding Subsections and the other provisions in this Agreement, a Party may immediately exercise any rights and remedies available to the Party under Applicable Law upon a breach of this Agreement by the other Party. A Party will not suspend performance under or terminate this Agreement or any accepted purchase order for a product being purchased and sold under this Agreement unless: (1) the other Party is in material breach of this Agreement and has either refused to cure the material breach or has failed to cure the material breach within thirty (30) day of its receipt of written notice of the failure; and (2) the Parties have been unable to resolve the Dispute related to the material breach through negotiation or mediation, or the breaching Party has refused or failed to attempt to resolve the Dispute through negotiation or mediation, as provided in this Section. Notwithstanding the foregoing, a Party may suspend performance or terminate this Agreement or any accepted purchase order for a product being purchase and sold under this Agreement immediately on written notice to the other Party, and without providing the other Party an opportunity to cure the material breach or attempting to resolve a Dispute over the material breach by negotiation or mediation as provided in this Section, for a material breach by the other Party involving substantial harm to the reputation, goodwill and business of the non-breaching Party that cannot reasonably be avoided or fully redressed by providing the other Party an opportunity to cure the material breach.

**e.** **Late Fees and Collection Costs**. If Buyer fails to pay Seller an amount owed under this Agreement by the invoice due date, then Buyer will owe Seller: (i) the delinquent amount; and (ii) a late payment fee equal to two percent (2%) of the delinquent amount for each full or partial calendar month past the invoice due date that the delinquent amount remains unpaid. In addition, if Seller has to file litigation to collect the amount owed and Seller prevails in the litigation, Buyer will reimburse Seller for actual, reasonable, substantiated out-of-pocket expenses incurred by Seller in collecting the delinquent amount and accrued late payment fees on the delinquent amount. Under no circumstance will the late payment fee payable to Seller exceed the amount that a creditor may lawfully impose on a debtor on a delinquent amount under Applicable Law.

**12.** **Miscellaneous**.

**a.** ***Entire Agreement***. This Agreement, including its appended Exhibits and Purchase Schedules entered into during the Term, constitutes the entire agreement between the Parties with respect to the sale of products by Seller to Buyer and the purchase of products by Buyer from Seller. This Agreement supersedes all prior and simultaneous representations, discussions, negotiations, letters, proposals, agreements and understandings, whether written or oral, with respect to this

subject matter. This Agreement will not be binding on either Party unless and until signed by the chief executive officers of each Party. No handwritten or other addition, deletion or other modification to the printed portions of this Agreement will be binding upon either Party to this Agreement.

**b.** ***Amendments***. A Party may not amend nor supplement the terms and conditions in this Agreement through the inclusion of additional or different terms and conditions in any quotation, purchase order, invoice, bill of lading, letter, email or other document or communication. This Section does not prevent the reliance on the descriptive information in transaction documents identifying the ordered Products (e.g., the type and quantity of ordered products and scheduled date and location for delivery). No amendment of this Agreement will be valid or effective unless made in writing and signed and exchanged by the chief executive officers of the Parties. A Party may approve or reject a request for an amendment in its sole and absolute discretion.

**c.** ***Waiver***. The failure of either party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights shall not operate as a continuing waiver of such rights. No right or obligation under this Agreement will be considered to have been waived by a Party unless such waiver is in writing and is signed by an officer of the waiving Party and delivered to the other Party. No consent to or waiver of a breach by either Party will constitute a consent to, waiver of, or excuse for any other, different, or subsequent breach by such Party.

**d.** ***Governing Law***. This Agreement and all claims or causes of action arising out of or related to this Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the State of Illinois and the United States of America, without giving effect to its principles or rules of conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods will not govern or otherwise be applicable to this Agreement.

**e.** ***Severability***. If any term of provision of this Agreement, or the application thereof shall be found invalid, void or unenforceable by any government or governmental organization having jurisdiction over the subject matter, the remaining provisions, and any application thereof, shall nevertheless continue in full force and effect.

**f.** ***Assignment***. This Agreement, its rights and obligations, is not assignable or transferable by either Party, in whole or in part, except with the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may transfer and assign this Agreement to any of its affiliates or in connection with any merger, consolidation or sale of assets without the other Party's prior consent provided (a) that any such assignment will not result in the assigning Party being released or discharged from any liability under this Agreement, and (b) the purchaser/assignee will expressly assume all obligations of the assigning Party under this Agreement. The assigning Party will provide the other Party with written notice of such assignment prior to or promptly following the effective date of such assignment. A change of control shall be deemed an assignment requiring consent hereunder provided that any transfer or assignment that results in Seller's and Buyer's current common parent, Reynolds Group Holdings Limited, ceasing to control either party shall not require consent of the other party. The restrictions in this Section will not preclude a Party for authorizing an Affiliate to purchase or sell a product on behalf of a Party under this Agreement. Subject to the foregoing, all of the terms, conditions and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assignees of the respective Parties.

**g.** ***Third Party Beneficiaries***. Except as otherwise provided in a Purchase Schedule, there are no intended third-party beneficiaries of this Agreement.

**h.** ***Good Faith and Cooperation***. Except where this Agreement states that a Party may expressly exercise a right or render a decision in its "sole and absolute discretion", a Party will exercise its

rights under this Agreement in its good faith business judgment. A Party will perform its obligations under this Agreement in a commercially reasonable manner consistent with industry practices and in compliance with Applicable Law. A Party will promptly take such actions, provide such information and sign such documents as the other Party may reasonably request to obtain the benefits and exercise the rights granted, and to perform the obligations imposed, under this Agreement.

**i.** ***Notices***. Any notice required or permitted to be provided by a Party under this Agreement will be made to the notice address of the receiving Party set forth below or to an alternate notice address later designated by the receiving Party in accordance with this Subsection. Notices will be effective upon actual receipt by the receiving Party. An emailed notice will be effective against a receiving Party only if the Receiving Party acknowledge receipt of the emailed notice in a return notice to the notifying Party. A receiving Party agrees to acknowledge receipt of an email notice in good faith promptly following receipt. A Party may change its address for notice by giving notice to the other party Pursuant to this Subsection.

Address for notice to Buyer:

Pactiv LLC
1900 West Field Court
Lake Forest, IL 60045
Attn: John McGrath, Chief Executive Officer
Email: jmcgrath@pactiv.com

For any notice concerning default or termination, with a copy to:

Pactiv LLC
1900 West Field Court
Lake Forest, IL 60045
Attn: Steven R. Karl, General Counsel
Email: skarl@pactiv.com

Address for notices to Seller:

Reynolds Consumer Products LLC
1900 W. Field Court
Lake Forest, IL 60045
Attention: Lance Mitchell, Chief Executive Officer
Email: Lance.Mitchell@@ReynoldsBrands.com

For any notice concerning default or termination, with a copy to:

Reynolds Consumer Products LLC
1900 W. Field Court
Lake Forest, IL 60045
Attention: David Watson, General Counsel
Email: David.Watson@ReynoldsBrands.com

**j.** ***Independent Contractors***. The relationship of the Parties established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to: (a) give either Party the power to direct and control the day-to-day activities of the other Party, (b) establish the Parties as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking, or (c) allow a Party to bind the other Party in any manner or otherwise create or assume any obligation on behalf of the other Party for any purpose whatsoever. A Party will not be considered an agent of the other Party.

**k.** ***Non-Exclusive Supply Relationship***. Except as may be provided in a Purchase Schedule, the Agreement is not evidence of, nor does it create, any form of exclusive supply relationship between the Parties concerning the purchase and sale of products. Except as may be provided in a Purchase Schedule and for the types and quantities of products in an accepted purchase order, nothing in the Agreement obligates a Party to sell or purchase any specified volume, market share or other minimum level of products during the Term.

**l.** ***Construction***. Unless the context otherwise requires, the following rules of construction will be applied to in the interpretation of the Agreement: (1) Headings are for convenience only and do not affect interpretation; (2) Singular includes the plural and vice-versa; (3) Gender includes all genders; (4) If a word or phrase is defined, its other grammatical forms have a corresponding meaning; (5) The meaning of general words is not limited by specific examples introduced by "includes", "including" or "for example" or similar expressions; (6) The word "person" includes an individual, corporation, company, trust, partnership, limited partnership, unincorporated body, joint venture, consortium or other legal entity; (7) A reference in any Purchase Schedule or Exhibit to an Article, Section, Subsection or Clause is a reference to an Article, Section, Subsection or Clause in that Purchase Schedule or Exhibit unless otherwise identified; (8) Reference to a Purchase Schedule or Exhibit is a reference to a Schedule, Exhibit described, appended or otherwise identified in this Agreement; (9) A reference to conduct includes, without limitation, an omission, statement or undertaking, whether or not in writing; (10) A reference to a third-party is a reference to a person who is not a Party to this Agreement; (11) Where a period of time is specified for the performance of any act and dates from a given day or the day of an act or event, the period shall be exclusive of that date; and (12) the Parties agree that the Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were or have been given the opportunity to be represented by counsel, and each of whom had an opportunity to participate in, and did participate in, negotiation of the terms hereof. Accordingly, the Parties acknowledge and agree that the Agreement is not a contract of adhesion and that ambiguities in the Agreement, if any, shall not be construed strictly or in favor of or against either Party, but rather shall be given a fair and reasonable construction.

**m.** ***Execution***. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument. Acceptance of this Agreement may be made by e-mail, mail or other commercially reasonable means showing the signatures of the chief executive officers of the Parties.

In witness whereof, Seller and Buyer have executed this Master Supply Agreement as of the Effective Date.

**REYNOLDS CONSUMER PRODUCTS LLC**, as Seller

By: /s/ Lance Mitchell
Lance Mitchell
Chief Executive Officer

**PACTIV LLC**, as Buyer

By: /s/ John McGrath
John McGrath
Chief Executive Officer

**PURCHASE SCHEDULE**

This Purchase Schedule dated November 1, 2019 ("Effective Date") forms part of, and supplements and amends, the Master Supply Agreement dated November 1, 2019 ("Agreement") between Reynolds Consumer Products LLC ("Seller") and Pactiv LLC ("Buyer"). The Parties agree as follows:

**1. Defined Terms**. Capitalized terms and phrases not otherwise defined in this Purchase Schedule will have the same meaning ascribed to them in the Agreement. As used in this Purchase Schedule, the phrase "Affiliates" will mean the direct and indirect subsidiaries of a Party.

**2. Commitment Period**. This Purchase Schedule will commence on the Effective Date and will end on the earlier of: (a) December 31, 2024; or (b) an earlier termination date elected by a Party in a written notice delivered to the other Party as provided in Subsection 11(d) of the Agreement (the period of this Purchase Schedule is referred to at times as the "Commitment Period").

**3. Commitment to Purchase and Sell Products**.

**a.** During the Commitment Period, and subject to the limitations and exclusions in Section 4 of this Purchase Schedule, Seller will sell to Buyer, and Buyer will purchase from Seller, all quantities of the goods identified in Attachment 1 of this Purchase Schedule (each being a "Product") reasonably required by Buyer and its Affiliates for the operation of their businesses in the United States of America and Canada. Products will be purchased and sold by the Parties during the Commitment Period on the prices and other terms and conditions set forth in this Purchase Schedule, the SOPs and the main body of the Agreement.

**b.** Each Product which will display a brand name, symbol, graphic, text, trade dress and other design elements owned as a registered or unregistered trademark or copyright by Buyer or its Affiliate under Applicable Laws (collectively "Buyer Branding") is referred to as a "Buyer Branded Product" and identified as such in Attachment 1. Except as authorized in writing by Buyer, Seller may not sell any Branded Products to anyone other than Buyer. Buyer grants Seller a non-exclusive, non-assignable, royalty-free license to use the Buyer Branding to manufacture and sell the Buyer Branded Products to Seller during the Commitment Period. Buyer represents, warrants and covenants to Seller at all times during the Commitment Period that: (1) Buyer or its Affiliate is the sole owner of the Buyer Branding; (2) Buyer may grant the intellectual property license in the Buyer Branding to Seller for the authorized purposes provided in this Subsection; (3) Seller may use the Buyer Branding for the authorized purposes in this Subsection free of any unreasonable interference by Buyer and its Affiliates and free of all claims of third-parties; and (4) Buyer will indemnify, defend and hold harmless Seller for any Indemnified Claims arising from or related to the Seller's use of the Buyer Branding for the authorized purposes in this Subsection as provided in Subsection 7(b) of the Agreement.

**c.** Each Product manufactured in accordance with, or incorporating any patented or other proprietary element of, a design or utility patent owned and registered to Buyer or its Affiliate under Applicable Laws (a "Buyer IP Right") is referred to as a "Buyer Proprietary Product" and identified as such in Attachment 1. Except as authorized in writing by Buyer, Seller may not sell any Buyer Proprietary Products to anyone other than Buyer. Buyer grants Seller a non-exclusive, non-assignable, royalty-free license to use the Buyer IP Rights to manufacture and sell the Buyer Proprietary Products to Buyer during the Commitment Period. Buyer grants Seller a non-exclusive, non-assignable, royalty-free license to use the Buyer IP Rights to manufacture and sell the Buyer Proprietary Products to Buyer during the Commitment Period. Buyer represents, warrants and covenants to Seller that at times during the Commitment Period: (1) Buyer or its Affiliate is the sole owner of the Buyer IP Rights; (2) Buyer may grant the intellectual property license to Seller in the Buyer IP Rights for the authorized purposes provided in this Subsection; (3) Seller may use the Buyer IP Rights for the authorized purposes in this Subsection free of any unreasonable interference by Buyer and its Affiliates and free of all claims of third-parties; and (4) Buyer will indemnify, defend and hold harmless Seller for any Indemnified Claims arising from or related to the Seller's use of the Buyer

IP Rights for the authorized purposes in this Subsection as provided in Subsection 7(b) of the Agreement.

**4.** **Quantities**. Notwithstanding anything in this Purchase Schedule or the balance of the Agreement to the contrary:

**a.** Seller may decline to sell an ordered quantity of a Product to Buyer in the following circumstances without being in breach of this Agreement:

**(1)** Seller is unable to sell the ordered quantity a Product in compliance with this Agreement by the delivery date required by Buyer in its purchase order because of an event of Force Majeure (provided Seller has complied with Subsection 9(c) of the Agreement).

**(2)** Seller is unwilling to sell the ordered quantity of a Product because: (i) Buyer is delinquent in paying amounts owed Seller under the Agreement more than twice in any trailing twelve month period for periods in excess of ten (10) days following written notice; (ii) the amount payable for the ordered quantity of Product and all other ordered but unpaid quantities of Product exceed the then current credit limit of Buyer with Seller (which credit limit shall have been communicated to Buyer); or (iii) Buyer is otherwise in material breach of the Agreement beyond any required or permitted notice and cure period. Notwithstanding the preceding sentence, Seller will not suspend supplying Products to Buyer for a delinquent amount or material breach being disputed in good faith by Buyer unless (a) the Parties have completed at least the negotiation and mediation steps in the Dispute resolution process in Section 11 of the Agreement; or (b) Buyer has failed to provide adequate assurances of payment and performance requested by Seller as provided in Section 5 of the Agreement.

**(3)** Seller is unwilling to sell the ordered quantity of a Product because the ordered quantity was not ordered in accordance with the SOP.

**(4)** Seller is unable or unwilling to sell the ordered quantity of a Product in a calendar month because Seller has already accepted orders for or filled the Maximum Monthly Order Quantity of all Products in the same Product Category in the calendar month. Attachment 2 lists the Maximum Monthly Order Quantity of each Product Category.

**(5)** Seller is unable or unwilling to sell the ordered quantity of a Product during any period that the Product is the subject of: (i) a product recall required by Applicable Laws; or (ii) a voluntary withdrawal declared or approved by Seller. In any of the foregoing circumstances, however, the Parties will work together in good faith and exercise commercially reasonable efforts to resume the purchase and sale of the Product after adequate assurances of performance have been provided by the responsible Party that the actual or alleged design or manufacturing defect, infringing element or other issue that gave rise to the product recall or voluntary withdrawal has been corrected. This Subsection will not relieve Seller of liability to Buyer for a product recall or voluntary withdrawal is caused by a breach of this Agreement by Seller.

**b.** Buyer and its Affiliates may self-manufacture or purchase an ordered quantity of a Product from a source other than Seller in the following circumstances without Buyer being considered in breach of this Agreement:

**(1)** Seller is unable to sell the ordered quantity a Product in compliance with this Agreement by the delivery date required by Buyer in its purchase order because of an event of Force Majeure.

**(2)** Buyer is unwilling to purchase the ordered quantity of a Product from Seller because Seller is in material breach of the Agreement beyond any required or permitted notice and cure period.

**(3)** Seller declines or fails to supply the ordered quantity to Buyer in breach of the Agreement.

**(4)** Buyer is unable or unwilling to purchase the ordered quantity of a Product during any period that the Product is the subject of: (i) a product recall required by Applicable Laws; or (ii) a voluntary withdrawal declared or approved by Seller. In any of the foregoing circumstances, however, the Parties will work together in good faith and exercise commercially reasonable efforts to resume the purchase and sale of the Product after adequate assurances of performance have been provided by the responsible Party that the actual or alleged design or manufacturing defect, infringing element or other issue that gave rise to the product recall or voluntary withdrawal has been corrected. This Subsection will not relieve Buyer of liability to Seller for a product recall or voluntary withdrawal is caused by a breach of this Agreement by Buyer.

**(5)** A customer of Buyer requires Buyer either to self-manufacture the ordered quantity of Product, or to purchase the ordered quantity of Product from a source other than Seller, for sale by Buyer to the customer. Buyer will act in good faith and exercise commercially reasonable efforts to persuade its customers to accept Products manufactured by Seller.

**(6)** Seller is unable or unwilling to sell the ordered quantity of a Product in a calendar month because Seller has already accepted orders for or filled the Maximum Monthly Order Quantity of all Products in the same Product Category in the calendar month.

**(7)** Buyer has elected to self-manufacture or purchase from a secondary source a Monthly Deficient Quantity of Products in a Product Category as provided in the next Section.

**5.** **Case-Fill Standard**.

**a.** Seller will calculate and report the Case Fill Rate in each Product Category to Buyer within thirty (30) days of the end of each calendar month. The "Case Fill Rate" will mean the percentage of ordered cases of Products in a Product Category required to be filled in a calendar month that Seller actually fills in the calendar month. In calculating the Case Fill Rate of a Product Category, Seller will exclude the following orders:

**(1)** Orders that Seller declines to accept, or that Seller is otherwise unwilling or unable to fill, for any reason provided in Subsection 4(a) of this Purchase Schedule.

**(2)** Orders received by Seller less than the minimum order lead time in advance of the requested shipment or delivery date.

**(3)** Orders on which Buyer requests a change less than three (3) days in advance of the requested shipment or delivery date.

**(4)** Orders on which a Product is not filled at the direction of Buyer or its customer.

**(5)** Orders cancelled by Buyer or its customer.

**(6)** Orders for discontinued Products.

**(7)** Orders for Products manufactured at the direction of Buyer for an agreed limited quantity after 105% of the agreed limited quantity has been supplied or the agreed limited period has been reached.

**(8)** Orders that cannot be filled because of an error on the part of Buyer or its customer.

**b.** If the Case Fill Rate in a Product Category is below ninety eight percent (98%) in three or more calendar months of a trailing twelve-month period of the Commitment Period, and Buyer has

achieved Minimum Forecast Accuracy for the calendar months with a deficient Case Fill Rate, Buyer may elect on written notice to Seller to temporarily self-manufacture or purchase from a secondary source the average monthly quantity of Products in the Product Category by which Seller was deficient in meeting the 98% Case Fill Rate (the "Monthly Deficiency Quantity"). The phrase "Minimum Forecast Accuracy" will be at least seventy-five percent (75%) accuracy in Buyer's forecasting of demand for a Product by shipping point as determined using the methodology agreed to by the Parties in the SOPs. Buyer may only self-manufacture or purchase from a secondary source those Products in a Product Category on which Seller was deficient in meeting the 98% Case Fill Rate in the Product Category and on which Buyer has achieved Minimum Forecast Accuracy for the calendar months with a deficient Case Fill Rate. The Monthly Deficiency Quantity of a Product Category will be adjusted on a monthly basis to reflect any improvement or decline in Seller meeting or exceeding a 98% Case Fill Rate for the Product Category and Buyer meeting or failing to meet the Minimum Forecast Accuracy.

*Example: Seller was deficient in meeting the 98% Case Fill Rate on Products A and B in a Product Category by 10,000 net raw material pounds in June 2020, 15,000 net raw material pounds in August 2020 and 20,000 net raw material pounds in October 2020. Buyer achieved Minimum Forecast Accuracy for all calendar months with the deficient Case Fill Rate. Seller supplied all ordered quantities of Products C and D in the same Product Category. In November 2020, Buyer may elect to self-manufacture or purchase from a secondary source a Monthly Deficiency Quantity of 15,000 net raw material pounds of Products A and B. Buyer would not be able to self-manufacture or purchase from a secondary source any quantity of Products C and D.*

**c.** If Buyer elects to commence self-manufacture or purchase from a secondary source of the Monthly Deficiency Quantity in a Product Category, Buyer may continue to self-manufacture or purchase from a secondary source the Monthly Deficiency Quantity in the Product Category until Seller has provided Buyer with adequate assurances in a form reasonably acceptable to Buyer that Seller has corrected the issue(s) that caused Seller to fall below a 98% Case Fill Rate in the Product Category. If Buyer enters into a supply agreement with a secondary source for the Monthly Deficiency Quantity on commercially reasonably pricing, duration and other terms in order to mitigate its damages, Buyer will not have to resume purchasing the Monthly Deficiency Quantity from Seller under the Agreement until the supply agreement with the secondary source has expired or Buyer is able to end, or cease purchasing the Material Deficiency Quantity under the supply agreement, without liability. Buyer will enter into a supply agreement with a secondary source for a period reasonably estimated that Seller will need to correct the issue(s) that caused Seller to fall below a 98% Case Fill Rate in the Product Category. Buyer will not, however, enter into a supply agreement with a secondary source under this Section in excess of six (6) calendar months unless Seller has advised Buyer that Seller will need more than six (6) calendar months to correct the issues that caused Seller to fall below a 98% Case Fill Rate in the Product Category. Buyer may extend or renew a supply agreement as reasonably required to the extent Seller has not corrected the issue(s) that caused Seller to fall below a 98% Case Fill Rate in a Product Category by the end of the supply agreement.

**d.** If Buyer self-manufactures or purchase from a secondary source a Monthly Deficiency Quantity, Seller will reimburse Buyer for the amount by which the actual, reasonable, substantiated costs incurred by Buyer to self-manufacture or purchase from a secondary source the Monthly Deficiency Quantity (including any additional warehousing and freight costs) exceed the amount that Buyer would have paid Seller under this Purchase Schedule for the same mix and quantity of Products. Seller will pay Buyer the reimbursement amount under this Subsection within thirty (30) days of receipt of Buyer's invoice and substantiating documentation.

**e.** If Buyer self-manufactures or purchase from a secondary source a Monthly Deficiency Quantity in a Product Category in a calendar month, but Seller still fails to achieve a 98% Case Fill Rate for the Product Category in the same calendar month in which Buyer has also achieved Minimum

Forecast Accuracy, Seller will reimburse Buyer for the actual, reasonable, substantiated costs amount of service penalties imposed on Buyer by its customers for the calendar month which are solely attributable to Seller's case fill deficiencies. Notwithstanding the preceding sentence, if reimbursements under this Subsection will exceed, in the aggregate, one million U.S. dollars in a calendar year of the Commitment Period (prorated for any partial year of the Commitment Period), Seller will only have to reimburse Buyer for fifty percent (50%) of any reimbursement amount in excess of one million U.S. dollar. Seller will pay Buyer the reimbursement amount under this Subsection within thirty (30) days of receipt of Buyer's invoice and substantiating documentation. Except as provided in this Subsection, Seller will not be liable for any other amount or type of customer service penalties under any circumstance.

**6. Pricing**.

**a.** ***Price of Ordered Products***. Seller will charge Buyer the price per case of a Product determined under this Section that is in effect on the delivery date of the Product specified by Buyer in its purchase order, inclusive of any price adjustments that occur between the purchase order date and the order delivery date. Attachment 1 sets out the initial price per case of each Product with order delivery dates occurring the last calendar quarter of 2019. During the Commitment Period Seller may only adjust the price per case of each Product to Buyer using the price adjustment mechanisms in this Purchase Schedule.

**b.** ***Quarterly Price Adjustment for Changes in Raw Material Costs***. On January 1, 2020 and on the first day of each of each subsequent calendar quarter of the Commitment Period (each a "Price Adjustment Date"), the price per case of a Product will be adjusted based on the increase or decrease in the average monthly published market price per pound of the primary raw material used in the manufacture of a Product using the following price adjustment methodology:

- [*].
- [*].
- [*].

The chart below identifies the respective Price Adjustments Dates and their applicable Base Measurement Periods and Current Measurement Periods:

| PRICE ADJUSTMENT DATE | QURTERLY PRICE PERIOD | BASE MEASUREMENT PERIOD | CURRENT MEASUREMENT PERIOD |
|---|---|---|---|
| January 1 | January 1 through March 31 | June through August of prior calendar year* | September through November of prior calendar year** |
| April 1 | April 1 through June 30 | September through November of prior calendar year | December of prior calendar year and January and February of current calendar year |
| July 1 | July 1 through September 30 | December of prior calendar year and January and February of current calendar year | March through May of current calendar year |
| October 1 | October 1 through December 31 | March through May of current calendar year | June through August of current calendar year |

*** For the first price adjustment on 01/01/2020, the Base Measurement Period will be July, August and September 2019.**

**** For the first price adjustment on 01/01/2020, the Current Measurement Period will be October and November 2019.**

[*].

**c.** ***Annual Price Increase***. On January 1, 2020 and on January 1 of each subsequent calendar year of the Commitment Period, the price per case of a Product will be increased by the percentage in the "Annual Price Increase Percentage" column for the Product in the chart in **Attachment 1**.

**d.** ***Invoice, Payment and Credit***.

**(i)** Seller will deliver an invoice to Buyer for ordered Products on or after the delivery date. Seller will waive its right to compensation if Seller fails to invoice Buyer within ninety (90) days of the delivery date.

**(ii)** Buyer will pay Seller the price and any other amounts owed by Buyer on a transaction within thirty (30) days of invoice. Payments will be in U.S. dollars and must be made by ACH or another form of electronic funds transfer approved by Seller (i.e., payment by check is unacceptable). A payment will be considered made on the date the Buyer's funds have been deposited in and credited to Seller's account. Buyer may not offset or deduct against an invoiced amount for a claim arising on another transaction with Seller. If Buyer believes that there is a good faith basis to dispute payment of an invoiced amount in whole or in part (e.g., billing error; overage; damaged or defective product; etc.), Buyer must deliver a written notice to Seller on or before the invoice due date explaining that good faith basis for withholding the disputed amount and providing copies of any substantiating documentation. A failure by Buyer to submit a timely written notice to Seller by the invoice due date will be deemed a waiver of any defense to non-payment of the invoice amount owed and any claim against Seller on the transaction (other than for latent warranty defects that were not known and could not have been reasonably discovered and reported before the invoice due date). If Buyer disputes only a portion of an invoiced amount, Buyer will pay the undisputed portion of the invoiced amount to Seller on or before the invoice due date.

**(iii)** Seller reserves the right in its sole but good faith discretion to determine the credit limit of Buyer. Seller may modify the credit limit and payment terms of Buyer in the event of a material adverse change in the financial condition of Buyer. Before exercising its right to modify the credit limit or payment terms in the event of such a material adverse change, Seller will request adequate assurances from Buyer as provide in Section 5 of the Agreement. If the Buyer provides adequate assurance to Seller as provided in that Section, Seller will defer any modification of the credit limit or payment terms.

**7.** **Product Specifications and Addition, Removal and Modification of Products**.

**a.** Seller has provided Buyer on or before the Effective Date with the bills of material, engineering drawings, specifications and other design documents in electronic form required for the manufacture, packaging, labelling, storage, delivery and use of each Product (the "Specifications").

**b.** The Parties may only add a good as a Product under this Purchase Schedule, remove a good as a Product from this Purchase Schedule or modify the Specifications for a Product under this Purchase Schedule through a signed written amendment. If a Party proposes to amend this Purchase Schedule to add or remove a good as a Product or to make a Major Modification to a

Product, the other Party may grant, condition or withhold its consent to the proposed change in its sole and absolute discretion. If a Party proposes to amend this Purchase Schedule to make a Minor Modification to a Product, the other Party will exercise good faith business judgment in deciding whether to grant, condition or withhold its consent to the proposed change. The phrase "Minor Modification" will mean a change in a Specification of a Product that will result in: (1) an increase or decrease in the number of units in a case of the Product; (2) a change in the Buyer Branding on the exterior of the Product or its packaging; or (3) any other change that does not require the other Party to incur any material cost, risk or liability or to acquire, develop or license any intellectual property (other than for Buyer Branding or a Buyer Patent as provided in this Purchase Schedule). The phrase "Major Modification" will mean any change in a Specification of a Product that is not considered a Minor Modification under the prior sentence. If a good is added to this Purchase Schedule through a signed written amendment, Seller will provide Buyer with a complete set of the Specifications of the added Product in electronic form on or before the effective date of such amendment. If a Product is modified through a signed written amendment, Seller will provide Buyer with a complete set of the updated Specifications of the modified Product in electronic form on or before the effective date of such amendment.

**c.** If the Parties agree on adding a good as a Product under this Purchase Schedule or modifying a Product under this Purchase Schedule, the Parties will promptly memorialize the agreement in a signed written amendment to this Purchase Schedule. If the Parties are unable to agree on and sign a written amendment to this Purchase Schedule adding a good as a Product under this Purchase Schedule or modifying a Product under this Purchase Schedule within thirty (30) days of a Party requesting the addition or modification, then Buyer may elect to self-manufacture the additional or modified good or to purchase the additional or modified good from another source (subject to Seller's right of first refusal in the next Subsection).

**d.** If the parties are unable to agree as provided in Subsection (c) above, Seller will have a right of first refusal to match the price in an offer of a competitor to sell an additional or modified good to Buyer where the additional or modified good in question: (1) will be manufactured from a Raw Material for any Product being supplied under this Purchase Schedule; (2) is for the purpose of packaging, selling or use in consuming food; and (3) is not required to be manufactured in accordance with, or to incorporate any proprietary element (design or utility) owned by such competitor. In such case, before accepting a competitor's offer to sell Buyer an additional or modified good, Buyer will present Seller with a true, accurate and complete copy of the competitor's offer. Seller will have ten (10) days from receipt of the competitor's offer in which to exercise Seller's right of first refusal under this Section. If Seller notifies Buyer during the thirty (30) days period that Seller will sell the additional or modified good to Buyer at the price set forth in the competitor's offer and otherwise on the terms and conditions in this Purchase Schedule, the SOPs and the main body of the Agreement, the Parties will promptly memorialize the agreement in a signed written amendment to this Purchase Schedule. If Seller does not notify Buyer during the thirty (30) days period that Seller will sell the additional or modified good to Buyer at the price set forth in the competitor's offer and otherwise on the terms and conditions in this Purchase Schedule, the SOPs and the main body of the Agreement, Buyer may accept the competitor's offer to sell the additional or modified good in question without being considered in breach of this Agreement.

**8. Manufacture, Storage and Delivery of Ordered Products**.

**a.** Subject to Section 9, Seller may manufacture and store Products for sale to Buyer under this Purchase Schedule at any facility operated by Seller and its Affiliates in the United States of America, Canada and Mexico. Notwithstanding the preceding sentence, if Buyer is making a "Made in USA" claim on a Product as identified in the Specifications approved by the Parties from time to time, Seller will ensure that such a Product is manufactured in a facility in the United States of America. Except as provided in the prior sentence, Buyer will have sole responsibility and liability for a "Made in USA" claim on Product. During the Commitment Period, Seller anticipates manufacturing and storing Products for sale to Buyer primarily at the facilities of Seller listed in Attachment 2. Seller reserves the right to change the facility at which any Product is manufactured

and stored for sale to Buyer under this Purchase Schedule. Seller will notify Buyer at least thirty (30) days in advance of any change in the facility at which a Product will be manufactured or stored for sale to Buyer under this Purchase Schedule. Seller will not be required to provide advance notice, however, if Seller initiates a temporary change in a manufacturing or storage facility: (a) to avoid, minimize or restore performance following a delay or interruption in the sale of a Product as a result of an event of Force Majeure or (b) to use available manufacturing or storage capacity at another facility for a period of thirty (30) days or less. Seller will be entitled to any cost savings, and will bear any increased costs, including increased or decreased freight, resulting from a change in the facility at which a Product will be manufactured or stored for sale to Buyer under this Purchase Schedule.

**b.** Seller will deliver ordered Products to Buyer on an "Ex-Works" basis per INCOTERMS 2010 ("EXW") at one of the manufacturing or warehouse facilities owned, leased or otherwise operated by Seller or its vendor identified in Attachment 2 (each being a "Delivery Point"). The specific Delivery Point for ordered Products will be identified in the accepted purchase order. Title and risk of loss of ordered Products will transfer from Seller to Buyer upon tender to Buyer or a third party carrier at the specified Delivery Point. Seller reserves the right to change the location of a Delivery Points under this Purchase Schedule. Seller will notify Buyer at least ninety (90) days in advance of any change in a Seller Destination under this Purchase Schedule. Seller will not be required to provide advance notice, however, if Seller initiates a temporary change in a Seller Destination to avoid, minimize or restore performance following a delay or interruption in the sale of a Product as a result of an event of Force Majeure. If Seller changes the Delivery Points for any reason other than an event of Force Majeure or at Buyer's request and the Seller's change in the Delivery Points results in an increase in the annual freight costs of Buyer either to its own facilities or to its customers, then Buyer may require Seller to pay, reimburse or credit Buyer for the actual substantiated out-of-pocket expenses of the increase in annual freight costs incurred by Buyer based on such change. Buyer must request payment, reimbursement or credit for such increase by delivering written notice to Seller within ninety (90) days of the end of each calendar year of the Commitment Period. Buyer must provide reasonable details and substantiation for the claimed increase in the written notice. Seller will pay, reimburse or credit Buyer for the increase within thirty (30) days of receipt of such written notice. Any disagreement over the claimed increase will be resolved through the Dispute resolution process provided in the Agreement.

**9. Tolled Assets**.

**a.** If indicated on Attachment 3, some or all of the Products are expected to be manufactured on the equipment and tooling identified on Attachment 3 which is located in a manufacturing facility of Seller (the "Tolled Assets"). Seller will endeavor to use Tolled Assets to manufacture applicable Products as a general practice, but Seller may use its own equipment to manufacture Products in a circumstance where a required Tolled Asset is unavailable (e.g., undergoing maintenance or repair) or if use of Seller's own equipment will allow Seller to achieve cost savings or operating efficiencies or otherwise improve its operations. Buyer represents, warrants and covenants to Seller that: (1) Buyer is the sole owner of the Tolled Assets; (2) Buyer grants Seller a license for the exclusive use of the Tolled Assets during the Commitment Period for the purpose of manufacturing Products for sale to Buyer under this Purchase Schedule and manufacturing goods, other than Buyer Branded Products and Buyer Proprietary Products, for sale to other customers of Seller; and (3) Seller may use the Tolled Assets for the authorized purposes in this Section during the Commitment Period free of any unreasonable interference by Buyer and its Affiliates and free of all claims of third-parties. Buyer makes no other representations or warranties regarding the condition or operation of the Tolled Assets. Buyer shall indemnify Seller as set forth in Subsection 7(b) of the Agreement with respect to any breach by Buyer of, or inaccuracy in, the representations, warranties and covenants of Buyer in this Section.

**b.** Seller, at its expense, will use, maintain and repair the Tolled Assets in compliance with their respective original equipment manufacturer instructions and Applicable Laws during the Commitment Period and in substantially the same used, but usable, condition, or in a better

condition, than exists on the Effective Date of this Purchase Schedule, ordinary wear and tear, capital improvements and capital replacements excepted. Seller will not have to pay Buyer any royalty, rent or other compensation for the use, maintenance and repair of the Tolled Assets for the authorized purpose in this Section. Seller will not remove or relocate a Tolled Asset from the assigned manufacturing facility identified on Attachment 3 except as provided in this Section. Seller shall indemnify Buyer as set forth in Subsection 7(a) of the Agreement with respect to any Indemnified Claims arising from Seller's use of the Tolled Assets.

**c.** Buyer will perform all obligations, and bear all other expenses, of ownership of the Tolled Assets, including, without limitation, paying all property taxes and other government impositions on the Tolled Assets, insuring the Tolled Assets as provided in the Agreement and performing and paying for any capital improvements and capital replacements to the Tolled Assets required to maintain them in compliance with their respective original equipment manufacturers instructions and Applicable Laws and in substantially the same used, but usable, condition, or in a better condition, than exists on the Effective Date of this Purchase Schedule.

**d.** Except for the limited licenses granted by Buyer to Seller under this Section, Buyer will retain all right, title, interest and ownership in the Tolled Assets. Buyer will provide Seller with signs to place and maintain signs on Tolled Assets to notify observers that the Tolled Assets are the personal property of Buyer. Buyer may also file a UCC-1 financing statement or other public notices required under Applicable Laws to inform third-parties of the ownership interest of Buyer in the Tolled Assets and to otherwise protect such ownership interest. Buyer may inspect a Tolled Asset during the Commitment Period to confirm that the Tolled Asset is being used, maintained and repaired by Seller in compliance with the license granted under this Section and to exercise any right and perform any other obligation of Buyer as the owner of the Tolled Asset upon reasonable advance notice to Seller and on a day and at a time selected by Seller in its good faith discretion within fifteen (15) days of receipt of such notice. Seller will not remove a Tolled Asset from the manufacturing facility listed in Attachment 3 except as provided in this Section.

**e.** Seller may: (1) cease using a Tolled Asset that Seller no longer requires to perform its obligations under this Purchase Schedule on at least 90 days advance written notice to Buyer and require Buyer at its expense to remove the Tolled Asset from the Seller's manufacturing facility; or (2) relocate a Tolled Asset to another manufacturing or storage facility of Seller in the same country at its expense on at least 90 days advance written notice to Buyer. Advance written notice will not be required if the cessation of use, removal or relocation of a Tolled Asset is the result of an event of Force Majeure, a material breach of the Agreement by Buyer beyond any permitted or required notice and cure period or material damage to the Tolled Asset requiring capital improvement or capital replacement to restore the Tolled Asset. Seller will endeavor in good faith to provide Buyer with such verbal and written notice as is reasonably practicable under these circumstances.

**f.** Buyer will, at its expense, remove the Tolled Assets from the manufacturing facilities of Seller within 180 days of the end of the Commitment Period. In addition, Buyer may, at its expense, elect to remove a Tolled Asset from Seller's facility on commercially reasonable advance verbal and written notice to Seller, and relocate the Tolled Asset to a facility owned or leased by Buyer or its Affiliate for self-manufacture of goods for Buyer and its Affiliates, (i) an event of Force Majeure during which Seller is unable to use the Tolled Asset to supply Products to Buyer and its Affiliates, (ii) during a period that Seller is in material breach of the Agreement beyond any permitted or required notice and cure period, (iii) during a period that Buyer has elected to self-manufacture a Material Deficient Quantity under Section 5 of this Purchase Schedule, or (iv) to allow Buyer to perform capital improvement or capital replacement needed to restore the Tolled Asset.

**g.** If any Tolled Assets are damaged due to Seller's negligence or breach of this Agreement, Seller shall be responsible for repair of such damage. If any Tolled Assets are damaged by other causes, Buyer shall be responsible for repair of such damage.

**h.** If Buyer is required or permitted to remove a Tolled Asset under this Section:

**(1)** Seller will, acting in good faith, specify the day and time for Buyer to remove the Tolled Asset from Seller's manufacturing facility. Buyer will be required to comply with the security, environmental, health, safety and other rules adopted by Seller for its vendors performing work with, and supplying goods and services to, the manufacturing facility.

**(2)** Seller may elect to disassemble, package, store and deliver the removed Tolled Asset to Buyer at the loading dock or storage yard of a manufacturing or storage facility of Seller or Buyer. If Seller makes this election, Seller will not charge Buyer for any disassembly, packaging, storage and delivery of the removed Tolled Asset performed by Seller.

**(3)** If Buyer fails to remove the Tolled Asset from Seller's manufacturing facility by the specified removal deadline, Seller may, as its sole remedies, either (i) elect to purchase the Tolled Asset from Buyer any time thereafter by paying Buyer a price of one and no/100 U.S. dollar ($1.00) in "AS-IS, WHERE_IS, WITH ALL FAULT" conditions and without any other representations and warranties; or (ii) arrange for the removal and either the sale or other disposal of the Tolled Asset on behalf of, and at the sole expense, risk and liability of, Buyer as determined by Seller in its sole but good faith discretion.

**10. Miscellaneous**. This Purchase Schedule, the SOPs and the main body of the Agreement constitutes the entire agreement between the Parties with respect to the purchase and sale of the Products during the Commitment Period. This Agreement supersedes all prior and simultaneous representations, discussions, negotiations, letters, proposals, agreements and understandings, whether written or oral, with respect to this same subject matter. This Purchase Schedule may be executed in any number of counterparts, each of which shall be deemed an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument. Offer and acceptance of this Purchase Schedule may be made by e-mail, mail or other commercially reasonable means showing the signatures of an officer of the Parties.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

**SIGNATURE PAGE AND ATTACHMENTS FOLLOW**

In witness whereof, Seller and Buyer have executed this Master Supply Agreement as of the Effective Date.

**REYNOLDS CONSUMER PRODUCTS LLC**, as Seller

By: /s/ Lance Mitchell
Lance Mitchell
Chief Executive Officer

**PACTIV LLC**, as Buyer

By: /s/ John McGrath
John McGrath
Chief Executive Officer

**List of Attachments**

Attachment 1 – Products and Initial Prices

Attachment 2 – Seller Manufacturing and Warehouse Facilities

Attachment 3 – Tolled Assets of Buyer in Seller Manufacturing Facilities

**NON-COMPETE RESTRICTIONS DATED NOVEMBER 1, 2019**
**BETWEEN REYNOLDS CONSUMER PRODUCTS LLC AND PACTIV LLC**

**1.** These Non-Compete Restrictions will form part of and supplement the Master Supply Agreement dated November 1, 2019 between Reynolds, as Seller, and Pactiv LLC, as Buyer, and the Master Supply Agreement dated November 1, 2019 between Pactiv, as Seller, and Reynolds, as Buyer (each an "MSA" and collectively the "MSAs"). Capitalized terms and phrases not otherwise defined in these Non-Compete Restrictions will have the same meaning ascribed to them in the respective MSAs. As used in these Non-Compete Restrictions, the phrase "Affiliate" means a direct or indirect subsidiary of a Party. A breach of these Non-Compete Restrictions by a Party or its Affiliate will represent a material breach of the MSAs. These Non-Compete Restrictions will commence on November 1, 2019 and end on the expiration or earlier termination of each of the MSAs.

**2.** The Parties and their respective Affiliates supply goods to some of the same customers in the United States of America, Canada and Mexico, but, because of their different business models, the Parties and their respective Affiliates do not currently compete with one another in the sale of those goods.

**3.** During the Term of the respective MSAs, Pactiv and its Affiliates will not sell products that Pactiv and its Affiliates sell Reynolds and its Affiliates under an MSA, nor goods that compete with those products, directly or through a distributor or other arrangement with a third-party, to groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in individual consumer quantities bearing UPC codes on the exterior of the packaging), club stores (excluding Restaurant Depot, Smart & Final and Gordon Foodservice Marketplace or club store customers with similar business models) and other retail establishments in the United States of America and Canada for resale to consumers in those countries. Notwithstanding the preceding sentence, Pactiv and its Affiliates may manufacture goods in Mexico similar to the products that Pactiv and its Affiliates sell Reynolds and its Affiliates under an MSA, either directly or through a distributor or other arrangement with a third-party, and sell those goods to HEB and its affiliates in the United States of America and Canada for resale to consumers in those countries.

**4.** During the Term of the respective MSAs, Reynolds and its Affiliates will not sell products purchased under an MSA from Pactiv and its Affiliates, nor goods that compete with those products, either directly or through a distributor or other arrangement with a third-party, to businesses that operate restaurants and foodservice establishments, groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in full case quantities bearing UPC codes on the exterior of the case), club stores and other retail establishments, and egg, meat, poultry, fish, produce, deli, bakery and other food suppliers and processors in the United States of America, Canada and Mexico for use by those businesses in preparing, packaging, selling or serving food for sale to consumers in those countries. By way of clarification, the preceding sentence will not preclude Reynolds and its Affiliates from selling Hefty tableware foam products that Pactiv and its Affiliates manufacture for Reynolds for its sale to Smart & Final and its affiliates in the United States of America.

**5.** During the Term of the respective MSAs, Reynolds and its Affiliates will not sell products that Reynolds and its Affiliates sell Pactiv and its Affiliates under an MSA, nor goods that compete with those products, directly or through a distributor or other arrangement with a third-party, to businesses that operate restaurants and foodservice establishments, groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in full case quantities bearing UPC codes on the exterior of the case), club stores and other retail establishments, and egg, meat, poultry, fish, produce, deli, bakery and other food suppliers and processors in the United States of America, Canada and Mexico for use by those businesses in preparing, packaging, selling or serving food for sale to consumers in those countries.

**6.** During the Term of the respective MSAs, Pactiv and its Affiliates will not sell products purchased under an MSA from Reynolds and its Affiliates, nor goods that compete with those products, either directly or through a distributor or other arrangement with a third-party, to groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in

individual consumer quantities bearing UPC codes on the exterior of the packaging), club stores (excluding Restaurant Depot, Smart & Final and Gordon Foodservice Marketplace or club store customers with similar business models) and other retail establishments in the United States of America and Canada for resale to consumers in those countries.

**7.** During the Term of the respective MSAs, Reynolds and its Affiliates will not sell cutlery, plates, containers, straws and cups made from plastic, paper or any other raw material aside from aluminum, either directly or through a distributor or other arrangement with a third-party, to (a) HEB and its affiliates in the United States of America and Canada for resale to consumers in those countries, or (b) groceries, supermarkets, convenience stores, mass merchants, club stores and other retail establishments in Mexico for resale to consumers in Mexico ("Mexico Retailers"). By way of clarification, the preceding sentence will not preclude Reynolds and its Affiliates from selling: (i) cutlery, plates, containers, straws and cups that Pactiv and its Affiliates manufacture for Reynolds for its sale to HEB and its affiliates in the United States of America and Canada and resale by HEB and its affiliates to consumers in those countries, or (ii) goods other than such cutlery, plates, containers, straws and cups to HEB and its affiliates in the United States of America and Canada, and Mexico Retailers in Mexico, for resale to consumers in the respective countries.

**8.** Notwithstanding the restrictions in the prior Section, if Reynolds or its Affiliate receive an opportunity with a Reynolds multinational customer to sell cutlery, plates, containers, straws and cups made from plastic, paper or any other raw material aside from aluminum, either directly or through a distributor or other arrangement with a third-party, to a Mexico Retailer owned, controlled and operated by the Reynolds multinational customer for resale to consumers in Mexico and Pactiv or its Affiliate is not currently selling the product(s) in question, directly or indirectly, to that Mexico Retailer (a "New Business Opportunity"), Reynolds will offer Pactiv the opportunity to supply the product(s) for the New Business Opportunity. In such a circumstance, the Parties will engage in a good faith negotiation and attempt to agree on the pricing and other terms for the purchase and sale of the product(s) in question for the New Business Opportunity. If the Parties are able to agree on the pricing and other terms for the purchase and sale of the product(s) in question for the New Business Opportunity, the Parties will sign a Purchase Schedule to the MSA under which Pactiv is Seller and Reynolds is Buyer memorializing the agreement for Pactiv to supply the product(s) for the New Business Opportunity. If the Parties are unable to agree on the pricing and other terms for the purchase and sale of the product(s) in question within thirty (30) days of Pactiv receiving notice from Reynolds of the New Business Opportunity, then Reynolds may elect to self-manufacture the product(s) in question for the New Business Opportunity or source those product(s) from a competing supplier for the New Business Opportunity. If Reynolds receives and wishes to accept an offer from a competing supplier to supply the product(s) in question for the New Business Opportunity and the competing offer is for a higher price than Pactiv's last best offer to Reynolds, Pactiv will have a right of first refusal to match the pricing in the competitor's offer and supply the product(s) for the New Business Opportunity. Before Reynolds or its Affiliate accepts a competitor's offer to supply the product(s) in question for the New Business Opportunity, Reynolds will present Pactiv with a true, accurate and complete copy of the competitor's offer. Pactiv will have thirty (30) days from receipt of the competitor's offer in which to exercise Pactiv's right of first refusal under this Section. If Pactiv's exercises its right of first refusal by notifying Reynolds within the thirty (30) days period, the Parties will sign a Purchase Schedule to the MSA under which Pactiv is Seller and Reynolds is Buyer for the supply of product(s) for the New Business Opportunity at the pricing in the competitor's offer. If Pactiv does not exercise its right of first refusal by notifying Reynolds within the thirty (30) days period, Reynolds may accept the competitor's offer and purchase the product(s) in question from the competitor solely for the purpose of reselling them to the Mexico Retailer for the New Business Opportunity. Nothing in this Section will permit Reynolds or its Affiliates to sell cutlery, plates, containers, straws and cups made from plastic, paper or any other raw material aside from aluminum, either directly or through a distributor or other arrangement with a third-party, to businesses that operate restaurants and foodservice establishments, groceries, supermarkets, convenience stores, mass merchants, club stores and other retail establishments, and egg, meat, poultry, fish, produce, deli, bakery and other food suppliers and processors for use by those businesses in preparing, packaging, selling or serving food for sale to consumers in Mexico.

**9.** During the Term of the respective MSAs, Pactiv and its Affiliates will not sell aluminum foil or aluminum containers, either directly or through a distributor or other arrangement with a third-party, to Mexico

Retailers for resale to consumers in Mexico. By way of clarification, the preceding sentence will not preclude Seller and its Affiliates from selling goods other than such aluminum foil or aluminum containers to Mexico Retailers for resale to consumers in Mexico.

**10.** Except as provided in the prior Sections, nothing in these Restrictions or the MSAs will preclude or restrain the Parties and their Affiliates from being able to competing with one another in the United States of America, Canada, Mexico or any other country.

In witness whereof, Reynolds and Pactiv have executed these Non-Compete Restrictions as of November 1, 2019.

**REYNOLDS CONSUMER PRODUCTS LLC**

By: /s/ Lance Mitchell
Lance Mitchell
Chief Executive Officer

**PACTIV LLC**

By: /s/ John McGrath
John McGrath
Chief Executive Officer

**Attachment 1**
**Products and Initial Prices**

The Raw Material column in the attached chart uses the following acronyms to describe the primary raw material used to manufacture a product:

- Aluminum (identified by the acronym "**AL**" or "**ALUM**").
- C1S paper board (identified by the acronym "**C1S**").
- General purpose polystyrene resin (identified by the acronym "**GPPS**" or "**PS**").
- High impact polystyrene resin (identified by the acronym "**HIPS**").
- Molded fiber (identified by the acronym "**MF**" or "**Fiber**").
- Nylon No. 6 and Nylon No. 66 (identified by the acronym "**Nylon**"). For Raw Material price adjustments for Nylon, the Raw Material will be considered 50% Nylon No. 6 and 50% Nylon No. 66.
- Polyethylene resin (identified by the acronym "**PE**").
- PE2S paper board (identified by the acronym "**PE2S**").
- Polyethylene terephthalate resin (identified by the acronym "**PET**").
- Polylactic acid resin (identified by the acronym "**PLA**").
- Polypropylene resin (identified by the acronym "**PP**" or "**MFPP**").
- Polyvinyl chloride resin (identified by the acronym "**PVC**").

Seller will obtain average monthly market prices for each Raw Material from the following Raw Material Publications for use in calculating the price adjustments under this Purchase Schedule:

- [*].
- [*].
- [*].
- [*].

If organization that has been issuing the Raw Material Publication for a Raw Material relied upon by the Parties to determine quarterly price adjustments of Products under this Purchase Schedule announces that the organization will cease publishing such information or ceases publishing such information or otherwise materially changes the manner, method and frequency of collecting, analyzing, determining and publishing such information or the Raw Material Publication otherwise no longer reasonably reflects increases or decreases in the market price of the Raw Material, either Party may request a modification to this price adjustment mechanism by delivering written notice to the other Party. The Parties will negotiate in good faith and attempt to agree upon the modified price adjustment mechanism within thirty (30) days of the date of receipt of the request. If the Parties are unable to agree on the modified price adjustment mechanism by the end of the thirty (30) day negotiation period, either Party may elect to resolve the Dispute through mediation or litigation as provided in Section 11 of the Agreement. Until the Parties sign a written

amendment to this Agreement with a mutually acceptable modified price adjustment mechanism or until the Dispute over the modification to the price adjustment mechanism is resolved by entry of a final, unappealed and unappealable order of a court of competent jurisdiction, Seller may increase or decrease the price of a Product based on the change in the average actual monthly price per pound of the Raw Material of the Product over the applicable Base Measurement Period from the average actual monthly price per pound of the Raw Material of the Product over the applicable Current Measurement Period. Seller will not have to disclose its actual Raw Material costs to Buyer in such a circumstance. Upon request of Buyer, Seller will allow an independent auditor mutually acceptable to the Parties to review the actual Raw Material costs of Seller on a confidential basis for the relevant measurement period to confirm the accuracy of Seller's calculation of the price adjustment.

| Product Category | Product Number | Product Description | Seller Stock Product, Buyer Branded Product or Buyer Proprietary Product | Units Per Case | Raw Material Type | Net Raw Material Weight per Case in Pounds | Price Per Case in USD for Deliveries 11/01/2019 through 12/31/2019 | Annual Price Increase Percentage |
|---|---|---|---|---|---|---|---|---|
| [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |

**HIPS Products**: Notwithstanding anything in this Purchase Schedule or the Agreement to the contrary:

**1)** Buyer may (but will not be obligated to) purchase the listed HIPS Products from Seller.

**2)** Buyer self-manufacture the listed HIPS Products or purchase them from any other supplier in any quantity and for any reason without being in breach of this Agreement.

**3)** From time to time during the Commitment Period, Buyer may submit a forecast to Seller requesting that Seller reserve a portion of the manufacturing capacity in its manufacturing facility in Huntersville, North Carolina to manufacture and sell one or more of the listed HIPS Products to Buyer on the terms provided in this Purchase Schedule. Seller will exercise good faith and commercially reasonable efforts to accommodate Buyer's request.

**PET Products**: Notwithstanding anything in this Purchase Schedule or the Agreement to the contrary:

**1)** Buyer may (but will not be obligated to) purchase the listed PET Products from Seller.

**2)** Buyer self-manufacture the listed PET Products or purchase them from any other supplier in any quantity and for any reason without being in breach of this Agreement.

**3)** From time to time during the Commitment Period, Buyer may submit a forecast to Seller requesting that Seller reserve a portion of the manufacturing capacity in its manufacturing facility in Huntersville, North Carolina to manufacture and sell one or more of the listed PET Products to Buyer on the terms provided in this Purchase Schedule. Seller will exercise good faith and commercially reasonable efforts to accommodate Buyer's request. At Buyer's request, Seller has reserved [*] annual PET pounds ([*] monthly PET pounds) of manufacturing capacity in its manufacturing facility in Huntersville, North Carolina to manufacture and sell PET Products to Buyer in 2020 on the terms provided in this Purchase Schedule.

**End of Attachment**

**Attachment 2**
**Seller Manufacturing Facilities and Warehouse Facilities**

| Manufacturing Facility | Maximum Monthly Quantity of Product Category at Manufacturing Facility Available for Buyer in Net Raw Material Pounds (assumes similar product mix to product mix in 2019) |
|---|---|
| Reynolds Consumer Products<br>777 Wheeling Road<br>Wheeling, IL 60090<br>(847) 215-3230 | Pactiv Finished Goods: [*] lbs. |
| Reynolds Consumer Products<br>Louisville Foil Plant<br>2827 Hale Ave<br>Louisville, KY 40211<br>(502) 775-4333 | Food Service Rolls (Bulk Rolls): [*] lbs.<br>Interfold Product: [*] lbs. |

Select HIPS Products and PET Products may also be manufactured at Seller's manufacturing facility in Huntersville, NC for Buyer. Please see last page of **Attachment 1** for further details.

**End of Attachment**

**Attachment 3**

**Tolled Assets of Buyer in Manufacturing Facilities of Seller**

| Tolled Asset Number | Tolled Asset Description | Manufacturing Facility |
|---|---|---|
| [*] | [*] | [*] |

Buyer also has Tolled Assets in Seller's manufacturing facility in Hunterville, NC. Buyer will be removing and relocating these Tolled Assets in 2020.

**End of Attachment**

**AMENDMENT TO PURCHASE SCHEDULE**

This Amendment dated as of January 15, 2022, to the Purchase Schedule dated November 1, 2019 to the Master Supply Agreement dated November 1, 2019 ("Agreement") between Reynolds Consumer Products LLC ("Seller") and Pactiv LLC ("Buyer"). The Parties agree as follows:

1. Capitalized terms and phrases not otherwise defined in this Amendment will have the same meaning ascribed to them in the Agreement (including the Purchase Schedule).

2. Section 6.b. is modified to add the following paragraph:

Notwithstanding anything hereinabove to the contrary, for the first calendar quarter of 2022 only, the Price Adjustment Date will be February 1, 2022. The Quarterly Price Period, the Base Measurement Period and the Current Measurement Period will not change. On or before February 15, 2022, the Parties shall agree upon a true-up adjustment amount for the period from January 1, 2022 through January 31, 2022. The true-up adjustment amount shall be the difference between (i) the price per case for a Product from January 1, 2022 through January 31, 2022 and (ii) what the price per case for a Product would have been had the Price Adjustment Date been January 1, 2022.

3. Section 6.c. is deleted in its entirety and replaced with the following:

> ***Annual Price Increase.*** On January 1, 2020 and on January 1 of each subsequent calendar year of the Commitment Period, the price per case of a Product will be increased by the percentage in the "Annual Price Increase Percentage" column for the Product in the chart in **Attachment 1**; provided, however, that for the period from January 1, 2022 to December 31, 2022, the price per case of a Product will not be increased as provided above.

4. Except as set forth above, the terms of the Agreement, including the Purchase Schedule, remain in full force and effect.

5. This amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by electronic signature, facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this amendment.

IN WITNESS WHEREOF, the Parties have executed this amendment as of the 15th day of January, 2022.

Pactiv LLC

By: /s/ Michael J. King
Name: Michael King
Title: Chief Executive Officer

Reynolds Consumer Products LLC

By: /s/ Lance Mitchell
Name: Lance Mitchell
Title: Chief Executive Officer

**SECOND AMENDMENT TO PURCHASE SCHEDULE**

This Second Amendment (the "Second Amendment"), dated as of March 31, 2023, amends that certain Purchase Schedule dated November 1, 2019 to the Master Supply Agreement dated November 1, 2019 ("Agreement"), as amended by that certain Amendment to Purchase Schedule dated January 15, 2022 ("First Amendment"), between Reynolds Consumer Products LLC ("Seller") and Pactiv LLC ("Buyer"). The Parties agree as follows:

1. **Definitions**. Capitalized terms and phrases not otherwise defined in this Second Amendment will have the same meaning ascribed to them in the Agreement, including the Purchase Schedule.

2. **Elimination of SOP References**. Section 3 of the Agreement is hereby deleted, and all references to the SOPs in the Agreement shall be removed. The following references to the SOPs are removed from the Purchase Schedule:

a. "the SOPs" from Section 3(a)
b. Section 4(a)(3) to be deleted in its entirety;
c. "in the SOPs" from line 8 of Section 5(b);
d. "the SOPs" from line 11 and line 15 of Section 7(d); and
e. "the SOPs" from line 1 of Section 10.

3. **Term Extension**. Section 2 of the Purchase Schedule is amended and restated in its entirety as follows:

This Purchase Schedule will commence on the Effective Date and will end on the earlier of (a) December 31, 2024; or (b) an earlier termination date elected by a Party in a written notice delivered to the other Party as provided in Section 11(d) of the Agreement (the period of this Purchase Schedule is referred to at times as the "Commitment Period"), except that the Commitment Period with respect to aluminum Products sold by Seller to Buyer shall instead extend until the earlier of: (a) December 31, 2027; or (b) the earlier termination date elected by a Party in a written notice delivered to the other Party as provided in Section 11(d) of the Agreement.

4. **Revised COLAs**. Section 6(c) is deleted in its entirety and replaced with the following:

**Cost of Living Adjustments for the Period through April 30, 2023**. [*].

**Payment for Third Party Aluminum Purchases by Buyer**. The true up referred to above will be reduced by a credit of $[*], representing Seller paying to Buyer $[*] towards the $[*] spent by Buyer for the purchase of aluminum from third parties during the 2022 calendar year.

**New Prices Beginning May 1, 2023**. **Attachment 4** to the Second Amendment to this Purchase Schedule sets forth the prices that shall apply for the sale of Products hereunder on and after May 1, 2023. [*].

**Non Raw Material Price Adjustments Beginning [*]**. Beginning [*], there will be [*] non-raw material price adjustments [*].

[*]. If the Parties are not able to agree on appropriate revisions to the Agreement following such discussions, then Seller shall have the right to terminate the Agreement on 30 days' prior written notice if such negotiations do not produce an appropriate solution, in its sole discretion, within six months. Upon such termination, the only remaining liability of each Party to the other shall be for accrued and unpaid purchase price of Products delivered hereunder prior to such termination.

The chart below identifies the respective Adjustments Dates, Base Periods and Current Periods for non-Raw Material price adjustments:

| ADJUSTMENT DATE | PRICE PERIOD | BASE PERIOD | CURRENT PERIOD |
|---|---|---|---|
| [*] | [*] | [*] | [*] |
| [*] | [*] | [*] | [*] |

**Supplemental Price Adjustment**. [*].

5. **New Aluminum Production Schedule**. **Attachment 2** to this Second Amendment replaces Attachment 2 to the Agreement, with respect to polystyrene foam production as identified by product category by plant location.

6. **Additional Aluminum Terms**. Subject to the terms and conditions of the Agreement, including the limitations and exclusions in Section 4 of the Purchase Schedule, (i) during 2023, Buyer is required to purchase [*]% of its requirements of aluminum container Products and [*]% of its requirements of aluminum interfold/roll Products from Seller (provided, that aluminum container Products purchased from a third party vendor and used solely in connection with the qualification of such vendor and not for resale shall not be subject to this limitation), (ii) during 2024, Buyer is required to purchase [*]% of its requirements of aluminum container products and [*]% of its requirements of aluminum interfold/roll Products from Seller and (iii) during 2025 and subsequent years, Buyer is required to purchase [*]% of its requirements of aluminum interfold/roll Products from Seller ([*]), but Buyer reserves the right to purchase additional amounts of aluminum products beyond the amounts set forth on **Attachment 2** from third parties or to self-manufacture; provided, however, Buyer shall be responsible for any raw materials, work in progress or finished goods inventory that are unique to the aluminum Products forecasted for purchase by Buyer (collectively, "WIP"). Buyer shall provide Seller with six months' prior written notice if, in any given calendar year during the Commitment Period, it intends to purchase a materially lower share of its needs of any given Product category from Seller hereunder than it did during the prior year. Following any such reduction, Seller's ongoing obligation to supply Buyer's requirements shall be commensurately reduced for the remainder of the Commitment Period. Buyer shall provide Seller with nine months' prior written notice if, in any given calendar year, it intends to purchase less than 50% of its requirements of aluminum container Products from Seller hereunder, and the Parties shall meet and discuss in good faith revisions to the pricing of Products hereunder to address absorption losses by Seller. If the Parties are not able to agree on appropriate revisions to the Agreement following repricing discussions under the immediately preceding sentence, then Seller shall have the right to terminate the Agreement on 180 days' prior written notice if such negotiations do not produce an appropriate solution, in its sole discretion, within 60 days. Upon such termination, the only remaining liability of each Party to the other shall be for unpaid purchase price of Products delivered hereunder, and for WIP as provided above, in each case accrued prior to such termination.

7. **Corrections to Attachments**. On or before April 14, 2023, either Party may request changes to any of the Attachments to this Second Amendment if, in the reasonable opinion of the requesting Party, such changes are necessary to correct an error or clarify an ambiguity in the Attachments. The changes shall be effective if the non-requesting Party consents, but such consent may not be unreasonably withheld, conditioned or delayed.

8. **No Other Modifications**. Except as set forth above and in the First Amendment to the Restrictions, the terms of the Agreement, including the Purchase Schedule, as amended, remain in full force and effect.

9. **Counterparts**. This Second Amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Second Amendment by electronic signature, facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this amendment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment the 31st day of March, 2023.

Pactiv LLC

By: /s/ Michael J. King
Name: Michael King
Title: Chief Executive Officer

Reynolds Consumer Products LLC

By: /s/ V. Lance Mitchell
Name: Lance Mitchell
Title: Chief Executive Officer

**ATTACHMENT 1**

**COLA TRUE-UP**

| **Product** | **Increased Price Per Case** | **Credit Per Case for March and April 2023** |
|---|---|---|
| See attached Excel. | As set forth under column H, entitled “Total” under tab “Attachment #1 RCP.” | As set forth under column H, entitled “Total” under tab “Attachment #1 RCP Credit.” |

Pursuant to Item 601(a)(5) of Regulation S-K under the Securities Exchange Act of 1934, as amended, the Excel file referred to in the above table has not been filed.

**ATTACHMENT 2**

**ALUMINUM PRODUCTION AS IDENTIFIED BY PRODUCT CATEGORY BY PLANT LOCATION**

See Attached Excel.

**Attachment 2**
**Seller Manufacturing Facilities and Warehouse Facilities**

| Manufacturing Facility | Maximum Monthly Quantity of Product Category at Manufacturing Facility Available for Buyer in Net Raw Material Pounds (assumes similar product mix to product mix in 2019) |
|---|---|
| Reynolds Consumer Products<br>777 Wheeling Road<br>Wheeling, IL 60090<br>(847) 215-3230 | Pactiv Container Finished Goods: [*] lbs. per month |
| Reynolds Consumer Products<br>Louisville Foil Plant<br>2827 Hale Ave<br>Louisville, KY 40211<br>(502) 775-4333 | Food Service Rolls (Bulk Rolls): [*] lbs. per month<br>Interfold Product: [*] lbs. per month |

**ATTACHMENT 3**

**NON-RAW MATERIAL COST ADJUSTMENT**

[*]

ATTACHMENT 4

NEW PRICE SHEET

| **Product** | **New Price** |
|---|---|
| See attached Excel. | As set forth under column H, entitled “May 2023 Pricing” under tab “Attachment #4 RCP.” |

Pursuant to Item 601(a)(5) of Regulation S-K under the Securities Exchange Act of 1934, as amended, the Excel referred to in the above table has not been filed.

**FIRST AMENDMENT TO NON-COMPETE RESTRICTIONS DATED NOVEMBER 1, 2019 BETWEEN REYNOLDS CONSUMER PRODUCTS LLC AND PACTIV LLC**

This First Amendment is entered into as of March 31, 2023 and amends that certain set of Non-Compete Restrictions dated November 1, 2019 between Reynolds Consumer Products LLC and Pactiv LLC ("Restrictions"), which supplement that certain Master Supply Agreement dated November 1, 2019 between Pactiv, as Seller, and Reynolds, as Buyer, and that certain Master Supply Agreement dated November 1, 2019 between Reynolds, as Seller, and Pactiv, as Buyer (collectively the "MSAs"). The Parties agree as follows:

1. Capitalized terms and phrases not otherwise defined in this Amendment will have the same meaning ascribed to them in the Restrictions and the MSAs.

2. The following paragraph is added as a new Section 11 to the Restrictions:

> 11. Effective January 1, 2025, the Restrictions will apply only to [*] Products sold by Pactiv LLC or its Affiliates to Reynolds Consumer Products LLC or its Affiliates and [*] Products sold by Reynolds Consumer Products LLC to Pactiv LLC. Effective January 1, 2023, the Restrictions will not apply to PLA substrate Products sold by Pactiv LLC or its Affiliates to Reynolds Consumer Products LLC.

3. Except as set forth above, the terms of the MSAs, including the Purchase Schedule, and the Restrictions remain in full force and effect.

4. This First Amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this First Amendment by electronic signature, facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this amendment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this First Amendment with an effective date of the 31st day of March 2023.

Pactiv LLC

By: /s/ Michael J. King
Name: Michael King
Title: Chief Executive Officer

Reynolds Consumer Products LLC

By: /s/ V. Lance Mitchell
Name: Lance Mitchell
Title: Chief Executive Officer

**[*] – Text omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K under the Securities Exchange Act of 1934, as amended, because it is not material and is of the type that the registrant treats as private or confidential.**

## MASTER SUPPLY AGREEMENT

**MASTER SUPPLY AGREEMENT** (the "Agreement") dated November 1, 2019 (the "Effective Date") between **REYNOLDS CONSUMER PRODUCTS LLC**, a Delaware limited liability company with its headquarters at 1900 West Field Court, Lake Forest, IL 60045 ("Buyer"), and **PACTIV LLC**, a Delaware limited liability company with its headquarters at 1900 West Field Court, Lake Forest, IL 60045 ("Seller"). Seller and Buyer are referred to individually at times as a "Party" and collectively at times as the "Parties".

## BACKGROUND

**A.** Seller sells various types of products used in the consumer and food service markets.

**B.** Buyer sells various types of products, including certain products of the type made by Seller, to its customers.

**C.** The Parties are entering into this Agreement to establish the terms and conditions under which Seller may agree to sell specific products to Buyer, and Buyer may agree to purchase specific products from Seller for later resale by Buyer to its business customers.

## AGREEMENT

**1.** **Term**. The "Term" of this Agreement will commence on the Effective Date and will end on the earlier of: (a) the first anniversary of the expiration date of the last Purchase Schedule (as defined in this next Section); (b) a termination date elected by a Party in a written notice delivered to the other Party any time after the expiration of the last Purchase Schedule; or (c) a termination date elected by a Party in a written notice delivered to the other Party as provided in Subsection 11(d) of this Agreement. The rights and obligations of the Parties under this Agreement will survive the expiration or earlier termination of this Agreement with respect to any (i) products purchased and sold under this Agreement during the Term and products sold after the Term for orders accepted during the Term; (ii) Confidential Information (as defined in Section 10 of this Agreement) disclosed or received by a Party during the Term; (iii) breach of this Agreement by a Party; (iv) any other statement, decision, act or omission of a Party concerning or related to this Agreement; (v) any Dispute (as defined in Section 11 of this Agreement) between the Parties concerning or related to this Agreement; (vi) products and other materials manufactured or maintained by Seller in inventory for sale to Buyer that Buyer is obligated to purchase under a Purchase Schedule; and (vii) any provision that expressly states that it will survive the expiration or earlier termination of this Agreement.

**2.** **Scope**. This Agreement will apply to all products sold by Seller to Buyer, and all products purchased by Buyer from Seller, during the Term unless the Parties expressly agree that this Agreement will not apply to a particular type of transaction in a separate written document signed by an officer of each Party. This Agreement will not require Seller to sell any type or quantity of a product to Buyer, nor will this Agreement required Buyer to purchase any type or quantity of a product from Seller, except as expressly provided by the Parties in a Purchase Schedule. The phrase "Purchase Schedule" will mean a written supplement to this Agreement signed by an officer of each Party which references this Agreement and which identities, among other terms and conditions, the specific types and quantities of products that will be purchased and sold by the Parties on terms and conditions in the schedule, the specifications for the identified products, the duration of the commitment period during which the Parties will be obligated to purchase and sell the identified products on the terms and conditions in the schedule, the prices of the identified products, any mechanisms for adjusting the prices of the identified products over the commitment period, and the facilities at which the identified products will be manufactured, stored and delivered by Seller. The Parties may add terms and conditions to, and amend the terms and conditions of, this Agreement in a Purchase Schedule, but any additional and amended terms and conditions in a Purchase Schedule supplementing and

modifying this Agreement will only apply the specific products identified in that Purchase Schedule for its duration.

**3. Standard Operating Procedures**. Over approximately the past eight years, the Parties have been supplying select Products to one another for use in the operation of their respective businesses within the United States of America, Canada and Mexico. The Parties developed and been following certain standard operating procedures in connecting with, among other topics, forecasting, production planning, ordering, delivering and resolving claims on the Products supplied to one another (the "Current SOPs"). The Parties will be updating their respective business systems over the next six months, and the updates to these business systems will require the Parties to modify the Current SOPs. Once the Parties have completed the updates to the business systems and agreed on the necessary modifications to the Current SOPs, the Parties will sign a written amendment to this Agreement appending the updated standard operating procedures (the "Updated SOPs"). Until the Parties have signed a written amendment appending the Updated SOPs, the parties will continue to follow the Current SOPs. The Parties will comply with the applicable SOPs in connection with the purchase and sale of products identified in a Purchase Schedule. The Parties may add terms and conditions to, and amend the terms and conditions of, the SOP in a Purchase Schedule, but any additional and amended terms and conditions in a Purchase Schedule supplementing and modifying the SOP will only apply the specific products identified in that Purchase Schedule for its duration.

**4. Order and Priority of Interpretation**. In the event of any conflict, inconsistency or ambiguity between two or more provisions in this Agreement, including the provisions in its Exhibits and Purchase Schedules, the provisions in the documents will govern, supersede and control over one another in the following order of priority: (1st) a Purchase Schedule with regards to the purchase and sale of the specific products identified in that Purchase Schedule for its duration; (2nd) the SOP; (3rd) any Exhibit to this Agreement but only with regards to specific subject matter of the Exhibit; and (4th) the main body of this Agreement prior to the signature page.

**5. General Representations, Warranties and Covenants**. A Party represents, warrant and covenants on the Effective Date and at all times during the Term that:

**a.** The Party is formed, registered, licensed and operating its business in compliance with the laws of the United States of America, its states and territories, and any districts, municipalities and other political subdivisions of the foregoing ("Applicable Laws").

**b.** The Party is operating its business in compliance with a commercially reasonable code of ethics adopted by such Party.

**c.** The Party may enter into and perform its obligations under this Agreement without being in conflict with, or in breach of, any other agreement of the Party.

**d.** The Party is solvent, is capable of paying its debts as and when they become due and is paying its debts as and when due.

**e.** The Party is not the subject of a criminal investigation nor a defendant in any criminal indictment, petition, complaint or proceeding that carries a potential sentence involving incarceration in excess of one year for any director or executive officer of the Party involved in the alleged criminal misconduct or a fine in excess of $100,000 USD.

A Party will promptly notify the other Party of any change in circumstance during the Term in which the Party is no longer in compliance with the foregoing general representations, warranties and covenants. An incident of actual, alleged or suspected non-compliance by a Party with a warranty under this Section being investigated, contested or corrected in good faith by the Party and which, regardless of outcome, will have no material adverse effect on the Party or its performance under this Agreement or on the other Party, will not be considered a breach of this clause. An incident of actual, alleged or suspected non-compliance by a

Party of this Section or any other Section of this Agreement will be grounds for the other Party to demand adequate assurances of performance as provided by Section 2-609 of the Illinois Uniform Commercial Code. A Party will have ten (10) days to provide adequate assurances of performance to the other Party in a form acceptable to the other Party in its good faith discretion.

**6. Specific Product Warranties**. Seller represents and warrants to Buyer that each product sold under this Agreement will at the time of delivery to Buyer:

a. Be in new, undamaged and unadulterated condition free of any defects in design, materials and manufacture. Seller is not making any representation or warranty under this clause with regards to the design of a product to the extent the design constitutes, incorporates or otherwise embodies intellectual property that Buyer has represented and warranted to Seller is owned by Buyer and which Buyer has licensed to Seller to manufacture the product for Buyer.

b. Have been manufactured and stored by Seller at a plant (and, if applicable under a Purchase Schedule, a warehouse) of Seller approved in the applicable Purchase Schedule prior to its delivery to Buyer.

c. Has been manufactured, packaged, labelled, sold and delivered by Seller, and may be sold by Buyer in interstate commerce, in compliance with Applicable Laws, including without limitation with food safety regulations issued by the United States Food and Drug Administration that are applicable to the product. Seller will not be in breach of this warranty because an Applicable Law prohibits, restricts or imposes a charge on a product in a district, municipality or other political subdivision of the United States of America or its states or territories.

d. Comply with the written specifications for the product identified in the applicable Purchase Schedule.

e. Be fit for the purpose of packaging, selling or use in consuming food subject to qualifications and instructions on the use of the product in the written specifications for the product identified in the applicable Purchase Schedule.

f. Be conveyed by Seller to Buyer with good and marketable title free and clear of all liens, encumbrances and claims arising by, through or under Seller.

g. Not infringe on any patent, trademark, copyright, trade secret or other the intellectual property of any third-party registered or otherwise recognized and enforceable under Applicable Law. Seller is not making any representation or warranty under this clause with regards to the design of a product to the extent the design constitutes, incorporates or otherwise embodies intellectual property that Buyer has represented and warranted to Seller is owned by Buyer and which Buyer has licensed to Seller to manufacture the product for Buyer.

h. Comply with any additional representations and warranties of Seller regarding the product in the applicable Purchase Schedule.

If a Buyer receives a product that fails to conform to these representations and warranties, the sole remedies of Buyer for the breach of warranty will be to: (1) reject and return the non-conforming product to Seller for a refund or credit, or a replacement conforming product, in the manner and time period provided in the SOP; (2) obtain reimbursement from Seller for actual, reasonable, substantiated out-of-pocket expenses incurred by Buyer in the recovery, return or disposal of a non-conforming product that is the subject of a mandatory product recall required under Applicable Laws or a voluntary withdrawal declared by Seller or approved by Seller (such approval not to be unreasonably withheld, conditioned or delayed); and (3) obtain indemnification from Seller for any Indemnified Claim arising from or related to the nonconforming product as provided in Section 7.

**7. Indemnification**.

**a.** A claim that a Party (referred to at times in this Section as an "Indemnifying Party") is required to defend and indemnify the other Party (referred to at times in this Section as an "Indemnified Party") under this Agreement is referred to at times in this Section as an "Indemnified Claim". Defense and indemnification under this Section will include, without limitation, (1) paying or reimbursing the actual, reasonable, substantiated out-of-pocket expenses incurred in connection with the investigation, defense and settlement of any civil, criminal or administrative action, suit, arbitration, mediation, hearing, audit, investigation or other proceeding threatened or commenced against an Indemnified Party on an Indemnified Claim (e.g., fees and expenses of attorneys, accountants, auditors, investigators, consulting experts, testifying experts and other consultants; fees and expenses of an arbitrator or mediator; filing fees and costs imposed by any court, administrative agency or other tribunal; etc.), and (2) satisfying any judgment, award, order, lien, levy, fine, penalty or other sanction imposed against an Indemnified Party on an Indemnified Claim.

**b.** Seller will defend and indemnify Buyer against: (1) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged breach of this Agreement by Seller, including, without limitation, any product supplied by Seller which fails to conform to the representations and warranties in this Agreement; (2) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged negligence or other legally culpable misconduct of Seller in the design, manufacture, storage, sale or delivery of any product sold by Seller under this Agreement or in the performance of other obligation of Seller under this Agreement; (3) any third-party claim for actual or alleged infringement of a product sold by Seller under this Agreement or its design, manufacture, storage, packaging, sale or delivery by Seller under this Agreement or in the performance of any other obligation of Seller under this Agreement (except to the extent that the infringement is based on intellectual property that that Buyer has represented and warranted to Seller that Buyer owns and that Buyer has licensed to Seller and that Seller has used in compliance with the license terms in supplying the product); (4) the threat or imposition of any fine, penalty or other sanction by a governmental authority on Buyer to the extent caused by any actual or alleged violation by Seller of Applicable Law; or (5) any other matter that Seller has agreed to defend and indemnify Buyer against under a Purchase Schedule.

**c.** Buyer will defend and indemnify Seller against: (1) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged breach of this Agreement by Buyer; (2) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged negligence or other legally culpable misconduct of Buyer in the purchase, storage, repackaging, resale or delivery of any product purchased from Seller under this Agreement or in the performance of other obligation of Buyer under this Agreement; (3) any third-party claim for actual or alleged infringement of a product sold by Seller under this Agreement or its design, manufacture, storage, sale or delivery by Seller under this Agreement or in the performance of any other obligation of Seller under this Agreement to the extent based on intellectual property that that Buyer has represented and warranted to Seller that Buyer owns and that Buyer has licensed to Seller and that Seller has used in compliance with the license term in supplying the product; (4) the threat or imposition of any fine, penalty or other sanction by governmental authority on Seller to the extent caused by any actual or alleged violation by Buyer of Applicable Law; or (5) any other matter that Buyer has agreed to defend and indemnify Seller against under a Purchase Schedule.

**d.** As a condition of receiving defense and indemnification under this Section for an Indemnified Claim, the Indemnified Party must:

**(1)** notify and tender the defense of an Indemnified Claim to the Indemnifying Party promptly after the Indemnified Party learns of the Indemnified Claim; and

**(2)** provide information and cooperation reasonably requested by the Indemnifying Party in the investigation, defense, settlement and satisfaction of the Indemnified Claim. An Indemnifying Party will reimburse the Indemnified Party of any reasonable, actual, substantiated out-of-pocket expense incurred in providing the requested information or cooperation.

**e.** If the Indemnifying Party accepts the tender of defense of an Indemnified Claim, with or without reservation, the Indemnifying Party will:

**(1)** promptly notify the Indemnified Party of the acceptance of the tender of defense of the Indemnified Claim.

**(2)** control the investigation, defense, settlement and satisfaction of the Indemnified Claim, including, without limitation, the selection of licensed, qualified and reputable attorneys and expert witnesses and all decisions over settlement and litigation strategy. The Indemnifying Party must act in good faith in exercising control over the investigation, defense, settlement and satisfaction of the Indemnified Claim.

**(3)** Provide information reasonably requested by the Indemnified Party regarding the investigation, defense, settlement and satisfaction of the Indemnified Claim

**f.** An Indemnifying Party, acting in good faith, may settle an Indemnified Claim for which it is responsible under this Agreement involving infringement on the intellectual property of a third-party by: (1) obtaining a license from the third-party allowing the required use of its intellectual property; (2) modifying a product, equipment or process in a manner which avoids infringing on the intellectual property of the third-party; or (3) voluntarily withdrawing the infringing product from the market and either refunding the amount paid by the Indemnified Party for the infringing product or replacing the infringing product with a non-infringing product.

**g.** The Parties may disagree on whether a claim is an Indemnified Claim under this Agreement, which Party should be considered the Indemnifying Party and Indemnified Party for an Indemnified Claim or whether each Party is partially liable for an Indemnified Claim and how liability for such an Indemnified Claim should be allocated between them. In these and other circumstances in which an actual or potential conflict of interest exists or arises between the Parties with regards to an alleged or agreed upon Indemnified Claim that would preclude their joint representation by a single defense counsel, the Parties will endeavor in good faith to attempt to resolve the conflict. If the Parties are able to resolve the actual or potential conflict of interest, the Parties will memorialize the agreed upon resolution in a written joint defense agreement signed by officers of each Party and their joint defense counsel. If the Parties are unable to resolve the actual or potential conflict of interest, each Party may independently and separately investigate, defend, settle and satisfy the claim subject to their right to pursue payment or reimbursement for costs incurred in doing so from the other Party as provided in this Agreement.

**8.** **Insurance**. During the Term of this Agreement, each Party will maintain the following minimum types and amounts of insurance coverage during the Term of this Agreement:

***a.*** ***Commercial General Liability Insurance***. Occurrence based coverage with a combined single limit of at least $10,000,000 per occurrence and in the aggregate for premises and operations; products and completed operations; contractual liability coverage for indemnities of a Party contained within this Agreement; broad form property damage (including completed operations); explosion, collapse and underground hazards; and personal injury. *Requires additional insured endorsement and waiver of subrogation endorsement.*

***b.*** ***Automobile Liability Insurance***. Occurrence based coverage with a combined single limit of at least $10,000,000 per occurrence and in the aggregate for owned, non-owned, and hired

automotive equipment of the Party. *Requires additional insured endorsement and waiver of subrogation endorsement.*

**c.** ***Workers' Compensation Liability Insurance***. Occurrence based coverage providing benefits in the minimal amount required by Applicable Law for workplace and work related injuries and illnesses to the employees of a Party, including, without limitation, Workers Compensation Acts of applicable U.S. States, the U.S. Longshoremen's and Harbor Workers Compensation Act and the U.S. Jones Act. *Requires alternate employer endorsement and waiver of subrogation endorsement.*

**d.** ***Employers' Liability Insurance***. Occurrence based coverage with a limit of at least $10,000,000 per occurrence or any greater limits set by Applicable Law workplace and work related injuries and illnesses to the employees of a Party. *Requires waiver of alternate employer endorsement.*

**e.** ***Property Insurance***. Coverage providing "*all risk*" property insurance at the replacement value of the machinery, equipment, fixtures, tools, materials and other property of the Party. "All risk" coverage will include, by way of example and not limitation, loss or damage resulting from earthquakes, floods, wind, fire or other natural or weather-related phenomenon. *Requires waiver of subrogation endorsement.*

All insurers of a Party on such policies must have at all times an A.M. Best financial rating of at least "*A-Minus VII*". An insuring Party may satisfy the required minimum amounts of insurance through a primary policy and one or more excess policies. All insurance of an insuring Party must be "*primary and noncontributory*" with respect to any insurance that the other Party may maintain, but only with respect to the negligence or other legal liability of the insuring Party.

An insuring Party must deliver the following written evidence of the required insurance coverage to the other Party (Attention: Risk Management), or its designated insurance monitoring service, within ten (10) of written request and at least thirty (30) days in advance of the expiration of a then current policy term (if a declaration or endorsement is not available from an insurer at the time requested or required, an insuring Party will provide them as soon as the declaration or endorsement is available from the insurer):

i. Certificate of insurance confirming that the required insurance coverage and minimal limits are met for the extended, renewed or replacement policy term.

ii. Declaration pages of insurance policy (or a copy of the binder until the declaration pages are available) confirming that the required insurance coverage and minimal limits are met for the extended, renewed or replacement policy term.

iii. Copies of additional insured endorsements required for applicable policies in the name and for the benefit of: "[NAME OF OTHER PARTY], *its parent, subsidiaries and affiliates; any lessors of the foregoing and any mortgagees, deed of trust beneficiaries and secured creditors of such lessors; and any successors and assignees of all of the foregoing*."

iv. Copies of alternate employer endorsements and waiver of subrogation endorsements required for applicable policies in the name and for the benefit of: ""[NAME OF OTHER PARTY], *its parent, subsidiaries and affiliates; any lessors of the foregoing and any mortgagees, deed of trust beneficiaries and secured creditors of such lessors; and any successors and assignees of all of the foregoing*."

A Party may maintain any level of deductible on required insurance coverage allowed by Applicable Law. A Party may also self-insure any of the required insurance coverage, in whole or in part, if allowed by Applicable Law during any period that the Party maintains a tangible net worth in excess of $100 million USD and maintains a professionally managed and adequately reserved for and funded self-insurance program.

**9. Limitations on Liability**.

**a.** ***Disclaimer of Representations and Warranties***. Each Party: (1) disclaims all representations and warranties regarding its products, performance, supplied information or business, whether oral or written, express or implied, arising by operation of law or otherwise, including, without limitation, the implied warranty of merchantability and the implied warranty of fitness for a particular purpose, other than those express representations and warranties of the Party in this Agreement; (2) acknowledges that the Party has not relied on, and will not rely on, any representations and warranties of the other Party regarding its products, performance, supplied information or business, whether oral or written, express or implied, arising by operation of law or otherwise, other than those express representations and warranties of the other Party in this Agreement; and (3) waives any claim that the Party may have based, in whole or in part, on any representations and warranties of the other Party regarding its products, performance, supplied information or business, whether oral or written, express or implied, arising by operation of law or otherwise, other than those express representations and warranties of the other Party in this Agreement. Notwithstanding the foregoing, Buyer is entitled to rely on (i) the descriptive information in transaction documents issued by either Party in the ordinary course of business during the Term identifying the ordered Products (e.g., the type and quantity of ordered products and scheduled date and location for delivery) and (ii) FDA guaranty letters and other similar written assurances in Seller's standard forms certifying that a product complies with Applicable Laws issued by Seller to Buyers and other U.S. customers in the ordinance course of business during the Term.

**b.** ***Exclusion of Indirect Damages; Waiver of Claim for Insured Damage or Loss***. A Party that breaches this Agreement will only be liable to the other Party for direct damages arising from the breach. Each Party waives any right to recover consequential, incidental, indirect, exemplary, punitive or any other types of indirect damages from the other Party for a breach of this Agreement. Notwithstanding the preceding sentences, this Subsection will not limit the liability of a Party for any amount or type of damages for: (1) the defense and indemnification of an Indemnified Claim on which the Party is the Indemnifying Party; (2) infringement by the Party on the intellectual property of the other Party; (3) the unauthorized disclosure or use by the Party of the Confidential Information of the other Party; (4) payment or reimbursement of any amount expressly required to be paid or reimbursed by the Party under a provision of this Agreement; or (5) the intentional misconduct of the Party in violation of Applicable Laws.

**c.** ***Force Majeure***. A Party will not be considered in breach of this Agreement or liable to the other Party for any interruption or delay in performance under this Agreement to the extent caused by an event outside of the ability of the performing Party to foresee and avoid with the exercise of commercially reasonable efforts (such an event is referred to at times as an event of "Force Majeure"). Examples of events of Force Majeure include, without limitation: natural disasters; war; acts of terrorism; government action; accident; strikes, slowdowns and other labor disputes; shortages in or inability to obtain material, equipment, transportation or labor; any breach, negligence, criminal misconduct or other act or omission of any third-party; fire or other insured or uninsured casualty. A Party whose performance is interrupted or delayed by an event of Force Majeure will be excused from the interruption or delay in performance during the event of Force Majeure and for a commercially reasonable period of additional time after the event of Force Majeure that the Party needs to recover from the event of Force Majeure and restore performance. Notwithstanding the foregoing, a Party will only be excused for an interruption or delay in performance under this Subsection for an event of Force Majeure only if the Party (1) promptly notifies the other Party of the event of Force Majeure and provides information reasonably requested by the other Party regarding the event of Force Majeure, the efforts undertaken by the Party to foresee and avoid interruption or delay in its performance before the occurrence of the event, to mitigate interruption or delay in performance during the event, and to recover from and restore performance following the event; and (2) the Party exercises commercially reasonable efforts to mitigate, recover from and restore performance following the event of Force Majeure. During, and while recovering from and restoring performance following, an event of Force Majeure,

Seller will act in good faith in allocating its available manufacturing capacity to supply products to Buyer under this Agreement and any products to other customers of Seller. If an event of Force Majeure interrupts or delays Seller from supplying a product to Buyer under this Agreement in the quantities and timetable required by Buyer, Buyer may cancel any unfilled orders for the product with Seller and procure the required quantities of the product from one or more other sources until Seller has recovered from and restored its ability to perform following the event of Force Majeure. If the interruption or delay in the supply of a product to Buyer under this Agreement caused by an event of Force Majeure has exceeded, or is reasonably likely to exceed, thirty (30) days, Buyer may enter into longer term supply agreements or make other arrangements to procure the required quantities of the product from one or more other sources for a duration and on terms acceptable to Buyer in its good faith discretion. In such a circumstance, Buyer will not have to resume purchasing the product from Seller under this Agreement until Seller has recovered from and restored its ability to perform following the event of Force Majeure and the longer term agreements or other arrangements have expired or Buyer is able to end them without liability. This Subsection will not excuse nor extend a deadline by which a Party must pay an amount owed under this Agreement or Applicable Law or by which a Party must exercise any right or remedy under this Agreement or Applicable Law.

**10. Confidential Information and Other Intellectual Property**.

**a.** The Parties anticipate exchanging Confidential Information (as defined in in the next Subsection) over the Term of this Agreement for the purpose of negotiating and entering into Purchase Schedules and amendments to this Agreement, transacting business with one in accordance with this Agreement and exercising their rights and performing their obligations under this Agreement (collectively referred to as the "Authorized Purpose").

**b.** The phrase "Confidential Information" means information meeting all of the following criteria:

1) The information is a trade secret or other non-public, proprietary information owned by a Party or its direct and indirect subsidiaries under Applicable Law (this Party is referred to at times in this Section as the "Disclosing Party"); and

2) The other Party (referred to at times in this Section as the "Receiving Party") requests such information from the Disclosing Party for the Authorized Purpose during the Term (i.e., neither Party wants unsolicited Confidential Information from the other Party); and

3) The Disclosing Party discloses such requested information to the Receiving Party during the Term either labelled as "Confidential" or words of similar intent, or describes the disclosed information in reasonable detail in a written notice to the Receiving Party delivered, either at the time of disclosure or within five (5) days of disclosure. If a Disclosing Party neglects to label or deliver timely written notice to the Receiving Party identifying the disclosed information as confidential in nature, the disclosed information will only be treated as Confidential Information under this Agreement if the Disclosing Party is able to demonstrate by clear and convincing evidence that the Receiving Party knew that the disclosed information was a trade secret or other non-public, proprietary information of the Disclosing Party at the time of disclosure.

The criteria in Clause (2) and Clause (3) will not apply to Confidential Information of a Disclosing Party observed or heard by a Receiving Party in a plant, warehouse, facility or system of the Disclosing Party. The existence and terms of this Agreement, and the existence, nature and extent of the business relationship between the Parties, will be considered the Confidential Information of each Party.

**c.** The phrase "Confidential Information" also means the Know-How of a Disclosing Party and its direct and indirect subsidiaries that a Receiving Party and its direct and indirect subsidiaries learned of, acquired or otherwise used prior to the Effective Date. The phrase "Know-How" means trade secret

and other confidential, proprietary information of a Party or its Affiliate concerning the manufacture, storage, packaging, marketing, sale and delivery of its products. Examples of Know-How may be in the form of drawings, equipment specifications, formulae, formulations, guidelines, manuals, methods, plans, policies, procedures, processes, properties and applications of raw materials and products, tools, dies and molds. A Receiving Party and its direct and indirect subsidiaries may continue to use the Know-How of the Disclosing Party and its direct and indirect subsidiaries in the possession of the Receiving Party and its direct and indirect subsidiaries as of the Effective Date for the Authorized Purpose and in connection with the operation of the business of the Receiving Party and its direct and indirect subsidiaries. Nothing in this Subsection or any other provisions of this Agreement will obligate a Party to disclose or license the use of its Know-How of any kind and in any form arising, discovered, acquired or developed after the Effective Date to the other Party.

**d.** The phrase "Confidential Information" does **not** include, and there will not be any duties of confidentiality or other restrictions under this Agreement for, the following types of information:

**(1)** Information which is or becomes available as part of the public domain through any means other than as a result of a breach of this Agreement by the Receiving Party; or

**(2)** Information, other than Know-How received prior the Effective Date, which is known to the Receiving Party before the disclosure of the same information by the Disclosing Party; or

**(3)** Information which is or becomes available to the Receiving Party from a third-party who is not under any duty to preserve the confidentiality of such information; or

**(4)** Information which is furnished by the Disclosing Party to a third-party without imposing any duty on the third-party to preserve the confidentiality of such information; or

**(5)** Information which is independently developed by the Receiving Party without the use of or reliance on any trade secret or other non-public, proprietary information provided by the Disclosing Party as Confidential Information under this Agreement or under any prior agreement between the Parties; or

**(6)** Information that ceases to be a trade secret or other non-public, proprietary information of the Disclosing Party under applicable law through any means other than those enumerated above that does not involve nor result from a breach of this Agreement by the Receiving Party.

**e.** A Party may request and disclose Confidential Information in any form or medium. Confidential Information may include, without limitation, information concerning the assets, liabilities, financing, financial statements, ownership, goods, services, customers, suppliers, marketing, manufacturing, equipment, software, technology, supply chain, business strategies, plans, models, policies, methods, processes, formulae, specifications, drawings, schematics, software and technical know-how of a Disclosing Party. A Receiving Party will take all commercially reasonable actions required to safeguard the Confidential Information of a Disclosing Party in the possession of such Receiving Party against the unauthorized disclosure or use of the Confidential Information by other persons. A Receiving Party will promptly notify the Disclosing Party if the Receiving Party learns of any unauthorized disclosure or use of the Confidential Information of the Disclosing Party by any person. A Receiving Party will cooperate in good faith with the Disclosing Party to prevent any unauthorized disclosure or use of the Confidential Information of the Disclosing Party by any person.

**f.** A Receiving Party will not disclose nor use the Confidential Information of a Disclosing Party except as follows:

**(1)** A Receiving Party may disclose Confidential Information of a Disclosing Party on a "need to know" basis to the Representatives of the Receiving Party who require such information for the

Authorized Purpose and in order for the Receiving Party and its Affiliates to comply with Applicable Laws, accounting standards and securities exchange requirements. Before making such a disclosure, the Receiving Party will advise the Representatives of the confidential nature of the information being shared and ensure that duties and restrictions are, or have been, imposed on the Representatives receiving the Confidential Information similar to those imposed on the Receiving Party under this Agreement. A Receiving Party will be liable for any breach of this Agreement by its Representatives. An "Affiliate" of a Party means a legal entity that owns and controls, or is owned and controlled by, or is under common ownership and control with, a Party (other than the other Party or any of its direct and indirect subsidiaries), with ownership and control of a legal entity being determined by the ownership of the majority voting interest in the legal entity. A "Representative" means the Affiliates of a Party and the directors, officers, managers, employees, accountants, attorneys, auditors and other agents and consultants of a Party and its Affiliates.

**(2)** A Receiving Party may disclose Confidential Information of a Disclosing Party to a court, governmental entity or any other person in order for the Receiving Party and its Affiliates to comply with Applicable Laws, accounting standards and securities exchange requirements. If legally permissible and reasonably possible, a Receiving Party will notify the Disclosing Party prior to disclosing its Confidential Information pursuant to this Section and cooperate in good faith with any lawful efforts by the Disclosing Party to avoid or limit the disclosure of its Confidential Information. A Receiving Party will not be obligated to incur any liability, expense or risk in extending such cooperation to a Disclosing Party. Based on legal advice of its attorney, a Receiving Party may disclose the Confidential Information of the Disclosing Party by any deadline established under an Applicable Law, accounting standard and securities exchange requirement.

**(3)** A Receiving Party may disclose and use the Confidential Information of a Disclosing Party to enforce or interpret this Agreement or any other agreement with the Disclosing Party in any arbitration, court or other legal proceeding. A Receiving Party may disclose and use this Confidential Information of a Disclosing Party to defend the Receiving Party or its Affiliates or their respective Representatives in any arbitration, court or other legal proceeding. In either circumstance, the Receiving Party will ensure that a protective order, agreement or other mechanism is in place to preserve the confidentiality of the Confidential Information.

**(4)** A Receiving Party and its Representatives may disclose and use the Confidential Information for any other purpose consented to by a Disclosing Party in a written notice signed by an officer of the Disclosing Party delivered to the Receiving Party.

**g.** In disclosing its Confidential Information to a Receiving Party, a Disclosing Party represents, warrants and covenants to the Receiving Party that:

**(1)** The Disclosing Party owns and has the right to disclose and authorize the use of Confidential Information as provided in this Agreement.

**(2)** The Receiving Party and its Representatives may use the Confidential Information of the Disclosing Party for the Authorized Purpose and other limited purposes provided in this Agreement.

**(3)** The Disclosing Party will indemnify, defend and hold harmless the Receiving Party and its Representatives against any claim of a third-party that the disclosure and use of the Confidential Information of the Disclosing Party as provided in this Agreement infringes on a patent, trademark, copyright, trade secret or other intellectual property of the third-party registered in or otherwise recognized and enforceable under Applicable Laws.

Except for the limited representations and warranties in this Section, a Disclosing Party disclaims all other representations and warranties of any kind related to its Confidential Information, whether express, implied or arising by operation of law, including the disclaimer, without limitation, of any representation and warranties concerning merchantability, fitness for a particular purpose, truth, accuracy or completeness.

**h.** The rights and obligations of the Parties under this Section with regards to disclosed Confidential Information will continue:

**(1)** Until the earlier of (i) sixty (60) months from the date of disclosure to a Receiving Party or (ii) the date such information ceases to be considered Confidential Information under this Agreement, for Confidential Information that is not a trade secret of a Disclosing Party under Applicable Law; and

**(2)** Until Confidential Information that is a trade secret of a Disclosing Party under Applicable Law ceases to be a trade secret of the Disclosing Party under Applicable Law.

**i.** A Receiving Party will return or destroy all forms of Confidential Information of the Disclosing Party in the custody of the Receiving Party and its Representatives within ten (10) days of receipt of a written request from the Disclosing Party and after the expiration or earlier termination of this Agreement. This will include, without limitation, all copies, records, documents and other information representing, comprising, containing, referencing or created based on Confidential Information of the Disclosing Party. Notwithstanding the foregoing, a Receiving Party and its Representatives may retain copies of Confidential Information of the Disclosing Party which (x) the Receiving Party and its Representatives are required to retain to comply with Applicable Laws, accounting standards and security exchange requirements (but only for the duration and in the manner so required for this limited purpose); or (y) have been archived in electronic form by the Receiving Party and its Representatives and which would be unduly burdensome for the Receiving Party and its Representatives to have to search for and delete the Confidential Information of the Disclosing Party.

**j.** Except for the limited right to disclose and use Confidential Information of a Disclosing Party for the Authorized Purpose and other purposes provided in the this Section and except for any license of intellectual property granted by a Disclosing Party to the Receiving Party in a Purchase Schedule, this Agreement does not grant a Receiving Party or its Representatives any right, title, interest or ownership in the Confidential Information of the Disclosing Party nor in any patent, trademark, copyright or other intellectual property of the Disclosing Party. As between the Parties during the Term, to be effective, the grant of any right, title, interest and ownership in and to any Confidential Information of Party or in an patents, trademarks, copyrights and other intellectual property of the Party must be in writing and signed by the chief executive officers of the Parties. During the Term, a Party will not develop intellectual property for, on behalf of, or in collaboration with, the other Party unless the Parties have entered into a Purchase Schedule or other separate written agreement signed by an officer of each Party.

**11. Dispute Resolution**.

**a.** ***Negotiation***. If a Party believes that the other Party has breached this Agreement or if there is a dispute between the Parties over the interpretation of this Agreement (a "Dispute"), the Parties will endeavor to resolve the Dispute through good faith negotiation for a period of thirty (30) days after a Party notifies the other Party of the Dispute and before either Party requests mediation or files litigation to resolve the Dispute.

**b.** ***Mediation***. If the Parties have been unable to resolve a Dispute through good faith negotiation as provided in the prior Subsection, a Party may request that the Parties attempt to resolve the Dispute through mediation by notifying the other Party with a copy to JAMS. The Parties will attempt to

select a mutually acceptable JAMS mediator within ten (10) days of the notice requesting mediation. The mediation will be held in Lake County or Cook County, Illinois within thirty (30) days of the notice requesting mediation before a JAMS mediator and in compliance with JAMS mediation guidelines. Each party will bear its own costs in preparing for and participating in the mediation and one-half of the fees and expenses charged by JAMS for conducting the mediation.

**c.** ***Litigation***. If the Parties have been unable to resolve a Dispute through mediation as provided in the prior Subsection, a Party may file litigation against the other Party in a court of competent jurisdiction in the United States of America. With respect to litigation involving only the Parties or their Affiliates, the Parties irrevocably consent to the exclusive personal jurisdiction and venue of the U.S. federal and Illinois state courts of competent subject matter jurisdiction located in Lake County, Illinois or Cook County, Illinois and their respective higher courts of appeal for the limited purpose of resolving a Dispute, and the Parties waive, to the fullest extent permitted by law, any defense of inconvenient forum. The Parties waive any right to trial by jury as to any Disputes resolved through litigation. Notwithstanding the foregoing, a Party may file litigation to resolve a Dispute without undergoing either negotiation or mediation as provided in the prior Subsections for any Dispute involving: (i) infringement on intellectual property; (ii) the unauthorized use or disclosure of Confidential Information; or (iii) a request for a temporary restraining order, a preliminary or permanent injunction or any other type of equitable relief.

**d.** ***Remedies***. Except as expressly limited in the preceding Subsections and the other provisions in this Agreement, a Party may immediately exercise any rights and remedies available to the Party under Applicable Law upon a breach of this Agreement by the other Party. A Party will not suspend performance under or terminate this Agreement or any accepted purchase order for a product being purchased and sold under this Agreement unless: (1) the other Party is in material breach of this Agreement and has either refused to cure the material breach or has failed to cure the material breach within thirty (30) day of its receipt of written notice of the failure; and (2) the Parties have been unable to resolve the Dispute related to the material breach through negotiation or mediation, or the breaching Party has refused or failed to attempt to resolve the Dispute through negotiation or mediation, as provided in this Section. Notwithstanding the foregoing, a Party may suspend performance or terminate this Agreement or any accepted purchase order for a product being purchase and sold under this Agreement immediately on written notice to the other Party, and without providing the other Party an opportunity to cure the material breach or attempting to resolve a Dispute over the material breach by negotiation or mediation as provided in this Section, for a material breach by the other Party involving substantial harm to the reputation, goodwill and business of the non-breaching Party that cannot reasonably be avoided or fully redressed by providing the other Party an opportunity to cure the material breach.

**e.** **Late Fees and Collection Costs**. If Buyer fails to pay Seller an amount owed under this Agreement by the invoice due date, then Buyer will owe Seller: (i) the delinquent amount; and (ii) a late payment fee equal to two percent (2%) of the delinquent amount for each full or partial calendar month past the invoice due date that the delinquent amount remains unpaid. In addition, if Seller has to file litigation to collect the amount owed and Seller prevails in the litigation, Buyer will reimburse Seller for actual, reasonable, substantiated out-of-pocket expenses incurred by Seller in collecting the delinquent amount and accrued late payment fees on the delinquent amount. Under no circumstance will the late payment fee payable to Seller exceed the amount that a creditor may lawfully impose on a debtor on a delinquent amount under Applicable Law.

**12.** **Miscellaneous**.

**a.** ***Entire Agreement***. This Agreement, including its appended Exhibits and Purchase Schedules entered into during the Term, constitutes the entire agreement between the Parties with respect to the sale of products by Seller to Buyer and the purchase of products by Buyer from Seller. This Agreement supersedes all prior and simultaneous representations, discussions, negotiations, letters, proposals, agreements and understandings, whether written or oral, with respect to this

subject matter. This Agreement will not be binding on either Party unless and until signed by the chief executive officers of each Party. No handwritten or other addition, deletion or other modification to the printed portions of this Agreement will be binding upon either Party to this Agreement.

**b.** ***Amendments***. A Party may not amend nor supplement the terms and conditions in this Agreement through the inclusion of additional or different terms and conditions in any quotation, purchase order, invoice, bill of lading, letter, email or other document or communication. This Section does not prevent the reliance on the descriptive information in transaction documents identifying the ordered Products (e.g., the type and quantity of ordered products and scheduled date and location for delivery). No amendment of this Agreement will be valid or effective unless made in writing and signed and exchanged by the chief executive officers of the Parties. A Party may approve or reject a request for an amendment in its sole and absolute discretion.

**c.** ***Waiver***. The failure of either party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights shall not operate as a continuing waiver of such rights. No right or obligation under this Agreement will be considered to have been waived by a Party unless such waiver is in writing and is signed by an officer of the waiving Party and delivered to the other Party. No consent to or waiver of a breach by either Party will constitute a consent to, waiver of, or excuse for any other, different, or subsequent breach by such Party.

**d.** ***Governing Law***. This Agreement and all claims or causes of action arising out of or related to this Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the State of Illinois and the United States of America, without giving effect to its principles or rules of conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods will not govern or otherwise be applicable to this Agreement.

**e.** ***Severability***. If any term of provision of this Agreement, or the application thereof shall be found invalid, void or unenforceable by any government or governmental organization having jurisdiction over the subject matter, the remaining provisions, and any application thereof, shall nevertheless continue in full force and effect.

**f.** ***Assignment***. This Agreement, its rights and obligations, is not assignable or transferable by either Party, in whole or in part, except with the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may transfer and assign this Agreement to any of its affiliates or in connection with any merger, consolidation or sale of assets without the other Party's prior consent provided (a) that any such assignment will not result in the assigning Party being released or discharged from any liability under this Agreement, and (b) the purchaser/assignee will expressly assume all obligations of the assigning Party under this Agreement. The assigning Party will provide the other Party with written notice of such assignment prior to or promptly following the effective date of such assignment. A change of control shall be deemed an assignment requiring consent hereunder provided that any transfer or assignment that results in Seller's and Buyer's current common parent, Reynolds Group Holdings Limited, ceasing to control either party shall not require consent of the other party. The restrictions in this Section will not preclude a Party for authorizing an Affiliate to purchase or sell a product on behalf of a Party under this Agreement. Subject to the foregoing, all of the terms, conditions and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assignees of the respective Parties.

**g.** ***Third Party Beneficiaries***. Except as otherwise provided in a Purchase Schedule, there are no intended third-party beneficiaries of this Agreement.

**h.** ***Good Faith and Cooperation***. Except where this Agreement states that a Party may expressly exercise a right or render a decision in its "sole and absolute discretion", a Party will exercise its

rights under this Agreement in its good faith business judgment. A Party will perform its obligations under this Agreement in a commercially reasonable manner consistent with industry practices and in compliance with Applicable Law. A Party will promptly take such actions, provide such information and sign such documents as the other Party may reasonably request to obtain the benefits and exercise the rights granted, and to perform the obligations imposed, under this Agreement.

**i.** ***Notices***. Any notice required or permitted to be provided by a Party under this Agreement will be made to the notice address of the receiving Party set forth below or to an alternate notice address later designated by the receiving Party in accordance with this Subsection. Notices will be effective upon actual receipt by the receiving Party. An emailed notice will be effective against a receiving Party only if the Receiving Party acknowledge receipt of the emailed notice in a return notice to the notifying Party. A receiving Party agrees to acknowledge receipt of an email notice in good faith promptly following receipt. A Party may change its address for notice by giving notice to the other party Pursuant to this Subsection.

Address for notice to Seller:

Pactiv LLC
1900 West Field Court
Lake Forest, IL 60045
Attn: John McGrath, Chief Executive Officer
Email: jmcgrath@pactiv.com

For any notice concerning default or termination, with a copy to:

Pactiv LLC
1900 West Field Court
Lake Forest, IL 60045
Attn: Steven R. Karl, General Counsel
Email: skarl@pactiv.com

Address for notices to Buyer:

Reynolds Consumer Products LLC
1900 W. Field Court
Lake Forest, IL 60045
Attention: Lance Mitchell, Chief Executive Officer
Email: Lance.Mitchell@@ReynoldsBrands.com

For any notice concerning default or termination, with a copy to:

Reynolds Consumer Products LLC
1900 W. Field Court
Lake Forest, IL 60045
Attention: David Watson, General Counsel
Email: David.Watson@ReynoldsBrands.com

**j.** ***Independent Contractors***. The relationship of the Parties established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to: (a) give either Party the power to direct and control the day-to-day activities of the other Party, (b) establish the Parties as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking, or (c) allow a Party to bind the other Party in any manner or otherwise create or assume any obligation on behalf of the other Party for any purpose whatsoever. A Party will not be considered an agent of the other Party.

**k.** ***Non-Exclusive Supply Relationship***. Except as may be provided in a Purchase Schedule, the Agreement is not evidence of, nor does it create, any form of exclusive supply relationship between the Parties concerning the purchase and sale of products. Except as may be provided in a Purchase Schedule and for the types and quantities of products in an accepted purchase order, nothing in the Agreement obligates a Party to sell or purchase any specified volume, market share or other minimum level of products during the Term.

**l.** ***Construction***. Unless the context otherwise requires, the following rules of construction will be applied to in the interpretation of the Agreement: (1) Headings are for convenience only and do not affect interpretation; (2) Singular includes the plural and vice-versa; (3) Gender includes all genders; (4) If a word or phrase is defined, its other grammatical forms have a corresponding meaning; (5) The meaning of general words is not limited by specific examples introduced by "includes", "including" or "for example" or similar expressions; (6) The word "person" includes an individual, corporation, company, trust, partnership, limited partnership, unincorporated body, joint venture, consortium or other legal entity; (7) A reference in any Purchase Schedule or Exhibit to an Article, Section, Subsection or Clause is a reference to an Article, Section, Subsection or Clause in that Purchase Schedule or Exhibit unless otherwise identified; (8) Reference to a Purchase Schedule or Exhibit is a reference to a Schedule, Exhibit described, appended or otherwise identified in this Agreement; (9) A reference to conduct includes, without limitation, an omission, statement or undertaking, whether or not in writing; (10) A reference to a third-party is a reference to a person who is not a Party to this Agreement; (11) Where a period of time is specified for the performance of any act and dates from a given day or the day of an act or event, the period shall be exclusive of that date; and (12) the Parties agree that the Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were or have been given the opportunity to be represented by counsel, and each of whom had an opportunity to participate in, and did participate in, negotiation of the terms hereof. Accordingly, the Parties acknowledge and agree that the Agreement is not a contract of adhesion and that ambiguities in the Agreement, if any, shall not be construed strictly or in favor of or against either Party, but rather shall be given a fair and reasonable construction.

**m.** ***Execution***. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument. Acceptance of this Agreement may be made by e-mail, mail or other commercially reasonable means showing the signatures of the chief executive officers of the Parties.

In witness whereof, Seller and Buyer have executed this Master Supply Agreement as of the Effective Date.

**REYNOLDS CONSUMER PRODUCTS LLC**, as Buyer

By: /s/ Lance Mitchell
Lance Mitchell
Chief Executive Officer

**PACTIV LLC**, as Seller

By: /s/ John McGrath
John McGrath
Chief Executive Officer

**PURCHASE SCHEDULE**

This Purchase Schedule dated November 1, 2019 ("Effective Date") forms part of, and supplements and amends, the Master Supply Agreement dated November 1, 2019 ("Agreement") between Pactiv LLC ("Seller") and Reynolds Consumer Products LLC ("Buyer"). The Parties agree as follows:

**1. Defined Terms**. Capitalized terms and phrases not otherwise defined in this Purchase Schedule will have the same meaning ascribed to them in the Agreement. As used in this Purchase Schedule, the phrase "Affiliates" will mean the direct and indirect subsidiaries of a Party.

**2. Commitment Period**. This Purchase Schedule will commence on the Effective Date and will end on the earlier of: (a) December 31, 2024; or (b) an earlier termination date elected by a Party in a written notice delivered to the other Party as provided in Subsection 11(d) of the Agreement (the period of this Purchase Schedule is referred to at times as the "Commitment Period").

**3. Commitment to Purchase and Sell Products**.

**a.** During the Commitment Period, and subject to the limitations and exclusions in Section 4 of this Purchase Schedule, Seller will sell to Buyer, and Buyer will purchase from Seller, all quantities of the goods identified in Attachment 1 of this Purchase Schedule (each being a "Product") reasonably required by Buyer and its Affiliates for the operation of their businesses in the United States of America and Canada. Products will be purchased and sold by the Parties during the Commitment Period on the prices and other terms and conditions set forth in this Purchase Schedule, the SOPs and the main body of the Agreement.

**b.** Each Product which will display a brand name, symbol, graphic, text, trade dress and other design elements owned as a registered or unregistered trademark or copyright by Buyer or its Affiliate under Applicable Laws (collectively "Buyer Branding") is referred to as a "Buyer Branded Product" and identified as such in Attachment 1. Except as authorized in writing by Buyer, Seller may not sell any Branded Products to anyone other than Buyer. Buyer grants Seller a non-exclusive, non-assignable, royalty-free license to use the Buyer Branding to manufacture and sell the Buyer Branded Products to Seller during the Commitment Period. Buyer represents, warrants and covenants to Seller at all times during the Commitment Period that: (1) Buyer or its Affiliate is the sole owner of the Buyer Branding; (2) Buyer may grant the intellectual property license in the Buyer Branding to Seller for the authorized purposes provided in this Subsection; (3) Seller may use the Buyer Branding for the authorized purposes in this Subsection free of any unreasonable interference by Buyer and its Affiliates and free of all claims of third-parties; and (4) Buyer will indemnify, defend and hold harmless Seller for any Indemnified Claims arising from or related to the Seller's use of the Buyer Branding for the authorized purposes in this Subsection as provided in Subsection 7(b) of the Agreement.

**c.** Each Product manufactured in accordance with, or incorporating any patented or other proprietary element of, a design or utility patent owned and registered to Buyer or its Affiliate under Applicable Laws (a "Buyer IP Right") is referred to as a "Buyer Proprietary Product" and identified as such in Attachment 1. Except as authorized in writing by Buyer, Seller may not sell any Buyer Proprietary Products to anyone other than Buyer. Buyer grants Seller a non-exclusive, non-assignable, royalty-free license to use the Buyer IP Rights to manufacture and sell the Buyer Proprietary Products to Buyer during the Commitment Period. Buyer grants Seller a non-exclusive, non-assignable, royalty-free license to use the Buyer IP Rights to manufacture and sell the Buyer Proprietary Products to Buyer during the Commitment Period. Buyer represents, warrants and covenants to Seller that at times during the Commitment Period: (1) Buyer or its Affiliate is the sole owner of the Buyer IP Rights; (2) Buyer may grant the intellectual property license to Seller in the Buyer IP Rights for the authorized purposes provided in this Subsection; (3) Seller may use the Buyer IP Rights for the authorized purposes in this Subsection free of any unreasonable interference by Buyer and its Affiliates and free of all claims of third-parties; and (4) Buyer will indemnify, defend and hold harmless Seller for any Indemnified Claims arising from or related to the Seller's use of the Buyer

IP Rights for the authorized purposes in this Subsection as provided in Subsection 7(b) of the Agreement.

**4.** **Quantities**. Notwithstanding anything in this Purchase Schedule or the balance of the Agreement to the contrary:

**a.** Seller may decline to sell an ordered quantity of a Product to Buyer in the following circumstances without being in breach of this Agreement:

**(1)** Seller is unable to sell the ordered quantity a Product in compliance with this Agreement by the delivery date required by Buyer in its purchase order because of an event of Force Majeure (provided Seller has complied with Subsection 9(c) of the Agreement).

**(2)** Seller is unwilling to sell the ordered quantity of a Product because: (i) Buyer is delinquent in paying amounts owed Seller under the Agreement more than twice in any trailing twelve month period for periods in excess of ten (10) days following written notice; (ii) the amount payable for the ordered quantity of Product and all other ordered but unpaid quantities of Product exceed the then current credit limit of Buyer with Seller (which credit limit shall have been communicated to Buyer); or (iii) Buyer is otherwise in material breach of the Agreement beyond any required or permitted notice and cure period. Notwithstanding the preceding sentence, Seller will not suspend supplying Products to Buyer for a delinquent amount or material breach being disputed in good faith by Buyer unless (a) the Parties have completed at least the negotiation and mediation steps in the Dispute resolution process in Section 11 of the Agreement; or (b) Buyer has failed to provide adequate assurances of payment and performance requested by Seller as provided in Section 5 of the Agreement.

**(3)** Seller is unwilling to sell the ordered quantity of a Product because the ordered quantity was not ordered in accordance with the SOP.

**(4)** Seller is unable or unwilling to sell the ordered quantity of a Product in a calendar month because Seller has already accepted orders for or filled the Maximum Monthly Order Quantity of all Products in the same Product Category in the calendar month. Attachment 2 lists the Maximum Monthly Order Quantity of each Product Category.

**(5)** Seller is unable or unwilling to sell the ordered quantity of a Product during any period that the Product is the subject of: (i) a product recall required by Applicable Laws; or (ii) a voluntary withdrawal declared or approved by Seller. In any of the foregoing circumstances, however, the Parties will work together in good faith and exercise commercially reasonable efforts to resume the purchase and sale of the Product after adequate assurances of performance have been provided by the responsible Party that the actual or alleged design or manufacturing defect, infringing element or other issue that gave rise to the product recall or voluntary withdrawal has been corrected. This Subsection will not relieve Seller of liability to Buyer for a product recall or voluntary withdrawal is caused by a breach of this Agreement by Seller.

**b.** Buyer and its Affiliates may self-manufacture or purchase an ordered quantity of a Product from a source other than Seller in the following circumstances without Buyer being considered in breach of this Agreement:

**(1)** Seller is unable to sell the ordered quantity a Product in compliance with this Agreement by the delivery date required by Buyer in its purchase order because of an event of Force Majeure.

**(2)** Buyer is unwilling to purchase the ordered quantity of a Product from Seller because Seller is in material breach of the Agreement beyond any required or permitted notice and cure period.

**(3)** Seller declines or fails to supply the ordered quantity to Buyer in breach of the Agreement.

**(4)** Buyer is unable or unwilling to purchase the ordered quantity of a Product during any period that the Product is the subject of: (i) a product recall required by Applicable Laws; or (ii) a voluntary withdrawal declared or approved by Seller. In any of the foregoing circumstances, however, the Parties will work together in good faith and exercise commercially reasonable efforts to resume the purchase and sale of the Product after adequate assurances of performance have been provided by the responsible Party that the actual or alleged design or manufacturing defect, infringing element or other issue that gave rise to the product recall or voluntary withdrawal has been corrected. This Subsection will not relieve Buyer of liability to Seller for a product recall or voluntary withdrawal is caused by a breach of this Agreement by Buyer.

**(5)** A customer of Buyer requires Buyer either to self-manufacture the ordered quantity of Product, or to purchase the ordered quantity of Product from a source other than Seller, for sale by Buyer to the customer. Buyer will act in good faith and exercise commercially reasonable efforts to persuade its customers to accept Products manufactured by Seller.

**(6)** Seller is unable or unwilling to sell the ordered quantity of a Product in a calendar month because Seller has already accepted orders for or filled the Maximum Monthly Order Quantity of all Products in the same Product Category in the calendar month.

**(7)** Buyer has elected to self-manufacture or purchase from a secondary source a Monthly Deficient Quantity of Products in a Product Category as provided in the next Section.

**5.** **Case-Fill Standard**.

**a.** Seller will calculate and report the Case Fill Rate in each Product Category to Buyer within thirty (30) days of the end of each calendar month. The "Case Fill Rate" will mean the percentage of ordered cases of Products in a Product Category required to be filled in a calendar month that Seller actually fills in the calendar month. In calculating the Case Fill Rate of a Product Category, Seller will exclude the following orders:

**(1)** Orders that Seller declines to accept, or that Seller is otherwise unwilling or unable to fill, for any reason provided in Subsection 4(a) of this Purchase Schedule.

**(2)** Orders received by Seller less than the minimum order lead time in advance of the requested shipment or delivery date.

**(3)** Orders on which Buyer requests a change less than three (3) days in advance of the requested shipment or delivery date.

**(4)** Orders on which a Product is not filled at the direction of Buyer or its customer.

**(5)** Orders cancelled by Buyer or its customer.

**(6)** Orders for discontinued Products.

**(7)** Orders for Products manufactured at the direction of Buyer for an agreed limited quantity after 105% of the agreed limited quantity has been supplied or the agreed limited period has been reached.

**(8)** Orders that cannot be filled because of an error on the part of Buyer or its customer.

**b.** If the Case Fill Rate in a Product Category is below ninety eight percent (98%) in three or more calendar months of a trailing twelve-month period of the Commitment Period, and Buyer has

achieved Minimum Forecast Accuracy for the calendar months with a deficient Case Fill Rate, Buyer may elect on written notice to Seller to temporarily self-manufacture or purchase from a secondary source the average monthly quantity of Products in the Product Category by which Seller was deficient in meeting the 98% Case Fill Rate (the "Monthly Deficiency Quantity"). The phrase "Minimum Forecast Accuracy" will be at least seventy-five percent (75%) accuracy in Buyer's forecasting of demand for a Product by shipping point as determined using the methodology agreed to by the Parties in the SOPs. Buyer may only self-manufacture or purchase from a secondary source those Products in a Product Category on which Seller was deficient in meeting the 98% Case Fill Rate in the Product Category and on which Buyer has achieved Minimum Forecast Accuracy for the calendar months with a deficient Case Fill Rate. The Monthly Deficiency Quantity of a Product Category will be adjusted on a monthly basis to reflect any improvement or decline in Seller meeting or exceeding a 98% Case Fill Rate for the Product Category and Buyer meeting or failing to meet the Minimum Forecast Accuracy.

*Example: Seller was deficient in meeting the 98% Case Fill Rate on Products A and B in a Product Category by 10,000 net raw material pounds in June 2020, 15,000 net raw material pounds in August 2020 and 20,000 net raw material pounds in October 2020. Buyer achieved Minimum Forecast Accuracy for all calendar months with the deficient Case Fill Rate. Seller supplied all ordered quantities of Products C and D in the same Product Category. In November 2020, Buyer may elect to self-manufacture or purchase from a secondary source a Monthly Deficiency Quantity of 15,000 net raw material pounds of Products A and B. Buyer would not be able to self-manufacture or purchase from a secondary source any quantity of Products C and D.*

**c.** If Buyer elects to commence self-manufacture or purchase from a secondary source of the Monthly Deficiency Quantity in a Product Category, Buyer may continue to self-manufacture or purchase from a secondary source the Monthly Deficiency Quantity in the Product Category until Seller has provided Buyer with adequate assurances in a form reasonably acceptable to Buyer that Seller has corrected the issue(s) that caused Seller to fall below a 98% Case Fill Rate in the Product Category. If Buyer enters into a supply agreement with a secondary source for the Monthly Deficiency Quantity on commercially reasonably pricing, duration and other terms in order to mitigate its damages, Buyer will not have to resume purchasing the Monthly Deficiency Quantity from Seller under the Agreement until the supply agreement with the secondary source has expired or Buyer is able to end, or cease purchasing the Material Deficiency Quantity under the supply agreement, without liability. Buyer will enter into a supply agreement with a secondary source for a period reasonably estimated that Seller will need to correct the issue(s) that caused Seller to fall below a 98% Case Fill Rate in the Product Category. Buyer will not, however, enter into a supply agreement with a secondary source under this Section in excess of six (6) calendar months unless Seller has advised Buyer that Seller will need more than six (6) calendar months to correct the issues that caused Seller to fall below a 98% Case Fill Rate in the Product Category. Buyer may extend or renew a supply agreement as reasonably required to the extent Seller has not corrected the issue(s) that caused Seller to fall below a 98% Case Fill Rate in a Product Category by the end of the supply agreement.

**d.** If Buyer self-manufactures or purchase from a secondary source a Monthly Deficiency Quantity, Seller will reimburse Buyer for the amount by which the actual, reasonable, substantiated costs incurred by Buyer to self-manufacture or purchase from a secondary source the Monthly Deficiency Quantity (including any additional warehousing and freight costs) exceed the amount that Buyer would have paid Seller under this Purchase Schedule for the same mix and quantity of Products. Seller will pay Buyer the reimbursement amount under this Subsection within thirty (30) days of receipt of Buyer's invoice and substantiating documentation.

**e.** If Buyer self-manufactures or purchase from a secondary source a Monthly Deficiency Quantity in a Product Category in a calendar month, but Seller still fails to achieve a 98% Case Fill Rate for the Product Category in the same calendar month in which Buyer has also achieved Minimum

Forecast Accuracy, Seller will reimburse Buyer for the actual, reasonable, substantiated costs amount of service penalties imposed on Buyer by its customers for the calendar month which are solely attributable to Seller's case fill deficiencies. Notwithstanding the preceding sentence, if reimbursements under this Subsection will exceed, in the aggregate, one million U.S. dollars in a calendar year of the Commitment Period (prorated for any partial year of the Commitment Period), Seller will only have to reimburse Buyer for fifty percent (50%) of any reimbursement amount in excess of one million U.S. dollar. Seller will pay Buyer the reimbursement amount under this Subsection within thirty (30) days of receipt of Buyer's invoice and substantiating documentation. Except as provided in this Subsection, Seller will not be liable for any other amount or type of customer service penalties under any circumstance.

**6. Pricing**.

**a.** ***Price of Ordered Products***. Seller will charge Buyer the price per case of a Product determined under this Section that is in effect on the delivery date of the Product specified by Buyer in its purchase order, inclusive of any price adjustments that occur between the purchase order date and the order delivery date. Attachment 1 sets out the initial price per case of each Product with order delivery dates occurring the last calendar quarter of 2019. During the Commitment Period Seller may only adjust the price per case of each Product to Buyer using the price adjustment mechanisms in this Purchase Schedule.

**b.** ***Quarterly Price Adjustment for Changes in Raw Material Costs***. On January 1, 2020 and on the first day of each of each subsequent calendar quarter of the Commitment Period (each a "Price Adjustment Date"), the price per case of a Product will be adjusted based on the increase or decrease in the average monthly published market price per pound of the primary raw material used in the manufacture of a Product using the following price adjustment methodology:

- [*].
- [*].
- [*].

The chart below identifies the respective Price Adjustments Dates and their applicable Base Measurement Periods and Current Measurement Periods:

| PRICE ADJUSTMENT DATE | QURTERLY PRICE PERIOD | BASE MEASUREMENT PERIOD | CURRENT MEASUREMENT PERIOD |
|---|---|---|---|
| January 1 | January 1 through March 31 | June through August of prior calendar year* | September through November of prior calendar year** |
| April 1 | April 1 through June 30 | September through November of prior calendar year | December of prior calendar year and January and February of current calendar year |
| July 1 | July 1 through September 30 | December of prior calendar year and January and February of current calendar year | March through May of current calendar year |
| October 1 | October 1 through December 31 | March through May of current calendar year | June through August of current calendar year |

*** For the first price adjustment on 01/01/2020, the Base Measurement Period will be July, August and September 2019.**

**** For the first price adjustment on 01/01/2020, the Current Measurement Period will be October and November 2019.**

[*]

**c.** ***Annual Price Increase***. On January 1, 2020 and on January 1 of each subsequent calendar year of the Commitment Period, the price per case of a Product will be increased by the percentage in the "Annual Price Increase Percentage" column for the Product in the chart in **Attachment 1**.

**d.** ***Invoice, Payment and Credit***.

**(i)** Seller will deliver an invoice to Buyer for ordered Products on or after the delivery date. Seller will waive its right to compensation if Seller fails to invoice Buyer within ninety (90) days of the delivery date.

**(ii)** Buyer will pay Seller the price and any other amounts owed by Buyer on a transaction within thirty (30) days of invoice. Payments will be in U.S. dollars and must be made by ACH or another form of electronic funds transfer approved by Seller (i.e., payment by check is unacceptable). A payment will be considered made on the date the Buyer's funds have been deposited in and credited to Seller's account. Buyer may not offset or deduct against an invoiced amount for a claim arising on another transaction with Seller. If Buyer believes that there is a good faith basis to dispute payment of an invoiced amount in whole or in part (e.g., billing error; overage; damaged or defective product; etc.), Buyer must deliver a written notice to Seller on or before the invoice due date explaining that good faith basis for withholding the disputed amount and providing copies of any substantiating documentation. A failure by Buyer to submit a timely written notice to Seller by the invoice due date will be deemed a waiver of any defense to non-payment of the invoice amount owed and any claim against Seller on the transaction (other than for latent warranty defects that were not known and could not have been reasonably discovered and reported before the invoice due date). If Buyer disputes only a portion of an invoiced amount, Buyer will pay the undisputed portion of the invoiced amount to Seller on or before the invoice due date.

**(iii)** Seller reserves the right in its sole but good faith discretion to determine the credit limit of Buyer. Seller may modify the credit limit and payment terms of Buyer in the event of a material adverse change in the financial condition of Buyer. Before exercising its right to modify the credit limit or payment terms in the event of such a material adverse change, Seller will request adequate assurances from Buyer as provide in Section 5 of the Agreement. If the Buyer provides adequate assurance to Seller as provided in that Section, Seller will defer any modification of the credit limit or payment terms.

**7.** **Product Specifications and Addition, Removal and Modification of Products**.

**a.** Seller has provided Buyer on or before the Effective Date with the bills of material, engineering drawings, specifications and other design documents in electronic form required for the manufacture, packaging, labelling, storage, delivery and use of each Product (the "Specifications").

**b.** The Parties may only add a good as a Product under this Purchase Schedule, remove a good as a Product from this Purchase Schedule or modify the Specifications for a Product under this Purchase Schedule through a signed written amendment. If a Party proposes to amend this Purchase Schedule to add or remove a good as a Product or to make a Major Modification to a

Product, the other Party may grant, condition or withhold its consent to the proposed change in its sole and absolute discretion. If a Party proposes to amend this Purchase Schedule to make a Minor Modification to a Product, the other Party will exercise good faith business judgment in deciding whether to grant, condition or withhold its consent to the proposed change. The phrase "Minor Modification" will mean a change in a Specification of a Product that will result in: (1) an increase or decrease in the number of units in a case of the Product; (2) a change in the Buyer Branding on the exterior of the Product or its packaging; or (3) any other change that does not require the other Party to incur any material cost, risk or liability or to acquire, develop or license any intellectual property (other than for Buyer Branding or a Buyer Patent as provided in this Purchase Schedule). The phrase "Major Modification" will mean any change in a Specification of a Product that is not considered a Minor Modification under the prior sentence. If a good is added to this Purchase Schedule through a signed written amendment, Seller will provide Buyer with a complete set of the Specifications of the added Product in electronic form on or before the effective date of such amendment. If a Product is modified through a signed written amendment, Seller will provide Buyer with a complete set of the updated Specifications of the modified Product in electronic form on or before the effective date of such amendment.

**c.** If the Parties agree on adding a good as a Product under this Purchase Schedule or modifying a Product under this Purchase Schedule, the Parties will promptly memorialize the agreement in a signed written amendment to this Purchase Schedule. If the Parties are unable to agree on and sign a written amendment to this Purchase Schedule adding a good as a Product under this Purchase Schedule or modifying a Product under this Purchase Schedule within thirty (30) days of a Party requesting the addition or modification, then Buyer may elect to self-manufacture the additional or modified good or to purchase the additional or modified good from another source (subject to Seller's right of first refusal in the next Subsection).

**d.** If the parties are unable to agree as provided in Subsection (c) above, Seller will have a right of first refusal to match the price in an offer of a competitor to sell an additional or modified good to Buyer where the additional or modified good in question: (1) will be manufactured from a Raw Material for any Product being supplied under this Purchase Schedule; (2) is for the purpose of packaging, selling or use in consuming food; and (3) is not required to be manufactured in accordance with, or to incorporate any proprietary element (design or utility) owned by such competitor. In such case, before accepting a competitor's offer to sell Buyer an additional or modified good, Buyer will present Seller with a true, accurate and complete copy of the competitor's offer. Seller will have ten (10) days from receipt of the competitor's offer in which to exercise Seller's right of first refusal under this Section. If Seller notifies Buyer during the thirty (30) days period that Seller will sell the additional or modified good to Buyer at the price set forth in the competitor's offer and otherwise on the terms and conditions in this Purchase Schedule, the SOPs and the main body of the Agreement, the Parties will promptly memorialize the agreement in a signed written amendment to this Purchase Schedule. If Seller does not notify Buyer during the thirty (30) days period that Seller will sell the additional or modified good to Buyer at the price set forth in the competitor's offer and otherwise on the terms and conditions in this Purchase Schedule, the SOPs and the main body of the Agreement, Buyer may accept the competitor's offer to sell the additional or modified good in question without being considered in breach of this Agreement.

**8. Manufacture, Storage and Delivery of Ordered Products**.

**a.** Subject to Section 9, Seller may manufacture and store Products for sale to Buyer under this Purchase Schedule at any facility operated by Seller and its Affiliates in the United States of America, Canada and Mexico. Notwithstanding the preceding sentence, if Buyer is making a "Made in USA" claim on a Product as identified in the Specifications approved by the Parties from time to time, Seller will ensure that such a Product is manufactured in a facility in the United States of America. Except as provided in the prior sentence, Buyer will have sole responsibility and liability for a "Made in USA" claim on Product. During the Commitment Period, Seller anticipates manufacturing and storing Products for sale to Buyer primarily at the facilities of Seller listed in Attachment 2. Seller reserves the right to change the facility at which any Product is manufactured

and stored for sale to Buyer under this Purchase Schedule. Seller will notify Buyer at least thirty (30) days in advance of any change in the facility at which a Product will be manufactured or stored for sale to Buyer under this Purchase Schedule. Seller will not be required to provide advance notice, however, if Seller initiates a temporary change in a manufacturing or storage facility: (a) to avoid, minimize or restore performance following a delay or interruption in the sale of a Product as a result of an event of Force Majeure or (b) to use available manufacturing or storage capacity at another facility for a period of thirty (30) days or less. Seller will be entitled to any cost savings, and will bear any increased costs, including increased or decreased freight, resulting from a change in the facility at which a Product will be manufactured or stored for sale to Buyer under this Purchase Schedule.

**b.** Seller will deliver ordered Products to Buyer on an "Ex-Works" basis per INCOTERMS 2010 ("EXW") at one of the manufacturing or warehouse facilities owned, leased or otherwise operated by Seller or its vendor identified in Attachment 2 (each being a "Delivery Point"). The specific Delivery Point for ordered Products will be identified in the accepted purchase order. Title and risk of loss of ordered Products will transfer from Seller to Buyer upon tender to Buyer or a third party carrier at the specified Delivery Point. Seller reserves the right to change the location of a Delivery Points under this Purchase Schedule. Seller will notify Buyer at least ninety (90) days in advance of any change in a Seller Destination under this Purchase Schedule. Seller will not be required to provide advance notice, however, if Seller initiates a temporary change in a Seller Destination to avoid, minimize or restore performance following a delay or interruption in the sale of a Product as a result of an event of Force Majeure. If Seller changes the Delivery Points for any reason other than an event of Force Majeure or at Buyer's request and the Seller's change in the Delivery Points results in an increase in the annual freight costs of Buyer either to its own facilities or to its customers, then Buyer may require Seller to pay, reimburse or credit Buyer for the actual substantiated out-of-pocket expenses of the increase in annual freight costs incurred by Buyer based on such change. Buyer must request payment, reimbursement or credit for such increase by delivering written notice to Seller within ninety (90) days of the end of each calendar year of the Commitment Period. Buyer must provide reasonable details and substantiation for the claimed increase in the written notice. Seller will pay, reimburse or credit Buyer for the increase within thirty (30) days of receipt of such written notice. Any disagreement over the claimed increase will be resolved through the Dispute resolution process provided in the Agreement.

**9. Tolled Assets**.

**a.** If indicated on Attachment 3, some or all of the Products are expected to be manufactured on the equipment and tooling identified on Attachment 3 which is located in a manufacturing facility of Seller (the "Tolled Assets"). Seller will endeavor to use Tolled Assets to manufacture applicable Products as a general practice, but Seller may use its own equipment to manufacture Products in a circumstance where a required Tolled Asset is unavailable (e.g., undergoing maintenance or repair) or if use of Seller's own equipment will allow Seller to achieve cost savings or operating efficiencies or otherwise improve its operations. Buyer represents, warrants and covenants to Seller that: (1) Buyer is the sole owner of the Tolled Assets; (2) Buyer grants Seller a license for the exclusive use of the Tolled Assets during the Commitment Period for the purpose of manufacturing Products for sale to Buyer under this Purchase Schedule and manufacturing goods, other than Buyer Branded Products and Buyer Proprietary Products, for sale to other customers of Seller; and (3) Seller may use the Tolled Assets for the authorized purposes in this Section during the Commitment Period free of any unreasonable interference by Buyer and its Affiliates and free of all claims of third-parties. Buyer makes no other representations or warranties regarding the condition or operation of the Tolled Assets. Buyer shall indemnify Seller as set forth in Subsection 7(b) of the Agreement with respect to any breach by Buyer of, or inaccuracy in, the representations, warranties and covenants of Buyer in this Section.

**b.** Seller, at its expense, will use, maintain and repair the Tolled Assets in compliance with their respective original equipment manufacturer instructions and Applicable Laws during the Commitment Period and in substantially the same used, but usable, condition, or in a better

condition, than exists on the Effective Date of this Purchase Schedule, ordinary wear and tear, capital improvements and capital replacements excepted. Seller will not have to pay Buyer any royalty, rent or other compensation for the use, maintenance and repair of the Tolled Assets for the authorized purpose in this Section. Seller will not remove or relocate a Tolled Asset from the assigned manufacturing facility identified on Attachment 3 except as provided in this Section. Seller shall indemnify Buyer as set forth in Subsection 7(a) of the Agreement with respect to any Indemnified Claims arising from Seller's use of the Tolled Assets.

**c.** Buyer will perform all obligations, and bear all other expenses, of ownership of the Tolled Assets, including, without limitation, paying all property taxes and other government impositions on the Tolled Assets, insuring the Tolled Assets as provided in the Agreement and performing and paying for any capital improvements and capital replacements to the Tolled Assets required to maintain them in compliance with their respective original equipment manufacturers instructions and Applicable Laws and in substantially the same used, but usable, condition, or in a better condition, than exists on the Effective Date of this Purchase Schedule.

**d.** Except for the limited licenses granted by Buyer to Seller under this Section, Buyer will retain all right, title, interest and ownership in the Tolled Assets. Buyer will provide Seller with signs to place and maintain signs on Tolled Assets to notify observers that the Tolled Assets are the personal property of Buyer. Buyer may also file a UCC-1 financing statement or other public notices required under Applicable Laws to inform third-parties of the ownership interest of Buyer in the Tolled Assets and to otherwise protect such ownership interest. Buyer may inspect a Tolled Asset during the Commitment Period to confirm that the Tolled Asset is being used, maintained and repaired by Seller in compliance with the license granted under this Section and to exercise any right and perform any other obligation of Buyer as the owner of the Tolled Asset upon reasonable advance notice to Seller and on a day and at a time selected by Seller in its good faith discretion within fifteen (15) days of receipt of such notice. Seller will not remove a Tolled Asset from the manufacturing facility listed in Attachment 3 except as provided in this Section.

**e.** Seller may: (1) cease using a Tolled Asset that Seller no longer requires to perform its obligations under this Purchase Schedule on at least 90 days advance written notice to Buyer and require Buyer at its expense to remove the Tolled Asset from the Seller's manufacturing facility; or (2) relocate a Tolled Asset to another manufacturing or storage facility of Seller in the same country at its expense on at least 90 days advance written notice to Buyer. Advance written notice will not be required if the cessation of use, removal or relocation of a Tolled Asset is the result of an event of Force Majeure, a material breach of the Agreement by Buyer beyond any permitted or required notice and cure period or material damage to the Tolled Asset requiring capital improvement or capital replacement to restore the Tolled Asset. Seller will endeavor in good faith to provide Buyer with such verbal and written notice as is reasonably practicable under these circumstances.

**f.** Buyer will, at its expense, remove the Tolled Assets from the manufacturing facilities of Seller within 180 days of the end of the Commitment Period. In addition, Buyer may, at its expense, elect to remove a Tolled Asset from Seller's facility on commercially reasonable advance verbal and written notice to Seller, and relocate the Tolled Asset to a facility owned or leased by Buyer or its Affiliate for self-manufacture of goods for Buyer and its Affiliates, (i) an event of Force Majeure during which Seller is unable to use the Tolled Asset to supply Products to Buyer and its Affiliates, (ii) during a period that Seller is in material breach of the Agreement beyond any permitted or required notice and cure period, (iii) during a period that Buyer has elected to self-manufacture a Material Deficient Quantity under Section 5 of this Purchase Schedule, or (iv) to allow Buyer to perform capital improvement or capital replacement needed to restore the Tolled Asset.

**g.** If any Tolled Assets are damaged due to Seller's negligence or breach of this Agreement, Seller shall be responsible for repair of such damage. If any Tolled Assets are damaged by other causes, Buyer shall be responsible for repair of such damage.

**h.** If Buyer is required or permitted to remove a Tolled Asset under this Section:

**(1)** Seller will, acting in good faith, specify the day and time for Buyer to remove the Tolled Asset from Seller's manufacturing facility. Buyer will be required to comply with the security, environmental, health, safety and other rules adopted by Seller for its vendors performing work with, and supplying goods and services to, the manufacturing facility.

**(2)** Seller may elect to disassemble, package, store and deliver the removed Tolled Asset to Buyer at the loading dock or storage yard of a manufacturing or storage facility of Seller or Buyer. If Seller makes this election, Seller will not charge Buyer for any disassembly, packaging, storage and delivery of the removed Tolled Asset performed by Seller.

**(3)** If Buyer fails to remove the Tolled Asset from Seller's manufacturing facility by the specified removal deadline, Seller may, as its sole remedies, either (i) elect to purchase the Tolled Asset from Buyer any time thereafter by paying Buyer a price of one and no/100 U.S. dollar ($1.00) in "AS-IS, WHERE_IS, WITH ALL FAULT" conditions and without any other representations and warranties; or (ii) arrange for the removal and either the sale or other disposal of the Tolled Asset on behalf of, and at the sole expense, risk and liability of, Buyer as determined by Seller in its sole but good faith discretion.

**10. Miscellaneous**. This Purchase Schedule, the SOPs and the main body of the Agreement constitutes the entire agreement between the Parties with respect to the purchase and sale of the Products during the Commitment Period. This Agreement supersedes all prior and simultaneous representations, discussions, negotiations, letters, proposals, agreements and understandings, whether written or oral, with respect to this same subject matter. This Purchase Schedule may be executed in any number of counterparts, each of which shall be deemed an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument. Offer and acceptance of this Purchase Schedule may be made by e-mail, mail or other commercially reasonable means showing the signatures of an officer of the Parties.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

**SIGNATURE PAGE AND ATTACHMENTS FOLLOW**

In witness whereof, Seller and Buyer have executed this Master Supply Agreement as of the Effective Date.

**REYNOLDS CONSUMER PRODUCTS LLC**, as Buyer

By: /s/ Lance Mitchell
Lance Mitchell
Chief Executive Officer

**PACTIV LLC**, as Seller

By: /s/ John McGrath
John McGrath
Chief Executive Officer

**List of Attachments**

Attachment 1 – Products and Initial Prices

Attachment 2 – Seller Manufacturing and Warehouse Facilities

Attachment 3 – Tolled Assets of Buyer in Seller Manufacturing Facilities

**NON-COMPETE RESTRICTIONS DATED NOVEMBER 1, 2019**
**BETWEEN REYNOLDS CONSUMER PRODUCTS LLC AND PACTIV LLC**

**1.** These Non-Compete Restrictions will form part of and supplement the Master Supply Agreement dated November 1, 2019 between Reynolds, as Seller, and Pactiv LLC, as Buyer, and the Master Supply Agreement dated November 1, 2019 between Pactiv, as Seller, and Reynolds, as Buyer (each an "MSA" and collectively the "MSAs"). Capitalized terms and phrases not otherwise defined in these Non-Compete Restrictions will have the same meaning ascribed to them in the respective MSAs. As used in these Non-Compete Restrictions, the phrase "Affiliate" means a direct or indirect subsidiary of a Party. A breach of these Non-Compete Restrictions by a Party or its Affiliate will represent a material breach of the MSAs. These Non-Compete Restrictions will commence on November 1, 2019 and end on the expiration or earlier termination of each of the MSAs.

**2.** The Parties and their respective Affiliates supply goods to some of the same customers in the United States of America, Canada and Mexico, but, because of their different business models, the Parties and their respective Affiliates do not currently compete with one another in the sale of those goods.

**3.** During the Term of the respective MSAs, Pactiv and its Affiliates will not sell products that Pactiv and its Affiliates sell Reynolds and its Affiliates under an MSA, nor goods that compete with those products, directly or through a distributor or other arrangement with a third-party, to groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in individual consumer quantities bearing UPC codes on the exterior of the packaging), club stores (excluding Restaurant Depot, Smart & Final and Gordon Foodservice Marketplace or club store customers with similar business models) and other retail establishments in the United States of America and Canada for resale to consumers in those countries. Notwithstanding the preceding sentence, Pactiv and its Affiliates may manufacture goods in Mexico similar to the products that Pactiv and its Affiliates sell Reynolds and its Affiliates under an MSA, either directly or through a distributor or other arrangement with a third-party, and sell those goods to HEB and its affiliates in the United States of America and Canada for resale to consumers in those countries.

**4.** During the Term of the respective MSAs, Reynolds and its Affiliates will not sell products purchased under an MSA from Pactiv and its Affiliates, nor goods that compete with those products, either directly or through a distributor or other arrangement with a third-party, to businesses that operate restaurants and foodservice establishments, groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in full case quantities bearing UPC codes on the exterior of the case), club stores and other retail establishments, and egg, meat, poultry, fish, produce, deli, bakery and other food suppliers and processors in the United States of America, Canada and Mexico for use by those businesses in preparing, packaging, selling or serving food for sale to consumers in those countries. By way of clarification, the preceding sentence will not preclude Reynolds and its Affiliates from selling Hefty tableware foam products that Pactiv and its Affiliates manufacture for Reynolds for its sale to Smart & Final and its affiliates in the United States of America.

**5.** During the Term of the respective MSAs, Reynolds and its Affiliates will not sell products that Reynolds and its Affiliates sell Pactiv and its Affiliates under an MSA, nor goods that compete with those products, directly or through a distributor or other arrangement with a third-party, to businesses that operate restaurants and foodservice establishments, groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in full case quantities bearing UPC codes on the exterior of the case), club stores and other retail establishments, and egg, meat, poultry, fish, produce, deli, bakery and other food suppliers and processors in the United States of America, Canada and Mexico for use by those businesses in preparing, packaging, selling or serving food for sale to consumers in those countries.

**6.** During the Term of the respective MSAs, Pactiv and its Affiliates will not sell products purchased under an MSA from Reynolds and its Affiliates, nor goods that compete with those products, either directly or through a distributor or other arrangement with a third-party, to groceries, supermarkets, convenience stores, mass merchants (including sales to Amazon and other e-commerce sites of goods for resale in

individual consumer quantities bearing UPC codes on the exterior of the packaging), club stores (excluding Restaurant Depot, Smart & Final and Gordon Foodservice Marketplace or club store customers with similar business models) and other retail establishments in the United States of America and Canada for resale to consumers in those countries.

**7.** During the Term of the respective MSAs, Reynolds and its Affiliates will not sell cutlery, plates, containers, straws and cups made from plastic, paper or any other raw material aside from aluminum, either directly or through a distributor or other arrangement with a third-party, to (a) HEB and its affiliates in the United States of America and Canada for resale to consumers in those countries, or (b) groceries, supermarkets, convenience stores, mass merchants, club stores and other retail establishments in Mexico for resale to consumers in Mexico ("Mexico Retailers"). By way of clarification, the preceding sentence will not preclude Reynolds and its Affiliates from selling: (i) cutlery, plates, containers, straws and cups that Pactiv and its Affiliates manufacture for Reynolds for its sale to HEB and its affiliates in the United States of America and Canada and resale by HEB and its affiliates to consumers in those countries, or (ii) goods other than such cutlery, plates, containers, straws and cups to HEB and its affiliates in the United States of America and Canada, and Mexico Retailers in Mexico, for resale to consumers in the respective countries.

**8.** Notwithstanding the restrictions in the prior Section, if Reynolds or its Affiliate receive an opportunity with a Reynolds multinational customer to sell cutlery, plates, containers, straws and cups made from plastic, paper or any other raw material aside from aluminum, either directly or through a distributor or other arrangement with a third-party, to a Mexico Retailer owned, controlled and operated by the Reynolds multinational customer for resale to consumers in Mexico and Pactiv or its Affiliate is not currently selling the product(s) in question, directly or indirectly, to that Mexico Retailer (a "New Business Opportunity"), Reynolds will offer Pactiv the opportunity to supply the product(s) for the New Business Opportunity. In such a circumstance, the Parties will engage in a good faith negotiation and attempt to agree on the pricing and other terms for the purchase and sale of the product(s) in question for the New Business Opportunity. If the Parties are able to agree on the pricing and other terms for the purchase and sale of the product(s) in question for the New Business Opportunity, the Parties will sign a Purchase Schedule to the MSA under which Pactiv is Seller and Reynolds is Buyer memorializing the agreement for Pactiv to supply the product(s) for the New Business Opportunity. If the Parties are unable to agree on the pricing and other terms for the purchase and sale of the product(s) in question within thirty (30) days of Pactiv receiving notice from Reynolds of the New Business Opportunity, then Reynolds may elect to self-manufacture the product(s) in question for the New Business Opportunity or source those product(s) from a competing supplier for the New Business Opportunity. If Reynolds receives and wishes to accept an offer from a competing supplier to supply the product(s) in question for the New Business Opportunity and the competing offer is for a higher price than Pactiv's last best offer to Reynolds, Pactiv will have a right of first refusal to match the pricing in the competitor's offer and supply the product(s) for the New Business Opportunity. Before Reynolds or its Affiliate accepts a competitor's offer to supply the product(s) in question for the New Business Opportunity, Reynolds will present Pactiv with a true, accurate and complete copy of the competitor's offer. Pactiv will have thirty (30) days from receipt of the competitor's offer in which to exercise Pactiv's right of first refusal under this Section. If Pactiv's exercises its right of first refusal by notifying Reynolds within the thirty (30) days period, the Parties will sign a Purchase Schedule to the MSA under which Pactiv is Seller and Reynolds is Buyer for the supply of product(s) for the New Business Opportunity at the pricing in the competitor's offer. If Pactiv does not exercise its right of first refusal by notifying Reynolds within the thirty (30) days period, Reynolds may accept the competitor's offer and purchase the product(s) in question from the competitor solely for the purpose of reselling them to the Mexico Retailer for the New Business Opportunity. Nothing in this Section will permit Reynolds or its Affiliates to sell cutlery, plates, containers, straws and cups made from plastic, paper or any other raw material aside from aluminum, either directly or through a distributor or other arrangement with a third-party, to businesses that operate restaurants and foodservice establishments, groceries, supermarkets, convenience stores, mass merchants, club stores and other retail establishments, and egg, meat, poultry, fish, produce, deli, bakery and other food suppliers and processors for use by those businesses in preparing, packaging, selling or serving food for sale to consumers in Mexico.

**9.** During the Term of the respective MSAs, Pactiv and its Affiliates will not sell aluminum foil or aluminum containers, either directly or through a distributor or other arrangement with a third-party, to Mexico

Retailers for resale to consumers in Mexico. By way of clarification, the preceding sentence will not preclude Seller and its Affiliates from selling goods other than such aluminum foil or aluminum containers to Mexico Retailers for resale to consumers in Mexico.

**10.** Except as provided in the prior Sections, nothing in these Restrictions or the MSAs will preclude or restrain the Parties and their Affiliates from being able to competing with one another in the United States of America, Canada, Mexico or any other country.

In witness whereof, Reynolds and Pactiv have executed these Non-Compete Restrictions as of November 1, 2019.

**REYNOLDS CONSUMER PRODUCTS LLC**

By: /s/ Lance Mitchell
Lance Mitchell
Chief Executive Officer

**PACTIV LLC**

By: /s/ John McGrath
John McGrath
Chief Executive Officer

**Attachment 1**
**Products and Initial Prices**

The Raw Material column in the attached chart uses the following acronyms to describe the primary raw material used to manufacture a product:

- Aluminum (identified by the acronym "**AL**" or "**ALUM**").
- C1S paper board (identified by the acronym "**C1S**").
- General purpose polystyrene resin (identified by the acronym "**GPPS**" or "**PS**").
- High impact polystyrene resin (identified by the acronym "**HIPS**").
- Molded fiber (identified by the acronym "**MF**" or "**Fiber**").
- Nylon No. 6 and Nylon No. 66 (identified by the acronym "**Nylon**"). For Raw Material price adjustments for Nylon, the Raw Material will be considered 50% Nylon No. 6 and 50% Nylon No. 66.
- Polyethylene resin (identified by the acronym "**PE**").
- PE2S paper board (identified by the acronym "**PE2S**").
- Polyethylene terephthalate resin (identified by the acronym "**PET**").
- Polylactic acid resin (identified by the acronym "**PLA**").
- Polypropylene resin (identified by the acronym "**PP**" or "**MFPP**").
- Polyvinyl chloride resin (identified by the acronym "**PVC**").

Seller will obtain average monthly market prices for each Raw Material from the following Raw Material Publications for use in calculating the price adjustments under this Purchase Schedule:

- [*].
- [*].
- [*].
- [*].

If organization that has been issuing the Raw Material Publication for a Raw Material relied upon by the Parties to determine quarterly price adjustments of Products under this Purchase Schedule announces that the organization will cease publishing such information or ceases publishing such information or otherwise materially changes the manner, method and frequency of collecting, analyzing, determining and publishing such information or the Raw Material Publication otherwise no longer reasonably reflects increases or decreases in the market price of the Raw Material, either Party may request a modification to this price adjustment mechanism by delivering written notice to the other Party. The Parties will negotiate in good faith and attempt to agree upon the modified price adjustment mechanism within thirty (30) days of the date of receipt of the request. If the Parties are unable to agree on the modified price adjustment mechanism by the end of the thirty (30) day negotiation period, either Party may elect to resolve the Dispute through mediation or litigation as provided in Section 11 of the Agreement. Until the Parties sign a written

amendment to this Agreement with a mutually acceptable modified price adjustment mechanism or until the Dispute over the modification to the price adjustment mechanism is resolved by entry of a final, unappealed and unappealable order of a court of competent jurisdiction, Seller may increase or decrease the price of a Product based on the change in the average actual monthly price per pound of the Raw Material of the Product over the applicable Base Measurement Period from the average actual monthly price per pound of the Raw Material of the Product over the applicable Current Measurement Period. Seller will not have to disclose its actual Raw Material costs to Buyer in such a circumstance. Upon request of Buyer, Seller will allow an independent auditor mutually acceptable to the Parties to review the actual Raw Material costs of Seller on a confidential basis for the relevant measurement period to confirm the accuracy of Seller's calculation of the price adjustment.

| Product Category | Product Number | Product Description | Seller Stock Product, Buyer Branded Product or Buyer Proprietary Product | Units Per Case | Raw Material Type | Net Raw Material Weight per Case in Pounds | Price Per Case in USD for Deliveries 11/01/2019 through 12/31/2019 | Annual Price Increase Percentage |
|---|---|---|---|---|---|---|---|---|
| [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |

**End of Attachment**

**Attachment 2**
**Seller Manufacturing Facilities and Warehouse Facilities**

| Seller Manufacturing Facility | Product Group | Product | Maximum Monthly Quantity Of Product Category at Manufacturing Facility Available for Buyer in Net Raw Material Pounds (assumes similar product mix to product mix in 2019) |
|---|---|---|---|
| [*] | [*] | [*] | [*] |

*** *QUAD Cups***: Maximum Monthly Quantity for QUAD cups is for 2020 only. Notwithstanding anything in this Purchase Schedule or the Agreement to the contrary:

1) Buyer may (but will not be obligated to) purchase QUAD cups from Seller after 2020.

2) Buyer may self-manufacture QUAD cups in any quantity and for any reason after 2020 without being in breach of this Agreement. The Parties anticipate that Buyer will commence self-manufacture after 2020 based on Buyer anticipated purchase and installation of additional cup manufacturing equipment in 2020.

3) From time to time during the Commitment Period after 2020, Buyer may submit a forecast to Seller requesting that Seller reserve a portion of the manufacturing capacity to manufacture and sell one or more of the listed QUAD Cups to Buyer on the terms provided in this Purchase Schedule. Seller will exercise good faith and commercially reasonable efforts to accommodate Buyer's request.

| Warehouse Facility |
|---|
| Bakersfield, CA |
| Bolton, ON |
| Canandaigua, NY |
| Covington, GA |
| Frankfort, IL |
| San Bernardino, CA |
| Temple, TX |
| Woodridge, IL |

**End of Attachment**

**Attachment 3**

**Tolled Assets of Buyer in Manufacturing Facilities of Seller**

| Tolled Asset Number | Tolled Asset Description | Manufacturing Facility |
|---|---|---|
| [*] | [*] | [*] |

**End of Attachment**

**AMENDMENT TO PURCHASE SCHEDULE**

This Amendment dated as of January 15, 2022, to the Purchase Schedule dated November 1, 2019 to the Master Supply Agreement dated November 1, 2019 ("Agreement") between Reynolds Consumer Products LLC ("Seller") and Pactiv LLC ("Buyer"). The Parties agree as follows:

1. Capitalized terms and phrases not otherwise defined in this Amendment will have the same meaning ascribed to them in the Agreement, including the Purchase Schedule.

2. Section 6.b. is modified to add the following paragraph:

Notwithstanding anything hereinabove to the contrary, for the first calendar quarter of 2022 only, the Price Adjustment Date will be February 1, 2022. The Quarterly Price Period, the Base Measurement Period and the Current Measurement Period will not change. On or before February 15, 2022, the Parties shall agree upon a true-up adjustment amount for the period from January 1, 2022 through January 31, 2022. The true-up adjustment amount shall be the difference between (i) the price per case for a Product from January 1, 2022 through January 31, 2022 and (ii) what the price per case for a Product would have been had the Price Adjustment Date been January 1, 2022.

3. Section 6.c. is deleted in its entirety and replaced with the following:

> ***Annual Price Increase.*** On January 1, 2020 and on January 1 of each subsequent calendar year of the Commitment Period, the price per case of a Product will be increased by the percentage in the "Annual Price Increase Percentage" column for the Product in the chart in **Attachment 1**; provided, however, that for the period from January 1, 2022 to December 31, 2022, the price per case of a Product will not be increased as provided above, but in lieu of such annual price increase Buyer agrees to pay Seller on January 18th 2022 and on the first day of each subsequent calendar quarter during calendar year 2022, the amount of Two Million, Six Hundred Ten Thousand Dollars ($2,610,000). Buyer and Seller agree to meet in June 2022 and discuss in good faith whether an adjustment to the quarterly payment is appropriate.

4. Except as set forth above, the terms of the Agreement, including the Purchase Schedule, remain in full force and effect.

5. This amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by electronic signature, facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this amendment.

IN WITNESS WHEREOF, the Parties have executed this amendment as of the 15th day of January, 2022.

Pactiv LLC

By: /s/ Michael J. King
Name: Michael King
Title: Chief Executive Officer

Reynolds Consumer Products LLC

By: /s/ Lance Mitchell
Name: Lance Mitchell
Title: Chief Executive Officer

**SECOND AMENDMENT TO PURCHASE SCHEDULE**

This Second Amendment (the "Second Amendment"), dated as of March 31, 2023, amends that certain Purchase Schedule dated November 1, 2019 to the Master Supply Agreement dated November 1, 2019 ("Agreement"), as amended by that certain Amendment to Purchase Schedule dated January 15, 2022 ("First Amendment"), between Pactiv LLC ("Seller") and Reynolds Consumer Products LLC ("Buyer"). The Parties agree as follows:

1. **Definitions**. Capitalized terms and phrases not otherwise defined in this Second Amendment will have the same meaning ascribed to them in the Agreement, including the Purchase Schedule.

2. **Elimination of SOP References**. Section 3 of the Agreement is hereby deleted, and all references to the SOPs in the Agreement shall be removed. The following references to the SOPs are removed from the Purchase Schedule:

a. "the SOPs" from Section 3(a);
b. Section 4(a)(3) to be deleted in its entirety;
c. "in the SOPs" from line 8 of Section 5(b);
d. "the SOPs" from line 11 and line 15 of Section 7(d); and
e. "the SOPs" from line 1 of Section 10.

3. **Term Extension**. Section 2 of the Purchase Schedule is amended and restated in its entirety as follows:

This Purchase Schedule will commence on the Effective Date and will end on the earlier of (a) December 31, 2024; or (b) an earlier termination date elected by a Party in a written notice delivered to the other Party as provided in Section 11(d) of the Agreement (the period of this Purchase Schedule is referred to at times as the "Commitment Period"), except that the Commitment Period with respect to polystyrene foam Products sold by Seller to Buyer shall instead extend until the earlier of: (a) December 31, 2027; or (b) the earlier termination date elected by a Party in a written notice delivered to the other Party as provided in Section 11(d) of the Agreement.

4. **Revised COLAs**. Section 6(c) of the Purchase Schedule is deleted in its entirety and replaced with the following:

**Cost of Living Adjustments for the Period through April 30, 2023**. [*].

**New Prices Beginning May 1, 2023**. **Attachment 4** to the Second Amendment to this Purchase Schedule sets forth the prices that shall apply for the sale of Products hereunder on and after May 1, 2023. [*].

**Non Raw Material Price Adjustments Beginning [*]**. Beginning [*], there will be [*] non-raw material price adjustments [*].

The chart below identifies the respective Adjustments Dates, Base Periods and Current Periods for non-Raw Material price adjustments:

| ADJUSTMENT DATE | PRICE PERIOD | BASE PERIOD | CURRENT PERIOD |
|---|---|---|---|
| [*] | [*] | [*] | [*] |
| [*] | [*] | [*] | [*] |

**Supplemental Price Adjustment**. [*].

5. **New Foam Production Schedule**. **Attachment 2** to this Second Amendment replaces Attachment 2 to the Agreement, with respect to polystyrene foam production as identified by product category by plant location.

6. **Additional Foam Terms**. During each year of the Commitment Period, and subject to the terms and conditions of the Agreement, including the limitations and exclusions in Section 4 of the Purchase Schedule, Buyer is required to purchase [*] pounds of its polystyrene foam Product needs from Seller, with per plant location quantities set forth in **Attachment 2**, but Buyer is not required to purchase the full [*] pounds if its business requirements are less. For any Buyer foam needs in excess of [*] pounds, Buyer reserves the right to supplement polystyrene foam purchases from Seller, through third parties or via self-manufacture; provided, however, Buyer shall be responsible for any raw materials, work in progress or finished goods inventory that are unique to those foam Products forecasted for purchase by Buyer (collectively, "WIP"). Notwithstanding the above, as to the [*] pound polystyrene foam purchase requirement, beginning on January 1, 2024, Buyer shall have the right to qualify third party suppliers to provide up to [*] pounds of its polystyrene foam in each calendar year, which amounts shall count against such [*] pound purchase requirement to the extent they do not exceed [*] pounds (the "Qualification Cap"), except that the Qualification Cap may be exceeded to the extent that Buyer has requested such supply from Seller in writing and Seller responds in writing that it is unable or unwilling to provide such supply (any such excess, the "Excess Amount"). Following any year in which Buyer's purchases of Products from Seller hereunder are below the lesser of [*] pounds or the amount so purchased in the prior year, then Seller shall have the option to revise **Attachment 2** to alter the maximum production amounts by location and product to account for such reduction for the remainder of the Commitment Period; provided, that such revision of **Attachment 2** does not reduce the aggregate minimum amount across all locations; provided, further, that if any such revision materially increases Buyer's costs, then the Parties shall meet and discuss in good faith mutually agreeable accommodations to address Buyer's concerns. If, in any given calendar year of the Commitment Period, Buyer purchase less than [*] pounds (which amount shall be reduced by any Excess Amount in any given year) of Product from Seller hereunder and such shortfall (i) is due to weakened market demand, then the Parties shall meet and discuss in good faith revisions to the pricing of Products hereunder to address absorption losses by Seller or (ii) is due to Buyer exceeding the Qualification Cap, then Seller shall have the right to fully reprice its portfolio of Products hereunder and the Agreement shall be amended to reflect such repricing. If the Parties are not able to agree on appropriate revisions to the Agreement following repricing discussions under clause (i) of this Section, then Seller shall have the right to terminate the Agreement on 180 days' prior written notice if such negotiations do not produce an appropriate solution, in its sole discretion, within 60 days. Upon such termination, the only remaining liability of each Party to the other shall be for unpaid purchase price of Products delivered hereunder, and for WIP as provided above, in each case accrued prior to such termination.

7. **Foam Production Maximization**. The Parties agree that portfolio optimization for Buyer, including changes to units per case and count per unit, will be determined by good faith negotiations and mutual agreement and unless agreed will not trigger a change in the price per pound. Tooling for new items will be paid by the Buyer and items will be priced based on rates of comparable items in the portfolio. For example, if Buyer redesigns the rim pattern on a 9" plate, so long as the redesign does not materially impact line time, stack price or weight, then Buyer will pay the existing price for 9" plates.

8 **Corrections to Attachments**. On or before April 14, 2023, either Party may request changes to any of the Attachments to this Second Amendment if, in the reasonable opinion of the requesting Party, such changes are necessary to correct an error or clarify an ambiguity in the Attachments. The changes shall be effective if the non-requesting Party consents, but such consent may not be unreasonably withheld, conditioned or delayed.

9. **No Other Modifications**. Except as set forth above and in the First Amendment to the Restrictions, the terms of the Agreement, including the Purchase Schedule, as amended, remain in full force and effect.

10. **Counterparts**. This Second Amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Delivery

of an executed counterpart of a signature page to this Second Amendment by electronic signature, facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this amendment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment the 31st day of March, 2023.

Pactiv LLC

By: /s/ Michael J. King
Name: Michael King
Title: Chief Executive Officer

Reynolds Consumer Products LLC

By: /s/ V. Lance Mitchell
Name: Lance Mitchell
Title: Chief Executive Officer

**ATTACHMENT 1**

**COLA TRUE-UP**

| **Product** | **Increased Price Per Case** | **Credit Per Case for March and April 2023** |
|---|---|---|
| See attached Excel. | As set forth under column F, entitled “COLA Price per Case” under tab “Attachment #1.” | As set forth under column F, entitled “Mar/Apr COLA Credit per Case” under tab “Attachment #1 Credit.” |

Pursuant to Item 601(a)(5) of Regulation S-K under the Securities Exchange Act of 1934, as amended, the Excel file referred to in the above table has not been filed.

**ATTACHMENT 2**

**FOAM PRODUCTION AS IDENTIFIED BY PRODUCT CATEGORY BY PLANT LOCATION**

See Attached Excel.

Pursuant to Item 601(a)(5) of Regulation S-K under the Securities Exchange Act of 1934, as amended, the Excel file referred to in the above table has not been filed.

**ATTACHMENT 3**

**NON-RAW MATERIAL COST ADJUSTMENT**

[*]

**ATTACHMENT 4**

**NEW PRICE SHEET**

| **Product** | **New Price** |
|---|---|
| See attached Excel. | As set forth under column H, entitled “May 2023 Pricing” under tab “Attachment #4.” |

Pursuant to Item 601(a)(5) of Regulation S-K under the Securities Exchange Act of 1934, as amended, the Excel referred to in the above table has not been filed.

**Exhibit 31.1**

**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: May 8, 2023

By: /s/ Michael J. King

**Michael J. King**
**President and Chief Executive Officer**

**Exhibit 31.2**

**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: May 8, 2023

By: /s/ Jonathan H. Baksht

**Jonathan H. Baksht**
**Chief Financial Officer**

**Exhibit 32.1**

**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 March 31, 2023 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: May 8, 2023

By: /s/ Michael J. King

**Michael J. King**
**President and Chief Executive Officer**

**Exhibit 32.2**

**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 March 31, 2023 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: May 8, 2023

By: /s/ Jonathan H. Baksht

**Jonathan H. Baksht**
**Chief Financial Officer**