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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2020

OR

☐ **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 No.)**
1900 W. Field Court	
Lake Forest, IL	**60045**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (847) 482-2000

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	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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, smaller reporting company, or an emerging growth company. See the 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The NASDAQ Stock Market on December 31, 2020, was $710,693,996. The Registrant has elected to use December 31, 2020 as the calculation date, which was the last trading date of the registrant's most recently completed fiscal year, because on June 30, 2020 (the last business day of the registrant's second fiscal quarter), the Registrant was a privately-held company.

The number of shares of Registrant's Common Stock outstanding as of February 19, 2021 was 177,157,710.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement relating to the Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The Registrant's Definitive Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

Pactiv Evergreen Inc.

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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.” You should specifically consider the numerous risks outlined under “Risk Factors.” These risks include, among others, those related to:

- future costs of raw materials, energy and freight, including the impact of tariffs, trade sanctions and similar matters;
- competition in the markets in which we operate;
- changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental and sustainability concerns;
- failure to maintain satisfactory relationships with our major customers;
- the impact of a loss of any of our key manufacturing facilities;
- our dependence on suppliers of raw materials and any interruption to our supply of raw materials;
- the uncertain economic, operational and financial impacts of the COVID-19 pandemic;
- our ability to realize the benefits of our capital investment, restructuring and other cost savings programs;
- seasonality and cyclicality;
- loss of key management or other personnel;
- uncertain global economic conditions;
- supply of faulty or contaminated products;
- compliance with, and liabilities related to, environmental, health and safety laws, regulations and permits;
- impact of government regulations and judicial decisions affecting products we produce or the products contained in the products we produce;
- any non-compliance with the Foreign Corrupt Practices Act or similar laws;
- the ownership of a majority of the voting power of our common stock by Packaging Finance Limited (“PFL”) and an entity affiliated with Mr. Graeme Hart (together with PFL, the “Hart Stockholders”);
- our ability to establish independent financial, administrative, and other support functions; and
- our status as a “controlled company” within the meaning of the rules of Nasdaq.

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

Item 1. Business

General

Pactiv Evergreen Inc. ("PTVE", the "Company," "we," "us," and "our"), a Delaware corporation, is 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 products that protect, package and display fresh food and beverages for consumers who want to eat or drink fresh, prepared or ready-to-eat food and beverages conveniently and with confidence. We supply our products to a broad and diversified mix of companies, including full service restaurants ("FSRs") and quick service restaurants ("QSRs"), foodservice distributors, supermarkets, grocery and healthy eating retailers, other food stores, food and beverage producers and food processors. We operate primarily in North America.

Strategy

We have a culture that constantly seeks to improve the way we work throughout our business, from our products to our manufacturing and distribution processes to the way we work with our customers. We continually seek to optimize our business through comprehensive business reviews, ideation and targeted strategic initiatives. The review process, identification of focus areas, development of actionable improvement programs and implementation and monitoring of these initiatives are coordinated and managed by our Strategic Project Management Office (the "SPMO"). Our strategic initiatives are grouped into six key areas: growth; value-added customer service; profitable innovation; cost reduction; the integration of Beverage Merchandising and sustainability.

- Growth: Drive growth of our products and support our customers while maintaining our commitment to quality, reliability, service and safety.
- Value-added customer service: Proactively implement new ways to service our customers and continually seek to refine our value proposition for customers.
- Profitable innovation: Reinforce our existing product portfolio with new and on-trend products.
- Cost reduction: Optimize our processes to drive increased profitability and cash flow through automation, digital transformation and streamlining our manufacturing and supply chain.
- Integration of Beverage Merchandising: Capitalize on commercial and cost synergies from integration of the Beverage Merchandising business.
- Sustainability: Maintain and grow the broadest sustainable product offering in the industry with a focus on our "Four R's" of "Reduce," "Reuse," "Recycle," and "Renew."

Within each of these categories, we have a number of specific initiatives that we believe will improve our business, including: our automation and digital transformation initiatives; growth of our sustainable product offerings; reduction of our carbon footprint in our manufacturing and distribution processes; and our cost reduction programs. We believe it is critical to embrace new technology and we have made significant investment across our business to accelerate growth and optimization opportunities. We rigorously track and measure the progress and results of each of our initiatives. We are focused on long-term planning and goal-setting strategies as well as our near term operating results. We believe our strategic initiatives help drive our revenue growth, increase our market share and increase our margins.

Segment Overview

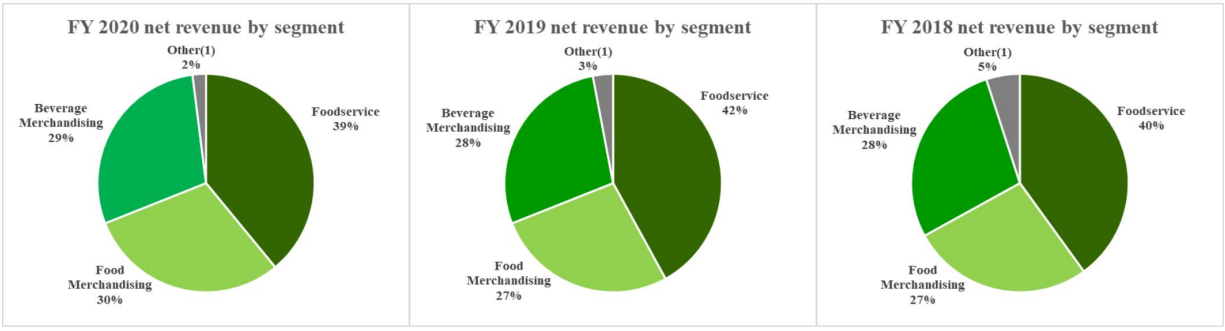
Our operations consist of manufacturing and selling products through three reportable segments organized across three broad categories:

- ***Foodservice.*** Our Foodservice segment manufactures a broad range of products that enable consumers to eat and drink what they want, where they want and when they want with convenience. Products include food containers, hot and cold cups, lids, dinnerware and other products which make eating on-the-go more enjoyable and easy to do. Foodservice's customer base includes chain restaurants, FSRs, established and emerging QSRs, distributors, institutional foodservice (e.g. airports, schools and hospitals) and convenience stores.
- ***Food Merchandising.*** Our Food Merchandising segment manufactures products that protect and attractively display food while preserving freshness. Products include clear rigid-display containers, containers for prepared and ready-to-eat food, trays for meat and poultry and molded fiber cartons. Food Merchandising's customers include supermarkets, grocery and healthy eating retailers and other food stores as well as meat, egg, agricultural and consumer packaged goods ("CPG") processors.

- ***Beverage Merchandising.*** Our Beverage Merchandising segment manufactures cartons for fresh refrigerated beverage products, primarily serving dairy (including plant-based, organic and specialties), juice and other specialty beverage end-markets. Products include integrated fresh carton systems, which include printed cartons with high-impact graphics, spouts and filling machines. Beverage Merchandising 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. Beverage Merchandising's customers include dairy, juice and specialty beverage producers, cup, plate and container manufacturers, and other beverage carton manufacturers.

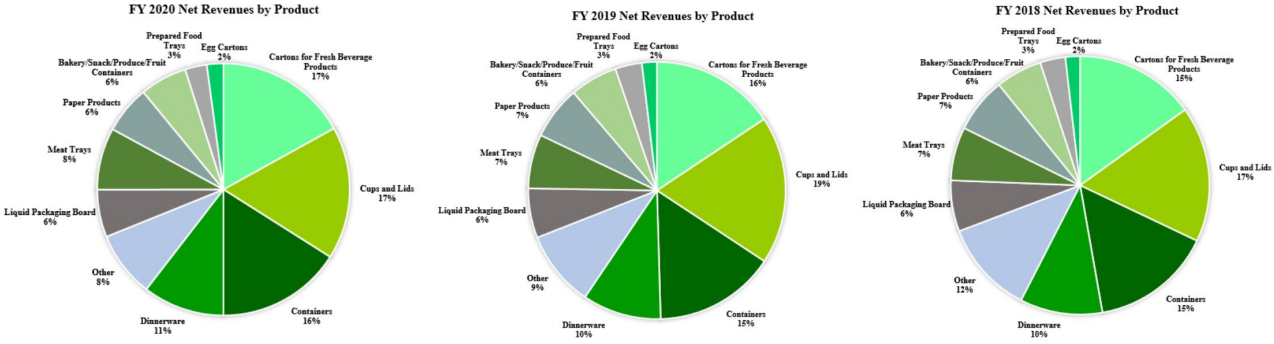
We use segment adjusted earnings before income taxes and depreciation and amortization ("Adjusted EBITDA") to evaluate segment performance and allocate resources. We believe it is appropriate to disclose this measure to help investors analyze segment performance and trends. For a definition and reconciliation of segment Adjusted EBITDA to consolidated pre-tax earnings as well as other information on our segments, see Note 21, *Segment Information*, to the Consolidated Financial Statements.

The pie charts below show the breakdown of our net external revenues from continuing operations for fiscal years 2020, 2019 and 2018 by our segments.



(1) Other represents residual businesses that do not represent a reportable segment.

The pie charts below show the breakdown of our net revenues from continuing operations for fiscal years 2020, 2019 and 2018 by our products.



Divestitures and Distributions

The assets, liabilities, results of operations and supplemental cash flow information of substantially all of our Closures business, sold in December 2019, all of our former Reynolds Consumer Products Inc. ("RCPI") segment, distributed in February 2020, and all of our former Graham Packaging Company ("GPC") segment, distributed in September 2020, are presented as discontinued operations for all years presented. For additional details on divestitures and distributions of certain operations that impacted our results, see Note 3, *Discontinued Operations,* to the Consolidated Financial Statements.

Customers

We supply our products to a broad and diversified mix of companies, including FSRs and QSRs, foodservice distributors, supermarkets, grocery and healthy eating retailers, other food stores, food and beverage producers, food packers and food processors. Our customers range from large blue-chip multinational companies to national and regional companies to small local businesses. We have developed strong and longstanding relationships with our customers. No single customer accounted for 10% or more of our net revenues from continuing operations in 2020. Our five largest customers accounted for 28% and our ten largest customers accounted for 37% of net revenues from continuing operations in 2020.

Seasonality

Our business does not experience high seasonality due to the complementary nature of the seasonal effects on our segments, though portions of our business are moderately seasonal. Our Foodservice and Food Merchandising operations peak during the summer and fall months in North America when the favorable weather, harvest and holiday seasons lead to increased consumption, resulting in greater levels of sales in the second and third quarters. Beverage Merchandising's customers are principally engaged in providing products that are generally less sensitive to seasonal effects, although Beverage Merchandising does experience some seasonality as a result of increased consumption of milk by school children during the North American academic year, resulting in a greater level of carton product sales in the first and fourth quarters. The COVID-19 pandemic impacted our business results during the year ended December 31, 2020. Refer to *Recent Developments and Significant Items Impacting Comparability – COVID-19* within Management's Discussion and Analysis of Financial Condition and Results of Operations for further details.

Competition

The markets in which we sell our products historically have been, and continue to be, highly competitive. Areas of competition include service, innovation, quality and price. While we have long-term relationships with many of our customers, the underlying contracts may be re-bid or renegotiated from time to time, and we may not be successful in renewing on favorable terms or at all, as pricing and other competitive pressures may occasionally result in the loss of a customer relationship. The loss of business from our larger customers, or the renewal of business on less favorable terms, may have a significant impact on our operating results.

Distribution and Marketing

We have a large well-invested, manufacturing base and a hub-and-spoke distribution network in the United States and in the international geographies in which we operate. The majority of our assets are in the United States, which allows us to provide an extensive offering of products manufactured in the United States to our customers. We believe our manufacturing footprint and distribution network provides us a competitive advantage in each of our segments. Foodservice is the only manufacturer among its competitors in the United States with an extensive nationwide hub-and-spoke distribution network, which enables customers to buy across our entire product offering. Food Merchandising is a low cost U.S. manufacturer with well-invested facilities that are within close proximity to our customer base. We have an unrivalled product offering in the North American foodservice and food merchandising markets and a "one-face-to-the-customer" service model. This service model uses one sales representative per account to produce one order with multiple SKUs supported by one customer service representative that is responsible for one shipment with one invoice. We believe Beverage Merchandising is uniquely positioned in the U.S. and in the emerging markets we serve as the only producer that manufactures fresh beverage cartons, filling machinery and liquid packaging board, which we believe positions us as a low cost solution with excellent customer service.

We have made manufacturing flexibility a priority in our investment of capital. We are able to offer substrates and product lines to match changing market needs efficiently and at low cost. This enables us to scale production to match the requirements of our customers and trends in the market, including for example, increasing our use of recycled and recyclable material to produce a greater number of sustainable products and earn higher margins from the sale of these products. We have strategically invested in flexible manufacturing assets that can be quickly converted to produce alternative products. Our broad manufacturing base includes approximately 900 production lines and we manufacture approximately 115 billion units each year.

Foodservice has 16 manufacturing plants. Food Merchandising has 24 manufacturing plants. Foodservice and Food Merchandising share the use of 26 warehouses and 8 regional mixing centers. Beverage Merchandising has 6 U.S. beverage carton manufacturing plants, 7 international beverage carton manufacturing plants (including 3 plants in our joint ventures), 2 filling machinery plants, 3 extrusion plants, 2 integrated liquid packaging board and paper mills and 3 chip mills. Each of our manufacturing plants is managed by a manufacturing director, and we utilize lean operating practices and information systems to measure performance against objective metrics to optimize manufacturing efficiency and reduce cost.

Raw Materials

The primary raw materials used to manufacture our products are plastic resins, fiber (principally raw wood and wood chips) and paperboard (principally cartonboard and cupstock). We also use commodity chemicals, steel and energy, including fuel oil, electricity, natural gas and coal, to manufacture our products. Purchases of most of our raw materials are based on negotiated rates with suppliers, which are tied to published indices. Typically, we do not enter into long-term purchase contracts that provide for fixed quantities or prices for our principal raw materials. For Beverage Merchandising, most raw materials and other input costs are purchased on the spot market.

Resin prices have historically fluctuated with changes in the prices of crude oil and natural gas, as well as changes in refining capacity and the demand for other petroleum-based products. The prices of raw wood and wood chips may fluctuate due to external conditions such as weather, product scarcity and commodity market fluctuations and changes in governmental policies and regulations. The cost of our raw materials can also be affected by tariffs, trade sanctions and similar matters that affect international commerce.

We address higher commodity costs through higher product pricing, manufacturing and overhead cost control and hedging. Revenue is directly impacted by changes in raw material costs as a result of raw material cost pass-through mechanisms in many of the customer pricing agreements entered into by our segments. Generally, the contractual price adjustments do not occur simultaneously with commodity price fluctuations, but rather on a mutually agreed upon schedule. Due to differences in timing between purchases of raw materials and sales to customers, there is often a lead-lag effect, during which margins are negatively impacted in the short term when raw material costs increase and positively impacted in the short term when raw material costs decrease. Historically, the average lag time in implementing raw material cost pass-through mechanisms has been approximately three months. We use hedging techniques to limit the impact of fluctuations in the cost of our principal raw materials; however, we may not be able to fully hedge against commodity cost changes, and our hedging strategies may not protect us from increases in specific raw material costs.

At this time, we believe there will continue to be an adequate supply of the raw materials we use and that they will generally remain available from numerous sources.

For additional information on our commodity costs, refer to *Financial Outlook – Raw Materials and Energy Prices* within Management's Discussion and Analysis of Financial Condition and Results of Operations.

Intellectual Property and Research and Development

We have a proven history of product innovation, including the introduction of new products and the addition of innovative features to existing products. Innovation is a core capability we are proud of and a key focus area going forward as we strive to enhance our product portfolio, drive growth and increase margins.

We have significant intellectual property and proprietary know-how. We hold over 400 patents related to product design, utility and material formulations.

Our primary focus areas for product innovation are the development of packaging with new value-add features, engineering new materials that improve the performance of our products and commercializing new environmentally-friendly packaging solutions. Both consumer preferences and the requirements of our customers continually evolve and we strive to develop new value-add features and products to meet those needs. Through our long-standing customer relationships, we gain valuable insight into our customers' needs and are able to identify, engineer and develop the optimal products for them. Functionality, quality, material savings, brand marketing and safety are key drivers in our product development. Examples of our product innovations include reclosable beverage cartons, strawless lids, compostable cutlery and recycled polyethylene terephthalate "PET" containers.

In Foodservice, our product innovation initiatives are focused on developing new products made from sustainable materials. In Food Merchandising, our product innovation is focused on rapidly growing emerging companies for whom packaging helps deliver their brand. In Beverage Merchandising, we have developed a variety of carton designs to help beverage manufacturers differentiate their products and generate stronger brand recognition. Our barrier board technology allows our customers to achieve longer shelf life for their products as well as protecting against the loss of vitamins and other nutrients.

In 2020, 2019 and 2018, we spent a total of $20 million, $22 million and $19 million, respectively, on research and development efforts. We have dedicated technology and innovation facilities, and we employ personnel focused on product development, material innovation and process improvement. Our material science expertise and state-of-the-art product design and testing capabilities enable us to engineer high-performing materials and create new and innovative products to meet the demanding requirements of our customers and the preferences of consumers as well as to increase food safety. We use our material science expertise to focus on sustainability, performance and material savings. We have an industry-leading analytical lab and dedicated technology center in Canandaigua, New York where we develop innovative resin blending and compounding formulations and processes and new engineered materials using paper/fiber substrates. We also have an innovation center in Bedford Park, Illinois where we have on-site design, testing, prototyping and production capabilities. These unique material and product design capabilities allow us to partner with our customers to rapidly develop and commercialize new and innovative solutions that further increase the value we provide our customers.

Regulation

Our products are formulated and fabricated in compliance with all applicable food laws and regulations. In addition, our production facilities are independently audited for adherence to good manufacturing practices. All North American Beverage Merchandising facilities have received Safe Quality Food ("SQF") certification, and 22 Foodservice and Food Merchandising facilities have achieved British Retail Consortium ("BRC") certification for meeting globally-recognized standards related to food safety and quality. Additionally, our paper mills are FSSC 22000-certified, the relevant scheme also related to food safety management.

We have programs across our businesses to ensure we remain in compliance with all applicable food laws and regulations, as well as compliance with state and local government environmental regulations. For a more detailed description of the various laws and regulations that affect our business, see Item 1A. "Risk Factors".

Sustainability and Environmental

We believe we offer the most extensive selection of eco-friendly fresh food and beverage products in North America that are manufactured from recycled, recyclable or renewable materials and we continue to grow our offering of sustainable products with new bio-resin and fiber-based offerings. We offer customers sustainable alternatives across nearly all of our products and categories today and we believe our EarthChoice brand is the largest eco-friendly foodservice brand with one of the broadest product lines in the North American foodservice industry.

We offer a broad range of sustainable products that are made with recycled, recyclable or renewable materials. We manufacture an eco-friendly alternative across nearly our entire range of products and offer products made from seven different types of sustainable substrates. Through our state-of-the-art production technology and material science experience, we have the ability to develop new value-add and sustainable solutions. We believe we are well positioned to benefit from changing consumer preferences for more environmentally sustainable products. In fiscal year 2020, approximately 63% of net revenue from continuing operations came from products made from recycled, recyclable or renewable materials, and we have set a goal of having 100% of our net revenue come from such products by 2030.

In addition, many of our customers have publicly-stated goals to increase the use of sustainable products. A significant portion of our new product and material innovations are geared toward developing sustainable products for our customers. As current customers using traditional materials look to switch to more sustainable alternatives, we are well-positioned to quickly and effectively support them. With a high percentage of our net revenue coming from products that are made from recyclable or other sustainable materials, we are helping our customers achieve their own sustainability goals.

In addition to using recyclable and compostable materials, we support efforts to expand opportunities for consumers to recycle or compost our products, notably as one of the founding members of the Carton Council, Paper Recovery Alliance, Plastics Recovery Group, Foam Recycling Coalition and the Paper Cup Alliance. We have demonstrated our commitment to use more recycled plastic by joining the Association for Plastic Recyclers' Demand Champions program. We engage with the composting industry through the U.S. Composting Council, and a growing number of our products are certified compostable by the Biodegradable Products Institute. We are a longstanding member of the Sustainable Packaging Coalition, an industry working group dedicated to a more robust environmental vision for packaging.

Our dedication to sustainability goes beyond just the products we manufacture. Within our operations, we are working to limit our environmental impact by reducing greenhouse gas emissions and energy consumption, as well as minimizing water use and decreasing waste going to landfills. We're focusing on what's material to our company, and from 2015 to 2019, we achieved a 12% reduction in absolute energy consumption, and a 10% reduction in greenhouse gas emissions.

Improving energy efficiency is critical to us as energy expenses are among our highest cost categories to manufacture our products. We're also looking to use more renewable energy, which further reduces our greenhouse gas emissions. Today, about half of our annual energy consumption comes from renewable sources including biomass, hydropower, wind and solar.

Efforts to minimize our water usage takes various forms, given the variety of operations we run. We primarily use water for process operations, cooling and cleaning. The majority of our water use occurs at our two paper mills. Most of our water use is "non-consumptive use," which means the water is treated and returned back to the environment after being used in our operations.

Reducing waste in our operations is an ongoing, company-wide pursuit. We reuse a significant majority of plastic and paper scrap back in manufacturing our own products and implement programs to reduce scrap in production as much as possible. The plastic or paper scrap that cannot be reused in the manufacturing process is recycled by other third parties where possible.

Protecting the sustainability of our forests is a critical initiative, given our broad use of paper through our product offerings. Our Beverage Merchandising business holds third-party certifications from three independent internationally recognized organizations which demonstrates our commitment to responsible forest management, wood procurement procedures and chain-of-custody procedures. In 2020, we were awarded the American Forest & Paper Association's 2020 Leadership in Sustainability Award for Sustainable Forest Management.

In September 2020, we issued our 2019-2020 Sustainability Report, which includes expanded reporting on environmental, social and governance ("ESG") topics and highlights our progress towards our ESG initiatives.

Governance

We have implemented a strong, independent governance program. The composition of our board of directors reflects our commitment to independence. Of the seven members of the board, four are independent members, including two women one of which is also from an underrepresented minority. The chairman of our board of directors is also an independent member.

We adopted the Pactiv Evergreen Inc. Code of Business Conduct and Ethics, which qualifies as a code of ethics under Item 406 of Regulation S-K. The code applies to our directors and all of our employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. In addition, we adopted Corporate Governance Guidelines, charters for each of the Board's three standing committees. All of these materials are available on our web site at www.pactivevergreen.com/corporate-governance/documents-charters and will be provided, free of charge, to any stockholder who requests a copy.

References to our website address do not constitute incorporation by reference of the information contained on the website, and the information contained on the website is not part of this document.

Human Capital Resources

We employed approximately 14,600 people at December 31, 2020. Employees represented by labor unions or workers' councils represent 31% of our employees. Our operations are subject to various local, national and multinational laws and regulations relating to our relationships with our employees. We are a party to numerous collective bargaining agreements and we work to renegotiate these collective bargaining agreements on satisfactory terms when they expire.

Workforce Health and Safety

We are committed to engaging our employees and communities through a variety of social initiatives centered around safety, leadership and community involvement. Safety is a core value and affects everything we do. Our manufacturing facilities have achieved safety metrics that are approximately three times better than industry average in 2020. We had a total recordable incidence rate of 1.40 compared to the industry average of 3.40, a total lost time rate of 0.97 compared to the industry average of 2.00, and a total lost workday rate of 0.30 compared to an industry average of 0.90.

Diversity, Inclusion and Talent Development

We are committed to values of respect for our people and our communities and we focus on attracting and retaining a diverse workforce. For example, we engage our communities and provide leadership opportunities for our employees through our Operations Leadership Development Program and our Leadership Advisory Council. Our Operations Leadership Development Program recruits Junior Military Officers and puts them through an intensive training program to fast-track their transition into manufacturing and logistics leadership roles. Thirty-seven candidates have successfully completed or are currently enrolled in this program and seven are currently Plant Managers or Warehouse Operations Managers. Our Leadership Advisory Council identifies high performing and high potential employees. We also provide these employees with the executive mentorship and guidance needed for them to excel, and we provide them with leadership and strategy development training. This program has been highly successful, with two of our CEO's direct reports having participated in the program. Our diversity, equity and inclusion principles are also reflected in our employee training and policies.

Executive Officers

The following table presents the names of the executive officers as of February 25, 2021:

Name	Age	Position
Executive Officers		
John McGrath	62	Chief Executive Officer
Michael Ragen	49	Chief Operating Officer and Chief Financial Officer
John Rooney	57	President, Beverage Merchandising
Tim Levenda	53	President, Foodservice
Eric Wulf	39	President, Food Merchandising

Mr. McGrath has been a member of our board of directors since August 2020 and was appointed as our Chief Executive Officer upon the completion of our IPO in September 2020. Prior to that appointment, Mr. McGrath served as the Chief Executive Officer and the President of Pactiv from 2010 to September 2020. Prior to becoming Chief Executive Officer of Pactiv, Mr. McGrath served as Vice President of Sales, Marketing and Product Development for Pactiv's foodservice and food packaging division. Formerly, Mr. McGrath served as the general manager of Pactiv's food processor business and prior to that, Vice President of Logistics. He has also held various positions in sales, marketing and product development throughout his career. Mr. McGrath is the past chairman of the Foodservice Packaging Institute. Also, Mr. McGrath was a member of the board of directors of OmniMax International, Inc from 2016 to 2020. Mr. McGrath was selected to serve on our board of directors because of the perspective, management, leadership experience and operational expertise in our business. Mr. McGrath received an MBA from Northwestern University and a Bachelor of Science majoring in Engineering from the United States Military Academy at West Point.

Mr. Ragen was appointed as our Chief Operating Officer and Chief Financial Officer upon the completion of our IPO in September 2020. From October 2018 to September 2020, Mr. Ragen served as Chief Operating and Financial Officer of Pactiv, and as Chief Financial Officer since 2014. Prior to joining Pactiv in 2014, Mr. Ragen served as an executive for the Rank Group Limited ("Rank") from 2012 to 2014, held various roles with AB Mauri from 2004 to 2011 and with Burns, Philp & Company Limited from 1994 to 2004. Mr. Ragen is a CPA certified by the Australian Society of CPAs and received a Bachelor of Business from the University of Technology, Sydney.

Mr. Rooney has served as the President of Beverage Merchandising since January 2020. Mr. Rooney served as the Chief Executive Officer of Evergreen from 2018 to 2020. He also served as Chief Executive Officer of the combined operations of Evergreen and our former Graham Packaging and Closures segments from late 2015 to early 2018 and Chief Executive Officer of Graham Packaging from November 2015 to late 2018. He also served as Chief Executive Officer of Evergreen from June 2011 to October 2015. Mr. Rooney has worked at Evergreen since 1991 in a number of progressive leadership assignments including Plant Manager, International Marketing, Business Integration and General Manager of Evergreen Packaging Equipment. Mr. Rooney received an MBA from Penn State University and a Bachelor of Science majoring in Chemistry from the University of Connecticut.

Mr. Levenda has served as the President of Foodservice since September 2019. From December 2014 to September 2019, he served as Senior Vice President, Foodservice. Mr. Levenda first joined Pactiv in 2007 as Executive Director, Sales, following Pactiv's acquisition of Prairie Packaging LLC, where he served as Executive Director, Sales since 2000, and Regional Sales Manager from 1998 to 2000. Mr. Levenda worked as a Regional Sales Manager for Marcal Paper Mills from 1992 to 1998, and in various roles at Coca-Cola Bottling Company of Chicago from 1990 to 1992. Mr. Levenda received a Bachelor of Arts majoring in Economics from Wabash College.

Mr. Wulf has served as the President of Food Merchandising since March 2020. From August 2019 to March 2020, he served at Pactiv as the President of Food Packaging, and previously as Vice President, Food Packaging from July 2014 to August 2019. Mr. Wulf joined Pactiv in 2003 as a Customer Account Representative and has held various other roles including Territory Account Manager, Associate Product Manager, Product Manager, and Business Manager. He serves as Chairman on the Board of Directors for Foodservice Packaging Institute and is a member of the Economic Club of Chicago. Mr. Wulf received an MBA from Northwestern University, and a Bachelor of Science majoring in Computer Engineering from Iowa State University.

Available Information

Our Internet address is www.pactivevergreen.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are available free of charge as soon as possible after we electronically file them with, or furnish them to, the U.S. Securities and Exchange Commission (the "SEC"). You can access our filings with the SEC by visiting www.pactivevergreen.com/financial-information/sec-filings. The information on our web site is not, and shall not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any other filings we make with the SEC.

Item 1A: Risk Factors

You should carefully read the following discussion of significant factors, events and uncertainties when evaluating our business and the forward-looking information contained in this Annual Report on Form 10-K, including the Management's Discussion and Analysis of Financial Condition and Results of Operations section and the consolidated financial statements and related notes. The events and consequences discussed in these risk factors could materially and adversely affect our business, operating results, liquidity and financial condition. While we believe we have identified and discussed below the key risk factors affecting our business, these risk factors do not identify all the risks we face, and there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be significant that may have a material adverse effect on our business, performance or financial condition in the future.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties as fully described below. The principal factors and uncertainties include, among others:

- future costs of raw materials, energy and freight, including the impact of tariffs, trade sanctions and similar matters;
- competition in the markets in which we operate;
- changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental and sustainability concerns;
- failure to maintain satisfactory relationships with our major customers;
- the impact of a loss of any of our key manufacturing facilities;
- our dependence on suppliers of raw materials and any interruption to our supply of raw materials;
- the uncertain economic, operational and financial impacts of the COVID-19 pandemic;
- our ability to realize the benefits of our capital investment, restructuring and other cost savings programs;
- seasonality and cyclicality;
- loss of key management or other personnel;
- uncertain global economic conditions;
- supply of faulty or contaminated products;
- compliance with, and liabilities related to, environmental, health and safety laws, regulations and permits;
- impact of government regulations and judicial decisions affecting products we produce or the products contained in the products we produce;
- any non-compliance with the Foreign Corrupt Practices Act or similar laws;
- the ownership of a majority of the voting power of our common stock by Packaging Finance Limited ("PFL") and an entity affiliated with Mr. Graeme Hart (together with PFL, the "Hart Stockholders");
- our ability to establish independent financial, administrative, and other support functions; and
- our status as a "controlled company" within the meaning of the rules of Nasdaq.

Risks Relating to Our Business and Industry

Our business is impacted by fluctuations in raw material, energy and freight costs, including the impact of tariffs, trade and similar matters.

Fluctuations in raw material costs can adversely affect our business, financial condition and results of operations. Raw material costs represent a significant portion of our cost of sales. The primary raw materials used in our products are plastic resins principally polystyrene, polypropylene, polyethylene terephthalate, polyvinyl chloride, polyethylene and polylactic acid), fiber (principally recycled newsprint, raw wood and wood chips) and paperboard (principally cartonboard and cupstock) and aluminum.

The prices of many of our raw materials have fluctuated significantly in recent years. Raw material price fluctuations are generally due to movements in commodity market prices although some raw materials, such as wood, may be affected by local market conditions (including weather) as well as the commodity market. We typically do not enter into long-term purchase contracts that provide for fixed prices for our principal raw materials. While we regularly enter into hedging agreements for some of our raw materials and energy sources, such as resin (or components thereof), natural gas and diesel, to minimize the impact of such fluctuations, these hedging agreements do not cover all of our needs, and hedging may reduce the positive impact we may otherwise receive when raw material prices decline.

In addition, over the last several years, there has been a trend toward consolidation among suppliers of many of our principal raw materials, and we expect that this trend will continue. Consolidation among our key suppliers could enhance their ability to increase prices, forcing us to pay more for such raw materials. We may be unable to pass on such cost increases to customers which could result in lower margins or lost sales.

Although many of our customer pricing agreements include raw material cost pass-through mechanisms, which mitigate the impact of changes in raw material costs, the contractual price changes do not occur simultaneously with raw material price changes. Due to differences in timing between purchases of raw materials and sales to customers, there is often a "lead-lag" effect during which margins are negatively impacted in periods of rising raw material costs and positively impacted in periods of falling raw material costs. Moreover, many of our sales are not covered by such pass-through mechanisms, and while we also use price increases, whenever possible, to mitigate the effect of raw material cost increases for customers that are not subject to raw material cost pass-through agreements, we often are not able to pass on cost increases to our customers on a timely basis, if at all, and consequently do not always recover the lost margin resulting from the cost increases. Additionally, an increase in the selling prices for the products we produce resulting from a pass-through of increased raw material costs or freight costs could have an adverse impact on the volume of units we sell.

In addition to our dependence on primary raw materials, we are also dependent on different sources of energy for our operations, such as coal, fuel oil, electricity and natural gas. For example, Beverage Merchandising is susceptible to price fluctuations in natural gas as it incurs significant natural gas costs to convert raw wood and wood chips to liquid packaging board. In addition, if some of our large energy contracts were to be terminated for any reason or not renewed upon expiration, or if market conditions were to substantially change resulting in a significant increase in the price of coal, fuel oil, electricity and/or natural gas, we may not be able to find alternative, comparable suppliers or suppliers capable of providing coal, fuel oil, electricity and/or natural gas on terms or in amounts satisfactory to us. As a result of any of these events, our business, financial condition and operating results may suffer.

We are also dependent on third parties for the transportation of both our raw materials and other products that we purchase for our operations and the products that we sell to our customers. In certain jurisdictions, we are exposed to import duties and freight costs, the latter of which is influenced by carrier availability and the fluctuating costs of oil and other transportation costs.

The cost of raw materials and other goods and services required to operate our business are also impacted by governmental actions, such as tariffs and trade sanctions. For example, the imposition by the U.S. government of tariffs on products imported from certain countries and trade sanctions against certain countries have introduced greater uncertainty with respect to U.S. trade policies, which have impacted the cost of certain raw materials, including aluminum and resin, and other goods and services required to operate our business. Major developments in trade relations, including the imposition of new or increased tariffs by the United States and/or other countries, could have a material adverse effect on our business, financial condition and results of operations.

We operate in highly competitive markets.

We operate in highly competitive markets. The following companies, among others, compete with us: Dart Container Corporation, Huhtamäki Oyj, Berry Global Group, Inc., Genpak LLC, Sonoco, Paper Excellence Group, Stora Enso Oyj, Amcor plc, Sealed Air Corporation, Silgan Holdings, SIG Combibloc and Elopak. Some of our competitors have significantly higher market shares in select product lines than we do globally or in the geographic markets in which we compete. Some of our competitors offer a more specialized variety of materials and concepts in select product lines and may serve more geographic regions through various distribution channels. Some of our competitors may have lower costs or greater financial and other resources than we do and may be less adversely affected than we are by price declines or by increases in raw material costs or otherwise may be better able to withstand adverse economic or market conditions.

In addition to existing competitors, we also face the threat of competition from new entrants to our markets. To the extent there are new entrants, increasing or even maintaining our market shares or margins may be more difficult. In addition to other suppliers of similar products, our business also faces competition from products made from other substrates. The prices that we can charge for our products are therefore constrained by the availability and cost of substitutes.

In addition, we are subject to the risk that competitors following lower social responsibility standards may enter the market with lower compliance, labor and other costs than ours, and we may not be able to compete with such companies for the most price-conscious customers.

The combination of these market influences has created a competitive environment in which product pricing (including volume rebates and other items impacting net pricing), quality and service are key competitive factors. Our customers continuously evaluate their suppliers, often resulting in downward pricing pressure and increased pressure to continuously introduce and commercialize innovative new products, improve quality and customer service and maintain strong relationships with our customers. We may lose customers in the future, which would adversely affect our business and results of operations. These competitive pressures could result in reduced net revenues and profitability and limit our ability to recover cost increases through price increases and, unless we are able to control our operating costs, our gross margin may be adversely affected.

Our business could be harmed by changes in consumer lifestyle, eating habits and nutritional preferences and health-related and environmental or sustainability concerns of consumers, investors and government and non-governmental organizations.

Many of our products are used by consumers in connection with food or beverage products. Any reduction in consumer demand for those products as a result of lifestyle, environmental, nutritional or health considerations could have a significant impact on our customers and, as a result, on our financial condition and results of operations. This includes the demand for the products that we make, as well as demand for our customer's products. For example, certain of our products are used for dairy and fresh juice. Sales of those products have generally declined over recent years, requiring us to find new markets for our products. Additionally, there is increasing concern about the environmental impact of the manufacturing, shipping and/or use of single-use food packaging and foodservice products. For instance, some U.S. municipalities and states and certain other countries have proposed or enacted legislation prohibiting or restricting the sale and use of certain foodservice products and requiring them to be replaced with recyclable or compostable alternatives. Several provinces in Canada have enacted, and several U.S. states have proposed, legislation imposing fees or other costs on manufacturers and other suppliers of single-use food packaging and foodservice products to encourage and fund recycling of such products. Product stewardship and resource sustainability concerns of consumers, investors and government and non-governmental organizations, including the recycling of products and product packaging and restrictions on the use of potentially harmful materials in products, have received increased attention in recent years and are likely to play an increasing role in brand management and consumer purchasing decisions. In addition, changes in consumer lifestyle may result in decreasing demand for certain of our products. Our financial position and results of operations might be adversely affected to the extent that such environmental or sustainability concerns, prohibitions or restrictions on disposable packaging and products or changes in consumer lifestyle reduce demand for our products.

If we fail to maintain satisfactory relationships with our major customers, our results of operations could be adversely affected.

Many of our customers are large and possess significant market leverage, which results in significant downward pricing pressure and often constrains our ability to pass through price increases. We sell the majority of our products under multi-year agreements with customers, although some of these agreements may be terminated at the convenience of the customer on short notice; the balance of our products are sold on a purchase order basis without any commitment from the customers to purchase any quantity of products in the future. If our major customers reduce purchasing volumes or stop purchasing our products, our business and results of operations would likely be adversely affected. It is possible that we will lose customers in the future, which may adversely affect our business and results of operations.

Over the last several years, there has been a trend toward consolidation among our customers in the food and beverage industry and in the retail and foodservice industries, and we expect that this trend will continue. Consolidation among our customers could increase their ability to apply price pressure, and thereby force us to reduce our selling prices or lose sales, which would impact our results of operations. Following a consolidation, our customers in the food and beverage industry may also close production facilities or switch suppliers, while our customers in the retail industry may close stores, reduce inventory or switch suppliers of consumer products. Any of these actions could adversely impact the sales of our products.

In fiscal year 2020, our top ten customers accounted for 37% of our net revenues. The loss of any of our significant customers could have a material adverse effect on our business, financial condition and results of operations.

Loss of any of our key manufacturing equipment or facilities or equipment failure could have an adverse effect on our financial condition or results of operations.

While we manufacture most of our products in a number of diversified facilities, a loss of the use of all or a portion of any of our key manufacturing facilities due to an accident, labor issues, weather conditions, pandemics, terrorism, natural disaster or otherwise, could have a material adverse effect on our financial condition or results of operations. Certain of our products are produced at only one or at a small number of facilities, increasing the risks associated with a loss of use of such facilities. Facilities may from time to time be impacted by adverse weather and other natural events, and the prolonged loss of a key manufacturing facility due to such events could have a material adverse effect on our business. In addition, certain of our equipment requires significant effort to maintain and repair, and prolonged down-time due to key equipment failure or loss could have a material adverse effect on our business.

We depend on a small number of suppliers for our raw materials and any interruption in our supply of raw materials would harm our business and financial performance.

Some of our key raw materials are sourced from a single supplier or a relatively small number of suppliers. As a consequence, we are dependent on these suppliers for an uninterrupted supply of our key raw materials. Such supply could be disrupted for a wide variety of reasons, many of which are beyond our control. We have written contracts with some but not all of our key suppliers, and many of our written contracts can be terminated on short notice or include *force majeure* clauses that would excuse the supplier's failure to supply in certain circumstances. An interruption in the supply of raw materials for an extended period of time could have an adverse impact on our business and results of operations.

The COVID-19 pandemic and associated responses could adversely impact our business and results of operations.

The COVID-19 pandemic has significantly impacted economic activity and markets throughout the world. In response, governmental authorities have implemented numerous measures in an attempt to contain the virus, such as travel bans and restrictions, quarantines, "stay-at-home" orders and business shutdowns. The pandemic and the measures instituted by governmental authorities and associated responses to the COVID-19 pandemic could continue to adversely impact our business and results of operations in a number of ways, including but not limited to:

- impacts on our operations, including total or partial shutdowns of one or more of our manufacturing, warehousing or distribution facilities, including but not limited to, as a result of illness, government restrictions or other workforce disruptions;
- the failure of third parties on which we rely, including but not limited to those that supply our raw materials and other necessary operating materials, co-manufacturers and independent contractors, to meet their obligations to us, or significant disruptions in their ability to do so;
- a strain on our supply chain, which could result from continued increased retailer and consumer demand for our products;
- a disruption to our distribution capabilities or to our distribution channels, including those of our suppliers, manufacturers, logistics service providers or distributors;
- new or escalated government or regulatory responses in markets in which we manufacture, sell or distribute our products, or in the markets of third parties on which we rely, which could prevent or disrupt our business operations;
- higher employee compensation costs, as well as incremental costs associated with newly added health screenings, temperature checks and enhanced cleaning and sanitation protocols to protect our employees;
- significant reductions or volatility in demand for one or more of our products, which may be caused by, among other things: lower customer demand as a result of the temporary inability of consumers to purchase items that use our products due to illness, quarantine or other travel restrictions, or financial hardship; customers modifying their inventory, fulfillment or shipping practices; governmental restrictions and business closings; or pantry-loading activity or other changes in buying patterns;
- a disruption or delay in executing our strategic capital initiatives, including mill operational improvement programs, due to travel restrictions and / or health and safety concerns limiting access to our sites;
- local, regional, national or international economic slowdowns; and
- volatility in the net liability for our pension plans, with the value of plan assets and liabilities impacted by changes in financial markets.

The ultimate impact depends on the severity and duration of the current COVID-19 pandemic and actions taken by governmental authorities and other third parties in response, as well as the distribution and inoculation of the general population with the COVID-19 vaccines, each of which is uncertain, rapidly changing and difficult to predict. These disruptions have and could continue to adversely impact our business and results of operations. In addition, these and other impacts of the COVID-19 pandemic could have the effect of heightening many of the other risk factors disclosed in this Annual Report on Form 10-K.

We may not be able to achieve some or all of the benefits that we expect to achieve from our capital investment, restructuring and other cost savings programs.

We regularly review our business to identify opportunities to reduce our costs. When we identify such opportunities, we may develop a capital investment, restructuring or other cost savings program to attempt to capture those savings, such as our strategic capital investment program. We may not be able to realize some or all of the cost savings we expect to achieve in the future as a result of our capital investment, restructuring and other cost savings programs in the time frame we anticipate. A variety of factors could cause us not to realize some of the expected cost savings, including, among others, delays in the anticipated timing of activities related to our cost savings programs, lack of sustainability in cost savings over time, unexpected costs associated with implementing the programs or operating our business, and lack of ability to eliminate duplicative back office overhead and redundant selling, general and administrative functions, obtain procurement related savings, rationalize our distribution and warehousing networks, rationalize manufacturing capacity and shift production to more economical facilities and avoid labor disruptions in connection with any integration, particularly in connection with any headcount reduction.

We are affected by seasonality and cyclicality.

Demand for certain of our products is moderately seasonal. Our Foodservice and Food Merchandising operations peak during the summer and fall months in North America when the favorable weather, harvest and holiday season lead to increased consumption, resulting in greater levels of sales in the second and third quarters. Beverage Merchandising's customers are principally engaged in providing products that are generally less sensitive to seasonal effects, although Beverage Merchandising does experience some seasonality as a result of increased consumption of milk by school children during the North American academic year, resulting in a greater level of carton product sales in the first and fourth quarters. In addition, the market for some of our products can be cyclical and sensitive to changes in general business conditions, industry capacity, consumer preferences and other factors. As previously mentioned, our results in 2020 were impacted significantly by the COVID-19 pandemic. We have no control over these factors and they can significantly influence our financial performance.

Loss of our key management and other personnel, or an inability to attract new management and other personnel, could impact our business.

We depend on our senior executive officers and other key personnel to operate our business and on our in-house technical experts to develop new products and technologies and to service our customers. The loss of any of these officers or other key personnel could adversely affect our operations. Competition is intense for qualified employees among companies that rely heavily on engineering and technology, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the operation and expansion of our business could hinder our ability to successfully conduct research and development activities or develop and support marketable products.

Uncertain global economic conditions could have an adverse effect on our business and financial performance.

General economic downturns in our key geographic regions and globally can adversely affect our business operations, demand for our products and our financial results. The current global economic challenges, including relatively high levels of unemployment in certain areas in which we operate, low economic growth and difficulties associated with managing rising debt levels and related economic volatility in certain economies, could put pressure on the global economy and our business. When challenging economic conditions exist, our customers may delay, decrease or cancel purchases from us, and may also delay payment or fail to pay us altogether. Suppliers may have difficulty filling our orders and distributors may have difficulty getting our products to customers, which may affect our ability to meet customer demands, and result in a loss of business. Weakened global economic conditions may also result in unfavorable changes in our product prices and product mix and lower profit margins. All of these factors could have a material adverse effect on demand for our products, our cash flow, financial condition and results of operations.

Supply of faulty or contaminated products could harm our reputation and business.

Although we have control measures and systems in place to ensure the maximum safety and quality of our products is maintained, the consequences of not being able to do so, due to accidental or malicious raw material contamination, or due to supply chain contamination caused by human error or faulty equipment, could be severe. Such consequences may include adverse effects on consumer health, reputation, loss of customers and market share, financial costs or loss of revenue. If any of our products are found to be defective, we could be required to recall such products, which could result in adverse publicity, significant expenses and a disruption in sales and could affect our reputation and that of our products. Although we maintain product liability insurance coverage, potential product liability claims may exceed the amount of insurance coverage or potential product liability claims may be excluded under the terms of the policy. In addition, if any of our competitors or customers supply faulty or contaminated products to the market, or if manufacturers of the end-products that utilize our products produce faulty or contaminated products, our industry, or our end-products' industries, could be negatively impacted, which could have adverse effects on our business.

The widespread use of social media and networking sites by consumers has greatly increased the speed and accessibility of information dissemination. Negative publicity, posts or comments on social media or networking sites about us, whether accurate or inaccurate, or disclosure of non-public sensitive information about us, could be widely disseminated through the use of social media. Such events, if they were to occur, could harm our image and adversely affect our business, as well as require resources to rebuild our reputation.

Currency exchange rate fluctuations could adversely affect our results of operations.

Our business is exposed to fluctuations in exchange rates. Although our reporting currency is U.S. dollars, we operate in multiple countries and transact in a range of currencies in addition to U.S. dollars. In addition, we are exposed to exchange rate risk as a result of sales, purchases, assets and borrowings (including intercompany borrowings) that are denominated in currencies other than the functional currency of the respective entities. Where possible, we try to minimize the impact of exchange rate fluctuations by transacting in local currencies so as to create natural hedges. There can be no assurance that we will be successful in protecting against these risks. Under certain circumstances in which we are unable to naturally offset our exposure to these currency risks, we may enter into derivative transactions to reduce such exposures. Nevertheless, exchange rate fluctuations may either increase or decrease our net revenues and expenses as reported in U.S. dollars. Given the volatility of exchange rates, we may not be able to manage our currency transaction risks effectively, and volatility in currency exchange rates may materially adversely affect our financial condition or results of operations.

The global scope of our operations and our corporate and financing structure may expose us to potentially adverse tax consequences.

We are subject to taxation in, and subject to the tax laws and regulations of, multiple jurisdictions as a result of the global scope of our operations and our corporate and financing structure. We are also subject to intercompany pricing laws, including those relating to the flow of funds between our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations. In addition, the tax authorities in any applicable jurisdiction, including the United States, may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness. If any applicable tax authorities, including the U.S. tax authorities, were to successfully challenge the tax treatment or characterization of any of our transactions, it could result in the disallowance of deductions, the imposition of withholding taxes on internal deemed transfers or other consequences that could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to develop new products or stay abreast of changing technology in our industry, our profits may decline.

We operate in mature markets that are subject to high levels of competition. Our future performance and growth depends on innovation and our ability to successfully develop or license capabilities to introduce new products and product innovations or enter into or expand into adjacent product categories, sales channels or countries. Our ability to quickly innovate in order to adapt our products to meet changing customer demands is essential, especially in light of eCommerce and direct-to-consumer channels significantly reducing the barriers for even small competitors to quickly introduce new products directly to customers. The development and introduction of new products require substantial and effective research and development and demand creation expenditures, which we may be unable to recoup if the new products do not gain widespread market acceptance.

In addition, effective and integrated systems are required for us to gather and use consumer data and information to successfully market our products. New product development and marketing efforts, including efforts to enter markets or product categories in which we have limited or no prior experience, have inherent risks, including product development or launch delays. These could result in us not being the first to market and the failure of new products to achieve anticipated levels of market acceptance. If product introductions or new or expanded adjacencies are not successful, costs associated with these efforts may not be fully recouped and our results of operations could be adversely affected. In addition, if sales generated by new products cause a decline in sales of our existing products, our financial condition and results of operations could be materially adversely affected. Even if we are successful in increasing market share within particular product categories, a decline in the markets for such product categories could have a negative impact on our financial results. In addition, in the future, our growth strategy may include expanding our international operations, which could be subject to foreign market risks, including, among others, foreign currency fluctuations, economic or political instability and the imposition of tariffs and trade restrictions, which could adversely affect our financial results.

Our business is subject to frequent and sometimes significant changes in technology, and if we fail to anticipate or respond adequately to such changes, or do not have sufficient capital to invest in these developments, our profits may decline. Our future financial performance will depend in part upon our ability to develop new products and to implement and utilize technology successfully to improve our business operations. We cannot predict all the effects of future technological changes. The cost of implementing new technologies could be significant, and our ability to potentially finance these technological developments may be adversely affected by our debt servicing requirements or our inability to obtain the financing we require to develop or acquire competing technologies.

Our insurance may not adequately protect us against business and operating risks.

We maintain insurance for some, but not all, of the potential risks and liabilities associated with our business. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive in relation to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance policies are economically unavailable or available only for reduced amounts of coverage. For example, we are not fully insured against all risks associated with pollution, contamination and other environmental incidents or impacts. Moreover, we may not be able to maintain adequate insurance in the future at rates we consider reasonable or to obtain or renew insurance against certain risks. We maintain a high deductible or self-insured retention on many of the risks that we do insure, and we would bear the cost or loss to the extent of the high deductible and self-insured retention. Any significant uninsured liability, or our high deductible or self-insured retention, may require us to pay substantial amounts which would adversely affect our cash position and results of operations.

We may pursue and execute acquisitions, which, if not successful, could adversely affect our business.

We may pursue acquisitions of product lines or businesses from third parties. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired product lines or businesses, estimation and assumption of liabilities and contingencies, personnel turnover and the diversion of management's attention from other business operations. We may be unable to successfully integrate and manage certain product lines or businesses that we may acquire in the future, or be unable to achieve anticipated benefits or cost savings from acquisitions in the time frame we anticipate, or at all.

Employee slowdowns, strikes and similar actions could have a material adverse effect on our business and operations.

As of December 31, 2020, 31% of our employees were subject to collective bargaining agreements or are represented by work councils. The transportation and delivery of raw materials to our manufacturing facilities and of our products to our customers by workers that are members of labor unions is critical to our business. In many cases, before we take significant actions with respect to our production facilities, such as workforce reductions or closures, we must reach agreement with applicable labor unions and employee works councils. We may not be able to successfully negotiate any such agreements or new collective bargaining agreements on satisfactory terms in the future. The failure to maintain satisfactory relationships with our employees and their representatives, or prolonged labor disputes, slowdowns, strikes or similar actions, could have a material adverse effect on our business and results of operations.

Our hedging activities may result in significant losses and in period-to-period earnings volatility.

We regularly enter into hedging transactions to limit our exposure to raw material and energy price risks. Our commodity hedges are primarily related to resin, natural gas, ethylene, propylene, benzene, diesel and polyethylene. If our hedging strategies prove to be ineffective or if we fail to effectively monitor and manage our hedging activities, we could incur significant losses which could adversely affect our financial position and results of operations, and we could experience significant fluctuations in our earnings from period to period. Factors that could affect the impact and effectiveness of our hedging activities include the accuracy of our operational forecasts of raw material and energy needs and volatility of the commodities and raw materials pricing markets.

Goodwill, intangible assets and other long-lived assets are material components of our balance sheet and impairments of such balances, and future other impairment charges, could have a significant impact on our financial results.

We have recorded a significant amount of goodwill and other indefinite-lived intangible assets in our consolidated financial statements resulting from our acquisitions. We test the carrying value of goodwill and other indefinite-lived intangible assets for impairment at least annually and whenever events or circumstances indicate the carrying value may not be recoverable. The estimates and assumptions about future results of operations and cash flows made in connection with the impairment testing could differ from future actual results of operations and cash flows. Any resulting impairment charge, although non-cash, could have a material adverse effect on our results of operations and financial position.

Our historical financial results also include other asset impairment charges. These charges have arisen from a variety of events including decisions to exit certain businesses and ceasing to use certain equipment prior to the end of its useful life. Future asset impairment charges could arise as a result of changes in our business strategy or changes in the intention to use certain assets. Any resulting impairment charge, although non-cash, could have a material adverse effect on our results of operations and financial position.

Legal, Regulatory and Compliance Risks

We are subject to governmental regulation and we may incur material liabilities under, or costs in order to comply with, existing or future laws and regulations.

Many of our products come into contact with food and beverages, and the manufacture, packaging, labeling, storage, distribution, advertising and sale of such products are subject to various laws designed to protect human health and the environment. For example, in the United States, many of our products are regulated by the Food and Drug Administration (including applicable current good manufacturing practice regulations), and our product claims and advertising are regulated by the Federal Trade Commission. Most states have agencies that regulate in parallel to these federal agencies. Liabilities under, and/or costs of compliance, and the impact on us of any non-compliance with any such laws and regulations could materially and adversely affect our business, financial condition and results of operations. In addition, changes in the laws and regulations which we are subject to could impose significant limitations and require changes to our business, which in turn may increase our compliance expenses, make our business more costly and less efficient to conduct and compromise our growth strategy.

We are subject to increasingly stringent environmental, health and safety laws, regulations and permits, and we could incur significant costs in complying with, or liabilities and obligations related to, such laws, regulations and permits.

We are subject to various federal, state/provincial, local and international environmental, health and safety laws, regulations and permits, which have tended to become more stringent over time. Among other things, these laws and regulations govern the emission or discharge of materials into the environment (including air, water or ground), the use, storage, treatment, disposal, management and releases of, and exposure to, hazardous substances and wastes, the health and safety of our employees and the end-users of our products, protection of wildlife and endangered species, wood harvesting and the materials used in and the recycling of our products. Violations of these laws and regulations or of any conditions contained in any environmental permit can result in substantial fines or penalties, injunctive relief, requirements to install pollution or other controls or equipment, civil and criminal sanctions, permit revocations and/or facility shutdowns. Moreover, we may be directly impacted by the risks and costs to us, our customers and our vendors of the effects of climate change, greenhouse gases, and the availability of energy and water resources. These risks include the potentially adverse impact on forestlands, which are a key resource in the production of some of our products, increased product costs and a change in the types of products that customers purchase. We also face risks arising from the increased public focus, including by consumers, investors and governmental and non-governmental organizations, on these and other environmental sustainability matters, such as packaging and waste, deforestation, and land use, including enacted or proposed legislation imposing fees on manufacturers and other suppliers of single-use food packaging and foodservice products to encourage and fund recycling of such products.

We are and have been involved in the remediation of current, former and third party sites, and could be held jointly and severally liable for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances and wastes at any site we have ever owned, leased, operated or used as a treatment or disposal site, including releases by prior owners or operators of sites we currently own or operate. We could also be subject to third-party claims for property or natural resource damage, personal injury or nuisance or otherwise as a result of violations of or liabilities under environmental laws, regulations and permits or in connection with releases of hazardous or other substances or wastes. In addition, changes in, or new interpretations of, existing laws, regulations, permits or enforcement policies, the discovery of previously unknown contamination, or the imposition of other environmental, health and safety liabilities or obligations in the future, including additional investigation or other obligations with respect to any potential health hazards of our products or business activities or the imposition of new permit requirements, may lead to additional compliance or other costs that could have a material adverse effect on our business, financial condition or results of operations.

Moreover, as environmental issues, such as climate change, have become more prevalent, federal, state and local governments, as well as foreign governments, have responded, and are expected to continue to respond, with increased legislation and regulation, which could negatively affect us. For example, the United States Environmental Protection Agency is regulating certain greenhouse gas emissions under existing laws such as the Clean Air Act, and various countries have adopted the Paris Agreement, which aims to keep global temperature rise to well below 2 degrees Celsius using various national pledges to reduce greenhouse gas emissions. These and other international, foreign, federal, regional and state climate change initiatives may cause us to incur additional direct costs in complying with new environmental legislation or regulations, such as costs to upgrade or replace equipment, as well as increased indirect costs resulting from our suppliers, customers or both incurring additional compliance costs that could get passed through to us or impact product demand.

Government regulations and judicial decisions affecting products we produce or the products contained in the products we produce could significantly reduce demand for our products.

A number of governmental authorities, both in the United States and abroad, have considered, and are expected to consider, legislation aimed at reducing the amount of materials incapable of being recycled or composted. Programs have included, for example, banning or restricting certain types of products, mandating certain rates of recycling and/or the use of recycled materials, imposing deposits or taxes on single-use items (often plastic) and requiring retailers or manufacturers to take back packaging used for their products. Such legislation, as well as voluntary initiatives similarly aimed at reducing the level of single-use packaging waste, could reduce demand for our products. Some consumer products companies, including some of our customers, have responded to these governmental initiatives and to perceived environmental or sustainability concerns of consumers, investors and government and non-governmental organizations by using only recyclable or compostable containers.

In addition, changes to health and food safety regulations could increase costs and may also have a material adverse effect on our net revenues if, as a result, the public's attitude towards our products or the end-products for which we provide packaging is substantially affected.

We are subject to the Foreign Corrupt Practices Act of 1977 and other similar anti-corruption, anti-bribery and anti-kickback laws and regulations, and any noncompliance with those laws or regulations by us or others acting on our behalf could have a material adverse effect on our business, financial condition and results of operations.

We are subject to the Foreign Corrupt Practices Act of 1977 (the "FCPA") and other similar anti-corruption, anti-bribery and anti-kickback laws and regulations, and any noncompliance with those laws or regulations by us or others acting on our behalf could have a material adverse effect on our business, financial condition and results of operations.

The FCPA and other similar anti-corruption and anti-bribery laws and regulations in other jurisdictions generally prohibit companies and their intermediaries from offering or providing improper things of value to foreign officials for the purpose of obtaining or retaining business or securing regulatory benefits. Under these laws, we may become liable for the actions of employees, officers, directors, agents, representatives, consultants, or other intermediaries, or our strategic or local partners, including those over whom we may have little actual control. We are continuously engaged in transacting business, including in new locations, around the world. Because we will maintain and intend to grow our international sales and operations, we have contacts with foreign public officials, and therefore potential exposure to liability under laws such as the FCPA.

If we are found liable for violations of the FCPA or other similar anti-corruption, anti-bribery or anti-kickback laws or regulations, either due to our own acts or out of inadvertence, or due to the acts or inadvertence of others, we could suffer criminal or civil fines or penalties or other repercussions, including reputational harm, which could have a material adverse effect on our business, financial condition and results of operations.

In August 2020, we identified practices in our Evergreen Packaging Shanghai business, which is part of our Beverage Merchandising segment, which involve acts potentially in violation of the FCPA. In September 2020 we made a voluntary self-disclosure to the U.S. Department of Justice ("DOJ") and Securities and Exchange Commission ("SEC") about these items and our investigation being conducted by external counsel, accountants and other advisors. While our reporting to the DOJ and SEC is ongoing, we believe our investigation is substantially complete. We have identified the occasional giving of gift cards representing relatively minor monetary values to government regulators and employees of state-owned enterprise customers in the People's Republic of China ("PRC"), over the course of several years. The amounts involved are immaterial, individually and in the aggregate, and these appear to have been provided at the times of PRC holidays for generalized goodwill purposes only. We have initiated procedures to remediate such practices, including discontinuing the giving of gift cards. We also identified certain other gift, travel and entertainment practices that do not comply with company policy and expectations. These findings provide opportunity for targeted, enhanced controls and additional training in these areas. We intend to fully cooperate with the DOJ and SEC, with the assistance of legal counsel, to conclude this matter. We are unable at this time to predict when the government agencies' review of these matters will be completed or what regulatory or other consequences may result.

Breaches of our information systems security measures could disrupt our internal operations.

We depend on information technology for processing and distributing information in our business, including to and from our customers and suppliers. This information technology is subject to theft, damage or interruption from a variety of sources, including malicious computer viruses, security breaches, defects in design, natural disasters, terrorist attacks, power and/or telecommunication failures, employee malfeasance or human or technical errors. Additionally, we can be at risk if a customer's or supplier's information technology system is attacked or compromised. Cybersecurity incidents have increased in number and severity, and it is expected that these trends will continue. We have taken measures to protect our data and to protect our computer systems from attack but these measures may not prevent unauthorized access to our systems or theft of our data. If we or third parties with whom we do business were to fall victim to cyber-attacks or experience other cybersecurity incidents, such incidents could result in unauthorized access to, disclosure or loss of or damage to company, customer or other third party data; theft of confidential data including personal information and intellectual property; loss of access to critical data or systems; and other business delays or disruptions. If these events were to occur, we may incur substantial costs or suffer other consequences that negatively impact our operations and financial results.

We are subject to stringent privacy laws, information security policies and contractual obligations governing the use, processing, and cross-border transfer of personal information.

We receive, generate and store significant and increasing volumes of sensitive information, such as personally identifiable information. We face a number of risks relative to protecting this critical information, including loss of access risk, inappropriate use or disclosure, inappropriate modification, and the risk of our being unable to adequately monitor, audit and modify our controls over our critical information. This risk extends to the third-party vendors and subcontractors we use to manage this sensitive data.

We are subject to a variety of local, state, national and international laws, directives and regulations that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the different jurisdictions in which we operate. For example, California enacted the California Consumer Privacy Act ("CCPA") which creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal data. The CCPA went into effect on January 1, 2020, and the California Attorney General may bring enforcement actions for violations beginning July 1, 2020. The CCPA has been amended from time to time, and it remains unclear what, if any, further modifications will be made to this legislation or how it will be interpreted. In addition to fines and penalties imposed upon violators, some state laws, including the CCPA, also afford private rights of action to individuals who believe their personal information has been misused. The interplay of federal and state laws may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and data we receive, use and share, potentially exposing us to additional expense, adverse publicity and liability. Legal requirements relating to the collection, storage, handling, and transfer of personal information and personal data continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement, sanctions and increased costs of compliance.

Compliance with applicable data protection laws and regulations could also require us to change our business practices and compliance procedures in a manner adverse to our business. Penalties for violations of these laws vary, but can be substantial. Moreover, complying with these various laws could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. In addition, we rely on third party vendors to collect, process and store data on our behalf and we cannot guarantee that such vendors are in compliance with all applicable data protection laws and regulations. Our or our vendors' failure to comply with applicable data protection laws and regulations could result in government enforcement actions (which could include civil or criminal penalties), private litigation and/or adverse publicity and could negatively affect our operating results and business. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations or privacy policies, even if we are not found liable, could be expensive and time consuming to defend, could result in adverse publicity and could have a material adverse effect on our business, financial condition and results of operations.

We may not be successful in obtaining, maintaining and enforcing our intellectual property rights, including our unpatented proprietary knowledge and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others.

In addition to relying on the patent, copyright and trademark rights granted under the laws of the United States and other jurisdictions, we rely on unpatented proprietary knowledge and trade secrets and employ various methods, including confidentiality agreements with employees and third parties, to protect our knowledge and trade secrets. However, these precautions and our patents, copyrights and trademarks may not afford complete protection against infringement, misappropriation or other violation of our rights by third parties, and there can be no assurance that others will not independently develop the knowledge protected by our trade secrets or develop products that compete with ours despite not infringing, misusing or otherwise violating our intellectual property rights. Patent, copyright and trademark rights are territorial; thus, the protection they provide will only extend to those countries in which we have been issued patents and have registered trademarks or copyrights. Even so, the laws of certain countries do not protect our intellectual property rights to the same extent as do the laws of the United States.

We believe that we have sufficient intellectual property rights to allow us to conduct our business without incurring liability to third parties. However, we or our products may nonetheless infringe on the intellectual property rights of third parties, or we may determine in the future that we require a license or other rights to intellectual property rights held by third parties. Such a license or other rights may not be available to us on commercially reasonable terms or at all, in which case we may be prevented from using, providing or manufacturing certain products, services or brands as we see fit. In addition, we may be subject to claims asserting infringement, misappropriation or other violation of third parties' intellectual property rights seeking damages, the payment of royalties or licensing fees and/or injunctions against the sale of our products or other aspects of our business. If we are found to have infringed, misused or otherwise violated the intellectual property rights of others, we could be forced to pay damages, cease use of such intellectual property rights or, if we are given the opportunity to continue to use the intellectual property rights of others, we could be required to pay a substantial amount for continued use of those rights. Even if we are not found to infringe, misappropriate, or otherwise violate a third party's intellectual property rights, we could incur material expense to defend against such claims and we could incur significant costs associated with discontinuing to use, provide or manufacture certain products, services or brands, and such defense could be protracted and costly regardless of its outcome. Any of the foregoing could have a material adverse effect on our business and results of operations.

Furthermore, we cannot be certain that the intellectual property rights we do obtain and rely on will not be challenged or invalidated in the future. In the event of such a challenge, we could incur significant costs to defend our rights, even if we are ultimately successful. We also may not be able to prevent current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating trade secrets or other proprietary information. It is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Infringement of our intellectual property rights may adversely affect our results of operations and make it more difficult for us to establish a strong market position in countries which may not afford adequate protection of intellectual property rights. Furthermore, others may develop technologies that are similar or superior to our technologies, duplicate our technologies or design around our patents, and steps taken by us to protect our technologies may not prevent infringement or misappropriation of such technologies. Additionally, we have licensed, and may license in the future, patents, trademarks, copyrights, trade secrets and other intellectual property rights to third parties. While we attempt to ensure that our intellectual property rights are protected when entering into business relationships, third parties may take actions that could materially and adversely affect our rights or the value of our intellectual property rights or reputation. If necessary, we also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property rights. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome.

We may be involved in a number of legal proceedings that could result in substantial liabilities for us.

We are involved in several legal proceedings. It is difficult to predict with certainty the cost of defense or the outcome of these proceedings and their impact on our business, including remedies or damage awards. The outcomes of these legal proceedings and other contingencies could require us to take or refrain from taking certain actions, which actions or inactions could adversely affect our operations or could require us to pay substantial amounts of money or restrict our operations. If liabilities or fines resulting from these proceedings are substantial or exceed our expectations, our business, financial condition or results of operations may be adversely affected.

Risks Related to Liquidity and Indebtedness

We have significant debt, which could adversely affect our financial condition and ability to operate our business.

We had $4,004 million of outstanding indebtedness at the end of fiscal year 2020. We repaid $59 million in outstanding indebtedness in mid-February 2021. Our debt level and related debt service obligations:

- require us to dedicate significant cash flow to the payment of principal of, and interest on, our debt, which will reduce the funds we have available for other purposes, including working capital, capital expenditures and general corporate purposes;
- may limit our flexibility in planning for or reacting to changes in our business and market conditions or in funding our strategic growth plan;
- impose on us financial and operational restrictions; and
- expose us to interest rate risk on our debt obligations bearing interest at variable rates.

These restrictions could adversely affect our financial condition and limit our ability to successfully implement our growth strategy.

In addition, we may need additional financing to support our business and pursue our growth strategy, including for strategic acquisitions. Our ability to obtain additional financing, if and when required, will depend on investor demand, our operating performance, the condition of the capital markets and other factors. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to those of our common stock, and, in the case of equity and equity-linked securities, our existing stockholders may experience dilution.

Borrowings under our Credit Agreement are at variable rates of interest and we may incur additional variable interest rate indebtedness in the future. This exposes us to interest rate risk, and any interest rate swaps we enter into in order to reduce interest rate volatility may not fully mitigate our interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

Certain of our long-term indebtedness bears interest at variable interest rates, primarily based on LIBOR, which may be subject to regulatory guidance and/or reform that could cause interest rates under our current or future debt agreements to fluctuate or cause other unanticipated consequences.

The U.K. Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop encouraging or requiring banks to submit rates for the calculation of LIBOR after 2021. It is unclear whether LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. Similarly, it is not possible to predict whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become acceptable alternatives to LIBOR, or what effect these changes in views or alternatives may have on financial markets for LIBOR-linked financial instruments. If LIBOR ceases to exist or if the methods of calculating LIBOR change from their current form, interest rates on our current or future indebtedness may be adversely affected or we may need to renegotiate the terms of our debt agreements that utilize LIBOR as a factor in determining the applicable interest rate to replace LIBOR with the new standard that is established, if any, or to otherwise agree with the trustees or agents under such facilities or instruments on a new means of calculating interest.

We face risks associated with certain pension obligations.

We have pension plans that cover many of our employees, former employees and employees of formerly affiliated businesses. Certain of these pension plans are defined benefit pension plans pursuant to which the participants receive defined payment amounts regardless of the value or investment performance of the assets held by such plans. Deterioration in the value of plan assets, including equity and debt securities, resulting from a general financial downturn or otherwise, or a change in the interest rate used to discount the projected benefit obligations, could cause an increase in the underfunded status of our defined benefit pension plans, thereby increasing our obligation to make contributions to the plans, which in turn would reduce the cash available for our business.

Our largest pension plan is the Pactiv Evergreen Pension Plan ("PEPP"), of which Pactiv became the sponsor when Pactiv Corporation (now Pactiv LLC, our subsidiary) was spun-off from Tenneco Inc. in 1999. This plan covers certain of our employees as well as employees (or their beneficiaries) of certain companies previously owned by Tenneco Inc. but not owned by us. As a result, while persons who have never been our employees do not currently accrue benefits under the plan, the total number of individuals/beneficiaries covered by this plan is much larger than if only our personnel were participants. For this reason, the impact of the pension plan on our net income and cash from operations is greater than the impact typically found at similarly sized companies. Changes in the following factors can have a disproportionate effect on our results of operations compared with similarly sized companies: (i) interest rate used to discount projected benefit obligations, (ii) governmental regulations related to funding of retirement plans, (iii) financial market performance, and (iv) revisions to mortality tables as a result of changes in life expectancy.

As of December 31, 2020, the PEPP was underfunded by approximately $439 million. During the year ended December 31, 2020, the plan liability has increased by $348 million primarily as a result of a decrease in the discount rate and the fair value of PEPP assets increased by $539 million. We made a $121 million contribution to the PEPP in 2020. Future contributions to our pension plans (including the PEPP) will be dependent on future plan asset returns and interest rates and are highly sensitive to changes. Such future contributions will reduce the cash otherwise available to operate our business and could have an adverse effect on our results of operations.

We have a history of net losses from continuing operations and may not achieve or maintain profitability in the future.

We have a history of significant net losses from continuing operations, including a net loss of $10 million and $240 million for years ended December 31, 2020 and 2019, respectively. We may not be able to achieve or maintain profitability for any future fiscal year. We may incur significant losses in the future for a number of reasons, including due to the other risks described in this Annual Report on Form 10-K, and we may encounter unforeseen expenses, difficulties, complications and delays and other unknown events. In addition, as a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. As a result, our operations may not achieve profitability in the future and, even if we do achieve profitability, we may not be able to maintain or increase it.

Risks Relating to Being a Newly Stand-alone Public Company

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our amended and restated certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management as they include provisions that:

- require at least 66$^{2/3}$% of the votes that all of our stockholders would be entitled to cast in an annual election of directors in order to amend our amended and restated certificate of incorporation and bylaws from and after the date on which PFL and all other entities beneficially owned by Mr. Graeme Richard Hart or his estate, heirs, executor, administrator or other personal representative, or any of his immediate family members or any trust, fund or other entity which is controlled by his estate, heirs, any of his immediate family members or any of their respective affiliates (PFL and all of the foregoing, collectively, the "Hart Entities") and any other transferee of all of the outstanding shares of common stock held at any time by the Hart Entities which are transferred other than pursuant to a widely distributed public sale ("Permitted Assigns") beneficially own less than 50% of the outstanding shares of our common stock;
- provide for a staggered board from and after the date on which the Hart Entities or Permitted Assigns beneficially own less than 50% of the outstanding shares of our common stock;
- eliminate the ability of our stockholders to call special meetings of stockholders from and after the date on which the Hart Entities or Permitted Assigns beneficially own less than 50% of the outstanding shares of our common stock;
- prohibit stockholder action by written consent, instead requiring stockholder actions to be taken solely at a duly convened meeting of our stockholders, from and after the date on which the Hart Entities or Permitted Assigns beneficially own less than 50% of the outstanding shares of our common stock;
- permit our board of directors, without further action by our stockholders, to fix the rights, preferences, privileges and restrictions of preferred stock, the rights of which may be greater than the rights of our common stock;
- restrict the forum for certain litigation against us to Delaware; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. As a result, these provisions may adversely affect the market price and market for our common stock if they are viewed as limiting the liquidity of our stock. These provisions may also make it more difficult for a third party to acquire us in the future, and, as a result, our stockholders may be limited in their ability to obtain a premium for their shares of common stock.

Furthermore, in connection with our IPO completed in September 2020, we entered into a stockholders agreement with the Hart Stockholders. The stockholders agreement provides the Hart Stockholders with the right to nominate a certain number of directors to our board of directors so long as the Hart Entities beneficially own at least 10% of the outstanding shares of our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Notwithstanding the foregoing, the exclusive forum provision will not apply to any claim to enforce any liability or duty created by the Securities and Exchange Act of 1934 ("Exchange Act") or the Securities Act and for which the federal courts have exclusive jurisdiction. In addition, our amended and restated certificate of incorporation provides that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the federal forum provision.

The choice of forum provision and federal forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court were "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision. If the federal forum provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The federal forum provision may also impose additional litigation costs on stockholders who assert the provision is not enforceable or invalid.

We do not have a history of complying with the requirements of being a public company and the requirements of being a public company may strain our resources and divert management's attention.

As a public company, we are subject to various requirements, including the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act") and the rules of Nasdaq, that did not apply to us prior to becoming a public company. The requirements of these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. For example, we are obligated to file with the SEC annual and quarterly information and other reports and therefore need to have the ability to prepare financial statements that are compliant with all SEC reporting requirements on a timely basis. In addition, we are subject to other reporting and corporate governance requirements, including certain requirements of Nasdaq and certain provisions of the Sarbanes-Oxley Act and the regulations promulgated thereunder, which impose significant compliance obligations upon us. Because we have not operated as a company with equity listed on a national securities exchange in the past, we might not be successful in implementing these requirements. The increased costs of compliance with public company reporting requirements and our potential failure to satisfy these requirements could have a material adverse effect on our business, financial condition and results of operations.

Failure to maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and reputation.

As a newly public company, we are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. When evaluating our internal controls over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. Testing and maintaining our internal control over financial reporting may also divert management's attention from other matters that are important to the operation of our business. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. If we fail to implement the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or with adequate compliance, our independent registered public accounting firm may issue an adverse opinion due to ineffective internal controls over financial reporting, and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. Moreover, any material weakness or other deficiencies in our internal control over financial reporting may impede our ability to file timely and accurate reports with the SEC. Any of the above could cause a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs to improve our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations and cash flows.

We intend to pay regular dividends on our common stock, but our ability to do so may be limited.

We intend to pay cash dividends on our common stock on a quarterly basis, subject to the discretion of our board of directors and our compliance with applicable law, and depending on our results of operations, capital requirements, financial condition, business prospects, contractual restrictions, restrictions imposed by applicable laws and other factors that our board of directors deems relevant.

Our ability to pay dividends may also be restricted by the terms of our existing debt agreements, or any future debt or preferred equity securities. Our dividend policy entails certain risks and limitations, particularly with respect to our liquidity. By paying cash dividends rather than investing that cash in our business or repaying any outstanding debt, we risk, among other things, slowing the expansion of our business, having insufficient cash to fund our operations or make capital expenditures or limiting our ability to incur borrowings. Our board of directors will periodically review the cash generated from our business and the capital expenditures required to finance our growth plans and determine whether to modify the amount of regular dividends and/or declare any periodic special dividends. There can be no assurance that our board of directors will not reduce the amount of regular cash dividends or cause us to cease paying dividends altogether.

Risks Related to Stockholder Influence, Related Party Transactions and Governance

The Hart Stockholders control the direction of our business and the Hart Stockholders' concentrated ownership of our common stock will prevent you and other stockholders from influencing significant decisions.

The Hart Stockholders own, and control the voting power of, approximately 78% of our outstanding shares of common stock. As long as the Hart Stockholders continue to control a majority of the voting power of our outstanding common stock, they will generally be able to determine the outcome of all corporate actions requiring stockholder approval, including the election and removal of directors.

The Hart Stockholders and their affiliates engage in a broad spectrum of activities. In the ordinary course of their business activities, the Hart Stockholders and their affiliates may engage in activities where their interests may not be the same as, or may conflict with, the interests of our other stockholders. Other stockholders will not be able to affect the outcome of any stockholder vote while the Hart Stockholders control the majority of the voting power of our outstanding common stock. As a result, the Hart Stockholders will be able to control, directly or indirectly and subject to applicable law, the composition of our board of directors, which in turn will be able to control all matters affecting us, including, among others:

- any determination with respect to our business direction and policies, including the appointment and removal of officers and directors;
- the adoption of amendments to our amended and restated certificate of incorporation;
- any determinations with respect to mergers, business combinations or disposition of assets;
- compensation and benefit programs and other human resources policy decisions;
- the payment of dividends on our common stock; and
- determinations with respect to tax matters.

In addition, the concentration of the Hart Stockholders' ownership could also discourage others from making tender offers, which could prevent stockholders from receiving a premium for their common stock.

Because the Hart Stockholders' interests may differ from ours or from those of our other stockholders, actions that the Hart Stockholders take with respect to us, as our controlling stockholders, may not be favorable to us or our other stockholders, including holders of our common stock.

We have entered, and may continue to enter, into certain related party transactions. There can be no assurance that we could not have achieved more favorable terms if such transactions had not been entered into with related parties, or that we will be able to maintain existing terms in the future.

We have entered into various transactions with related parties including, among others:

- five-year supply agreements under which we sell certain products (primarily tableware) to RCPI, and purchase certain products (primarily aluminum foil containers and roll foil) from RCPI;
- a warehousing and freight services agreement pursuant to which we provide certain logistics services to RCPI;
- a lease of part of our corporate headquarters in Lake Forest, Illinois and another lease for part of our facility in Canandaigua, New York to RCPI;
- a tax matters agreement with each of RCPI and GPC;
- a transition services agreement pursuant to which we will continue to provide certain administrative services to RCPI, including information technology service; accounting, treasury, financial reporting and transaction support; human resources; procurement; tax, legal and compliance related services; and other corporate services, and we will receive certain services from RCPI, including human resources; compliance; and procurement, in each case for up to 24 months from February 2020;
- a transition services agreement with GPC pursuant to which we will, upon GPC's request, provide certain administrative services to GPC for up to 24 months from August 4, 2020;
- an IT license usage agreement with Rank and GPC, pursuant to which we will continue to receive usage rights under certain IT-related license and contractual arrangements which are held by certain of our affiliates and provide usage rights to certain of our affiliates under certain IT-related license and contractual arrangements held by us;
- an agreement with our affiliate, Rank Treasury Limited ("RTL"), formerly Beverage Packaging Holdings I, to indemnify RTL for certain losses that RTL may suffer in connection with a guarantee of a property lease that RTL provided to a third party landlord in connection with the divestment of a business by the Company; and

- a transition services agreement with Rank pursuant to which Rank will, upon our request, provide certain administrative and support services to us for up to 24 months, and we will, upon Rank's request, provide certain administrative and support services to them for up to 24 months.

While we believe that all such transactions have been negotiated on an arm's length basis and contain commercially reasonable terms, we may have been able to achieve more favorable terms had such transactions been entered into with unrelated parties. In addition, while goods and services are being provided to us by related parties, our operational flexibility to modify or implement changes with respect to such goods or services or the amounts we pay or receive for them may be limited.

Potential conflicts of interest or disputes may arise between us and one or more related parties in connection with these related party agreements, or relating to our past or future relationships in several areas including tax, employee benefits, intellectual property rights, indemnification and other matters. Furthermore, conflicts of interest may arise in connection with business opportunities that may be attractive to us and one or more related parties. In the event of a dispute under any of these related party agreements, the interests of one or more related parties may not align with ours and the resolution of any such disputes may be adverse to us, or less favorable to us than we might achieve if we were not dealing with a related party, and our ability to enforce our contractual rights may be limited.

There can be no assurance that such present or any future transactions, and any potential disputes that may arise in connection with them, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations, or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

It is also likely that we may enter into related party transactions in the future. Although material related party transactions that we may enter into will be subject to approval or ratification of a designated committee of our board of directors (which will initially be the audit committee) or other committee designated by our board of directors made up solely of independent directors, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations, or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

The related party transactions we have entered into are of varying durations and may be amended upon agreement of the parties. The Hart Stockholders will have the ability to determine the outcome of matters requiring stockholder approval, cause or prevent a change of control, and change the composition of our board of directors. For so long as we are controlled by the Hart Stockholders, we may be unable to negotiate renewals or amendments to these agreements, if required, on terms as favorable to us as those we would be able to negotiate with an unaffiliated third party.

Our ability to operate our business effectively may suffer if we do not establish independent financial, administrative, and other support functions, and we cannot assure you that the transitional services Rank has agreed to provide us will be sufficient for our needs.

Historically, we have relied on financial, administrative and other resources of Rank to assist in operating our business. In conjunction with our anticipated separation from Rank, we intend to establish our own financial, administrative and other support functions or contract with third parties to replace the assistance Rank has provided us. In connection with our IPO, we entered into an agreement with Rank under which, upon our request, Rank will provide certain administrative and support services to us, such as financial, insurance, IT, tax, human resources, M&A transaction support and legal and corporate secretarial services for up to 24 months, and we will, upon request, provide certain support services to Rank for up to 24 months. These services and data access controls may not be sufficient to meet our needs. After our agreement with Rank expires, we may not be able to obtain these services at prices or on terms that are as favorable. Any failure or significant downtime in our own financial, administrative or other support functions or in Rank's financial, administrative or other support functions during the transitional period could negatively impact our results of operations.

If the Hart Stockholders sell a controlling interest in our company to a third party in a private transaction, you may not realize any change-of-control premium on shares of our common stock and we may become subject to the control of a presently unknown third party.

The Hart Stockholders own, and control the voting power of, approximately 78% of our outstanding shares of common stock. The Hart Stockholders will have the ability, should they choose to do so, to sell some or all of their shares of our common stock in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of our company.

The ability of the Hart Stockholders to privately sell their shares of our common stock, with no requirement for a concurrent offer to be made to acquire all of the shares of our common stock that will be publicly traded hereafter, could prevent you from realizing any change-of-control premium on your shares of our common stock that may otherwise accrue to the Hart Stockholders on their private sale of our common stock. Additionally, if the Hart Stockholders privately sell their significant equity interests in our company, we may become subject to the control of a presently unknown third party. Such third party may have conflicts of interest with those of other stockholders. In addition, if the Hart Stockholders sell a controlling interest in our company to a third party, our liquidity could be impaired, our outstanding indebtedness may be subject to acceleration and our commercial agreements and relationships could be impacted, all of which may adversely affect our ability to run our business as described herein and may have a material adverse effect on our results of operations and financial condition.

We are a "controlled company" within the meaning of the rules of Nasdaq and, as a result, we qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

The Hart Stockholders control a majority of the voting power of our outstanding common stock. As a result, we are presently a "controlled company" within the meaning of the corporate governance standards of Nasdaq. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that our compensation committee and our nominating and corporate governance committee be composed entirely of independent directors; and
- the requirement for an annual performance evaluation of our compensation committee and our nominating and corporate governance committee.

While the Hart Stockholders control a majority of the voting power of our outstanding common stock, we continue to rely on certain of these exemptions and, as a result, we do not presently have an audit committee, compensation committee or a nominating and corporate governance committee consisting entirely of independent directors. Three of our seven directors do not qualify as "independent directors" under the applicable rules of Nasdaq. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

We may be liable for significant taxes if the distributions of RCPI or of GPC to PFL are determined to be taxable transactions.

In February 2020, prior to the initial public offering of shares of common stock of RCPI, we effected certain distributions to transfer the interests of RCPI to PFL in a manner that was intended to qualify as tax-free to PFL, us, and Pactiv Evergreen Group Holdings Inc. ("PEGHI") under Sections 368(a) (1) (D) and 355 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, prior to the closing of our IPO in September 2020, we also effected certain distributions to transfer the interests of GPC to PFL in a manner that was intended to qualify as tax-free to PFL, us, and PEGHI under Section 355 of the Code.

We have received tax opinions as to the tax treatment of the RCPI and GPC distributions. These tax opinions rely on certain facts, assumptions, representations and undertakings from Mr. Hart, RCPI or GPC, as applicable, and us regarding the past and future conduct of PTVE's, and RCPI's or GPC's, as applicable, respective businesses and other matters. If any of these facts, assumptions, representations or undertakings is incorrect or not satisfied, we may not be able to rely on the tax opinions and could be subject to significant tax liabilities with respect to the RCPI or GPC distributions. Notwithstanding the tax opinions, the Internal Revenue Service (the "IRS") could determine on audit that the RCPI or GPC distributions are taxable if it determines that any of the facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinions, or for other reasons, including as a result of certain significant changes in the stock ownership of PTVE, RCPI or GPC, as applicable, or PEGHI. If the RCPI or GPC distributions are determined to be taxable for U.S. federal income tax purposes, we could be liable for significant U.S. federal income tax liabilities.

We entered into a Tax Matters Agreement with RCPI in connection with the RCPI distribution (the "RCPI Tax Matters Agreement"). In addition, we entered into a Tax Matters Agreement with GPC in connection with the GPC distribution (the "GPC Tax Matters Agreement" and, together with the RCPI Tax Matters Agreement, the "Tax Matters Agreements"). Under the Tax Matters Agreements, RCPI or GPC, as applicable, will generally be required to indemnify us against taxes incurred with respect to the RCPI distribution or the GPC distribution, respectively, that arise as a result of, among other things, (i) a breach of any representation made under the Tax Matters Agreements, including those provided in connection with an opinion of tax counsel, or (ii) RCPI or GPC, as applicable, taking or failing to take, as the case may be, certain actions, in each case that result in the distributions failing to meet the requirements for tax-free treatment under the Code. In the event that RCPI or GPC fails to indemnify us in accordance with the Tax Matters Agreements, we would bear such tax liability.

In order to preserve the tax-free treatment of the RCPI and the GPC distributions, our ability to engage in certain corporate transactions for a two-year period after the distributions is limited.

To preserve the tax-free treatment for U.S. federal income tax purposes of the RCPI and the GPC distributions, we are limited in our ability to enter into acquisition, merger, liquidation, sale and stock redemption transactions with respect to our stock for the two-year period following each of these distributions. While we are under no contractual obligations, effecting certain such transactions could violate the representations and undertakings we made in connection with the opinions of tax counsel and could result in significant tax liabilities to us. These limitations may restrict our ability to pursue certain strategic transactions or other transactions that would otherwise be in our best interest or that might increase the value of our business. We are not limited in our ability to acquire other businesses for cash consideration.

RCPI and GPC may compete with us, and their competitive positions in certain markets may constrain our ability to build and maintain partnerships.

We may face competition from a variety of sources, including RCPI and GPC, today and in the future. For example, while we do have supply agreements in place with RCPI, each of RCPI and GPC may still compete with us in certain products and/or in certain channels. In addition, while RCPI and GPC do not currently manufacture or sell products that compete with our products in the channels in which we sell our products, they each may do so in the future, including as a result of acquiring a company that manufactures products which compete with ours. RCPI and GPC may have acquired know-how from their previous affiliation with our business, which could give them significant competitive advantages should they decide to engage in the type of business we conduct, which may materially and adversely affect our business, financial condition and results of operations. Although RCPI has historically sold the products (primarily tableware and cups) that it purchases from us in the retail channel, and we sell such products in the foodservice business-to-business channel, after the termination of the supply agreement with RCPI, it could seek to sell such products in the foodservice channel or otherwise compete with us. As our customer, RCPI has information about products, including pricing, and, as one of our former operating segments, GPC has knowledge of our business that could provide RCPI and GPC with competitive advantages.

In addition, we may partner with companies that compete with RCPI and GPC in certain markets. Our prior affiliation with RCPI and GPC may affect our ability to effectively partner with these companies. These companies may favor our competitors because of our relationships with RCPI and GPC.

Mr. Hart may have conflicts of interest with the holders of our shares of common stock or us in the future.

Mr. Hart indirectly owns and controls a majority of the outstanding shares of our common stock, and the actions he is able to undertake as our controlling shareholder may differ from or adversely affect the interests of our other shareholders. Pursuant to the stockholders agreement that we entered into in connection with our IPO, Mr. Hart has the power to nominate a majority of the directors to our board of directors for so long as the Hart Entities beneficially own more than 40% of our common stock, enabling Mr. Hart to control our legal and capital structure and operations, subject to applicable law. The stockholders agreement also provides that so long as the Hart Entities hold at least 5% of the Company's shares, Mr. Hart will be entitled to receive access to certain of the Company's information and also to routinely consult and advise senior management with respect to the Company's business and financial matters, with the Company agreeing to give consideration to Mr. Hart's advice and proposals. The stockholders agreement also provides Mr. Hart with certain consent rights for so long as the Hart Entities hold at least 40% of the Company's shares. Additionally, Mr. Hart is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete, directly or indirectly, with us. Mr. Hart may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

Conflicts of interest may arise because certain of our directors hold a management or board position with PFL or other affiliated entities.

One of our directors is also a director of PFL and two of our directors are also directors of other entities affiliated with Mr. Hart. The interests of these directors in PFL and other entities affiliated with Mr. Hart and us could create, or appear to create, conflicts of interest with respect to decisions involving both us and PFL and other entities affiliated with Mr. Hart that could have different implications for PFL and other entities affiliated with Mr. Hart and us. These decisions could, for example, relate to:

- disagreement over corporate opportunities;
- competition between us, PFL and other Hart-affiliated entities;
- employee retention or recruiting;
- our dividend policy; and
- the services and arrangements from which we benefit as a result of our relationships with PFL and other entities affiliated with Mr. Hart.

Conflicts of interest could also arise if we enter into any new agreements with the Hart Stockholders and other entities affiliated with Mr. Hart in the future, or if the Hart Stockholders and other entities affiliated with Mr. Hart decide to compete with us in any of our product categories. The presence of directors or officers of entities affiliated with the Hart Stockholders and other entities affiliated with Mr. Hart on our board of directors could create, or appear to create, conflicts of interest and conflicts in allocating their time with respect to matters involving both us and any one of them, or involving us and the Hart Stockholders and other entities affiliated with Mr. Hart, that could have different implications for any of these entities than they do for us. Provisions of our amended and restated certificate of incorporation and bylaws address corporate opportunities that are presented to our directors who are also directors or officers of the Hart Stockholders and other entities affiliated with Mr. Hart and certain of their subsidiaries. We cannot assure you that our amended and restated certificate of incorporation will adequately address potential conflicts of interest or that potential conflicts of interest will be resolved in our favor or that we will be able to take advantage of corporate opportunities presented to individuals who are directors of both us and the Hart Stockholders and other entities affiliated with Mr. Hart. As a result, we may be precluded from pursuing certain advantageous transactions or growth initiatives.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate office is located in leased office space in Lake Forest, Illinois. As of December 31, 2020, we leased or owned 76 U.S. facilities and 26 international facilities, some of which had multiple buildings and warehouses. This includes 61 manufacturing facilities and 39 warehouses which comprise our global production and distribution network.

We believe that all of our properties are in good operating condition and are suitable to adequately meet our current needs.

Item 3. Legal Proceedings

From time to time, we are a party to various claims, charges and litigation matters arising in the ordinary course of business. Management and legal counsel regularly review the probable outcome of such proceedings. We have established reserves for legal matters that are probable and estimable, and at December 31, 2020, these reserves were not significant. While we cannot feasibly predict the outcome of these matters with certainty, we believe, based on examination of these matters, experience to date and discussions with counsel, that the ultimate liability, individually or in the aggregate, will not have a material adverse effect on our business, financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Principal Market

We have listed our common stock on The Nasdaq Global Select Market under the symbol "PTVE." We began "regular way" trading on the Nasdaq Global Select Market on September 21, 2020. Prior to that date, there was no public trading market for our common stock.

Stockholders

As of February 19, 2021, there were two holders of record of our common stock. The actual number of our stockholders is greater than this number, and includes beneficial owners whose shares are held in the "street name" by banks, brokers, and other nominees.

Dividends

We did not declare or pay cash dividends in 2020.

Our Board of Directors approved a dividend of $0.10 per share on February 4, 2021 to be paid on February 24, 2021 to stockholders of record as of February 14, 2021. We expect to pay a regular quarterly cash dividend on our common stock, subject to declaration by our board of directors.

Use of Proceeds from sale of Registered Securities

On September 16, 2020, our registration statement on Form S-1 (File No. 333-248250), as amended, was declared effective by the SEC for our IPO of our common stock, pursuant to which we offered and sold a total of 41,026,000 shares of common stock at a public offering price of $14.00 per share for aggregate proceeds of approximately $574 million. We received net proceeds of $546 million in the IPO, after deducting underwriting discounts and commissions of $25 million and other expenses of $3 million. As part of the IPO, the underwriters were provided with an option to acquire up to a further 6,153,900 shares a $14.00 per share. This option was partially exercised on October 20, 2020, in which 1,723,710 shares of common stock were purchased by the underwriters, which resulted in net proceeds of $23 million.

Credit Suisse Securities (USA) LLC and Citigroup Global Markets Inc. acted as representatives of the several underwriters for the offering.

Item 6. Selected Financial Data

	Year Ended December 31,				
	2020	2019	2018	2017	2016
	(In millions, except per share amounts)				
Continuing Operations					
Net revenues from continuing operations	$ 4,689	$ 5,191	$ 5,308	$ 5,292	$ 5,378
Net (loss) income from continuing operations	(10)	(240)	64	284	(309)
Diluted (loss) earnings per share from continuing operations	(0.08)	(1.78)	0.46	2.10	(2.31)
Financial Position and Other Data					
Total assets[1]	6,843	16,175	16,169	16,385	16,708
Long-term debt, including current portion[1]	3,980	10,630	10,997	11,339	12,056
Cash dividends per common share	—	—	—	—	—

[1] Includes balances from discontinued operations for the years ended December 31, 2019, 2018, 2017 and 2016.

All results and data in the table above reflect continuing operations, unless otherwise noted. See Note 3, *Discontinued Operations,* to the Consolidated Financial Statements for additional information regarding the impact of discontinued operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis contains forward-looking statements. It should be read in connection with the other sections of this Annual Report on Form 10-K, including the consolidated financial statements and related notes contained in *Forward-Looking Statements* and Item 1A, *Risk Factors*.

Overview of Business and Strategy

For a description of our business and strategy, see Item 1, *Business*.

Recent Developments and Significant Items Affecting Comparability

IPO and Reorganization

During the year ended December 31, 2020, and prior to our IPO, we successfully distributed two of our former segments. On September 21, 2020, we completed the IPO of our common stock pursuant to a Registration Statement on Form S-1 (File No. 333-248250). We were able to utilize existing cash on hand, the proceeds from RCP and GPC prior to their distribution and the sale of our common stock to pay down $6,694 million of outstanding debt, as well as refinance $2,250 million of our outstanding borrowings to extend our maturity profile and to lower our costs of borrowing in future periods.

In conjunction with our IPO and the distributions of the GPC and RCP segments, we incurred approximately $47 million and $7 million of strategic review and transaction related costs during the years ended December 31, 2020 and 2019, respectively. Additionally, we have historically been charged a management fee from Rank which upon our IPO is no longer incurred. We incurred $45 million to terminate the management fee arrangement during the year ended December 31, 2020. The total management fees within continuing operations for the years ended December 31, 2019 and 2018 were $10 million and $11 million respectively. See Note 18, *Related Party Transactions*, for additional details.

As a public company, we have begun implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In particular, our accounting, legal and personnel-related expenses and directors' and officers' insurance costs have increased as we establish more comprehensive compliance and governance functions, establish, maintain and review internal controls over financial reporting in accordance with the Sarbanes-Oxley Act, and prepare and distribute periodic reports in accordance with SEC rules. In addition, in connection with our IPO, we established the Equity Incentive Plan for purposes of granting stock-based compensation awards to certain of our senior management, to our non-executive directors and to certain employees, to incentivize their performance and align their interests with ours. See Note 19, *Stock-Based Compensation*, to the Consolidated Financial Statements for additional details.

Discontinued Operations

The operations of our former GPC and RCP segments and our former North American and Japanese closures business are presented as discontinued operations for all years presented. As of December 31, 2019, the assets and liabilities of GPC and RCP are presented in assets held for sale or distribution and liabilities held for sale or distribution. The cash flows related to these discontinued operations remain included within our Consolidated Statement of Cash Flows until the date in which they were distributed or sold. See Note 3, *Discontinued Operations*, to the Consolidated Financial Statements for additional details of these discontinued operations.

COVID-19

We have been actively monitoring the outbreak of COVID-19 and its impact. Our highest priorities continue to be the safety of our employees and working with our employees and network of suppliers and customers to help maintain the food supply chain as an essential business.

During the fiscal year 2020, we experienced a significant decrease in demand and revenues as many of our customers experienced lower demand. Our Foodservice segment experienced a significant decline in net revenues due to the closure or reduced activity of restaurants and other food-serving institutions. Consistent with the easing of restrictions, towards the latter part of the second quarter of 2020 and into the third and fourth quarters, we experienced an increase in volumes and net revenues in our Foodservice segment. Additionally, we worked to adapt along with our customers as COVID-19 restrictions were lifted and reinstated and as consumer behavior required more take out and online ordering options. Our Food Merchandising segment has experienced a strong market demand for many of our products as people continue to eat more at home, while there has been a decline in demand for other products, such as bakery and snack containers typically used in many of the group gatherings that were either canceled or scaled back due to restrictions and concerns over COVID-19. Within our Beverage Merchandising segment, sales of fresh beverage cartons have remained relatively constant with declines in sales of school milk cartons being offset by higher demand in the retail segment, while sales in the paper markets have declined due to a decrease in demand of printed publications and advertising and demand for liquid packaging board has softened.

As we are a part of the global food supply chain, we have taken a number of actions to promote the health and safety of our employees and customers in order to maintain the availability of our products to meet the needs of our customers. We implemented enhanced protocols to provide a safe and sanitary working environment for our employees, including screening employees for all symptoms of COVID-19 (including increased temperature checking), ensuring social distancing is observed, providing physical barriers and personal protective equipment where employees work closely together, tracking and tracing of COVID-19 positive employees to identify close contacts and locations frequented, engagement of third-party vendors to deep-clean and sanitize facilities and enhancing pay and leave policies to ensure employees experiencing symptoms of COVID-19 stay at home. While certain of these measures taken have increased our costs, we remain committed to adapting our policies and procedures to ensure the safety of our employees and compliance with federal, state and local regulations while the pandemic continues. Some of our facilities, however, operate in communities that have had high incident rates of COVID-19, resulting in many persons out sick or in quarantine, which has impacted production at some plants. In facilities that manufacture, warehouse and distribute products with softening demand, we have taken measures to reduce spending and production accordingly. To date, we have not experienced significant issues within our supply chain, including the sourcing of materials and logistics service providers.

Additionally, we have taken actions to reduce spending, including the furlough of certain of our employees during 2020, reducing working capital in areas affected by lower sales and reducing non-essential spending. We expect that the COVID-19 pandemic will continue to negatively impact our results of operations in future periods as the macroeconomic environment changes and consumer behavior continues to evolve. However, the general effects of the COVID-19 pandemic continue to change and remain unpredictable.

We will continue to proactively manage our business in response to the evolving impacts of the pandemic, and will continue to communicate with and support our employees and customers; monitor and take steps to further safeguard our supply chain, operations and assets; protect our liquidity and financial position; work toward our strategic priorities and monitor our financial performance as we seek to position the Company to withstand the current uncertainty related to this pandemic.

CARES Act

The Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted in March 2020. Retroactive provisions of the CARES Act entitled us to utilize additional deferred interest deductions, which lowered our taxable income for the year ended December 31, 2019. The CARES Act also increases the allowable interest deductions for the year ended December 31, 2020. We recognized a tax benefit in continuing operations in the year ended December 31, 2020 of $112 million which was primarily driven by adjusting our taxable income for the year ended December 31, 2019 and changes in our valuation allowance, both as a result of the CARES Act.

Summary of Results

Our results for the year ended December 31, 2020 reflect the challenges our business faced with the COVID-19 pandemic, which significantly impacted our results, particularly during the second quarter. Our net revenues declined 10% to $4,689 million for the year ended December 31, 2020 compared to $5,191 million for the year ended December 31, 2019 driven by lower demand as our customers were impacted by temporary closures, limited operating abilities and reduced consumer traffic due to the COVID-19 pandemic. As restrictions began to be lifted late in the second quarter and in the third quarter, we experienced sequential improvements in much of our business but continued to be impacted by lower end consumer demand as many businesses, restaurants and schools did not return to pre-pandemic operations.

Our net loss from continuing operations declined to $10 million for the year ended December 31, 2020 compared to a net loss of $240 million for the year ended December 31, 2019, primarily driven by a favorable change in income tax expense of $196 million related to the impact of the CARES Act and changes in our valuation allowance, favorable raw material costs, higher pension income of $80 million, lower restructuring and other impairment charges of $18 million, lower goodwill impairment charges of $10 million and lower corporate costs, partially offset by lower sales volume primarily driven by the COVID-19 pandemic, higher strategic review costs of $40 million and higher manufacturing costs as we incurred additional costs to ensure the safety of our employees and experienced lower productivity in our paper mills.

Our Adjusted EBITDA from continuing operations decreased 11% to $615 million compared to the year ended December 31, 2019. The decrease was primarily due to lower sales volume due to the impact of the COVID-19 pandemic, higher manufacturing costs and lower pricing. These items were partially offset by favorable material costs, net of lower costs passed through to customers and lower corporate costs.

Our capital expenditures related to continuing operations were $282 million for the year ended December 31, 2020 compared to $285 million for the year ended December 31, 2019. We invested $110 million and $166 million in our Strategic Investment Program during the years ended December 31, 2020 and 2019, respectively.

Financial Outlook

In addition to financial measures determined in accordance with GAAP, we make use of the non-GAAP financial measure Adjusted EBITDA from continuing operations to evaluate and manage our business and to plan and make near-and long-term operating and strategic decisions. As such, we believe this metrics is useful to investors as it provides supplemental information in addition to our GAAP financial results. We believe it is useful to provide investors with the same financial information that we use internally to make comparisons of our historical operating results, identify trends in our underlying operating results and evaluate our business. We believe our non-GAAP financial measures should always be considered in relation to our GAAP results. We have provided reconciliations between our GAAP and non-GAAP financial measures in Non-GAAP Financial Measures, which appears later in this section.

In addition to monitoring our key operating metrics, we monitor a number of developments and trends that could impact our revenue and profitability objectives.

Changes in Consumer Demand - Our sales are driven by consumer buying habits in the markets that our customers serve and by the volume of sales made from our customers to consumers. Consequently, we are exposed to changes in consumer demand patterns and customer requirements in numerous industries. Changes in consumer preferences for products in the industries that we serve or the packaging formats in which such products are delivered, whether as a result of changes in cost, convenience or health, environmental and social concerns and perceptions, may result in a decline in the demand for certain of our products. For example, certain of our products are used for dairy and fresh juice, and as sales of those beverages have generally declined over recent years, we have had to find new markets for these products. On the other hand, changing preferences for products and packaging formats may also result in increased demand for other products we manufacture. For instance, the growth in consumer preference for organic meat, poultry and free-range eggs outpaces the growth in consumer preference for conventional meat, poultry and standard eggs. Organic meat, poultry and eggs are often packaged in PET or molded fiber, which may drive a shift from polystyrene foam packaging for these products toward higher value PET and molded fiber substrates.

Enhancements in Automation to Control Fluctuations in Labor Costs and Availability - As labor costs rise and as the availability of labor fluctuates, we have focused on increasing automation to reduce our reliance on labor. Since 2017, we have experienced declines in our net income from continuing operations and Adjusted EBITDA from continuing operations due to a number of what we believe to be temporary factors that include increased labor costs due to labor shortages in 2018. The conditions that drove the increased labor costs have subsided. Nonetheless, to address the labor shortages and to decrease total labor costs, we have implemented automation programs. We commenced a systematic automation program in 2017 to lower labor costs, eliminate repetitive tasks and increase efficiency, which we substantially completed in 2020. Our automation strategy includes implementing end of production line automation and palletizing, introducing automated vehicles, changing work flow and work cells to streamline processes and integrating COBOTs with our employees. Although we have automated a portion of our operations, we are committed to further investments in automation, including recent initiatives focused on the automation of repetitive manual tasks to increase operating efficiency and consistency, while protecting ourselves from fluctuations in the cost and availability of labor.

Sustainability - Interest in environmental sustainability has increased over the past decade, and we expect that sustainability will play an increasing role in customer and consumer purchasing decisions. There have been recent concerns about the environmental impact of single-use products and products made from plastic, particularly polystyrene foam. Governmental authorities in the United States and abroad continue to implement legislation aimed at reducing the amount of plastic and other materials incapable of being recycled or composted. This type of legislation, as well as voluntary initiatives similarly aimed at reducing the level of single-use packaging waste, could reduce demand for certain products. In addition, state and local bans on polystyrene foam foodservice packaging may drive a shift to the use of higher value substrates, such as paper, molded fiber, polypropylene and polyethylene terephthalate.

Some consumer products companies, including some of our customers, have responded to these governmental initiatives and to perceived environmental or sustainability concerns of consumers by using only recyclable or compostable containers. As our customers may shift towards purchasing more sustainable products, we have focused much of our innovation efforts around sustainability. Across our business, we believe we are well positioned to benefit from growth in fiber-based, recycled, recyclable and/or compostable packaging. For instance, in Foodservice, we continue to develop and introduce new products under the EarthChoice brand. In Food Merchandising, we are the largest producer of molded fiber egg cartons in the United States and believe we are positioned to benefit from shifts toward fiber and away from foam polystyrene. Our Food Merchandising segment continues to produce new sustainable product innovations, such as our recycled PET meat and poultry trays and egg cartons. In Beverage Merchandising, we continue to develop new fiber-based beverage cartons.

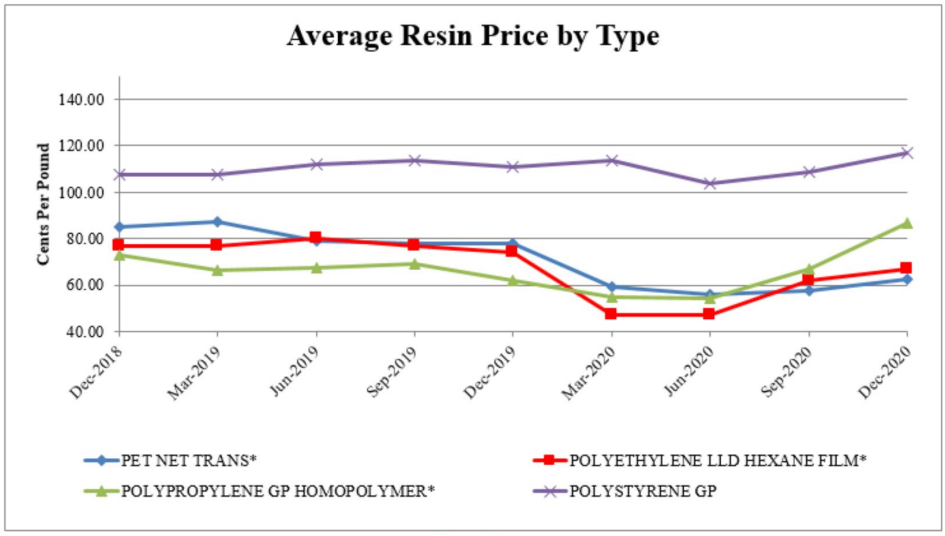
We intend to continue sustainability-driven innovation to ensure that we are at the leading edge of recyclable, renewable and compostable products in order to offer our customers environmentally sustainable choices. For fiscal year 2020, approximately 63% of our net revenues were derived from products made with recycled, recyclable or renewable materials, and our goal is 100% by 2030.

We expect to incur additional capital expenditures and research and development costs as a result of developing these products and/or increasing manufacturing of existing sustainable products.

Food Safety - Food safety remains a top concern among our customers and consumers, and packaging plays a critical role in keeping food safe. Within food processing and retail, consumers increasingly value enhanced packaging features such as tamper-evident containers to ensure freshness and food safety. Within foodservice, providers value tamper-evident packaging due to increased customer concerns around food quality and safety. In addition, the growth of food delivery is creating a greater need for tamper-evident seals and packaging formats to ensure consumer safety. We expect that the desire for safe packaging will play an increasing role in customer purchasing decisions and create significant new product opportunities for us.

Raw Materials and Energy Prices - Our results of operations and the gross profits corresponding to each of our segments, are impacted by changes in the costs of our raw materials and energy prices. Resin prices have historically fluctuated with changes in the prices of crude oil and natural gas, as well as changes in refining capacity and the demand for other petroleum-based products. The prices of raw wood and wood chips may fluctuate due to external conditions such as weather, product scarcity and commodity market fluctuations and changes in governmental policies and regulations. Purchases of most of our raw materials are based on negotiated rates with suppliers, which are tied to published indices. Many of the raw materials utilized by our mills are purchased on the spot market. The prices for some of our raw materials, particularly resins, and the prices that we pay to purchase aluminum products have fluctuated significantly in recent years. Prices for raw wood and wood chips have fluctuated less than the prices of resins. Raw wood and wood chips are typically purchased from sources close to our mills and, as a result, prices are established locally based on factors such as local competitive conditions and weather conditions. Management expects continued volatility in raw material prices and such volatility may impact our results of operations.

Historical index prices of resin from December 2018 through December 2020 are shown in the chart below. This chart presents index prices and does not represent the prices at which we purchase resin.



Source: IHS Inc.

* In Q1 2020, there was a non-market index price reduction due to a change in methodology.

We are also sensitive to energy-related cost movements, particularly those that affect transportation and utility costs. Historically, we have been able to mitigate the effect of higher energy-related costs with productivity improvements and other cost reductions. However, significant spikes in energy costs due to abnormal weather conditions may not be recovered through such means and could have a significant impact to our profitability. For example, in the first quarter of 2021, the impact of Winter Storm Uri increased energy costs for our facilities in the southern half of the U.S. and resulted in suspension of operations in eight of our facilities in Arkansas and Texas. While the financial impact of such event is still being assessed at this time of this report, we expect that the resulting costs will be material.

We use various strategies to manage cost exposures on certain raw material purchases with the objective of obtaining more predictable costs for these commodities. From time to time we enter into hedging agreements for some of our raw materials and energy sources to minimize the impact of price fluctuations. We generally enter into commodity financial instruments or derivatives to hedge commodity prices primarily related to resin, diesel and natural gas. Although we continue to take steps to minimize the impact of the volatility of raw material prices through commodity hedging, fixed supplier pricing, reducing the lag time in contractual raw material cost pass-through mechanisms and entering into additional indexed customer contracts that include raw material cost pass-through provisions, these efforts may prove to be inadequate.

Pricing - Revenue is directly impacted by changes in raw material costs as a result of raw material cost pass-through mechanisms in many of the customer pricing agreements entered into by our segments. Generally, the contractual price adjustments do not occur simultaneously with commodity price fluctuations, but rather on a mutually agreed upon schedule. Due to differences in timing between purchases of raw materials and sales to customers, there is often a lead-lag effect, during which margins are negatively impacted in the short term when raw material costs increase and positively impacted in the short term when raw material costs decrease. Historically, the average lag time in implementing raw material cost pass-through mechanisms has been approximately three months. We use price increases, where possible, to mitigate the effects of raw material cost increases for customers that are not subject to raw material cost pass-through agreements.

Competitive Environment - The markets in which we sell our products historically have been, and continue to be, highly competitive. Areas of competition include service, innovation, quality and price. While we have long-term relationships with many of our customers, the underlying contracts may be re-bid or renegotiated from time to time, and we may not be successful in renewing on favorable terms or at all, as pricing and other competitive pressures may occasionally result in the loss of a customer relationship. The loss of business from our larger customers, or the renewal of business on less favorable terms, may have a significant impact on our operating results.

COVID-19 – As previously discussed, we believe the macroeconomic impacts of the COVID-19 pandemic could continue to have a negative impact on our results in the short term and we are taking steps to protect our employees, consumers and business.

Commitment to Operational Excellence - In light of increased manufacturing costs incurred in recent years and continuing margin pressure throughout the packaging industry, we have programs in place that are designed to improve productivity, reduce costs, and increase profitability. We intend to reduce our operational costs by implementing a series of operational performance and cost reduction programs as part of our SPMO initiatives. Our SPMO initiatives include increasing productivity through machine reliability and automation, particularly in our paper mills, as well as improving operations through a number of digital initiatives and integrating our supply chain.

Financing Costs – We regularly evaluate our variable and fixed-rate debt as we finance our ongoing working capital and capital expenditures and other investments. As previously discussed, we were able to repay $6,694 million in outstanding borrowings and refinanced $2,250 million of outstanding borrowings during the year ended December 31, 2020. We also will continue to focus on reducing our financing costs through repayments of our outstanding borrowings. Our weighted-average interest rate on our total debt as of December 31, 2020 was 4.0%, down from 5.1% and 5.6% as of December 31, 2019 and 2018, respectively, primarily reflecting our repayments and refinancing activities over these years. Refer to Note 10*, Debt,* to the Consolidated Financial Statements for additional information.

Public Company Costs - As a public company, we have begun implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In particular, our accounting, legal and personnel-related expenses and directors' and officers' insurance costs have increased as we establish more comprehensive compliance and governance functions, establish, maintain and review internal controls over financial reporting in accordance with the Sarbanes-Oxley Act, and prepare and distribute periodic reports in accordance with SEC rules.

Elevated Past Capital Expenditures - In the last three years, our level of capital expenditures has been elevated due to our strategic and growth initiatives and certain extraordinary maintenance capital expenditures. We expect certain of our strategic and growth initiatives are likely to continue through our fiscal year 2021. Once the Strategic Investment Program concludes, we expect our annual capital expenditures to normalize.

Discussion and Analysis of Historical Results

Adjusted EBITDA from continuing operations

Adjusted EBITDA from continuing operations is defined as net (loss) income from continuing operations calculated in accordance with GAAP, plus the sum of income tax expense, net interest expense, depreciation and amortization and further adjusted to exclude certain items of a significant or unusual nature, including but not limited to foreign exchange gains or losses on cash, related party management fees, unrealized gains or losses on derivatives, gains or losses on the sale of businesses and noncurrent assets, impairment charges, restructuring, asset impairment and other related charges, operational process engineering-related consultancy costs, non-cash pension income or expense and strategic review and transaction-related costs.

We present Adjusted EBITDA from continuing operations because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions. Accordingly, we believe that Adjusted EBITDA from continuing operations provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors. In addition, our chief operating decision maker uses Adjusted EBITDA of each reportable segment to evaluate the operating performance of such segments.

The following is a reconciliation of our net (loss) income from continuing operations, the most directly comparable GAAP financial measure, to Adjusted EBITDA from continuing operations for each of the years indicated:

	Year Ended December 31,		
	2020	2019	2018
	(in millions)		
Net (loss) income from continuing operations (GAAP)	$ (10)	$ (240)	$ 64
Income tax (benefit) expense	(112)	84	(20)
Interest expense, net	371	433	414
Depreciation and amortization	289	273	271
Goodwill impairment charges(1)	6	16	—
Restructuring, asset impairment and other related charges(2)	28	46	18
(Gain) loss on sale of businesses and noncurrent assets(3)	(1)	22	18
Non-cash pension (income) expense(4)	(71)	6	(51)
Operational process engineering-related consultancy costs(5)	13	27	14
Related party management fee(6)	49	10	11
Strategic review and transaction-related costs(7)	47	7	—
Foreign exchange losses (gains) on cash(8)	15	8	(11)
Unrealized (gains) losses on derivatives(9)	(10)	(4)	8
Other	1	3	1
Adjusted EBITDA from continuing operations (Non-GAAP)	**$ 615**	**$ 691**	**$ 737**

(1) Reflects goodwill impairment charges in respect of our remaining closures operations. See Note 5, *Impairment, Restructuring and Other Related Charges,* to the Consolidated Financial Statements*,* for additional details.

(2) Reflects asset impairment, restructuring and other related charges primarily associated with our corporate operations and the remaining closures businesses that are not reported within discontinued operations. See Note 5, *Impairment, Restructuring and Other Related Charges,* to the Consolidated Financial Statements for additional details.

(3) Reflects the gain or loss from the sale of businesses and noncurrent assets, primarily in our Other segment during 2019 and 2018. See Note 14, *Other Expense, Net*, to the Consolidated Financial Statements for additional details.

(4) Reflects the non-cash pension (income) expense related to our PEPP.

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

(6) Reflects the related party management fee charged by Rank to us and the fee to terminate this arrangement upon our IPO. See Note 18, *Related Party Transactions,* to the Consolidated Financial Statements for additional detail. Following our IPO, we are no longer charged the related party management fee.

(7) Reflects costs incurred for strategic reviews of our businesses, as well as costs related to our IPO that cannot be offset against the proceeds of the IPO.

(8) Reflects foreign exchange (gains) losses on cash, primarily on U.S. dollar amounts held in non-U.S. dollar functional currency entities.

(9) Reflects the mark-to-market movements in our commodity derivatives. See Note 12, *Financial Instruments*, to the Consolidated Financial Statements for additional details.

Results of Operations

The following discussion compares our results of operations for 2020 with 2019 and 2019 with 2018:

2020 compared with 2019

Reportable Segment Net Revenue and Adjusted EBITDA

(In millions, except for %)	Foodservice	Food Merchandising	Beverage Merchandising
Net revenues			
2020	$ 1,811	$ 1,396	$ 1,469
2019	$ 2,160	$ 1,388	$ 1,606
Change	$ (349)	$ 8	$ (137)
% Change	(16)%	1%	(9)%
Adjusted EBITDA			
2020	$ 241	$ 252	$ 148
2019	$ 336	$ 223	$ 196
Change	$ (95)	$ 29	$ (48)
% Change	(28)%	13%	(24)%

Consolidated Results

	Year Ended December 31,					
(In millions, except for %)	2020	% of revenue	2019	% of revenue	Change	% change
Net revenues	$ 4,689	100%	$ 5,191	100%	$ (502)	(10)%
Cost of sales	(3,969)	(85)%	(4,344)	(84)%	375	9%
Gross profit	**720**	**15%**	**847**	**16%**	**(127)**	**(15)%**
Selling, general and administrative expenses	(470)	(10)%	(466)	(9)%	(4)	(1)%
Goodwill impairment charges	(6)	—%	(16)	—%	10	63%
Restructuring, asset impairment and other related charges	(28)	(1)%	(46)	(1)%	18	39%
Other expense, net	(33)	(1)%	(29)	(1)%	(4)	(14)%
Operating income from continuing operations	**183**	**4%**	**290**	**6%**	**(107)**	**(37)%**
Non-operating income (expense), net	66	1%	(13)	—%	79	NM
Interest expense, net	(371)	(8)%	(433)	(8)%	62	14%
Loss from continuing operations before tax	**(122)**	**(3)%**	**(156)**	**(3)%**	**34**	**22%**
Income tax benefit (expense)	112	2%	(84)	(2)%	196	NM
Loss from continuing operations	**(10)**	—%	**(240)**	**(5)%**	**230**	**96%**
(Loss) income from discontinued operations, net of income taxes	(15)		330		(345)	
Net (loss) income	**$ (25)**		**$ 90**		**$ (115)**	
Adjusted EBITDA from continuing operations[1]	**$ 615**	**13%**	**$ 691**	**13%**	**$ (76)**	**(11)%**

NM indicates that the calculation is not meaningful.

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

Components of Change in Reportable Segment Net Revenues for 2020 Compared with 2019

	Price/Mix	Volume	FX	Total
Net revenues	(2)%	(8)%	—%	(10)%
By reportable segment:				
Foodservice	(3)%	(13)%	—%	(16)%
Food Merchandising	2%	—%	(1)%	1%
Beverage Merchandising	(2)%	(7)%	—%	(9)%

Net Revenues. Net revenues for the year ended December 31, 2020 decreased by $502 million, or 10%, to $4,689 million compared to the year ended December 31, 2019. The decrease was primarily due to lower sales volume in Foodservice and Beverage Merchandising, largely due to the unfavorable impact from the COVID-19 pandemic, as well as lower pricing, mainly due to lower raw material costs passed through to customers and an unfavorable impact from foreign currency.

Cost of Sales. Cost of sales for the year ended December 31, 2020 decreased by $375 million, or 9%, to $3,969 million compared to the year ended December 31, 2019. The decrease was primarily due to lower sales volume and lower raw material costs, partially offset by higher manufacturing costs.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the year ended December 31, 2020 increased by $4 million, or 1%, to $470 million compared to the year ended December 31, 2019. The increase was primarily due to higher transaction related costs, partially offset by lower corporate costs.

Goodwill Impairment Charges. Goodwill impairment charges for the year ended December 31, 2020 decreased by $10 million to $6 million compared to the year ended December 31, 2019. The goodwill impairment charges in both years related to our remaining closures business. For additional information, refer to Note 5*, Impairment, Restructuring and Other Related Charges*, to the Consolidated Financial Statements for additional detail.

Restructuring, Asset Impairment and Other Related Charges. Restructuring, asset impairment and other related charges for the year ended December 31, 2020 decreased by $18 million to $28 million compared to the year ended December 31, 2019. The decrease reflects different initiatives across our businesses. For additional information, refer to Note 5*, Impairment, Restructuring and Other Related Charges,* to the Consolidated Financial Statements for additional detail.

Other Expense, Net. Other expense, net for the year ended December 31, 2020 increased by $4 million to $33 million compared to the year ended December 31, 2019. The increase was primarily attributable to an increase of $39 million in the related party management fee and an unfavorable change in foreign exchange losses, largely on U.S. dollar cash balances held by entities with a non-U.S. dollar functional currency, partially offset by a $23 million decrease in losses on sale of businesses and other noncurrent assets and an increase in transition service agreement income.

Non-operating Income (Expense), Net. Non-operating income (expense), net for the year ended December 31, 2020 was $66 million of income compared to $13 million of expense for the year ended December 31, 2019. The change was primarily due to a decrease in interest cost on benefit plans, largely as a result of a decrease in interest rates, and an increase in the expected return on our pension plan assets.

Interest Expense, Net. Interest expense, net for the year ended December 31, 2020 decreased by $62 million, or 14%, to $371 million, compared to the year ended December 31, 2019. The decrease was primarily due to our various repayments of our debt which decreased the related interest expense, partially offset by $63 million loss on the extinguishment of debt. For additional information, refer to Note 10*, Debt* to the Consolidated Financial Statements.

Income Tax Benefit (Expense). During the year ended December 31, 2020, we recognized tax benefit of $112 million on a loss from continuing operations before tax of $122 million, compared to a tax expense of $84 million on a loss from continuing operations before tax of $156 million for the year ended December 31, 2019. The effective tax rate during the year ended December 31, 2020 was primarily attributable to the release of valuation allowances, mainly in relation to the deductibility of deferred interest deductions, and a benefit related to the carryback of the 2019 U.S. federal taxable loss to a 35% tax rate year pursuant to the CARES Act. The effective tax rate during the year ended December 31, 2019 was primarily attributable to additional valuation allowances, mainly in relation to the deductibility of deferred interest deductions, and the mix of book income and losses among the jurisdictions in which we operate, offset by a discrete benefit as a result of filing amended returns to claim a foreign tax credit in lieu of a foreign tax deduction.

(Loss) Income from Discontinued Operations, Net of Income Taxes. Loss from discontinued operations, net of income taxes for the year ended December 31, 2020 changed by $345 million, resulting in a loss of $15 million compared to the year ended December 31, 2019. The year ended December 31, 2020 included approximately one month of results of our former RCP segment and eight and half months of results of our former Graham Packaging segment, while the results for the year ended December 31, 2019 included all of the results of our former RCP, closures and Graham Packaging segments. Refer to Note 3*, Discontinued Operations*, to the Consolidated Financial Statements for additional details.

Adjusted EBITDA from Continuing Operations. Adjusted EBITDA from continuing operations for the year ended December 31, 2020 decreased by $76 million, or 11%, to $615 million compared to the year ended December 31, 2019. The decrease was primarily due to lower sales volume due to the impact of the COVID-19 pandemic, lower pricing and higher manufacturing costs. These items were partially offset by favorable material costs, net of lower costs passed through to customers and lower corporate costs.

Segment Information

Foodservice

Total Segment Net Revenues. Foodservice total segment net revenues for the year ended December 31, 2020 decreased by $349 million, or 16%, to $1,811 million compared to the year ended December 31, 2019. The decrease was primarily due to lower sales volume due to market contraction from the impact of the COVID-19 pandemic, as well as lower pricing primarily due to lower raw material costs passed through to customers.

Adjusted EBITDA. Foodservice Adjusted EBITDA for the year ended December 31, 2020 decreased by $95 million, or 28%, to $241 million compared to the year ended December 31, 2019. The decrease was primarily due to lower sales volume due to the impact of the COVID-19 pandemic and higher manufacturing costs due to measures put in place to continue to operate during the pandemic and lower production. These items were partially offset by lower logistics costs due to lower sales volume and favorable freight rates.

Food Merchandising

Total Segment Net Revenues. Food Merchandising total segment net revenues for the year ended December 31, 2020 increased by $8 million, or 1%, to $1,396 million compared to the year ended December 31, 2019. The increase was primarily due to favorable pricing, partially offset by lower costs passed through to customers and an unfavorable foreign currency impact.

Adjusted EBITDA. Food Merchandising Adjusted EBITDA for the year ended December 31, 2020 increased $29 million, or 13%, to $252 million compared to the year ended December 31, 2019. The increase was primarily due to favorable material costs, net of lower costs passed through to customers and higher pricing, partially offset by higher manufacturing costs and an unfavorable foreign currency impact.

Beverage Merchandising

Total Segment Net Revenues. Beverage Merchandising total segment net revenues for the year ended December 31, 2020 decreased by $137 million, or 9%, to $1,469 million compared to the year ended December 31, 2019. The decrease was primarily due to lower sales volume and lower pricing due to the impact of the COVID-19 pandemic.

Adjusted EBITDA. Beverage Merchandising Adjusted EBITDA for the year ended December 31, 2020 decreased by $48 million, or 24%, to $148 million compared to the year ended December 31, 2019. The decrease was primarily due to increased manufacturing costs due to production inefficiencies and higher costs, as well as lower pricing and lower sales volume due to the impact of the COVID-19 pandemic. These items were partially offset by lower raw material costs, driven by wood supply as markets have returned to historical normalized levels from prior year weather-related increases and lower employee-related expenses.

2019 Compared with 2018

Reportable Segment Net Revenue and Adjusted EBITDA

(In millions, except for %)	Foodservice	Food Merchandising	Beverage Merchandising
Net revenues			
2019	$ 2,160	$ 1,388	$ 1,606
2018	$ 2,137	$ 1,419	$ 1,603
Change	$ 23	$ (31)	$ 3
% Change	1%	(2)%	—%
Adjusted EBITDA			
2019	$ 336	$ 223	$ 196
2018	$ 318	$ 231	$ 231
Change	$ 18	$ (8)	$ (35)
% Change	6%	(3)%	(15)%

Consolidated Results

(In millions, except for %)	Year Ended December 31, 2019	% of revenue	2018	% of revenue	Change	% change
Net revenues	$ 5,191	100%	$ 5,308	100%	$ (117)	(2)%
Cost of sales	(4,344)	(84)%	(4,464)	(84)%	120	3%
Gross profit	**847**	**16%**	**844**	**16%**	**3**	**—%**
Selling, general and administrative expenses	(466)	(9)%	(394)	(7)%	(72)	(18)%
Goodwill impairment charges	(16)	—%	—	—%	(16)	NM
Restructuring, asset impairment and other related charges	(46)	(1)%	(18)	—%	(28)	NM
Other expense, net	(29)	(1)%	(15)	—%	(14)	(93)%
Operating income from continuing operations	**290**	**6%**	**417**	**8%**	**(127)**	**(30)%**
Non-operating (expense) income, net	(13)	—%	41	1%	(54)	NM
Interest expense, net	(433)	(8)%	(414)	(8)%	(19)	(5)%
(Loss) income from continuing operations before tax	**(156)**	**(3)%**	**44**	**1%**	**(200)**	**NM**
Income tax (expense) benefit	(84)	(2)%	20	—%	(104)	NM
Net (loss) income from continuing operations	**(240)**	**(5)%**	**64**	**1%**	**(304)**	**NM**
Income from discontinued operations, net of income taxes	330		217		113	
Net income	**$ 90**		**$ 281**		**$ (191)**	
Adjusted EBITDA from continuing operations[1]	**$ 691**	**13%**	**$ 737**	**14%**	**$ (46)**	**(6)%**

NM indicates that the calculation is not meaningful.

(1) Adjusted EBITDA from continuing operations is a non-GAAP measure. For details, refer to "Discussion and Analysis of Historical Results, *Adjusted EBITDA from continuing operations,"* including a reconciliation between net (loss) income from continuing operations and Adjusted EBITDA from continuing operations.

Components of Change in Reportable Segment Net Revenues for 2019 Compared with 2018

	Price/Mix	Volume	Dispositions	FX	Total
Net revenues	—%	(1)%	(1)%	—%	(2)%
By reportable segment:					
Foodservice	(2)%	3%	—%	—%	1%
Food Merchandising	1%	(3)%	—%	—%	(2)%
Beverage Merchandising	3%	(2)%	—%	(1)%	—%

Net Revenues. Net revenues for the year ended December 31, 2019 decreased by $117 million, or 2%, to $5,191 million compared to the year ended December 31, 2018. The decrease was primarily due to lower sales volume primarily in Food Merchandising and Beverage Merchandising and the impact of divestitures of non-core businesses.

Cost of Sales. Cost of sales for the year ended December 31, 2019 decreased by $120 million, or 3%, to $4,344 million compared to the year ended December 31, 2018. The decrease was primarily due to lower raw material costs, lower sales volume and the impact of divestitures of non-core businesses, partially offset by higher manufacturing and logistics costs.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the year ended December 31, 2019 increased by $72 million, or 18%, to $466 million compared to the year ended December 31, 2018. The increase was primarily due to higher employee-related costs of $45 million and a $13 million increase in operational consultancy costs.

Goodwill Impairment Charges. During the year ended December 31, 2019, we recognized a non-cash goodwill impairment charge of $16 million. This impairment arose in relation to our remaining closures business. There was no goodwill impairment during the year ended December 31, 2018.

Restructuring, Asset Impairment and Other Related Charges. Restructuring, asset impairment and other related charges for the year ended December 31, 2019 increased by $28 million to $46 million compared to the year ended December 31, 2018. The increase was primarily due to higher asset impairment charges related to our remaining closures business. For additional information regarding impairment, restructuring and other related charges, refer to Note 5, *Impairment, Restructuring and Other Related Charges* to the Consolidated Financial Statements.

Other Expense, Net. Other expense, net for the year ended December 31, 2019 increased by $14 million to $29 million compared to the year ended December 31, 2018. The increase is primarily attributable to a $19 million unfavorable change in foreign exchange rates on cash, partially offset by a $4 million favorable change in the loss on sale of investments.

Non-operating (Expense) Income, Net. Non-operating expense, net for the year ended December 31, 2019 changed by $54 million to $13 million, compared to non-operating income, net of $41 million for the year ended December 31, 2018. The change was primarily due to a decrease of $32 million in the expected return on pension plan assets, primarily as a result of a lower fair value of plan assets. In addition, plan settlements increased by $16 million.

Interest Expense, Net. Interest expense, net for the year ended December 31, 2019 increased by $19 million, or 5%, to $433 million compared to the year ended December 31, 2018. The increase was primarily due to an unfavorable change of $23 million in the fair value of an interest rate swap derivative.

Income Tax (Expense) Benefit. We recognized income tax expense of $84 million for the year ended December 31, 2019, on a loss from continuing operations before tax of $156 million, compared to an income tax benefit of $20 million for the year ended December 31, 2018, on income from continuing operations before tax of $44 million. The unusual effective tax rate during the year ended December 31, 2019 was primarily attributable to a $93 million increase in our valuation allowance and the mix of income and losses in the jurisdictions in which we operate. The increase in our valuation allowance was primarily attributable to lower expected future taxable income as a result of the tax-free distribution of RCPI. The unusual effective tax rate during the year ended December 31, 2018 was primarily attributable to a benefit of $46 million from changes in tax rates and $27 million associated with changes in uncertain tax positions, partially offset by the impact of the mix of income and losses in the jurisdictions in which we operate.

Income from Discontinued Operations, Net of Income Taxes. Income from discontinued operations, net of income taxes for the year ended December 31, 2019 increased by $113 million, to $330 million compared to the year ended December 31, 2018. Refer to Note 3, *Discontinued Operations*, to the Consolidated Financial Statements for additional details regarding our discontinued operations.

Adjusted EBITDA from Continuing Operations. Adjusted EBITDA from continuing operations for the year ended December 31, 2019 decreased by $46 million, or 6%, to $691 million compared to the year ended December 31, 2018. The decrease was driven by higher manufacturing, employee-related and logistics costs and lower sales volume, partially offset by favorable raw material costs, net of lower raw material costs passed through to customers.

Segment Information

Foodservice

Total Segment Net Revenues. Foodservice total segment net revenues for the year ended December 31, 2019 increased by $23 million, or 1%, to $2,160 million compared to the year ended December 31, 2018. The increase was primarily due to higher volume across all sales channels, except to foodservice distributors which declined slightly, partially offset by lower pricing primarily due to lower raw material costs passed through to customers.

Adjusted EBITDA. Foodservice Adjusted EBITDA for the year ended December 31, 2019 increased $18 million, or 6%, to $336 million compared to the year ended December 31, 2018. The increase was primarily due to favorable raw material costs, net of lower costs passed through to customers, higher sales volume and favorable manufacturing costs partially offset by increased employee-related expenses and higher logistics costs.

Food Merchandising

Total Segment Net Revenues. Food Merchandising total segment net revenues for the year ended December 31, 2019 decreased by $31 million, or 2%, to $1,388 million compared to the year ended December 31, 2018. The decrease was primarily due to lower volume, primarily to retail distributors, partially offset by favorable pricing, net of the impact of product mix.

Adjusted EBITDA. Food Merchandising Adjusted EBITDA for the year ended December 31, 2019 decreased by $8 million, or 3%, to $223 million compared to the year ended December 31, 2018. The decrease was primarily due to increased manufacturing costs and higher employee-related costs, partially offset by favorable raw material costs, net of lower costs passed through to customers.

Beverage Merchandising

Total Segment Net Revenues. Beverage Merchandising total segment net revenues for the year ended December 31, 2019 increased by $3 million, to $1,606 million compared to the year ended December 31, 2018. The increase was primarily due to higher pricing in liquid paper board and paper products, partially offset by lower sales volume.

Adjusted EBITDA. Beverage Merchandising Adjusted EBITDA for the year ended December 31, 2019 decreased $35 million, or 15%, to $196 million compared to the year ended December 31, 2018. The decrease was due to higher manufacturing costs from production inefficiencies, higher raw material costs and higher employee-related costs, partially offset by higher pricing to customers.

Liquidity and Capital Resources

We believe that we have sufficient liquidity to support our ongoing operations and to invest in future growth to create value for our stockholders. Our operating cash flows, existing cash balances and available capacity under our revolving credit facility are our primary sources of liquidity and are expected to be used for, among other things, capital expenditures necessary to complete our Strategic Investment Program, payment of interest and principal on our long-term debt obligations, and distributions to stockholders that require approval by our Board of Directors. Additionally, we may continue to utilize long-term debt issuances for our funding requirements. While we may need additional financing to support our business and pursue our growth strategy, we currently do not expect any negative effects to our funding sources that would have a material effect on our liquidity.

Cash provided by operating activities:

Net cash from operating activities decreased by $643 million to $253 million for the year ended December 31, 2020 compared to $896 million for the year ended December 31, 2019. The decrease was primarily driven by the distribution of two of our former segments, as these discontinued operations contributed $175 million and $738 million of cash provided by operating activities for the years ended December 31, 2020 and 2019, respectively. Our cash contributions to our employee benefit plans increased by $123 million to $128 million for the year ended December 31, 2020 as compared to $5 million in the year ended December 31, 2019.

Net cash from operating activities decreased by $67 million to $896 million for the year ended December 31, 2019 compared to $963 million for the year ended December 31, 2018. The decrease was driven by unfavorable changes in working capital, driven by lower accounts payable due to the timing of payments, partially offset by lower inventories and accounts receivable due to initiatives to decrease inventory levels and improve accounts receivable turnover. This unfavorable change in working capital was partially offset by $45 million of lower cash tax payments, net of refunds. Discontinued operations contributed $738 million and $735 million of cash provided by operating activities for the years ended December 31, 2019 and 2018, respectively.

Cash used in investing activities:

Net cash used in investing activities increased by $350 million to $354 million for the year ended December 31, 2020, compared to $4 million for the year ended December 31, 2019. The increase in cash used in investing activities was primarily due to the cash received, net of cash disposed, from the disposal of businesses during the year ended December 31, 2019 of $597 million partially offset by lower capital expenditures. During the year ended December 31, 2020, cash outflows for the acquisition of property, plant and equipment and intangible assets decreased to $410 million compared to $629 million during the year ended December 31, 2019. Cash used in investing activities in 2020 and 2019 include $122 million and $308 million, respectively, related to discontinued operations.

During the year ended December 31, 2020, 2019 and 2018, we invested $110 million, $166 million and $208 million, respectively, on our Strategic Investment Program.

Net cash used in investing activities decreased by $449 million to $4 million for the year ended December 31, 2019, compared to $453 million for the year ended December 31, 2018. The reduction in cash used in investing activities was primarily due to the cash received, net of cash disposed, from the disposal of businesses during the year ended December 31, 2019 of $597 million from the sale of our discontinued closures businesses, partially offset by an increase of $37 million in acquisitions of property, plant and equipment. During the year ended December 31, 2019, cash outflows for the acquisition of property, plant and equipment and intangible assets increased to $629 million compared to $592 million during the year ended December 31, 2018. The increase in capital expenditures reflects our continued investment in automation, digital manufacturing, an integrated supply chain model and our plants. Cash used in investing activities in 2019 and 2018 include $308 million and $209 million, respectively, related to discontinued operations.

Cash used in financing activities:

Net cash used in financing activities increased by $327 million to $711 million for the year ended December 31, 2020 compared to $384 million for the year ended December 31, 2019. The increase in cash used in financing activities was primarily attributable to additional repayments of borrowings using cash on hand, proceeds from RCP and GPC prior to their distribution and proceeds from our initial public stock offering. During the year ended December 31, 2020, we repaid $8,944 million of outstanding borrowings and received $7,861 million of proceeds from new borrowings primarily attributable to the incurrences of debt by RPC and GPC prior to their distributions. Additionally, we received $569 million of net proceeds related to our IPO.

Net cash used in financing activities increased by $24 million to $384 million for the year ended December 31, 2019 compared to $360 million for the year ended December 31, 2018. The increase in cash used in financing activities was primarily attributable to additional voluntary repayments of borrowings using cash on hand. During the year ended December 31, 2019 we repaid $345 million of our 6.875% senior secured notes due 2021, compared to a repayment of $300 million of the 6.875% senior secured notes due 2021 during the year ended December 31, 2018.

Dividends

On February 4, 2021, our Board of Directors declared a quarterly cash dividend of $0.10 per common share, payable on February 24, 2021 to stockholders of record on February 14, 2021.

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

Debt and Liquidity:

As of December 31, 2020, we had $4,004 million of total principal amount of borrowings. Refer to Note 10*, Debt*, to the Consolidated Financial Statements for details of our recent repayments, debt issuances and maturities. The nature and amount of our long-term debt and the proportionate amount of each varies as a result of current and expected business requirements, market conditions and other factors. See *Risk Factors — Risks Relating to Our Business and Industry—We have significant debt, which could adversely affect our financial condition and ability to operate our business.*

On January 16, 2021, we issued a redemption notice to redeem the remaining $59 million aggregate principal amount of the 5.125% Notes at a price of 101.281%. The redemption payment, plus accrued and unpaid interest, occurred on February 16, 2021 utilizing existing cash on hand.

Our 2021 annual cash interest obligations on our borrowings, including borrowings that have been repaid, are expected to be approximately $160 million. As of December 31, 2020, the underlying one month LIBO rate for amounts under our Credit Agreement was 0.15%.

As of December 31, 2020, we had $458 million of cash and cash equivalents on hand and $207 million available for drawing under our revolving credit facility. We believe that our existing cash resources, projected cash flows generated from operations together with our borrowing availability under our revolving credit facility are sufficient to fund our principal debt payments, interest expense, our working capital needs and our expected capital expenditures for the next 12 months. Our next significant near term maturity of borrowings is $1,207 million of U.S. term loans due in February 2023. We also have our first quarterly amortization principal payment of $3 million on our new term loan tranche due in March 2021. We currently anticipate incurring approximately $305 million of capital expenditures during fiscal year 2021. We do not currently anticipate that the COVID-19 pandemic will materially impact our liquidity over the next 12 months.

Our ability to borrow under our revolving credit facility or our local working capital facilities or to incur additional indebtedness may be limited by the terms of such indebtedness or other indebtedness, including the Credit Agreement and the notes. The Credit Agreement and the indentures governing the notes generally allow subsidiaries of PTVE to transfer funds in the form of cash dividends, loans or advances within the Company.

Under the Credit Agreement, we may incur additional indebtedness either by satisfying certain incurrence tests or by incurring such additional indebtedness under certain specific categories of permitted debt. Incremental senior secured indebtedness under the Credit Agreement and senior secured or unsecured notes in lieu thereof are permitted to be incurred up to an aggregate principal amount of $750 million subject to pro forma compliance with the Credit Agreement's total secured leverage ratio covenant. In addition, we may incur incremental senior secured indebtedness under the Credit Agreement and senior secured notes 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 if the fixed charge coverage ratio is at least 2.00 to 1.00 on a pro forma basis.

Under the indenture 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 and the liens securing first lien secured indebtedness do not exceed a 4.10 to 1.00 consolidated secured first lien leverage ratio.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2020.

(In millions)	Total	Less than one year	One to three years	Three to five years	Greater than five years
Long-term debt(1)	$ 4,797	$ 175	$ 1,580	$ 543	$ 2,499
Operating lease liabilities (2)	326	73	117	70	66
Contributions for other post-employment benefit obligations	53	3	6	6	38
Unconditional capital expenditure obligations	89	89	—	—	—
Total contractual obligations	$ 5,265	$ 340	$ 1,703	$ 619	$ 2,603

(1) Total obligations for long-term debt consist of the principal amounts and fixed and floating rate interest obligations.
(2) Total repayments of operating leases exclude short-term leases which were not significant in the aggregate.

As of December 31, 2020, our liabilities for pensions and uncertain tax positions totaled $488 million. The ultimate timing of these liabilities cannot be determined; therefore, we have excluded these amounts from the contractual obligations table above. We do not expect to make a contribution to the PEPP during the year ending 2021. Expected contributions during the year ending December 31, 2021 for all other defined benefit plans are estimated to be $4 million. Future contributions will be dependent on future plan asset returns and interest rates and are highly sensitive to changes.

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 2018, 2019, 2020 or will be due in 2021 for the year ended December 31, 2020.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies, Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. These assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of net revenues and expenses during the reporting period. Estimates and assumptions are used for, but not limited to: (i) reserves for employee benefits and benefit plan assumptions; (ii) long-lived and indefinite-lived asset valuations, impairment and recoverability assessments; (iii) depreciable lives of assets and useful lives of intangible assets; and (iv) income tax reserves and valuation allowances. Estimates are revised as additional information becomes available. Actual results could differ from these estimates.

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 most critical accounting policies and estimates are related to our defined benefit pension plans, goodwill and indefinite-lived intangible assets, other long-lived assets and income taxes. A summary of our significant accounting policies and use of estimates is contained in Note 2*, Summary of Significant Accounting Policies,* to the Consolidated Financial Statements.

Employee Benefit Plans—Defined benefit retirement plans

We have several non-contributory defined benefit retirement plans. Our defined benefit pension obligations are concentrated in the PEPP, which, as of December 31, 2020, represented 99% of our defined benefit plan liability. We assumed this plan in a business combination in 2010. As a result, while persons who are not current employees do not accrue benefits under this plan, the total number of beneficiaries covered by this plan is much larger than if it only provided benefits to our current and retired employees.

We measure changes in funded status using actuarial models which utilize an attribution approach that generally spreads individual events either over the estimated service lives of the remaining employees in the plan or, for plans where participants will not earn additional benefits by rendering future service, over the plan participants' estimated remaining lives.

Net pension and postretirement benefit income or expense is actuarially determined using assumptions which include expected long term rates of return on plan assets, discount rates and mortality rates. We use a mix of actual historical rates, expected rates and external data to determine the assumptions used in the actuarial models. While we believe that our assumptions are reasonable and appropriate, significant differences in actual experience or inaccuracies in assumptions may materially affect our benefit plan obligations and future benefit plan expense.

The discount rates utilized to measure the pension obligations use the yield on corporate bonds that are denominated in the currency in which the benefits will be paid, that have maturity dates approximating the terms of our obligations and are based on the yield on high-quality bonds. Our largest U.S. plan benefit obligation is highly sensitive to changes in the discount rate. While we do not anticipate further changes in the 2020 assumptions for our pension obligations, as a sensitivity measure, a fifty-basis point change in our discount rates or the expected rate of return on plan assets would have the following effects, increase/(decrease), on our benefit plans:

	As of December 31, 2020	
	Fifty-Basis-Point	
	Increase	Decrease
	(In millions)	
Effect of change in discount rate on defined benefit obligation	$ (231)	$ 254
Effect of change in discount rate on pension cost	15	(17)
Effect of change in expected rate of return on plan assets on pension cost	(20)	20

Goodwill and Indefinite-Lived Intangible Assets

We test goodwill and indefinite-lived intangible assets for impairment on an annual basis in the fourth quarter and whenever events or circumstances indicate that the carrying value may not be recoverable. We may perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount.

Goodwill

Our reporting units for goodwill impairment testing purposes are Foodservice, Food Merchandising, Beverage Merchandising and the remaining components of our former closures business. As part of the accounting for classifying a portion of our remaining components of our former closures business as held for sale during the third quarter of 2020, we determined that the remaining goodwill related to this reporting unit was fully impaired. See Note 4, *Assets and Liabilities Held for Sale*, to the Consolidated Financial Statements for additional details. No other instances of impairment were identified during the 2020 annual impairment review. However, future changes in the judgments, assumptions and estimates that are used in the impairment testing for goodwill as described below could result in significantly different estimates of the fair values. In the past, we have recognized impairment charges in respect of other businesses which we no longer own as well as an impairment charge of $16 million during the year ended December 31, 2019 in relation to the reporting unit comprised of the remaining components of our former closures business. While there was no impairment of goodwill recognized as a result of the 2020 annual impairment test, a reasonably possible unexpected deterioration in financial performance may result in an additional impairment charge.

In our evaluation of goodwill impairment, we may perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As part of this assessment, we consider various factors, including the excess of prior year estimates of fair value compared to carrying value, the effect of market or industry changes and the reporting units' actual results compared to projected results. We may bypass the qualitative assessment for any reporting unit in any period and proceed directly with the quantitative calculation in Step 1, where we compare the estimated fair value of each reporting unit to its carrying value. If the estimated fair value of any reporting unit is less than its carrying value, an impairment charge would be recorded for the amount by which the reporting unit's carrying amount exceeds its fair value.

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consist primarily of certain trademarks. We test indefinite-lived intangible assets for impairment on an annual basis in the fourth quarter and whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the carrying amount of such asset exceeds its estimated fair value, an impairment charge is recorded for the difference between the carrying amount and the estimated fair value. When a quantitative test is performed we use a relief from royalty computation under the income approach to estimate the fair value of our trademarks. This approach requires significant judgments in determining (i) the estimated future revenue from the use of the asset; (ii) the relevant royalty rate to be applied to these estimated future cash flows; and (iii) the appropriate discount rates applied to those cash flows to determine fair value. Changes in such estimates or the use of alternative assumptions could produce different results. No instances of impairment were identified during the 2020 annual impairment review in respect of the trademark assets attributable to our segments. Each of our indefinite-lived intangible assets had fair values that significantly exceeded their recorded carrying values.

Long-Lived Assets

Long-lived assets, including finite-lived intangible assets, are reviewed for possible impairment whenever events or changes in circumstances occur that indicate that the carrying amount of an asset (or asset group) may not be recoverable. Our impairment review requires significant management judgment, including estimating the future success of product lines, future sales volumes, revenue and expense growth rates, alternative uses for the assets and estimated proceeds from the disposal of the assets. We review business plans for possible impairment indicators. Impairment occurs when the carrying amount of the asset (or asset group) exceeds its estimated future undiscounted cash flows. When impairment is indicated, an impairment charge is recorded for the difference between the asset's carrying value and its estimated fair value. Depending on the asset, estimated fair value may be determined either by use of a discounted cash flow model or by reference to estimated selling values of assets in similar condition. The use of different assumptions would increase or decrease the estimated fair value of assets and would increase or decrease any impairment measurement.

Income Taxes

Significant judgment is required in determining our worldwide income tax provision. In the ordinary course of an international business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise from examinations in various jurisdictions and assumptions and estimates used in evaluating the need for a valuation allowance.

We are subject to income taxes in both the United States and numerous foreign jurisdictions. We compute our provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, we evaluate all significant available positive and negative evidence, including historical operating results, estimates of future taxable income and the existence of prudent and feasible tax planning strategies. Changes in the expectations regarding the realization of deferred tax assets have in the past materially impacted our reported tax expense, and future changes in expectations could materially impact income tax expense in future periods. One of our largest deferred tax assets is generated from book to tax differences related to the treatment of interest expense, for which the deductibility for tax purposes is deferred. The future recoverability of this deferred tax asset is based on forecasted taxable income which includes the reversal of existing taxable temporary differences.

We continuously review issues raised in connection with all ongoing examinations and open tax years to evaluate the adequacy of our tax liabilities. We evaluate uncertain tax positions under a two-step approach. The first step is to evaluate the uncertain tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon examination based on its technical merits. For those positions that meet the recognition criteria, the second step is to measure the tax benefit as the largest amount that is more than fifty percent likely of being realized. We believe our recorded tax liabilities are adequate to cover all open tax years based on our assessment. This assessment relies on estimates and assumptions and involves significant judgments about future events. To the extent that our view as to the outcome of these matters changes, we will adjust income tax expense in the period in which such determination is made. We classify interest and penalties related to income taxes as income tax expense.

Recent Accounting Pronouncements

New accounting guidance that we have recently adopted, as well as accounting guidance that has been recently issued but not yet adopted by us, is included in Note 2, *Summary of Significant Accounting Policies,* to the Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

In the normal course of business, we are subject to risks from adverse fluctuations in interest and foreign currency exchange rates and commodity prices. We manage these risks through a combination of an appropriate mix between variable rate and fixed rate borrowings, interest rate swaps and natural offsets of foreign currency receipts and payments, supplemented by forward foreign currency exchange contracts and commodity derivatives. Derivative contracts are not used for trading or speculative purposes. The extent to which we use derivative instruments is dependent upon our access to them in the financial markets, the costs associated with entering into such arrangements and our use of other risk management methods, such as netting exposures for foreign currency exchange risk and establishing sales arrangements that permit the pass-through of changes in commodity prices to customers. Our objective in managing our exposure to market risk is to limit the impact on earnings and cash flow.

Interest Rate Risk

We had significant debt commitments outstanding as of December 31, 2020. These on-balance sheet financial instruments, to the extent they accrue interest at variable interest rates, expose us to interest rate risk. Our interest rate risk arises primarily on significant borrowings that are denominated in U.S. dollars drawn under our Credit Agreement. The Credit Agreement included interest rate floors of 0.0% per annum on the term loans and the revolving loan.

The underlying rates for our Credit Agreement are the one-month LIBOR, and as of December 31, 2020 the applicable rates were 2.90% for Term Loans Tranche B-1 and 3.40% for Term Loans Tranche B-2. Based on our outstanding debt commitments as of December 31, 2020, a one-year timeframe and all other variables remaining constant, a 100 basis point increase in interest rates would result in a $25 million increase in interest expense on the term loan under our Credit Agreement. A 100 basis point decrease in interest rates would result in a $4 million decrease in interest expense on the term loan under our Credit Agreement.

Interest rates may fluctuate if LIBOR ceases to exist or if new methods of calculating LIBOR will be established. See *Risk Factors—Risks Relating to Our Business and Industry—Certain of our long-term indebtedness bears interest at variable interest rates, primarily based on LIBOR, which may be subject to regulatory guidance and/or reform that could cause interest rates under our current or future debt agreements to fluctuate or cause other unanticipated consequences.*

Foreign Currency Exchange Rate Risk

As a result of our international operations, we are exposed to foreign currency exchange risk arising from sales, purchases, assets and borrowings that are denominated in currencies other than the functional currencies of the respective entities. We are also exposed to foreign currency exchange risk on certain intercompany borrowings between certain of our entities with different functional currencies.

In accordance with our treasury policy, we take advantage of natural offsets to the extent possible. On a limited basis, we use contracts to hedge residual foreign currency exchange risk arising from receipts and payments denominated in foreign currencies. We generally do not hedge our exposure to translation gains or losses in respect of our non-U.S. dollar functional currency assets or liabilities. Additionally, when considered appropriate, we may enter into forward exchange contracts to hedge foreign currency exchange risk arising from specific transactions. We had no foreign currency derivative contracts as of December 31, 2020.

Commodity Risk

We are exposed to commodity and other price risk principally from the purchase of resin, natural gas, electricity, raw wood, wood chips and diesel. We use various strategies to manage cost exposures on certain material purchases with the objective of obtaining more predictable costs for these commodities. We generally enter into commodity financial instruments or derivatives to hedge commodity prices related to resin (and its components), diesel and natural gas.

We enter into futures and swaps to reduce our exposure to commodity price fluctuations. These derivatives are implemented to either (a) mitigate the impact of the lag in timing between when material costs change and when we can pass through these changes to our customers or (b) fix our input costs for a period. See Note 12, *Financial Instruments*, to the Consolidated Financial Statements for the details of our commodity derivative contracts as of December 31, 2020.

A 10% upward (downward) movement in the price curve used to value the commodity derivative contracts, applied as of December 31, 2020, would have resulted in a change of less than $1 million in the unrealized gain recognized in the consolidated statement of (loss) income, assuming all other variables remain constant.

Item 8. Financial Statements and Supplementary Data

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Pactiv Evergreen Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pactiv Evergreen Inc. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of (loss) income, of comprehensive (loss) income, of equity, and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment – Foodservice Reporting Unit

As described in Notes 2 and 8 to the consolidated financial statements, the Company's consolidated goodwill balance was $1,760 million as of December 31, 2020 and the goodwill associated with the Foodservice reporting unit was $924 million. Management tests goodwill for impairment on an annual basis in the fourth quarter and whenever events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. For certain reporting units, management may perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on this qualitative analysis, if management determines that it is more likely than not that the fair value of the reporting unit is greater than its carrying value, no further impairment testing is performed. For the Foodservice reporting unit, management performed a Step 1 quantitative analysis to compare the reporting unit's fair value to its carrying value. The estimated fair value was calculated by management using an income approach based on a discounted cash flow model, using key assumptions of a long-term revenue growth rate and a discount rate. Estimating the fair value of individual reporting units requires management to make assumptions and estimates regarding future plans and industry and economic conditions.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Foodservice reporting unit is a critical audit matter are (i) the significant judgment by management when determining the fair value estimate of the reporting unit; (ii) the high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the discount rate and long-term revenue growth rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included (i) testing management's process for determining the fair value estimate of the Foodservice reporting unit; (ii) evaluating the appropriateness of management's discounted cash flow model; (iii) testing the completeness and accuracy of the underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumptions used by management related to the discount rate and long-term revenue growth rate. Evaluating management's assumptions related to the discount rate and long-term revenue growth rate involved evaluating whether the assumptions used were reasonable considering (i) the current and past performance of the reporting unit; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the (i) discounted cash flow model and (ii) discount rate assumption.

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois
February 25, 2021

We have served as the Company's auditor since 2009.

Pactiv Evergreen Inc.

Consolidated Statements of (Loss) Income
For the Years Ended December 31
(in millions, except per share amounts)

	2020	2019	2018
Net revenues	$ 4,689	$ 5,191	$ 5,308
Cost of sales	(3,969)	(4,344)	(4,464)
Gross profit	**720**	**847**	**844**
Selling, general and administrative expenses	(470)	(466)	(394)
Goodwill impairment charges	(6)	(16)	—
Restructuring, asset impairment and other related charges	(28)	(46)	(18)
Other expense, net	(33)	(29)	(15)
Operating income from continuing operations	**183**	**290**	**417**
Non-operating income (expense), net	66	(13)	41
Interest expense, net	(371)	(433)	(414)
(Loss) income from continuing operations before tax	**(122)**	**(156)**	**44**
Income tax benefit (expense)	112	(84)	20
Net (loss) income from continuing operations	**(10)**	**(240)**	**64**
(Loss) Income from discontinued operations, net of income taxes	(15)	330	217
Net (loss) income	**(25)**	**90**	**281**
Net (income) loss attributable to non-controlling interests	(2)	1	(2)
Net (loss) income attributable to Pactiv Evergreen Inc. common stockholders	**$ (27)**	**$ 91**	**$ 279**
(Loss) Earnings per share attributable to Pactiv Evergreen Inc. common stockholders:			
From continuing operations			
Basic	$ (0.08)	$ (1.78)	$ 0.46
Diluted	$ (0.08)	$ (1.78)	$ 0.46
From discontinued operations			
Basic	$ (0.10)	$ 2.46	$ 1.62
Diluted	$ (0.10)	$ 2.46	$ 1.62
Total			
Basic	$ (0.18)	$ 0.68	$ 2.08
Diluted	$ (0.18)	$ 0.68	$ 2.08

See accompanying notes to the consolidated financial statements.

Pactiv Evergreen Inc.

Consolidated Statements of Comprehensive (Loss) Income
For the Years Ended December 31
(in millions)

	2020	2019	2018
Net (loss) income	$ (25)	$ 90	$ 281
Other comprehensive income (loss), net of income taxes:			
Currency translation adjustments	(8)	88	(40)
Defined benefit plans	16	124	(52)
Other comprehensive income (loss)	8	212	(92)
Comprehensive (loss) income	**(17)**	**302**	**189**
Comprehensive (income) loss attributable to non-controlling interests	(2)	1	(2)
Comprehensive (loss) income attributable to Pactiv Evergreen Inc. common stockholders	**$ (19)**	**$ 303**	**$ 187**

See accompanying notes to the consolidated financial statements.

Pactiv Evergreen Inc.

Consolidated Balance Sheets
As of December 31
(in millions, except per share data)

	2020	2019
Assets		
Cash and cash equivalents	$ 458	$ 1,155
Accounts receivable, less allowances for doubtful accounts of $3 and $4	375	445
Related party receivables	55	—
Inventories	784	753
Other current assets	175	119
Assets held for sale or distribution	26	1,232
Total current assets	**1,873**	**3,704**
Property, plant and equipment, net	1,685	1,703
Operating lease right-of-use assets, net	260	191
Goodwill	1,760	1,766
Intangible assets, net	1,092	1,147
Deferred income taxes	7	21
Related party receivables	—	339
Other noncurrent assets	166	161
Noncurrent assets held for sale or distribution	—	7,143
Total assets	**$ 6,843**	**$ 16,175**
Liabilities		
Accounts payable	$ 313	$ 316
Related party payables	10	30
Current portion of long-term debt	15	3,587
Current portion of operating lease liabilities	57	47
Income taxes payable	10	14
Accrued and other current liabilities	322	418
Liabilities held for sale or distribution	12	485
Total current liabilities	**739**	**4,897**
Long-term debt	3,965	7,043
Long-term operating lease liabilities	217	157
Deferred income taxes	193	150
Long-term employee benefit obligations	519	730
Other noncurrent liabilities	136	124
Noncurrent liabilities held for sale or distribution	—	992
Total liabilities	**$ 5,769**	**$ 14,093**
Commitments and contingencies (Note 15)		
Equity		
Common stock, $0.001 par value; 2,000,000,000 shares authorized; 177,157,710 and 134,408,000 shares issued and outstanding as of December 31, 2020 and 2019, respectively	$ —	$ —
Preferred stock, $0.001 par value; 200,000,000 shares authorized; no shares issued or outstanding	—	—
Additional paid in capital	614	103
Accumulated other comprehensive loss	(349)	(518)
Retained earnings	806	2,494
Total equity attributable to Pactiv Evergreen Inc. common stockholders	**1,071**	**2,079**
Non-controlling interests	3	3
Total equity	1,074	2,082
Total liabilities and equity	**$ 6,843**	**$ 16,175**

See accompanying notes to the consolidated financial statements.

Pactiv Evergreen Inc.

Consolidated Statements of Equity
(in millions)

	Common Stock						
	Shares	Amount	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Non-controlling Interests	Total Equity
Balance as of December 31, 2017	**134.4**	**$ —**	**$ 103**	**$ (597)**	**$ 2,083**	**$ 10**	**$ 1,599**
Net income	—	—	—	—	279	2	**281**
Other comprehensive loss, net of income taxes	—	—	—	(92)	—	—	**(92)**
Dividends paid to non-controlling interests	—	—	—	—	—	(3)	**(3)**
Balance as of December 31, 2018	**134.4**	**$ —**	**$ 103**	**$ (689)**	**$ 2,362**	**$ 9**	**$ 1,785**
Cumulative impact of adopting ASU 2018-02	—	—	—	(41)	41	—	**—**
Net income (loss)	—	—	—	—	91	(1)	**90**
Other comprehensive income, net of income taxes	—	—	—	212	—	—	**212**
Disposition of non-controlling interest	—	—	—	—	—	(4)	**(4)**
Dividends paid to non-controlling interests	—	—	—	—	—	(1)	**(1)**
Balance as of December 31, 2019	**134.4**	**$ —**	**$ 103**	**$ (518)**	**$ 2,494**	**$ 3**	**$ 2,082**
Net income (loss)	—	—	—	—	(27)	2	**(25)**
Other comprehensive income, net of income taxes	—	—	—	8	—	—	**8**
Forgiveness of related party balances pre IPO	—	—	—	—	(362)	—	**(362)**
Distribution of Reynolds Consumer Products Inc.	—	—	(32)	(11)	13	—	**(30)**
Distribution of Graham Packaging Company Inc	—	—	(28)	172	(1,312)	—	**(1,168)**
Issuance of common stock in connection with initial public offering, net of offering costs, underwriting discounts and commissions	42.8	—	569	—	—	—	**569**
Stock-based compensation	—	—	2	—	—	—	**2**
Dividends paid to non-controlling interests	—	—	—	—	—	(2)	**(2)**
Balance as of December 31, 2020	**177.2**	**$ —**	**$ 614**	**$ (349)**	**$ 806**	**$ 3**	**$ 1,074**

See accompanying notes to the consolidated financial statements.

Pactiv Evergreen Inc.

Consolidated Statements of Cash Flows
For the Years Ended December 31
(in millions)

	2020	2019	2018
Cash provided by (used in) operating activities			
Net (loss) income	$ (25)	$ 90	$ 281
Adjustments to reconcile net income to operating cash flows:			
Depreciation and amortization	467	643	653
Deferred income taxes	18	98	(27)
Unrealized losses (gains) on derivatives	(10)	(13)	22
Goodwill impairment charges	6	25	138
Other asset impairment charges	18	106	40
Loss on disposal of businesses and other assets	(10)	42	24
Non-cash portion of employee benefit obligations	(59)	27	(20)
Non-cash portion of operating lease expense	96	108	—
Amortization of OID and DIC	17	20	20
Loss on extinguishment of debt	68	1	5
Other non-cash items, net	21	(3)	(2)
Change in assets and liabilities:			
Accounts receivable, net	33	19	(1)
Inventories	(64)	19	(83)
Other current assets	(2)	29	(5)
Accounts payable	32	(118)	48
Operating lease payments	(93)	(106)	—
Income taxes payable	(58)	(53)	32
Accrued and other current liabilities	(80)	(37)	(38)
Other assets and liabilities	6	4	(100)
Employee benefit obligation contributions	(128)	(5)	(24)
Net cash provided by operating activities	**253**	**896**	**963**
Cash provided by (used in) investing activities			
Acquisition of property, plant and equipment and intangible assets	(410)	(629)	(592)
Proceeds from sale of property, plant and equipment	48	23	21
Disposal of businesses, net of cash disposed	8	597	118
Proceeds from related party loan repayment	—	5	—
Net cash used in investing activities	**(354)**	**(4)**	**(453)**
Cash provided by (used in) financing activities			
Long-term debt proceeds	7,861	—	—
Long-term debt repayments	(8,944)	(381)	(352)
Deferred financing transaction costs on long-term debt	(49)	—	—
Net proceeds from issue of share capital	569	—	—
Premium on redemption of long-term debt	(34)	—	(3)
Cash held by Reynolds Consumer Products and Graham Packaging Company at time of distribution	(110)	—	—
Other financing activities	(4)	(3)	(5)
Net cash used in financing activities	**(711)**	**(384)**	**(360)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(14)	—	(7)
Increase (decrease) in cash, cash equivalents and restricted cash	(826)	508	143
Cash, cash equivalents and restricted cash as of beginning of the year	1,294	786	643
Cash, cash equivalents and restricted cash as of end of the year	**$ 468**	**$ 1,294**	**$ 786**
Cash, cash equivalents and restricted cash are comprised of:			
Cash and cash equivalents	$ 458	$ 1,155	$ 659
Cash and cash equivalents classified as assets held for sale or distribution	10	136	124
Restricted cash classified as assets held for sale or distribution	—	3	3
Cash, cash equivalents and restricted cash as of December 31	**$ 468**	**$ 1,294**	**$ 786**
Cash paid (received):			
Interest	$ 413	$ 619	$ 619
Income taxes	(21)	98	143

Significant non-cash investing and financing activities

Refer to Note 11, *Leases,* for details of non-cash additions to operating lease right-of-use assets, net as a result of changes in operating lease liabilities. Refer to Note 18, *Related Party Transactions,* for details of significant non-cash investing and financing activities with related parties.

See accompanying notes to the consolidated financial statements.

Note 1. Nature of Operations and Basis of Presentation

The accompanying consolidated financial statements comprise the accounts of Pactiv Evergreen Inc. (“PTVE”) and its subsidiaries (“we”, “us”, “our” or the “Company”). These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All significant intercompany accounts and transactions have been eliminated in consolidation.

We are a manufacturer and supplier of fresh food and beverage packaging products, primarily in North America. We report our business in three reportable segments: Foodservice, Food Merchandising and Beverage Merchandising. Our Foodservice segment manufactures a broad range of products that enable consumers to eat and drink where they want and when they want with convenience. Our Food Merchandising segment manufactures products that protect and attractively display food while preserving freshness. Our Beverage Merchandising segment manufactures cartons for fresh refrigerated beverage products, primarily serving dairy (including plant-based, organic and specialties), juice and other specialty beverage end-markets.

On September 21, 2020, we completed the initial public offering ("IPO") of our common stock pursuant to a Registration Statement on Form S-1 (File No. 333-248250).

Prior to the closing of the IPO, we completed the following transactions which resulted in changes to our common stock and issued and outstanding shares:

- On September 16, 2020, the distribution of all of our shares in Graham Packing Company Inc. (“GPCI”) to Packaging Finance Limited (“PFL”) in consideration for the buy-back of 14,036,726 of our outstanding shares;
- On September 17, 2020, the conversion of Reynolds Group Holdings Limited into PTVE, a corporation incorporated in the state of Delaware, with 1,000 shares of common stock issued and outstanding; and
- On September 21, 2020, the consummation of a stock split pursuant to which each share of our outstanding common stock was reclassified into 134,408 shares of common stock, resulting in 134,408,000 shares issued and outstanding.

These transactions have been retrospectively reflected for all years presented.

In the IPO, we sold 41,026,000 shares of common stock at a public offering price of $14.00 per share, with net proceeds of $546 million. On October 20, 2020, we sold 1,723,710 shares of common stock to the underwriters pursuant to their option to purchase additional shares at the public offering price of $14.00 per share, with net proceeds of $23 million.

Unless otherwise indicated, information in these notes to the consolidated financial statements relates to our continuing operations. Certain of our operations have been presented as discontinued. We present businesses that represent components as discontinued operations when the components either meet the criteria as held for sale or are sold or distributed, and their expected or actual disposal represents a strategic shift that has, or will have, a major effect on our operations and financial results. As discussed in Note 3, *Discontinued Operations*, the assets, liabilities, results of operations and supplemental cash flow information of substantially all of our Closures business, sold in December 2019, all of our former Reynolds Consumer Products ("RCP") segment, distributed in February 2020, and all of our former Graham Packaging ("GPC") segment, distributed in September 2020, are presented as discontinued operations for all years presented. Sales from our continuing operations to our discontinued operations previously eliminated in consolidation have been recast as external revenues and are included in net revenues within operating income from continuing operations. Refer to Note 18, *Related Party Transactions* for additional details.

Note 2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the 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 be worse than anticipated in those estimates, which could materially affect our results of operations and balance sheet. Among other effects, such changes could result in future impairments of goodwill, intangibles and long-lived assets, and adjustments to reserves for employee benefits and income taxes.

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

Foreign Operations

Our consolidated financial statements are presented in U.S. dollars, which is our reporting currency. We translate the results of operations of our subsidiaries with functional currencies other than the U.S. dollar using average exchange rates during each period and translate balance sheet accounts using exchange rates at the end of each period. We record currency translation adjustments as a component of equity within accumulated other comprehensive loss and transaction gains and losses in other expense, net in our consolidated statements of (loss) income. Foreign currency translation balances reported within accumulated other comprehensive loss are recognized in the consolidated statements of (loss) income when the operation is disposed of or substantially liquidated.

Variable Interest Entities

Variable interest entities ("VIEs") are primarily entities that lack sufficient equity to finance their activities without additional financial support from other parties or whose equity holders, as a group, lack one or more of the following characteristics: (a) direct or indirect ability to make decisions, (b) obligation to absorb expected losses or (c) right to receive expected residual returns. VIEs must be evaluated quantitatively and qualitatively to determine the primary beneficiary, which is the reporting entity that has (a) the power to direct activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The primary beneficiary is required to consolidate the VIE for financial reporting purposes. To determine a VIE's primary beneficiary, we perform a qualitative assessment to determine which party, if any, has the power to direct activities of the VIE and the obligation to absorb losses and or receive its benefits. This assessment involves identifying the activities that most significantly impact the VIE's economic performance and determine whether we, or another party, has the power to direct those activities.

Until termination of our $450 million securitization facility (the "Securitization Facility") in July 2020, we had a variable interest in one VIE related to our non-recourse factoring arrangements in which receivables were sold from certain of our operations to a special purpose trust ("SPE") in exchange for cash. We were the sole beneficiary of the SPE. The SPE was considered to be a VIE and we were its primary beneficiary as we had the power to direct its activities and the right to receive its benefits. Prior to July 2020, we consolidated the results, assets and liabilities of this SPE for all years presented in these consolidated financial statements. As a result of consolidating the SPE, we continued to recognize the trade receivables and external borrowings of this entity with carrying values of $789 million (including $469 million presented within assets held for sale or distribution) and $420 million, respectively, as of December 31, 2019. The obligations of the SPE were non-recourse to us and only the assets of the SPE could be used to settle those obligations. For more information regarding the Securitization Facility, refer to Note 10, *Debt*.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks and all highly liquid investments with original maturities of three months or less. We maintain our bank accounts with a relatively small number of high quality financial institutions.

Accounts Receivable

Accounts receivable are stated net of allowances for doubtful accounts and primarily include trade receivables. No single customer comprised more than 10% of our consolidated net revenues in 2020, 2019 or 2018. Specific customer provisions are made when a review of outstanding amounts, utilizing information about customer creditworthiness and current economic trends, indicates that collection is doubtful. In addition, provisions are made at differing rates, based upon the age of the receivable and our historical collection experience.

Inventories

Inventories include raw materials, supplies, direct labor and manufacturing overhead associated with production and are stated at the lower of cost or net realizable value, utilizing the first-in, first-out method. In evaluating net realizable value, appropriate consideration is given to obsolescence, excessive inventory levels, product deterioration and other factors.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Machinery and equipment are depreciated over periods ranging from 3 to 20 years and buildings and building improvements over periods ranging from 7 to 44 years. Maintenance and repair costs are charged to expense as incurred. Major overhauls that extend the useful lives of existing assets are capitalized. When assets are retired or disposed, the cost and accumulated depreciation are eliminated and the resulting profit or loss is recognized in cost of sales in our results of operations.

Long-Lived Assets

Finite-lived intangible assets, which primarily consist of customer relationships, are stated at historical cost and amortized using the straight-line method (which reflects the pattern of how the assets' economic benefits are consumed) over the assets' estimated useful lives which range from 9 to 20 years.

We assess potential impairments to our long-lived assets if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In those circumstances, we perform an undiscounted cash flow analysis to determine if an impairment exists. When testing for asset impairment, we group assets and liabilities at the lowest level for which cash flows are separately identifiable. An impaired asset is written down to its estimated fair value based upon the most recent information available. Estimated fair market value is generally measured by discounting estimated future cash flows or using a capitalization of earnings methodology. Long-lived assets which are part of a disposal group are presented as held for sale and are recorded at the lower of the carrying value or the fair market value less the estimated cost to sell.

Goodwill and Indefinite-Lived Intangible Assets

We test goodwill for impairment on an annual basis in the fourth quarter and whenever events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. For certain reporting units, we may perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As part of this assessment, we consider various factors, including the excess of prior year estimates of fair value compared to carrying value, the effect of market or industry changes and the reporting units' actual results compared to projected results. Based on this qualitative analysis, if we determine that it is more likely than not that the fair value of the reporting unit is greater than its carrying value, no further impairment testing is performed. For the remaining reporting units, we perform a Step 1 impairment analysis to compare each reporting unit's fair value to its carrying value. We determine estimated fair value using an income approach based on a discounted cash flow model. Estimating the fair value of individual reporting units requires us to make assumptions and estimates regarding our future plans and industry and economic conditions. If the carrying value of a reporting unit's net assets exceeds its fair value, we would recognize an impairment charge for the amount by which the carrying value exceeds the reporting unit's fair value.

Our indefinite-lived intangible assets consist primarily of certain trade names. We test indefinite-lived intangible assets for impairment on an annual basis in the fourth quarter and whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If potential impairment risk exists for a specific asset, we quantitatively test it for impairment by comparing its estimated fair value with its carrying value. We determine estimated fair value using the relief-from-royalty method, using key assumptions including planned revenue growth rates, market-based discount rates and estimates of royalty rates. If the carrying value of the asset exceeds its fair value, we consider the asset impaired and reduce its carrying value to the estimated fair value.

Revenue Recognition

Our revenues are primarily derived from the sale of packaging products to customers. Revenue is recognized when performance obligations are satisfied, in an amount reflecting the consideration we expect to receive. We consider the promise to transfer products to be our sole performance obligation. If the consideration agreed to in a contract includes a variable amount, we estimate the amount of consideration we expect to receive in exchange for transferring the promised goods to the customer using an expected value method. Our main sources of variable consideration are customer rebates and cash discounts. We base these estimates on anticipated performance and our best judgment at the time to the extent that it is probable that a significant reversal of revenue recognized will not occur. Estimates are monitored and adjusted each period until the incentives are realized. There are no material instances where variable consideration is constrained and not recorded at the initial time of sale.

Generally, our revenue is recognized at the time of shipment, when title and risk of loss pass to the customer. A small number of our contracts are for sales of products which are customer specific and cannot be repurposed. Revenue for these products is recognized over time based on costs incurred plus a reasonable profit. This revenue represents approximately 2% of our net revenues and has a relatively short period of time between the goods being manufactured and shipped to customers. Shipping and handling fees billed to a customer are recorded on a gross basis in net revenues with the corresponding shipping and handling costs included in cost of sales in the concurrent period as the revenue is recorded. Any taxes collected on behalf of government authorities are excluded from net revenues. We do not receive non-cash consideration for the sale of goods nor do we grant payment financing terms greater than one year. We do not incur any significant costs to obtain a contract.

We consider purchase orders, which in some cases are governed by master supply agreements, to be the contracts with a customer. Key sales terms, such as pricing and quantities ordered, are established frequently, so most customer arrangements and related sales incentives have a duration of one year or shorter. We generally do not have any unbilled receivables at the end of a period.

See Note 21, *Segment Information,* for information regarding the disaggregation of revenue by products and geography.

Restructuring Costs

We incur restructuring costs when we take action to exit or significantly curtail a part of our operations or change the deployment of assets or personnel. A restructuring charge can consist of an impairment of affected assets, severance costs associated with reductions to our workforce, costs to terminate an operating lease or contract and charges for legal obligations from which no future benefit will be derived. Such restructuring activities are recorded when management has committed to an exit or reorganization plan and when termination benefits are probable and can be reasonably estimated based on circumstances at the time the restructuring plan is approved by management or when termination benefits are communicated. The accrual of both severance and exit costs requires the use of estimates. Though we believe that our estimates accurately reflect the anticipated costs, actual results may be different from the original estimated amounts.

Leases

We determine if an arrangement is a lease or a service contract at inception. Where an arrangement is a lease we determine if it is an operating lease or a finance lease. Subsequently, if the arrangement is modified, we re-evaluate our classification. We have no significant finance leases.

Beginning January 1, 2019, at lease commencement, we record a lease liability and corresponding right-of-use ("ROU") asset in accordance with ASC 842 *Leases*. Lease liabilities represent the present value of our future lease payments over the expected lease term which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. We have elected to include lease and non-lease components in determining our lease liability for all leased assets. Non-lease components are generally services that the lessor provides for the entity associated with the leased asset. For those leases with payments based on an index, the lease liability is determined using the index at lease commencement. Lease payments based on increases in the index subsequent to lease commencement are recognized as variable lease expense as they occur. The present value of our lease liability is determined using our incremental borrowing rate at lease inception. ROU assets represent our right to control the use of the leased asset during the lease and are generally recognized in an amount equal to the lease liability. Over the lease term we use the effective interest rate method to account for the lease liability as lease payments are made and the ROU asset is amortized to earnings in a manner that results in a straight-line expense recognition in our consolidated statements of (loss) income. A ROU asset and lease liability are not recognized for leases with an initial term of 12 months or less and we recognize lease expense for these leases on a straight-line basis over the lease term. All operating lease cash payments are recorded within cash flows from operating activities in the consolidated statements of cash flows. We test ROU assets for impairment whenever events or changes in circumstance indicate that the asset may be impaired. Our lease agreements do not include significant restrictions, covenants or residual value guarantees.

Prior to January 1, 2019 we classified leases at the inception date, or upon modification, as either an operating lease or a capital lease in accordance with ASC 840 *Leases*. Our lease portfolio consisted primarily of operating leases of which rental payments were expensed on a straight-line basis over their respective lease term.

Employee Benefit Plans

We record annual income and expense amounts relating to our defined benefit pension plans and other post-employment benefit ("OPEB") plans based on calculations which include various actuarial assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. We review our actuarial assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when it is deemed appropriate to do so. The effect of modifications on the value of plan obligations and assets is recognized immediately within other comprehensive (loss) income and amortized into non-operating expense, net over future periods. We believe that the assumptions utilized in recording our obligations under our plans are reasonable based on our experience, market conditions and input from our actuaries and investment advisors. See Note 13, *Employee Benefits,* for additional details.

Stock based compensation

Stock-based compensation awarded to employees and non-employee directors is valued at fair value on the grant date. Expense for performance-based restricted stock units ("RSUs") is recognized when it is probable the performance goal will be achieved. Compensation expense is recognized ratably over the requisite service period.

Share Repurchases

When accounting for a share repurchase and retirement of shares, including in connection with transactions that are deemed to be a reverse stock split, we record the repurchase as a reduction of common stock and additional paid in capital. The reduction in common stock represents the par value of the canceled shares, and the reduction in additional paid in capital is the lower of the excess of the repurchase amount over the par value of the repurchased shares or the pro rata portion of additional paid in capital, based on the number of shares retired as a percentage of total shares outstanding prior to the repurchase. Any residual excess of the repurchase amount over the reduction in additional paid in capital is presented as a reduction to retained earnings.

Earnings per Share

Basic earnings per share is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed based on the weighted average number of shares of common stock and the effect of dilutive potential common shares outstanding during the period, calculated using the treasury stock method. Dilutive potential common shares include outstanding RSUs. Performance-based RSUs are considered dilutive when the related performance criterion has been met.

Financial Instruments

We are exposed to interest rate risk related to variable rate borrowings and price risk related to forecasted purchases of certain commodities that we primarily use as raw materials. From time to time we may enter into derivative financial instruments to mitigate certain risks. We are not a party to leveraged derivatives and, by policy, do not use financial instruments for speculative purposes.

We record derivative financial instruments on a gross basis and at fair value in our consolidated balance sheets in other current assets, other noncurrent assets or accrued and other current liabilities depending on their duration. Cash flows from derivative instruments are classified as operating activities in our consolidated statements of cash flows based on the nature of the derivative instrument. Historically, we have not elected to use hedge accounting. Accordingly, any unrealized gains or losses (mark-to-market impacts) and realized gains or losses are recorded in cost of sales, for commodity derivatives, and interest expense, net, for interest rate derivatives, in our consolidated statements of (loss) income.

Income Taxes

Our income tax expense includes amounts payable or refundable for the current year, the effects of deferred taxes and impacts from uncertain tax positions. We recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of our assets and liabilities, tax loss carryforwards and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those differences are expected to reverse.

The realization of certain deferred tax assets is dependent on generating sufficient taxable income in the appropriate jurisdiction prior to the expiration of the carryforward periods. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. When assessing the need for a valuation allowance, we consider any carryback potential, future reversals of existing taxable temporary differences (including liabilities for unrecognized tax benefits), future taxable income and tax planning strategies.

We recognize tax benefits in our consolidated financial statements from uncertain tax positions only if it is more likely than not that the tax position will be sustained based on the technical merits of the position. The amount we recognize is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon resolution. Future changes related to the expected resolution of uncertain tax positions could affect tax expense in the period when the change occurs.

Fair Value Measurements and Disclosures

Certain assets and liabilities are required to be recorded at fair value on a recurring basis. Certain other assets are measured at fair value on a nonrecurring basis. Fair value is determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Our assets and liabilities measured at fair value on a recurring basis are presented in Note 12, *Financial Instruments*. Assets measured at fair value on a nonrecurring basis include long-lived assets held and used, long-lived assets held for sale or distribution, goodwill and other intangible assets. The fair value of cash and cash equivalents, accounts and other receivables, accounts payable, related party payables and accrued and other current liabilities approximate their carrying values due to the short-term nature of these instruments. The three-tier value hierarchy, which prioritizes valuation methodologies based on the reliability of the inputs, is:

- Level 1: Valuations based on quoted prices for identical assets and liabilities in active markets.
- Level 2: Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

- Level 3: Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants.

Recently Adopted Accounting Guidance

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and subsequent amendments to the initial guidance: ASU 2019-04, Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Financial Instruments - Codification Improvements (Topic 825), ASU 2019-05, Financial Instruments - Credit Losses - Targeted Transition Relief (Topic 326), ASU 2019-11, Codification Improvements, Financial Instruments - Credit Losses (Topic 326) and ASU 2020-03, Codification Improvements to Financial Instruments. These ASUs modify the impairment model to use an expected loss methodology in place of the currently used incurred loss methodology, which may result in earlier recognition of losses related to financial instruments. These ASUs are effective for fiscal years beginning after December 15, 2019, with early adoption permitted, and require a cumulative effect adjustment to the balance sheet upon adoption. We adopted these standards on January 1, 2020 and they had no material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Change to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements by removing, modifying and adding certain disclosures. This ASU is effective for annual reporting years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. We adopted this guidance on January 1, 2020 and it had no material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs for internal-use software. This ASU is effective for annual reporting years beginning after December 15, 2019, with early adoption permitted. We adopted this standard on January 1, 2020 and it had no material impact on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which is intended to simplify various aspects related to accounting for income taxes. This ASU removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. We early adopted this guidance on January 1, 2020. Certain components of this guidance were adopted on a prospective basis. The remaining components were adopted on a modified retrospective basis and had no material impact on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The ASU revises existing U.S. GAAP and outlines a new model for lessors and lessees to use in accounting for lease contracts. The guidance requires lessees to recognize an ROU asset and a lease liability on the balance sheet for all leases, with the exception of short-term leases. Lessees will classify leases as either operating (resulting in straight-line expense recognition) or finance (resulting in a front-loaded expense pattern). In July 2018, the FASB issued an ASU which allows for an alternative transition approach, which would not require adjustments to comparative prior-year amounts. Topic 842 and all related ASUs are effective for fiscal years beginning after December 15, 2018, with early adoption permitted. We adopted the new standard on January 1, 2019 on a modified retrospective basis using a simplified transition approach, with no adjustment made to our prior year consolidated financial statements. We elected to apply the package of practical expedients, including not reassessing whether expired or existing contracts contained leases, the classification of those leases and initial direct costs for any existing leases. We also elected to exclude short-term leases (term of 12 months or less) from the balance sheet presentation. The most significant impact from adopting the standard is the initial recognition of ROU assets and operating lease liabilities on our consolidated balance sheet. Upon adoption, we recorded ROU assets (adjusted for prepaid and deferred rent) and operating lease liabilities of $322 million and $331 million, respectively, representing the present value of future lease payments with terms greater than 12 months.

In February 2018, the FASB issued ASU 2018-02, Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. This guidance permits companies to reclassify to retained earnings the tax effects stranded in accumulated other comprehensive loss as a result of the U.S. Tax Cuts and Jobs Act of 2017. The ASU is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. We adopted the standard on January 1, 2019 which resulted in a reclassification of $41 million of income tax benefit from accumulated other comprehensive loss into retained earnings.

Accounting Guidance Issued but Not Yet Adopted as of December 31, 2020

In August 2018, the FASB issued ASU 2018-14, Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20) Disclosure - Framework - Changes to the Disclosure Requirements for Defined Benefit Plans. The ASU requires sponsors of defined benefit pension or other postretirement plans to provide additional disclosures, including a narrative description of reasons for any significant gains or losses impacting the benefit obligation for the period. It also eliminates certain previous disclosure requirements. This ASU is effective for fiscal years beginning after December 15, 2020, with early adoption permitted, and must be applied on a retrospective basis to all years presented. The requirements of this guidance are expected to impact our disclosures but have no impact on the measurement and recognition of amounts in our consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform - Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848). This ASU provides temporary optional expedients and exceptions to the guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. This ASU is effective upon issuance and generally can be applied through the end of calendar year 2022. We are currently evaluating the impact and whether we plan to adopt the optional expedients and exceptions provided under this new standard.

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

Note 3. Discontinued Operations

Our discontinued operations comprise substantially all of our Closures business, all of our former RCP business and all of our former GPC business.

On September 30, 2019, we determined that our North American and Japanese closures businesses met the criteria to be classified as a discontinued operation and, as a result, their historical financial results have been reflected in our consolidated financial statements as a discontinued operation. We ceased recording depreciation and amortization on these assets from September 30, 2019. We did not allocate any general corporate overhead to this discontinued operation. On December 20, 2019, we completed the sale of our North American and Japanese closures businesses to a third party. These operations represented substantially all of our Closures business. We received preliminary cash proceeds of $611 million. In June 2020, the post-closing adjustments were finalized and we received additional cash sale proceeds of $8 million.

On February 4, 2020, we distributed our interest in the operations that represented our former RCP business to our shareholder, PFL. The distribution was effected in a tax-free manner. The distribution occurred prior to and in preparation for the IPO of shares of common stock of RCPI ("RCPI IPO"), which was completed on February 4, 2020. To effect the distribution of RCP, we bought back 35,791,985 of our shares from PFL, in consideration of us transferring all of our shares in RCPI to PFL. Upon the distribution of RCPI to PFL, we determined that our former RCP business met the criteria to be classified as a discontinued operation and, as a result, its historical financial results have been reflected in our consolidated financial statements as a discontinued operation and its assets and liabilities have been classified as assets and liabilities held for sale or distribution as of December 31, 2019. We did not allocate any general corporate overhead to this discontinued operation.

Immediately prior to its distribution and the RCPI IPO, RCP incurred $2,475 million of term loan borrowings under its new post IPO credit facilities and $1,168 million of borrowings under an IPO settlement facility, which was subsequently repaid with the net proceeds from the RCPI IPO on February 4, 2020. We have not provided any guarantees or security in relation to RCP's external borrowings. The cash proceeds of the external borrowings, net of transaction costs and original issue discount, along with cash on-hand, were used to settle various intercompany balances between RCP and us.

In August 2020, GPCI entered into new external borrowings under which only GPC entities are borrowers, and incurred $1,985 million of external borrowings. We have not provided any guarantees or security in relation to GPC’s new external borrowings. The cash proceeds of the external borrowings, net of transaction costs and original issue discount, were used to settle various intercompany balances between GPC and us, and the remaining cash balance was distributed to us.

On September 16, 2020, we distributed our interest in the operations that represented our former GPC business to our shareholder, PFL. The distribution was effected in a tax-free manner. The distribution occurred prior to and in preparation for our IPO, which was completed on September 21, 2020. To effect the distribution of GPC, we bought back 14,036,726 of our shares from PFL, in consideration of us transferring all of our shares in GPCI to PFL. Upon the distribution of GPCI to PFL, we determined that our former GPC business met the criteria to be classified as a discontinued operation and, as a result, its historical financial results have been reflected in our consolidated financial statements as a discontinued operation and its assets and liabilities have been classified as assets and liabilities held for sale or distribution as of December 31, 2019. We did not allocate any general corporate overhead to this discontinued operation.

The following is a summary of the RCP assets and liabilities distributed on February 4, 2020 and a summary of the GPC assets and liabilities distributed on September 16, 2020:

	RCP As of February 4, 2020	GPC As of September 16, 2020
	(in millions)	
Assets		
Cash, cash equivalents and restricted cash	$ 31	$ 79
Current assets	699	448
Noncurrent assets	3,630	3,461
	$ 4,360	**$ 3,988**
Liabilities		
Current liabilities	$ 1,467	$ 297
Noncurrent liabilities	2,863	2,523
	$ 4,330	**$ 2,820**
Net assets distributed	**$ 30**	**$ 1,168**

Income from discontinued operations, which includes the results of GPC through September 16, 2020, the results of RCP through February 4, 2020 and the results of Closures through December 2019 were as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Net revenues	$ 1,510	$ 5,074	$ 5,354
Cost of sales	(1,234)	(3,799)	(4,113)
Gross profit	276	1,275	1,241
Selling, general and administrative expenses	(179)	(563)	(502)
Goodwill impairment charges	—	(9)	(138)
Restructuring, asset impairment and other related charges	(13)	(83)	(39)
Interest expense, net(1)	(54)	(188)	(179)
Other expense, net	(3)	(9)	(33)
Income before income taxes from discontinued operations	27	423	350
Income tax expense	(56)	(63)	(133)
Net (loss) income from discontinued operations, before gain or loss on disposal	(29)	360	217
Gain (loss) on disposal, net of income taxes	14	(30)	—
Net (loss) income from discontinued operations	$ (15)	$ 330	$ 217

(1) Includes interest expense and amortization of deferred transaction costs related to debt repaid in conjunction with the distribution of RCP, as well as interest and transaction costs related to debt incurred by GPCI in August 2020; also includes a $5 million loss on extinguishment of debt from the repayment of corporate debt on February 4, 2020.

The (loss) income from discontinued operations includes depreciation and amortization expenses of $178 million, $370 million and $382 million for the years ended December 31, 2020, 2019 and 2018, respectively.

The (loss) income from discontinued operations for the years ended December 31, 2020, 2019 and 2018 includes asset impairment charges of $2 million, $32 million and $29 million, respectively, and restructuring and other related charges of $11 million, $17 million and $6 million, respectively, arising from the ongoing rationalization of GPC's manufacturing footprint, which are included in restructuring, asset impairment and other related charges in the above table.

The income from discontinued operations for the year ended December 31, 2019 includes a goodwill impairment charge of $9 million arising from the assessment of the recoverable amount of goodwill for our closures reporting unit as well as an asset impairment charge of $31 million relating to the write-down of the closures disposal group to its estimated recoverable amount, which is included in restructuring, asset impairment and other related charges in the above table.

We have no significant continuing involvement in relation to the sold North American and Japanese closures businesses or GPC.

Subsequent to February 4, 2020, we continue to trade with RCP in the ordinary course of business. These transactions arise under agreements that expire on December 31, 2024, but may be renewed between the parties at this time. Refer to Note 18, *Related Party Transactions*.

Assets and liabilities held for sale or distribution in relation to our discontinued operations were as follows:

	As of December 31, 2019
	(in millions)
Cash and cash equivalents	$ 136
Accounts receivable, net	489
Inventories	559
Other current assets	48
Total current assets held for sale or distribution	**$ 1,232**
Property, plant and equipment, net	$ 1,309
Operating lease right-of-use assets, net	150
Goodwill	3,173
Intangible assets, net	2,470
Other noncurrent assets	41
Total noncurrent assets held for sale or distribution	**$ 7,143**
Accounts payable	$ 243
Accrued and other current liabilities	242
Total current liabilities held for sale or distribution	**$ 485**
Long-term operating lease liabilities	$ 126
Deferred income taxes	731
Long-term employee benefit obligations	57
Other noncurrent liabilities	78
Total noncurrent liabilities held for sale or distribution	**$ 992**

Cash flows from discontinued operations were as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Net cash provided by operating activities	$ 175	$ 738	$ 735
Net cash used in investing activities	(122)	(308)	(209)
Net cash provided by (used in) financing activities	2,441	—	(1)
Net cash flow from discontinued operations	**$ 2,494**	**$ 430**	**$ 525**

Note 4. Assets and Liabilities Held for Sale

During the third quarter of 2020, we committed to a plan to sell the remaining South American closures businesses included in the Other operating segment. During December 2020, we entered into an agreement to sell the businesses which is expected to close during the first quarter 2021, subject to customary closing conditions. As a result, we classified the assets and liabilities of these businesses as held for sale and recognized a pre-tax charge to earnings of $12 million within restructuring, asset impairment and other related charges for the year ended December 31, 2020. See Note 5, *Impairment, Restructuring and Other Related Charges,* for additional details.

The operations of the South American closures businesses did not meet the criteria to be presented as discontinued operations and are expected to be sold within the next twelve months.

The carrying amounts of the major classes of the South American closures businesses' assets and liabilities as of December 31, 2020 included the following:

	As of December 31, 2020
	(in millions)
Cash and cash equivalents	$ 10
Accounts receivable, net	14
Inventories	4
Other current assets	1
Property, plant and equipment, net	8
Intangible assets, net	1
Held for sale valuation allowance	(12)
Total current assets held for sale or distribution	**$ 26**
Accounts payable	$ 8
Accrued and other current liabilities	2
Other noncurrent liabilities	2
Total current liabilities held for sale or distribution	**$ 12**

The South American closures businesses' income from operations before income taxes for the years ended December 31, 2020, 2019 and 2018 were insignificant.

Note 5. Impairment, Restructuring and Other Related Charges

During the year ended December 31, 2020, we recorded the following impairment, restructuring and other related charges:

	Goodwill impairment	Other asset impairment	Employee terminations	Other restructuring charges	Total
			(in millions)		
Foodservice	$ —	$ 1	$ 1	$ 1	$ 3
Food Merchandising	—	1	—	—	1
Beverage Merchandising	—	—	1	—	1
Other	6	14	9	—	29
Total	**$ 6**	**$ 16**	**$ 11**	**$ 1**	**$ 34**

For the year ended December 31, 2020, we recorded non-cash impairment charges of $22 million, primarily comprised of $6 million related to goodwill and a $16 million impairment charge, both in relation to our closures businesses, which are reported within Other. Following these impairments, goodwill was fully impaired and the carrying value of the South American remaining closures businesses were reduced to fair value, as presented in Note 4, *Assets and Liabilities Held for Sale*. The impairments arose primarily as a result of the strategic decision to sell the South American closure businesses in addition to the negative impact from current market conditions and outlook for the operations of the remaining closures businesses. The estimated recoverable amounts, or fair value, were determined based on a capitalization of earnings methodology, using Adjusted EBITDA expected to be generated multiplied by an earnings multiple. The key assumptions in developing Adjusted EBITDA include management's assessment of future trends in the industry and are based on both external and internal sources. The forecasted 2021 Adjusted EBITDA for the remaining closures operations was prepared using certain key assumptions including selling prices, sales volumes and costs of raw materials. Earnings multiples reflect recent sale and purchase transactions and comparable company trading multiples in the same industry. These estimates represent a Level 3 measurement in the fair value hierarchy, which includes inputs that are not based on observable market data. For the year ended December 31, 2020, we recorded $11 million in employee termination costs. These charges primarily represent employee termination related to corporate restructuring actions taken after our IPO.

During the year ended December 31, 2019, we recorded the following impairment, restructuring and other related charges:

	Goodwill impairment	Other asset impairment	Employee terminations	Total
		(in millions)		
Foodservice	$ —	$ 1	$ 1	$ 2
Food Merchandising	—	4	—	4
Other	16	37	3	56
Total	**$ 16**	**$ 42**	**$ 4**	**$ 62**

For the year ended December 31, 2019, we recorded non-cash impairment charges of $58 million. Our Foodservice and Food Merchandising segments recorded non-cash impairment charges in the aggregate of $5 million relating to obsolete property, plant and equipment. The aggregate of the remaining carrying values of the assets impaired in Foodservice and Food Merchandising was $1 million. The remaining closures businesses, which are reported in Other, recorded non-cash impairment charges of $53 million, comprising $29 million in respect of property, plant and equipment, $16 million in respect of goodwill, $5 million in respect of operating lease ROU assets and $3 million in respect of customer relationships. Following these impairments, the remaining carrying values of property, plant and equipment, goodwill, operating lease ROU assets and customer relationships were $17 million, $6 million, $3 million and $4 million, respectively. The impairments arose as a result of various commercial dis-synergies triggered by the separation of these remaining businesses from the closures operations that were sold, as discussed in Note 3, *Discontinued Operations*. The estimated recoverable amounts, or fair value, were determined based on a capitalization of earnings methodology, using Adjusted EBITDA expected to be generated multiplied by an earnings multiple. The key assumptions in developing Adjusted EBITDA include management's assessment of future trends in the industry and are based on both external and internal sources. The forecasted 2019 Adjusted EBITDA for the remaining closures operations was prepared using certain key assumptions including selling prices, sales volumes and costs of raw materials. Earnings multiples reflect recent sale and purchase transactions and comparable company trading multiples in the same industry. These estimates represent a Level 3 measurement in the fair value hierarchy, which includes inputs that are not based on observable market data. For certain of the remaining closures operations, there is no difference between the carrying value and the recoverable amount. Accordingly, a reasonably possible unexpected deterioration in financial performance or adverse change in the earnings multiple may result in a further impairment of goodwill.

We also recorded restructuring charges of $4 million for employee termination costs. These charges primarily related to additional termination costs for residual operations in South America and are reported in Other.

During the year ended December 31, 2018, we recorded the following impairment, restructuring and other related charges:

	Other asset impairment	Employee terminations	Other restructuring charges	Total
		(in millions)		
Foodservice	$ 6	$ —	$ —	$ 6
Food Merchandising	1	—	1	2
Other	4	5	1	10
Total	**$ 11**	**$ 5**	**$ 2**	**$ 18**

For the year ended December 31, 2018, we recorded non-cash impairment charges of $11 million. Our Foodservice and Food Merchandising segments recorded non-cash impairment charges in the aggregate of $7 million relating to obsolete property, plant and equipment. The non-cash impairment charge of $4 million in Other was primarily associated with the disposal of an operation in Argentina. The aggregate of the remaining carrying value of the assets impaired at Foodservice, Food Merchandising and the disposal group was less than $1 million.

For the year ended December 31, 2018, we recorded restructuring charges of $5 million for employee termination costs. These charges primarily represent additional employee termination costs for residual operations in South America.

The following tables summarize the changes to our restructuring liability for the years ended December 31, 2020 and 2019:

	December 31, 2019	Charges to earnings	Cash paid	December 31, 2020
		(in millions)		
Employee termination costs	$ 1	$ 11	$ (5)	$ 7
Total	**$ 1**	**$ 11**	**$ (5)**	**$ 7**

	December 31, 2018	Charges to earnings	Cash paid	December 31, 2019
		(in millions)		
Employee termination costs	$ 2	$ 4	$ (5)	$ 1
Total	**$ 2**	**$ 4**	**$ (5)**	**$ 1**

We expect to settle our restructuring liability within twelve months.

Note 6. Inventories

The components of inventories consisted of the following:

	As of December 31,	
	2020	2019
	(in millions)	
Raw materials	$ 180	$ 168
Work in progress	108	106
Finished goods	410	397
Spare parts	86	82
Inventories	**$ 784**	**$ 753**

Note 7. Property, Plant and Equipment, Net

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

	As of December 31,	
	2020	2019
	(in millions)	
Land and land improvements	$ 87	$ 92
Buildings and building improvements	532	551
Machinery and equipment	3,148	2,973
Construction in progress	191	204
Property, plant and equipment, at cost	3,958	3,820
Less: accumulated depreciation	(2,273)	(2,117)
Property, plant and equipment, net	**$ 1,685**	**$ 1,703**

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

	For the Year Ended December 31,		
	2020	2019	2018
	(in millions)		
Cost of sales	$ 213	$ 201	$ 197
Selling, general and administrative expenses	22	16	17
Total depreciation expense	**$ 235**	**$ 217**	**$ 214**

In October 2020, the Company completed a sale-leaseback transaction related to our corporate office building resulting in a $3 million gain on sale of assets which was recorded within Other expense, net for the year ended December 31, 2020.

Note 8. Goodwill and Intangible Assets

Goodwill by reportable segment was as follows:

	Foodservice	Food Merchandising	Beverage Merchandising	Other	Total
			(in millions)		
Balance as of December 31, 2018	**$ 924**	**$ 770**	**$ 66**	**$ 24**	**$ 1,784**
Dispositions	—	—	—	(2)	(2)
Impairment	—	—	—	(16)	(16)
Balance as of December 31, 2019	**$ 924**	**$ 770**	**$ 66**	**$ 6**	**$ 1,766**
Accumulated impairment losses	**$ —**	**$ —**	**$ —**	**$ 16**	**$ 16**
Dispositions	—	—	—	—	—
Impairment	—	—	—	(6)	(6)
Balance as of December 31, 2020	**$ 924**	**$ 770**	**$ 66**	**$ —**	**$ 1,760**
Accumulated impairment losses	**$ —**	**$ —**	**$ —**	**$ 22**	**$ 22**

Other includes operations which do not meet the quantitative threshold for reportable segments.

In analyzing the results of operations and business conditions of our reporting units as of December 31, 2020, we elected to perform qualitative impairment analyses for the Food Merchandising and Beverage Merchandising reporting units. For the Foodservice reporting

unit we performed a Step 1 quantitative analysis. The estimated fair value was calculated using an income approach based on a discounted cash flow model, using key assumptions of a long-term revenue growth rate and a discount rate. The estimated fair value exceeded the carrying value of the Foodservice reporting unit by a significant margin as of December 31, 2020.

See Note 5, *Impairment, Restructuring and Other Related Charges,* for further discussion regarding impairments.

Intangible assets, net consisted of the following:

	As of December 31, 2020			As of December 31, 2019		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
	(in millions)					
Finite-lived intangible assets						
Customer relationships	$ 1,019	$ (540)	$ 479	$ 1,026	$ (494)	$ 532
Other	20	(20)	—	21	(18)	3
Total finite-lived intangible assets	**$ 1,039**	**$ (560)**	**$ 479**	**$ 1,047**	**$ (512)**	**$ 535**
Indefinite-lived intangible assets						
Trademarks	$ 554	$ —	$ 554	$ 554	$ —	$ 554
Other	59	—	59	58	—	58
Total indefinite-lived intangible assets	**$ 613**	**$ —**	**$ 613**	**$ 612**	**$ —**	**$ 612**
Total intangible assets	**$ 1,652**	**$ (560)**	**$ 1,092**	**$ 1,659**	**$ (512)**	**$ 1,147**

Amortization expense for intangible assets was $54 million, $56 million and $57 million for the years ended December 31, 2020, 2019 and 2018, respectively, and was recognized in selling, general and administrative expenses.

For the next five years, we estimate annual amortization expense as follows:

	(in millions)
2021	$ 52
2022	52
2023	52
2024	51
2025	51
Total	**$ 258**

Note 9. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

	As of December 31,	
	2020	2019
	(in millions)	
Accrued personnel costs	$ 117	$ 108
Accrued rebates and credits	68	67
Accrued interest	16	115
Other[1]	121	128
Accrued and other current liabilities	**$ 322**	**$ 418**

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

Note 10. Debt

Debt consisted of the following:

	As of December 31,	
	2020	2019
	(in millions)	
Securitization Facility	$ —	$ 420
Credit Agreement	2,457	3,487
Notes:		
5.750% Senior Secured Notes due 2020	—	3,137
Floating Rate Senior Secured Notes due 2021	—	750
5.125% Senior Secured Notes due 2023	59	1,600
7.000% Senior Notes due 2024	—	800
4.000% Senior Secured Notes due 2027	1,000	—
Pactiv Debentures:		
7.950% Debentures due 2025	276	276
8.375% Debentures due 2027	200	200
Other	12	15
Total principal amount of borrowings	**4,004**	**10,685**
Deferred financing transaction costs ("DIC")	(14)	(46)
Original issue discounts, net of premiums ("OID")	(10)	(9)
	3,980	**10,630**
Less: current portion	(15)	(3,587)
Long-term debt	**$ 3,965**	**$ 7,043**

We were in compliance with all debt covenants during the years ended December 31, 2020 and 2019.

Securitization Facility

Prior to July 2020, we had a $450 million securitization facility (the “Securitization Facility”) that was scheduled to mature on March 22, 2022. Prior to its distribution, RCP ceased to participate in our Securitization Facility, and consequently in January 2020, the size of this facility was reduced from $600 million to $450 million and the outstanding borrowings were reduced to $397 million. In February 2020, we made an additional repayment of $17 million reducing the outstanding borrowings to $380 million. On July 31, 2020, we repaid the outstanding amount of $380 million and terminated the facility. The Securitization Facility was secured by all of the assets of the borrower, which were primarily the eligible trade receivables and cash. The terms of the arrangement did not result in the derecognition of the trade receivables. The Securitization Facility had an interest rate equal to one-month LIBOR with a 0.0% floor, plus a margin of 1.75 % per annum.

Credit Agreement

Certain subsidiaries of the Company 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:

	Currency	Maturity date	Value drawn or utilized as of December 31, 2020 (in millions)	Applicable interest rate as of December 31, 2020
Term Tranches				
U.S. term loans Tranche B-1	$	February 5, 2023	1,207	LIBOR (floor of 0.000%) + 2.750%
U.S. term loans Tranche B-2	$	February 5, 2026	1,250	LIBOR (floor of 0.000%) + 3.250%
Revolving Tranche[1]				
U.S. Revolving Loans	$	August 5, 2024	43	—

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

On October 1, 2020, we incurred $1,250 million of term loans (Tranche B-2) maturing on February 5, 2026 and entered into a $250 million senior secured revolving credit facility maturing on August 5, 2024. The term loans have an interest rate equal to one-month LIBOR with a 0.0% floor, plus a margin of 3.25% per annum.

On October 1, 2020, we repaid $1,280 million of existing term loans (Tranche B-1) maturing in February 2023.

On August 4, 2020, we repaid in full €236 million ($279 million) of borrowings under the previous European term loans and all obligations under this tranche terminated. The early repayment of these borrowings resulted in a loss on extinguishment of debt of less than $1 million in respect of the write-off of unamortized deferred financing transaction costs, which was recognized in interest expense, net in the consolidated statements of (loss) income.

On August 4, 2020, we repaid $700 million of borrowings under the U.S. term loans. The early repayment of this credit agreement resulted in an immaterial loss on extinguishment with respect to the write-off of unamortized deferred financing transaction costs.

In January 2020, we repaid $18 million of borrowings under the Credit Agreement with the net proceeds from the sale of our North American and Japanese closures businesses.

The weighted average contractual interest rates related to our U.S. term loans Tranche B-1 for the years ended December 31, 2020, 2019 and 2018, were 3.62%, 5.03% and 4.74%, respectively. The weighted average contractual interest rates related to our U.S. term loans Tranche B-2 as of December 31, 2020 were 3.40%, respectively. The effective interest rates of our debt obligations under the Credit Agreement are not materially different from the contractual interest rates.

Certain of our U.S. subsidiaries have guaranteed on a senior basis the obligations under the Credit Agreement and related documents to the extent permitted by law. 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 note holders under the senior secured notes.

Indebtedness under the Credit Agreement may be voluntarily repaid in whole or in part and must be mandatorily repaid in certain circumstances. Following the August 4, 2020 $700 million repayment on term loan Tranche B-1, we are no longer required to make quarterly amortization payments in respect of the term loans Tranche B-1. We are required to make quarterly amortization payments of 0.25% of the principal amount of term loans Tranche B-2 outstanding on October 1, 2020. 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 2020 or are due in 2021 for the year ended December 31, 2020.

Notes

Outstanding Notes, as of December 31, 2020, are summarized below:

	Maturity date	Interest payment dates
5.125% Senior Secured Notes due 2023[1]	July 15, 2023	January 15 and July 15
4.000% Senior Secured Notes due 2027	October 15, 2027	April 15 and October 15, commencing April 15, 2021

[1] $250 million aggregate principal amount of 5.125% Senior Secured Notes due 2023 were issued at an issue price of 103.500%.

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

On October 8, 2020 and October 18, 2020, we repaid $1,225 million and $245 million, respectively, of our 5.125% Notes, and on November 22, 2020, we repaid an additional $70 million of the 5.125% Notes at a price of 101.281%. Subsequent to December 31, 2020, on February 16, 2021, we repaid the remaining $59 million of the 5.125% Notes at a price of 101.281%.

On October 8, 2020, we repaid $650 million aggregate principal amount of the 7.000% Senior Notes due 2024 (“7.000% Notes”) at a price of 101.750%. The early repayment of these notes resulted in a loss on extinguishment of debt of $18 million in respect of the write-off of unamortized deferred financing transaction costs and the premium on redemption, which was recognized in interest expense, net in the consolidated statement of (loss) income.

On October 1, 2020 we issued $1,000 million aggregate principal amount of 4.000% Senior Secured Notes maturing on October 15, 2027 (“4.000% Notes”). The notes are guaranteed and secured on a senior basis by the same subsidiaries that guarantee and secure the obligations under our Credit Agreement and our 5.125% Notes. The proceeds from the notes were used to repay indebtedness and pay related transaction costs.

On August 29, 2020, we repaid $150 million aggregate principal amount of the 7.000% Notes at a price of 101.750%. The early repayment of these notes resulted in a loss on extinguishment of debt of $4 million in respect of the write-off of unamortized deferred financing transaction costs and the premium on redemption, which was recognized in interest expense, net in the consolidated statements of (loss) income.

On August 4, 2020, we repaid $749 million aggregate principal amount outstanding under the Floating Rate Senior Secured Notes due 2021 at face value. The early repayment of these notes resulted in a loss on extinguishment of debt of $4 million in respect of the write-off of unamortized deferred financing transaction costs and original issue discount, which was recognized in interest expense, net in the consolidated statements of (loss) income. On August 7, 2020, we terminated and settled the outstanding interest rate swap related to the Floating Rate Senior Secured Notes due 2021, resulting in the payment of $7 million to settle the liability.

On February 4, 2020, we repaid in full the $3.1 billion aggregate principal amount outstanding of our 5.750% Senior Secured Notes due 2020 at face value. The repayment of these borrowings resulted in a $5 million loss on extinguishment of debt. Refer to Note 3, *Discontinued Operations,* for additional details.

In January 2020, we repaid (i) $18 million aggregate principal amount of 5.750% Senior Secured Notes due 2020; (ii) $1 million aggregate principal amount of Floating Rate Senior Secured Notes due 2021; and (iii) $1 million aggregate principal amount of 5.125% Notes, at face value, with the net proceeds from the sale of our North American and Japanese closures businesses.

On November 15, 2019, we repaid the remaining $345 million aggregate principal amount of the outstanding 6.875% Senior Secured Notes due 2021 at face value. The repayment of these borrowings resulted in a $1 million loss on extinguishment of debt, which was recognized in interest expense, net, in the consolidated statement of loss (income).

Assets pledged as security for borrowings

We, and certain of our U.S. subsidiaries, have pledged substantially all of our assets as collateral to support the obligations under the Credit Agreement and the senior secured notes.

Guarantee and security arrangements

All of the guarantors of the Credit Agreement have guaranteed the obligations under the Notes to the extent permitted by law.

The guarantors have granted security over substantially all of their assets to support the obligations under the senior secured notes. This security is expected to be shared on a first priority basis with the creditors under the Credit Agreement.

On February 4, 2020 and August 4, 2020, the relevant legal entities within RCP and GPC, respectively, were released as borrowers under the Credit Agreement, unconditionally released as guarantors of the Credit Agreement, and released as guarantors of the notes. In connection with such releases, the security granted by such entities was also released.

Notes indentures restrictions

The respective indentures governing the Notes all contain customary covenants which restrict us from certain activities including, among other things, incurring debt, creating liens over assets, selling assets and making restricted payments, in each case except as permitted under the respective indentures governing the Notes.

Early redemption option and change in control provisions

Under the respective indentures governing the Notes, we can, at our option, elect to redeem the Notes under terms and conditions specified in the respective 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 December 31, 2020, we had outstanding the following debentures (together, the “Pactiv Debentures”):

	Maturity date	Semi-annual 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.

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 include finance lease obligations of $12 million and $15 million as of December 31, 2020 and 2019, respectively.

Scheduled Maturities

Below is a schedule of required future repayments on our debt outstanding as of December 31, 2020:

	(in millions)
2021	$ 15
2022	15
2023	1,279
2024	13
2025	290
Thereafter	2,392
Total principal amount of borrowings	**$ 4,004**

Fair value of our long-term debt:

The fair value of our long-term debt as of December 31, 2020 and 2019 is a Level 2 fair value measurement. Below is a schedule of carrying values and fair values of our debt outstanding:

	As of December 31,			
	2020		2019	
	Carrying value	Fair value	Carrying value	Fair value
	(in millions)			
Securitization Facility	$ —	$ —	$ 418	$ 420
Credit Agreement	2,447	2,443	3,476	3,487
Notes:				
5.750% Senior Secured Notes due 2020	—	—	3,130	3,144
Floating Rate Senior Secured Notes due 2021	—	—	739	753
5.125% Senior Secured Notes due 2023	59	60	1,591	1,641
7.000% Senior Notes due 2024	—	—	791	828
4.000% Senior Secured Notes due 2027	991	1,024	—	—
Pactiv Debentures:				
7.950% Debentures due 2025	273	318	272	311
8.375% Debentures due 2027	198	235	198	220
Other	12	12	15	15
Total	**$ 3,980**	**$ 4,092**	**$ 10,630**	**$ 10,819**

Interest expense, net:

Interest expense, net consisted of the following:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Interest expense:			
Securitization Facility	$ 6	$ 17	$ 16
Credit Agreement	107	174	166
Notes	138	194	199
Pactiv Debentures	39	39	39
Interest income, related party[1]	(9)	(15)	(17)
Interest income, other	(6)	(14)	(5)
Amortization:			
Deferred financing transaction costs	12	12	12
Original issue discounts	3	1	1
Derivative losses (gains)	15	21	(2)
Net foreign currency exchange (gains)	(2)	(4)	(7)
Loss on extinguishment of debt:			
Write-off of unamortized DIC and OID	29	1	2
Redemption premiums	34	—	3
Other	5	7	7
Interest expense, net[2]	**$ 371**	**$ 433**	**$ 414**

[1] Refer to Note 18, *Related Party Transactions,* for additional details.

[2] Amounts presented in the above table exclude interest expense and amortization of deferred financing transaction costs in respect of our 5.750% Senior Secured Notes due 2020. Such amounts are presented within discontinued operations as these notes were required to be repaid in conjunction with the distribution of RCPI.

Note 11. Leases

We lease certain buildings and plant and equipment. Our leases have reasonably assured remaining lease terms of up to 22 years. Certain leases include options to renew for up to 20 years. At lease inception, we determine the lease term by assuming the exercise of those renewal options that are reasonably certain. Some leases have variable payments, however, because they are not based on an index or rate, they are not included in the measurement of ROU assets and operating lease liabilities. Variable payments for real estate leases relate primarily to common area maintenance, insurance, taxes and utilities associated with the properties. Variable payments for equipment leases relate primarily to hours, miles, or other quantifiable usage factors, which are not determinable at the time the lease agreement is entered into. These variable payments are expensed as incurred. The discount rate applied to our leases in determining the present value of lease payments is our incremental borrowing rate based on the information available at the commencement date. Leases with an initial term of 12 months or less are not recorded in our consolidated balance sheets and we recognize lease expense for these leases on a straight-line basis over the lease term. As of December 31, 2020, there were no material lease transactions that we have entered into but had not yet commenced.

Lease costs consisted of the following:

	For the Year Ended December 31,	
	2020	2019
	(in millions)	
Operating lease costs	$ 72	$ 54
Variable lease costs	3	4
Short-term lease costs	13	18
Total lease costs	**$ 88**	**$ 76**

Future lease payments under non-cancellable leases for the next five years are as follows:

	As of December 31, 2020
	(in millions)
2021	$ 73
2022	63
2023	54
2024	40
2025 and thereafter	96
Total undiscounted lease payments	**326**
Less: amounts representing interest	(52)
Present value of lease obligations	**$ 274**
Weighted average remaining lease term	5.9 years
Weighted average discount rate	6.08%

During the year ended December 31, 2020 and December 31, 2019, new leases resulted in the recognition of ROU assets and corresponding lease liabilities of $126 million and $64 million respectively. Cash flows from operating activities include $67 million and $58 million of payments for operating lease liabilities for the years ended December 31, 2020 and 2019, respectively.

In October 2020, the Company completed a sale-leaseback transaction related to our corporate office building resulting in a $3 million gain on a sale of assets which was recorded within Other expense, net for the year ended December 31, 2020.

Note 12. Financial Instruments

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

	As of December 31,			
	2020		2019	
	Asset derivatives	Liability derivatives	Asset derivatives	Liability derivatives
	(in millions)			
Interest rate swap derivatives	$ —	$ —	$ 7	$ —
Commodity swap contracts	9	(2)	1	(5)
Total fair value	**$ 9**	**$ (2)**	**$ 8**	**$ (5)**
Recorded in:				
Other current assets	$ 9	$ —	$ 6	$ —
Other noncurrent assets	—	—	2	—
Accrued and other current liabilities	—	(2)	—	(5)
Total fair value	**$ 9**	**$ (2)**	**$ 8**	**$ (5)**

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

During the years ended December 31, 2020, 2019 and 2018, we recognized unrealized gains of $10 million, and $4 million, and an unrealized loss of $8 million, respectively, in cost of sales.

The following table provides the detail of outstanding commodity derivative contracts as of December 31, 2020:

Type	Unit of measure	Contracted volume	Contracted price range	Contracted date of maturity
Natural gas swaps	million BTU	1,912,448	$2.47 - $2.94	Feb 2021 - Dec 2021
Ethylene swaps	pound	1,133,611	$0.26	Jan 2021 - Apr 2021
Polymer-grade propylene swaps	pound	72,239,978	$0.38 - $0.52	Jan 2021 - Aug 2021
Benzene swaps	U.S. liquid gallon	6,089,192	$1.46 - $2.30	Feb 2021 - Sep 2021
Diesel swaps	U.S. liquid gallon	446,890	$2.41 - $2.91	Jan 2021 - Dec 2021
Low-density polyethylene swaps	pound	12,000,000	$0.71	Jan 2021 - Dec 2021

Note 13. Employee Benefits

Our employee benefits comprise defined benefit pension plans, OPEB plans, defined contribution plans and multi-employer plans.

Defined Benefit Pension and OPEB Plans

We make contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The majority of our net pension plan liabilities are in the United States and subject to governmental regulations relating to the funding of retirement plans.

Our largest pension plan is the Pactiv Evergreen Pension Plan ("PEPP"), which was assumed in a 2010 acquisition. This plan covers certain of our employees. It also covers former employees and employees of employers formerly related to the entity that we acquired in 2010. As a result, while persons who were not our employees do not accrue benefits under the plan, the total number of individuals/beneficiaries covered by this plan is much larger than if only our employees were participants. The PEPP comprises 99% and 99% of our present value of pension plan obligations and 100% and 100% of the fair value of plan assets as of December 31, 2020 and 2019, respectively. Accordingly, we have provided aggregated disclosures in respect of our plans on the basis that the plans are not exposed to materially different risks.

We generally fund our retirement plans equal to the annual minimum funding requirements specified by government regulations covering each plan. During the year ended December 31, 2019 we made pension plan contributions of $5 million. We made a $121 million contribution to the PEPP during the year ended December 31, 2020 and contributions of $4 million to all other plans. We do not expect to make a contribution to the PEPP during the year ending 2021. Contributions during the year ending December 31, 2021 for all other defined benefit pension plans are estimated to be $4 million. Expected contributions during the year ending December 31, 2021 for OPEB plans are estimated to be $3 million. Future contributions will be dependent on future plan asset returns and interest rates and are highly sensitive to changes.

Obligations, assets and funded status

The following table sets forth changes in benefit obligations and the fair value of plan assets for our defined benefit pension and OPEB plans:

	Pension Benefits		OPEB	
	As of December 31,			
	2020	2019	2020	2019
	(in millions)			
Change in benefit obligations:				
Projected benefit obligations of January 1	$ 4,509	$ 4,333	$ 51	$ 47
Service cost	6	7	—	—
Interest cost	138	174	2	2
Benefits paid	(296)	(296)	(2)	(1)
Settlements	—	(196)	—	—
Divestitures	(3)	(5)	—	—
Actuarial losses (gains)	310	455	2	3
Other[1]	—	37	—	—
Projected benefit obligation as of December 31	**$ 4,664**	**$ 4,509**	**$ 53**	**$ 51**
Change in plan assets:				
Fair value of plan assets as of January 1	$ 3,823	$ 3,493	$ —	$ —
Actual return on plan assets	539	788	—	—
Employer contributions	125	5	2	1
Benefits paid	(296)	(296)	(2)	(1)
Settlements	—	(196)	—	—
Other[1]	—	29	—	—
Fair value of plan assets as of December 31	**$ 4,191**	**$ 3,823**	**$ —**	**$ —**
Funded status as of December 31	**$ (473)**	**$ (686)**	**$ (53)**	**$ (51)**

(1) Includes $28 million for the assumption of a plan from a former related party which was merged into our PEPP plan.

Our defined benefit pension and OPEB obligations were included in our consolidated balance sheets as follows:

	Pension Benefits		OPEB	
	As of December 31,			
	2020	2019	2020	2019
	(in millions)			
Accrued and other current liabilities	$ (4)	$ (4)	$ (3)	$ (3)
Long-term employee benefit obligations	(469)	(682)	(50)	(48)
	$ (473)	**$ (686)**	**$ (53)**	**$ (51)**

Portions of our defined benefit pension and OPEB obligations have been recorded in accumulated other comprehensive loss ("AOCL") as follows:

	Pension Benefits		OPEB	
	As of December 31,			
	2020	2019	2020	2019
	(in millions)			
Net actuarial losses (gains)	$ 216	$ 239	$ (6)	$ (8)
Deferred income tax (benefit) expense	(52)	(58)	2	3
	$ 164	**$ 181**	**$ (4)**	**$ (5)**

The funded status of our defined benefit pension and OPEB plans with accumulated benefit obligation in excess of plan assets was as follows:

	Pension Benefits		OPEB	
	As of December 31,			
	2020	2019	2020	2019
	(in millions)			
Plan assets	$ 4,189	$ 3,820	$ —	$ —
Projected benefit obligation	4,662	4,506	53	51
Accumulated benefit obligation	4,660	4,504	53	51
Under Funded Status				
Projected benefit obligation	$ (473)	$ (686)	$ (53)	$ (51)
Accumulated benefit obligation	(471)	(684)	(53)	(51)

Net periodic defined benefit pension and OPEB (income) costs consisted of the following:

	Pension Benefits			OPEB		
	For the Years Ended December 31,					
	2020	2019	2018	2020	2019	2018
	(in millions)					
Service cost	$ 6	$ 7	$ 8	$ —	$ —	$ —
Interest cost	138	174	167	2	2	2
Expected return on plan assets(1)	(207)	(182)	(214)	—	—	—
Amortization of actuarial losses (gains)(2)	1	1	1	—	(1)	—
Ongoing net periodic benefit (income) cost	(62)	—	(38)	2	1	2
One-time expense due to settlements(3)	—	18	2	—	—	—
Total net periodic benefit (income) cost	**$ (62)**	**$ 18**	**$ (36)**	**$ 2**	**$ 1**	**$ 2**

(1) We have elected to use the actual fair value of plan assets as the market-related value in the determination of the expected return on plan assets.

(2) Actuarial gains and losses are amortized using a corridor approach. The gain/loss corridor is equal to 10 percent of the greater of the benefit obligation and the market-related value of assets. Gains and losses in excess of the corridor are amortized over the estimated expected service period for active plans. For inactive plans, such as the PEPP, they are amortized over the estimated life expectancy of the plan participants.

(3) One-time expense due to settlements primarily resulted from PEPP's lump-sum buyouts of certain plan participants in 2019.

All of the amounts in the table above, other than service cost, were recorded in non-operating expense, net in our consolidated statements of (loss) income.

Net periodic defined benefit (income) cost for pension benefits and OPEB costs have been recognized in our consolidated statements of (loss) income as follows:

	Pension Benefits			OPEB		
	For the Years Ended December 31,					
	2020	2019	2018	2020	2019	2018
	(in millions)					
Cost of sales	$ 6	$ 4	$ 5	$ —	$ —	$ —
Selling, general and administrative expenses	—	3	3	—	—	—
Non-operating expense, net	(68)	11	(44)	2	1	2
Total net periodic benefit (income) cost	**$ (62)**	**$ 18**	**$ (36)**	**$ 2**	**$ 1**	**$ 2**

Amounts recognized in other comprehensive (loss) income in relation to our continuing operations were as follows:

	Pension Benefits			OPEB		
	For the Years Ended December 31,					
	2020	2019	2018	2020	2019	2018
	(in millions)					
Net actuarial (gains) losses arising during the year[1][2]	$ (22)	$ (150)	$ 77	$ 2	$ 3	$ (6)
Recognized net actuarial (losses) gains[3]	(1)	(19)	(3)	—	1	—
Deferred income tax expense (benefit)[4]	6	84	(16)	(1)	(1)	2
Total recognized in other comprehensive (loss) income, net of tax	**$ (17)**	**$ (85)**	**$ 58**	**$ 1**	**$ 3**	**$ (4)**

(1) Net of AOCL reclassified upon sale of business. Refer to Note 16 *Accumulated Other Comprehensive Loss* for further details.

(2) The net actuarial gains of $22 million and $150 million on our pension plans during the years ended December 31, 2020 and 2019, respectively, were primarily attributable to asset returns, partially offset by a decrease in the discount rate. The net actuarial loss of $77 million on our pension plans during the year ended December 31, 2018 was primarily attributable to lower asset returns, partially offset by an increase in the discount rate.

(3) Comprises amortization of actuarial gains (losses) and one-time expense due to settlements in 2019.

(4) Includes the cumulative impact of adopting ASU 2018-02 on January 1, 2019.

We used the following weighted-average assumptions to determine our PEPP defined benefit pension and our OPEB obligations:

	PEPP Pension Benefits		OPEB	
	As of December 31,			
	2020	2019	2020	2019
Discount rate	2.40%	3.17%	2.45%	3.22%
Rate of compensation increase	3.00%	3.00%	N/A	N/A

We used the following weighted-average assumptions to determine our PEPP net defined benefit pension and our OPEB costs:

	PEPP Pension Benefits			OPEB		
	For the Years Ended December 31,					
	2020	2019	2018	2020	2019	2018
Discount rate	3.17%	4.31%	3.64%	3.22%	4.35%	3.66%
Rate of compensation increase	3.00%	3.00%	3.00%	N/A	N/A	N/A
Expected long-term rate of return on plan assets	5.54%	5.35%	5.62%	N/A	N/A	N/A
Healthcare cost trend rate	N/A	N/A	N/A	7.20%	7.20%	8.19%
Ultimate trend rate	N/A	N/A	N/A	4.50%	4.50%	4.50%
Year that the rate reaches the ultimate trend	N/A	N/A	N/A	2029	2029	2029

The discount rate used reflects the expected future cash flows based on plan provisions and participant data as of the beginning of the plan year. The expected future cash flows for our U.S. pension plan are discounted by the Aon Hewitt above median yield curve for the years ended December 31, 2020 and 2019. The yield curve is a hypothetical AA yield curve comprised of a series of annualized individual discount rates. The expected long-term return on our U.S. pension plan assets was developed as a weighted average rate based on the target asset allocation of the plan and the long-term capital market assumptions. The overall return for each asset class was developed by combining a long-term inflation component and the associated real rates. The development of the capital market assumptions utilized a variety of methodologies, including, but not limited to, historical analysis, expected economic growth outlook and market yield analysis.

Our estimated future benefit payments for our defined benefit pension and OPEB plans were as follows:

	As of December 31,	
	Pension Benefits	OPEB
	(in millions)	
2021	$ 313	$ 3
2022	310	3
2023	307	3
2024	303	3
2025	292	3
2026-2030	1,347	15

Plan assets

Our investment strategy for the plan assets is to manage the assets in relation to the liabilities in order to pay retirement benefits to plan participants over the life of the plan. This is accomplished by identifying and managing the exposure to various market risks, diversifying investments across various asset classes and earning an acceptable long-term rate of return consistent with an acceptable amount of risk while considering the liquidity needs of the plan.

The target asset allocation for the PEPP for 2021 and forward is 65% equities, and 35% fixed income. The following table presents summarized details of plan assets. Further details regarding the fair value hierarchy of these assets are presented below.

	As of December 31,	
	2020	2019
	(in millions)	
Equity securities	$ 2,765	$ 2,419
Corporate bonds	1,061	861
Property	254	439
Other	111	104
Total pension plan assets	**$ 4,191**	**$ 3,823**

The accounting guidance on fair value measurements specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. The following is a description of the valuation methods and assumptions we use to estimate the fair value of investments.

- *Common Stocks, and Exchange Traded and Mutual Funds*—The fair values of common stocks and exchange traded and mutual funds are determined by obtaining quoted prices on nationally and internationally recognized securities exchanges (Level 1 inputs).
- *Fixed Income Securities*—Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings (Level 2 inputs). When quoted prices are not available for identical or similar bonds, the bond is valued using matrix pricing, a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).
- *Collective Trusts and Pooled Separate Account*—The fair value of participation units owned by the PEPP in collective trusts and pooled separate account are based on the net asset values per unit as reported by the fund managers as of the plan's financial statement dates and recent transaction prices.
- *Limited Partnerships*—The fair value is calculated based on the fair value of underlying securities, which include investments in equity of privately held companies as well as publicly traded companies. In general, fair values of publicly traded companies are based on the closing price quoted on a public exchange as of the last day of the reporting period. Fair values of privately held companies are based on reviewing the price of recent transactions or by calculating the fair value using a variety of industry-accepted techniques.

We had the following allocation of defined benefit pension plan assets:

	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Measured at Net Asset Value(1)		Total	
	As of December 31,									
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
PEPP					(in millions)					
Common stocks	$ 2,180	$ 1,079	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,180	$ 1,079
Equity ETFs	584	88	—	—	—	—	—	—	584	88
Corporate bonds	—	—	1,004	772	—	—	—	—	1,004	772
Bond ETFs	57	—	—	—	—	—	—	—	57	—
Collective trusts—equities	—	—	—	—	—	—	—	1,337	—	1,337
Collective trusts/pooled separate account—real estate	—	—	—	—	—	—	254	358	254	358
Collective trusts—money market	—	—	—	—	—	—	104	101	104	101
Other(1)	—	—	—	—	—	—	—	81	—	81
Total PEPP	**2,821**	**1,167**	**1,004**	**772**	**—**	**—**	**358**	**1,877**	**4,183**	**3,816**
Other plans(2)	3	3	4	2	1	—	—	2	8	7
Total pension plan assets	**$ 2,824**	**$ 1,170**	**$ 1,008**	**$ 774**	**$ 1**	**$ —**	**$ 358**	**$ 1,879**	**$ 4,191**	**$ 3,823**

(1) Per ASU 2015-07, certain investments that are measured at fair value using the net asset value per share practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total value of the plan assets.

(2) Consisted primarily of exchange traded and mutual funds and limited partnerships.

Defined Contribution Plans

We sponsor various defined contribution plans. Our expense relating to defined contribution plans was $35 million, $34 million and $33 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Multi-employer plans—withdrawal liabilities

As of December 31, 2020 and 2019, we have recognized a liability of $46 million and $49 million, respectively, in respect of our future obligations arising from the withdrawal from multi-employer pension plans which is included in other non-current liabilities. We expect to make payments of approximately $5 million annually over the next 15 years in respect of these obligations.

Note 14. Other Expense, Net

Other expense, net consisted of the following:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Related party management fee [1]	$ (49)	$ (10)	$ (11)
Gain (loss) on sale of businesses and noncurrent assets	1	(22)	(18)
Foreign exchange (losses) gains on cash [2]	(15)	(8)	11
Transition service agreement income [1]	21	1	—
Other	9	10	3
Other expense, net	**$ (33)**	**$ (29)**	**$ (15)**

(1) See Note 18, *Related Party Transactions,* for additional details. The transition services agreement income is primarily attributable to services provided to our former segments, RCP and GPC, and our former closures businesses.

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

Note 15. Commitments and Contingencies

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

As part of the agreements for the sale of various businesses, we have provided certain warranties and indemnities to the respective purchasers as set out in the respective sale agreements. These warranties and indemnities are subject to various terms and conditions affecting the duration and total amount of the indemnities. As of December 31, 2020, we are not aware of any material claims under these agreements that would give rise to an additional liability. However, if such claims arise in the future, they could have a material effect on our balance sheet, results of operations and cash flows.

We previously disclosed a contingency for the payment of a management fee to related parties of up to $22 million in respect of the 2009 and 2010 financial years. This management fee has now been recognized and paid in the year ended December 31, 2020. Refer to Note 18, *Related Party Transactions,* for additional details.

Note 16. Accumulated Other Comprehensive Loss

The following table summarizes the changes in our balances of each component of AOCL:

	For the Years Ended December 31,		
	2020	2019	2018
		(in millions)	
Currency translation adjustments:			
Balance as of beginning of year	$ (354)	$ (442)	$ (402)
Currency translation adjustments	(9)	14	(63)
Amounts reclassified from AOCL(1)	1	74	23
Other comprehensive (loss) income	(8)	88	(40)
Distributions of RCP and GPC	173	—	—
Balance as of end of year	**$ (189)**	**$ (354)**	**$ (442)**
Defined benefit plans:			
Plans associated with continuing operations			
Balance as of beginning of year	$ (176)	$ (258)	$ (201)
Net actuarial gain (loss) arising during year	20	146	(83)
Deferred tax benefit (expense) on net actuarial gain (loss)	(5)	(34)	18
(Gains) and losses reclassified from AOCL:			
Amortization of experience loss	1	—	1
Defined benefit plan settlement losses	—	18	2
Reclassification upon sale of business(2)	—	1	7
Deferred tax expense on reclassifications(3)	—	(5)	(2)
Other comprehensive income (loss)	16	126	(57)
Cumulative impact of adopting ASU 2018-02	—	(44)	—
Balance as of end of year	**$ (160)**	**$ (176)**	**$ (258)**
Plans held for sale or distribution			
Balance as of beginning of year	$ 12	$ 11	$ 6
Net actuarial (loss) gain arising during year	—	(5)	5
Deferred tax benefit (expense) on net actuarial (loss) gain	—	1	(1)
(Gains) and losses reclassified from AOCL:			
Amortization of actuarial gain(4)	—	(2)	(2)
Reclassification upon sale of business(4)	—	5	5
Deferred tax benefit (expense) on reclassifications(3)	—	(1)	(2)
Other comprehensive (loss) income	—	(2)	5
Cumulative impact of adopting ASU 2018-02	—	3	—
Distributions of RCP and GPC	(12)	—	—
Balance as of end of year	**$ —**	**$ 12**	**$ 11**
AOCL			
Balance as of beginning of year	$ (518)	$ (689)	$ (597)
Other comprehensive (loss) income	8	212	(92)
Cumulative impact of adopting ASU 2018-02	—	(41)	—
Distributions of RCP and GPC	161	—	—
Balance as of end of year	**$ (349)**	**$ (518)**	**$ (689)**

(1) In the year ended December 31, 2019, $56 million of this amount relates to the release of currency translation adjustments upon the sale of our North American and Japanese closures businesses and is recorded in income from discontinued operations. The remaining amounts are recorded within other expense, net in our consolidated statements of (loss) income.

(2) Reclassifications upon sale of businesses within continuing operations are recorded in other expense, net.

(3) Taxes reclassified to income are recorded in income tax benefit (expense).

(4) Reclassifications associated with plans held for sale or distribution are recorded in (loss) income from discontinued operations.

Note 17. Income Taxes

The components of (loss) income from continuing operations before income tax were as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
(Loss) income from continuing operations before income taxes:			
United States	$ (119)	$ (113)	$ (62)
Foreign	(3)	(43)	106
Total (loss) income from continuing operations before income taxes	**$ (122)**	**$ (156)**	**$ 44**

Significant components of income tax benefit (expense) from continuing operations were as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Current			
U.S. Federal	$ 132	$ 5	$ 21
State and Local	4	(4)	(7)
Foreign	(17)	(19)	(26)
Total current income tax benefit (expense)	**119**	**(18)**	**(12)**
Deferred			
U.S. Federal	(6)	(50)	3
State and Local	(1)	(16)	28
Foreign	—	—	1
Total deferred income tax benefit (expense)	**(7)**	**(66)**	**32**
Total income tax benefit (expense)	**$ 112**	**$ (84)**	**$ 20**

A reconciliation of income taxes computed at the U.S. federal statutory income tax rate of 21% to our income tax benefit (expense) was as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Income tax benefit (expense) using the U.S. federal statutory income-tax rate of 21%	$ 26	$ 33	$ (9)
State and Local Taxes	5	(16)	17
Effect of tax rates in foreign jurisdictions	—	(13)	(53)
Non-deductible expenses	(5)	—	(12)
Non-deductible management fees	(16)	(3)	(3)
Non-deductible transaction costs	(2)	—	—
Non-deductible executive compensation	(2)	—	—
Tax exempt income and income at a reduced tax rate	—	3	4
Currency translation adjustment	—	(2)	(1)
Withholding taxes	(4)	(4)	(5)
Tax rate modifications	—	(1)	46
CARES Act net operating loss carryback	61	—	—
Change in valuation allowance	61	(93)	(5)
Tax on unremitted earnings	(1)	—	(2)
Change in uncertain tax positions	(8)	(2)	27
Over (under) provided in prior periods	(10)	4	15
Foreign tax credit	8	7	—
Other	(1)	3	1
Total income tax benefit (expense)	**$ 112**	**$ (84)**	**$ 20**

During the year ended December 31, 2020, our effective tax rate varied from the U.S. federal statutory income tax rate primarily as a result of the release of valuation allowances, mainly relating to the deductibility of deferred interest deductions, and a $61 million benefit related to carryback of the 2019 U.S. federal taxable loss to a 35% U.S. federal tax rate year pursuant to the CARES Act.

During the year ended December 31, 2019, our effective tax rate varied from the U.S. federal statutory income tax rate primarily due to the mix of book income and losses among the jurisdictions in which we operate, and additional valuation allowances mainly relating to the deductibility of deferred interest deductions, offset by a $7 million benefit as a result of filing amended returns to claim a foreign tax credit in lieu of a foreign tax deduction.

During the year ended December 31, 2018, our effective tax rate varied from the U.S. federal statutory income tax rate primarily as a result of recognizing an income tax benefit of $46 million from the remeasurement of net deferred tax liabilities from 35% to 21% attributable to the enactment of the Tax Cuts and Jobs Act, return-to-provision adjustments related to deferred interest deductions, and a release of uncertain tax positions, offset by the mix of book income and losses among the jurisdictions in which we operate.

Deferred Tax Assets and Liabilities

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes as well as tax attributes such as tax loss and tax credit carryforwards. The components of our net deferred income tax liability were as follows:

	As of December 31,	
	2020	2019
	(in millions)	
Deferred tax assets		
Employee benefits	$ 161	$ 177
Operating lease liabilities	61	48
Inventory	27	16
Reserves	13	7
Tax losses	135	194
Tax credits	13	11
Interest	244	386
Total deferred tax assets	654	839
Valuation allowance	(165)	(358)
Total deferred tax assets net of valuation allowance	489	481
Deferred tax liabilities		
Intangible assets	(377)	(360)
Property, plant and equipment	(232)	(204)
Operating lease right-of-use assets	(58)	(46)
Other	(8)	—
Total deferred tax liabilities	(675)	(610)
Net deferred tax liabilities	**$ (186)**	**$ (129)**

Tax loss and tax credit carryforwards, presented on a gross basis, were as follows:

	As of December 31,	
	2020	2019
	(in millions)	
Tax loss carryforwards		
Expires within 5 years	$ 121	$ 288
Expires after 5 years or indefinite expiration	1,028	641
Total tax loss carryforwards	**$ 1,149**	**$ 929**
Tax credit carryforwards		
Expires within 5 years	$ 3	$ 1
Expires after 5 years or indefinite expiration	11	10
Total tax credit carryforwards	**$ 14**	**$ 11**

Deferred tax assets related to interest, tax loss carryovers, and tax credit carryovers are available to offset future taxable earnings to the extent they are more-likely-than-not realizable. We have provided a valuation allowance to reduce the carrying value of certain of these deferred tax assets, as we have concluded that, based on the available evidence, it is more likely than not that the deferred tax assets will not be fully realized. Valuation allowances were $165 million and $358 million as of December 31, 2020 and 2019, respectively.

The following table reflects changes in valuation allowance for the respective periods:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Balance at the beginning of the year	$ 358	$ 308	$ 296
Expense (benefit)	(61)	94	3
Write-off of net operating losses and other deferred tax assets	(122)	—	—
Transfers to held for sale or distribution	—	(43)	29
Currency translation adjustments and other	(10)	(1)	(20)
Balance at end of the year	**$ 165**	**$ 358**	**$ 308**

The changes in our valuation allowance during the years ended December 31, 2020 and 2019 are primarily attributable to changes in our assessment of recoverability in relation to deferred interest deductions. For the year ended December 31, 2020, the write-off of New Zealand net operating losses and other deferred tax assets resulting from the restructuring and IPO of PTVE resulted in a reduction in the valuation allowance of $122 million, and the benefit of $61 million recognized during the year primarily arose from additional deferred interest deductions as a result of the CARES Act. The net additional valuation allowance of $50 million recorded during the year ended December 31, 2019 arose primarily as a result of the tax-free distribution of Reynolds Consumer Products on February 4, 2020 and its effects on changes in our assessment of the recoverability of the deferred interest deduction. See Note 3, *Discontinued Operations*, for additional details.

Uncertain Tax Positions

ASC 740 prescribes a recognition threshold of more-likely-than not to be sustained upon examination as it relates to the accounting for uncertainty in income taxes recognized in an enterprise's financial statements.

The following table summarizes the activity related to our gross unrecognized tax benefits:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Balance at beginning of the year	$ 13	$ 10	$ 40
Increase associated with tax positions taken during the current year	1	5	1
Increase (decrease) associated with positions taken during a prior year	2	(1)	(31)
Lapse of statute of limitations	(1)	(1)	—
Ending unrecognized tax benefits	**$ 15**	**$ 13**	**$ 10**

Included in the balance of unrecognized tax benefits as of December 31, 2020, 2019 and 2018, are $15 million, $10 million and $10 million, respectively, of tax benefits that, if recognized, would affect the effective tax rate.

Our policy is to include interest and penalties related to gross unrecognized tax benefits in income tax expense. Net interest expense (benefit) related to unrecognized tax benefits for the years ended December 31, 2020, 2019 and 2018 was zero, $1 million and $(2) million, respectively. Accrued interest and penalties as for the years ended December 31, 2020 and 2019 were $1 million and $1 million, respectively.

Each year we file income tax returns in the various national, state and local income taxing jurisdictions in which we operate. In each jurisdiction our income tax returns are subject to examination and possible challenge by the tax authorities. Although 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.

Currently, our 2016 and 2017 U.S. federal income tax returns are being examined by the IRS. We are currently subject to routine income tax examinations for U.S. federal, state, and foreign jurisdictions for 2010 and forward.

Note 18. Related Party Transactions

As of December 31, 2020, 78% of our shares are owned by PFL or other entities of which Mr. Graeme Hart is the ultimate shareholder.

In addition to the distributions of RCPI and GPCI to PFL, as described further in Note 3, *Discontinued Operations*, the related party entities and types of transactions we entered into with them are detailed below. All related parties detailed below have a common ultimate controlling shareholder, except for the joint ventures.

	Transaction value for the year ended December 31,			Balance outstanding as of December 31,	
	2020	2019	2018	2020	2019
			(in millions)		
Balances and transactions with joint ventures					
Included in other current assets				$ 7	$ 8
Sale of goods and services(1)	$ 29	$ 26	$ 28		
Balances and transactions with other entities controlled by Mr. Graeme Hart					
Current related party receivables				55	—
Sale of goods and services(2)	351	280	316		
Transition services agreements and rental income(2)	16	—	—		
Tax loss transfer(3)	25	—	—		
Recharges(4)	3	4	7		
Forgiveness of balance(5)	(15)	—	—		
Noncurrent related party receivables(6)				—	339
Interest income	9	15	17		
Loan forgiveness	(347)	—	—		
Related party payables				(10)	(30)
Purchase of goods(2)	(116)	(149)	(161)		
Recharges(4)	(11)	(24)	(18)		
Management fee(7)	(65)	(29)	(28)		
Tax loss transfer(3)	(1)	(2)	(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 repayable on demand.

(2) Following the distribution of RCP on February 4, 2020, we continue to trade with them, selling and purchasing various goods and services under contractual arrangements that expire over a variety of periods through to 2024. Prior to February 4, 2020, our continuing operations recognized revenue and cost of sales in respect of sales to and purchases from RCP. Refer to Note 3, *Discontinued Operations*. As part of the separation process, amongst other agreements, we have entered into two lease arrangements with RCP and entered into a transition services agreement to provide ongoing agreed services to RCP, as requested.

We do not trade with GPC on an ongoing basis. We have entered into a transition services agreement to provide ongoing agreed services to GPC, as requested. We have also entered into a tax matters agreement with GPC. We have recognized a receivable of $12 million under the tax matters agreement in relation to GPC's estimated share of U.S. federal taxes in respect of the period from January 1, 2020 through to September 16, 2020.

(3) Represents payments received or made for tax losses transferred between our entities and other entities controlled by Mr. Graeme Hart.

(4) Represents certain costs paid on our behalf that were subsequently recharged to us. These charges are for various costs incurred including services provided, financing and other activities. All amounts are unsecured, non-interest bearing and settled on normal trade terms. As part of our IPO, we have entered into a transition services agreement with Rank Group Limited ("Rank") under which Rank will, upon our request, continue to provide certain administrative and support services to us, and we will provide support services to Rank upon request. All services provided will be charged at an agreed hourly rate plus any third party costs.

(5) In connection with our IPO, $15 million of current related party receivables owed by Rank was forgiven. We recognized this forgiveness as a reduction in retained earnings.

(6) The loan with Rank, which was included in noncurrent related party receivables, accrued interest at a rate based on the average 90-day New Zealand bank bill rate, set quarterly, plus a margin of 3.25%. During the year ended December 31, 2020, interest was charged at 3.46% to 4.28% (2019: 4.40% to 5.15%; 2018: 5.16% to 5.26%). In preparation for our IPO, the loan receivable was forgiven. We recognized this forgiveness as a reduction in retained earnings.

(7)

Our financing agreements permit the payment of management fees to related parties for management, consulting, monitoring and advising services. The management fees were paid pursuant to a services agreement with Rank. In connection with our IPO, we (i) paid an additional management fee of $22 million, in respect of the 2009 and 2010 financial years, (ii) paid a termination fee of $45 million for the termination of, and release from, the Rank services agreement, which included the management fee payable for the period January 1, 2020 to the date of termination of September 16, 2020 and (iii) were released of our obligation to pay the 2020 management fee. During the year ended December 31, 2020, management fees of $49 million (2019: $10 million; 2018: $11 million), were recognized in Other expense, net, with the remainder in discontinued operations. The services agreement with Rank was terminated in connection with our IPO, and we will no longer be charged a management fee.

Note 19. Stock Based Compensation

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

During 2019 and 2020, in anticipation of our IPO, we granted 297,296 restricted stock units ("RSUs") to certain members of management, which included a performance condition that required the Company to complete an IPO but also required future service to be provided with the earliest vesting date of December 31, 2021. The following table summarizes restricted stock unit activity during 2020:

Stock units in thousands, except per-share data	Number of Stock Units	Weighted-Average Grant Date Fair Value
Non-vested, at January 1	154	$ 14.00
Granted	143	$ 14.00
Non-vested, at December 31	297	$ 14.00

We recognized $2 million of stock-based compensation expense for the year ended December 31, 2020. There was no stock-based compensation expense recorded during the years ended December 31, 2019 or 2018. As of December 31, 2020, there was $3 million of unrecognized share-based compensation which will be recognized over a weighted-average period of 1.5 years.

Note 20. Earnings per Share

Basic and diluted earnings per share ("EPS") for the years ended December 31, were calculated as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions, except per share amounts)		
Net (loss) income attributable to Pactiv Evergreen Inc. common stockholders:			
From continuing operations	$ (12)	$ (239)	$ 62
From discontinued operations	(15)	330	217
Total	$ (27)	$ 91	$ 279
Weighted average number of shares outstanding			
Basic	146.2	134.4	134.4
Effect of diluted securities	—	—	—
Diluted	146.2	134.4	134.4
(Loss) earnings per share attributable to Pactiv Evergreen Inc. common stockholders			
From continuing operations			
Basic	$ (0.08)	$ (1.78)	$ 0.46
Diluted	$ (0.08)	$ (1.78)	$ 0.46
From discontinued operations			
Basic	$ (0.10)	$ 2.46	$ 1.62
Diluted	$ (0.10)	$ 2.46	$ 1.62
Total			
Basic	$ (0.18)	$ 0.68	$ 2.08
Diluted	$ (0.18)	$ 0.68	$ 2.08

The weighted average number of shares outstanding prior to our IPO reflects our conversion to a Delaware incorporated entity and the subsequent stock split, as detailed in Note 1, *Nature of Operations and Basis of Presentation*. The stock split has been retroactively reflected, resulting in 134.4 million weighted average number of shares outstanding for the years ended December 31, 2019 and 2018. The weighted average number of shares outstanding during the year ended December 31, 2020 reflects the weighted average number of shares outstanding, as described above, including the weighted average shares issued on September 21, 2020 as part of our IPO and 1.7 million shares issued on October 20, 2020 as part of the exercise of the overallotment option.

Our board of directors approved a dividend of $0.10 per share on February 4, 2021 to be paid on February 24, 2021 to stockholders of record as of February 14, 2021.

Note 21. Segment Information

ASC 280 Segment Reporting establishes the standards for reporting information about segments in financial statements. In applying the criteria set forth in ASC 280 and in conjunction with the distribution of our former RCP segment, as of March 31, 2020, we realigned our reportable segments. As a result of this realignment and the GPC distribution on September 16, 2020, we now have three reportable segments: Foodservice, Food Merchandising and Beverage Merchandising. These reportable segments reflect the change in our operating structure and the manner in which our Chief Operating Decision Maker (“CODM”) assesses information for decision-making purposes.

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

Foodservice - Manufactures a broad range of products that enable consumers to eat and drink where they want and when they want with convenience. Foodservice manufactures food containers, hot and cold cups and lids, tableware items 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 molded fiber cartons.

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

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

Information by Segment

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

Adjusted EBITDA represents each segment's earnings before interest, tax, depreciation and amortization and is further adjusted to exclude certain items of a significant or unusual nature, including but not limited to, foreign exchange gains or losses on cash, related party management fees, unrealized gains or losses on derivatives, gains or losses on the sale of businesses and noncurrent assets, impairment charges, restructuring, asset impairment and other related charges, operational process engineering-related consultancy costs, non-cash pension income or expense and strategic review and transaction-related costs.

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

	Foodservice	Food Merchandising	Beverage Merchandising	Reportable Segment Total
		(in millions)		
2020				
Net revenues	$ 1,811	$ 1,396	$ 1,368	$ 4,575
Intersegment revenues	—	—	101	101
Total reportable segment net revenues	1,811	1,396	1,469	4,676
Adjusted EBITDA	241	252	148	641
Depreciation & amortization	139	81	63	283
Capital expenditures	117	52	107	276
Reportable segment assets	1,064	703	1,039	2,806
2019				
Net revenues	$ 2,160	$ 1,388	$ 1,483	$ 5,031
Intersegment revenues	—	—	123	123
Total reportable segment net revenues	2,160	1,388	1,606	5,154
Adjusted EBITDA	336	223	196	755
Depreciation & amortization	112	90	61	263
Capital expenditures	138	55	80	273
Reportable segment assets	1,090	727	972	2,789
2018				
Net revenues	$ 2,137	$ 1,419	$ 1,504	$ 5,060
Intersegment revenues	—	—	99	99
Total reportable segment net revenues	2,137	1,419	1,603	5,159
Adjusted EBITDA	318	231	231	780
Depreciation & amortization	109	88	62	259
Capital expenditures	157	75	73	305
Reportable segment assets	1,017	701	910	2,628

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

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Reportable segment Adjusted EBITDA	$ 641	$ 755	$ 780
Other	8	11	17
Unallocated	(34)	(75)	(60)
	615	691	737
Adjustments to reconcile to U.S. GAAP (loss) income from continuing operations before income taxes			
Interest expense, net	(371)	(433)	(414)
Depreciation and amortization	(289)	(273)	(271)
Goodwill impairment charges	(6)	(16)	—
Restructuring, asset impairment and other related charges	(28)	(46)	(18)
Gain (loss) on sale of business and noncurrent assets	1	(22)	(18)
Non-cash pension income (expense)	71	(6)	51
Operational process engineering related consultancy costs	(13)	(27)	(14)
Related party management fee	(49)	(10)	(11)
Strategic review and transaction-related costs	(47)	(7)	—
Foreign exchange (losses) gains on cash	(15)	(8)	11
Unrealized gains (losses) on derivatives	10	4	(8)
Other	(1)	(3)	(1)
(Loss) income from continuing operations before tax	**$ (122)**	**$ (156)**	**$ 44**

The following table presents a reconciliation of reportable segment depreciation and amortization to consolidated depreciation and amortization from continuing operations:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Reportable segment depreciation and amortization	$ 283	$ 263	$ 259
Other	6	10	12
Depreciation and amortization from continuing operations	**$ 289**	**$ 273**	**$ 271**

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

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Reportable segment capital expenditures	$ 276	$ 273	$ 305
Other	3	6	6
Unallocated	3	6	8
Discontinued operations	128	344	273
Capital expenditures	**$ 410**	**$ 629**	**$ 592**

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

	As of December 31,	
	2020	2019
	(in millions)	
Reportable segment assets	$ 2,806	$ 2,789
Other	34	65
Unallocated(1)	4,003	13,321
Total assets	**$ 6,843**	**$ 16,175**

(1) Unallocated includes unallocated assets, which are comprised of cash and cash equivalents, other current assets, assets held for sale or distribution, entity-wide property, plant and equipment, operating lease ROU assets, goodwill, intangible assets, deferred income taxes, related party receivables and other noncurrent assets.

Information in Relation to Products

Net revenues by product line are as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Foodservice			
Cups and lids	$ 736	$ 906	$ 844
Containers	751	792	805
Dinnerware	141	207	209
Other	183	255	279
Food Merchandising			
Meat trays	373	353	355
Bakery/snack/produce/fruit containers	283	311	308
Prepared food trays	131	174	168
Egg cartons	99	98	97
Dinnerware	349	307	339
Other	161	145	152
Beverage Merchandising			
Cartons for fresh beverage products	795	812	799
Liquid packaging board	387	446	438
Paper products	287	348	366
Reportable segment net revenues	**4,676**	**5,154**	**5,159**
Other / Unallocated			
Other	114	160	248
Inter-segment eliminations	(101)	(123)	(99)
Net revenues	**$ 4,689**	**$ 5,191**	**$ 5,308**

Geographic Data

Geographic data for net revenues (recognized based on location of our business operations) and long-lived assets (representing property, plant and equipment) and operating lease right-of-use asset, net are as follows:

	For the Years Ended December 31,		
	2020	2019	2018
	(in millions)		
Net revenues:			
United States	$ 4,046	$ 4,484	$ 4,504
Rest of North America	354	383	388
Other	289	324	416
Net revenues	**$ 4,689**	**$ 5,191**	**$ 5,308**

	As of December 31,	
	2020	2019
	(in millions)	
Long-lived assets:		
United States	$ 1,789	$ 1,759
Rest of North America	96	77
Other	60	58
Long-lived assets	**$ 1,945**	**$ 1,894**

Note 22. Quarterly Results of Operations (Unaudited)

(in millions, except per share amounts)	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019 (2)	Six Months Ended June 30, 2020 (2)	Six Months Ended June 30, 2019 (2)
Net revenues	$ 1,175	$ 1,303	$ 2,319	$ 2,582
Cost of sales	(987)	(1,095)	(1,971)	(2,149)
Gross profit	**188**	**208**	**348**	**433**
Operating income (loss) from continuing operations	81	60	133	181
Income (loss) from continuing operations, before tax	1	(72)	(22)	(49)
Net income (loss) from continuing operations	**$ 18**	**$ (140)**	**$ 115**	**$ (65)**
Net income (loss)	**$ 237**	**$ (80)**	**$ 97**	**$ 114**
Net income (loss) attributable to Pactiv Evergreen Inc. common stockholders	**$ 236**	**$ (78)**	**$ 96**	**$ 113**
Earnings (loss) per share attributable to Pactiv Evergreen Inc. common stockholders:(1)				
From continuing operations-basic	$ 0.10	$ (1.03)	$ 0.85	$ (0.50)
From continuing operations-diluted	$ 0.10	$ (1.03)	$ 0.85	$ (0.50)
Total-basic	$ 1.33	$ (0.58)	$ 0.72	$ 0.84
Total-diluted	$ 1.33	$ (0.58)	$ 0.72	$ 0.84

(1) The quarterly earnings per share amounts will not necessarily add to the earnings per share computed for the year due to the method used in calculating per share data for interim reporting.

(2) The results of operations for the three months ended December 31, 2019 and the six months ended June 30, 2020 and 2019 reflect (i) the retrospective classification of GPC as a discontinued operation following the distribution of GPC prior to the closing of the IPO as described in Note 3, *Discontinued Operations*, and (ii) the retrospective effect of the stock split on EPS as described in Note 20, *Earnings per Share*.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (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 December 31, 2020. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2020, our disclosure controls and procedures were effective.

Report of Management on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed by, or under the supervision of, our CEO and CFO, or persons performing similar functions, and effected by the Company's Board of Directors, management and other personnel 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. Our internal control over financial reporting includes those written policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles;
- provide reasonable assurance that receipts and expenditures are being made only in accordance with management and director authorization; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2020. Management based this assessment on criteria for effective internal control over financial reporting described in *Internal Control Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on this assessment, management concluded that the Company's internal control over financial reporting is effective as of December 31, 2020, based on the criteria in *Internal Control Integrated Framework* issued by the COSO.

Changes in Internal Control over Financial Reporting

There were no material changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this Item 10 is included under the heading "Information about our Executive Officers" in Part I, Item 1 of this Form 10-K, as well as in our definitive Proxy Statement for our Annual Meeting of Shareholders which is expected to be scheduled and held during June 2021 ("2021 Proxy Statement"). All of this information from the 2021 Proxy Statement is incorporated by reference into this Annual Report.

The information on our web site is not, and shall not be deemed to be, a part of this Annual Report or incorporated into any other filings we make with the SEC.

Item 11. Executive Compensation

Information required by this Item 11 is included in our 2021 Proxy Statement. All of this information is incorporated by reference into this Annual Report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information related to the security ownership of certain beneficial owners and management is included in our 2021 Proxy Statement and is incorporated by reference into this Annual Report.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item 13 is included in our 2021 Proxy Statement. All of this information is incorporated by reference into this Annual Report.

Item 14. Principal Accounting Fees and Services

Information required by this Item 14 is included in our 2021 Proxy Statement. All of this information is incorporated by reference into this Annual Report.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Form 10-K:

1. Financial Statements:

2. Financial Statement Schedules

All other schedules have been omitted because they are not required, not applicable, or the required information is otherwise included.

3. Exhibits

See “Index to Exhibits” immediately preceding the signature page of this Annual Report on Form 10-K.

Item 16. Form 10-K Summary

None.

INDEX TO EXHIBITS

Exhibit Number		Description
3.1		Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
3.2		Amended and Restated By-Laws (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
4.1		Indenture, dated as of October 1, 2020, among the Issuers, the Guarantors party thereto from time to time, Wilmington Trust, National Association, as trustee, paying agent and registrar, and The Bank of New York Mellon, a New York banking corporation, as collateral agent (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on October 1, 2020)
4.2	*	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934
10.1	†	Form of Director and Officer Indemnification Agreement (incorporated herein by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.2		Master Supply Agreement, dated November 1, 2019 between Reynolds Consumer Products LLC, as Seller, and Pactiv LLC, as Buyer (incorporated herein by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.3		Master Supply Agreement, dated November 1, 2019 between Pactiv LLC, as Seller, and Reynolds Consumer Products LLC, as Buyer (incorporated herein by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.4		Warehousing and Freight Services Agreement, dated November 1, 2019 between Pactiv LLC and Reynolds Consumer Products LLC (incorporated herein by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.5		Transition Services Agreement, dated November 1, 2019 between Pactiv LLC and Reynolds Consumer Products LLC (incorporated herein by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.6		Transition Services Agreement dated September 21, 2020 between Rank Group Limited and Pactiv Evergreen Inc. (incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.7		Amended and Restated Lease Agreement, dated January 1, 2020, between Pactiv LLC, as Landlord, and Reynolds Consumer Products LLC, as Tenant (incorporated herein by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.8	†	Amended and Restated Employment Agreement of John McGrath, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.9	†	Retention Agreements of John McGrath, dated July 3, 2019 (incorporated herein by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.10	†	Pactiv Transaction Success Bonus Letter for John McGrath, dated July 3, 2019, as amended on June 1, 2020 (incorporated herein by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.11	†	Modified Severance Agreement Memo for John McGrath, dated July 16, 2019 (incorporated herein by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.12	†	House Lease Memo for John McGrath, dated July 16, 2019 (incorporated herein by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.13	†	Employment Agreement of Michael Ragen, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.14	†	Retention Agreement of Michael Ragen, dated July 17, 2019 (incorporated herein by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.15	†	Pactiv Transaction Success Bonus Letter for Michael Ragen, dated July 3, 2019, as amended on June 1, 2020 (incorporated herein by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on September 8, 2020)
10.16	†	Restricted Stock Memo for Michael Ragen, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on September 8, 2020)

10.17	†	Employment Agreement of John Rooney, dated February 20, 2017 (incorporated herein by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on September 8, 2020)
10.18	†	Amendment to Employment Agreement of John Rooney, dated July 11, 2019 (incorporated herein by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.19	†	Retention Agreements of John Rooney, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.20	†	Pactiv Transaction Success Bonus Letter for John Rooney, dated July 8, 2019, as amended on June 1, 2020 (incorporated herein by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.21	†	Restricted Stock Memo for John Rooney, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.22	†	Amended and Restated Employment Agreement of Lance Mitchell, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.23	†	Retention Agreement of Lance Mitchell, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.24	†	Reynolds Transaction Success Bonus Letter for Lance Mitchell, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.24 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.25	†	Restricted Stock Memo for Lance Mitchell, dated July 8, 2019 (incorporated herein by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.26		Registration Rights Agreement dated September 21, 2020 between Packaging Finance Limited and Pactiv Evergreen Inc. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.27		Joinder to the Registration Rights Agreement dated September 21, 2020, among the Company, PFL and Rank International Holdings Inc. (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.28		Stockholders Agreement dated September 21, 2020, between Packaging Finance Limited and Pactiv Evergreen Inc. (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.29		Joinder to the Stockholders Agreement dated September 21, 2020, among the Company, PFL and Rank International Holdings Inc. (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.30		Tax Matters Agreement, dated as of September 16, 2020, by and among the Company, Reynolds Group Holdings Inc. and Graham Packaging Company Inc. (incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.31		Transition Services Agreement dated August 4, 2020 between Reynolds Group Holdings Inc. and Graham Packaging Company Inc. (incorporated herein by reference to Exhibit 10.29 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.32		IT License Usage Agreement dated August 4, 2020 between Rank Group Limited, Graham Packaging Company Inc. and Reynolds Group Holdings Limited (incorporated herein by reference to Exhibit 10.30 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.33	†	Reynolds Transaction Success Bonus Letter for Michael Ragen, dated July 3, 2019 (incorporated herein by reference to Exhibit 10.31 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.34	†	Restricted Stock Memo for John McGrath, dated August 28, 2020 (incorporated herein by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.35	†	Reynolds Services Inc. Nonqualified Deferred Compensation Plan, amended and restated as of February 3, 2020 (incorporated herein by reference to Exhibit 10.33 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.36	†	Evergreen Packaging Group Nonqualified Deferred Compensation Plan, amended and restated as of January 1, 2017 (incorporated herein by reference to Exhibit 10.34 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
10.37	†	Pactiv Evergreen Inc. Incentive Plan (incorporated herein by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)

10.38	†	Form of Restricted Stock Unit Agreement (incorporated herein by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.39	†	Form of Performance Share Unit Award Agreement (incorporated herein by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.40	†	Form of Restricted Stock Award Agreement (incorporated herein by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on September 21, 2020)
10.41	*	Fourth Amended and Restated Credit Agreement dated as of August 4, 2016 (as conformed to include amendments through the Refinancing Amendment, dated October 1, 2020) by and among the Company, Reynolds Group Holdings Inc., Pactiv LLC, Evergreen Packaging LLC (formerly Evergreen Packaging Inc.), the guarantors party thereto from time to time, the lenders from time to time party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent
10.42		Refinancing Amendment, dated as of October 1, 2020, among the Company, Reynolds Group Holdings Inc., Pactiv LLC, Evergreen Packaging LLC (formerly Evergreen Packaging Inc.), the guarantors party thereto and Credit Suisse, AG Cayman Islands Branch, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-39528) filed with the SEC on October 1, 2020)
14.1	*	Statement of Business Principles and Code of Conduct Policy
21.1		List of subsidiaries (incorporated herein by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1 (File No. 333-248250) filed with the SEC on August 24, 2020)
23	*	Consent of Independent Registered Public Accounting Firm
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.
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.
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.
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.
101.INS		Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because 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)

†Consists of a management contract or compensatory plan or arrangement.
*Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

PACTIV EVERGREEN INC

Date: February 25, 2021

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

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ John McGrath **John McGrath**	Chief Executive Officer (principal executive officer)	February 25, 2021
/s/ Michael J. Ragen **Michael J. Ragen**	Chief Financial Officer and Chief Operating Officer (principal financial officer and principal accounting officer)	February 25, 2021
/s/ Jonathan Rich **Jonathan Rich**	Chairman of the Board	February 25, 2021
/s/ LeighAnne Baker **LeighAnne Baker**	Director	February 25, 2021
/s/ Allen Hugli **Allen Hugli**	Director	February 25, 2021
/s/ Michael King **Michael King**	Director	February 25, 2021
/s/ Rolf Stangl **Rolf Stangl**	Director	February 25, 2021
/s/ Felicia Thornton **Name**	Director	February 25, 2021

Exhibit 4.2

DESCRIPTION OF THE SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of [February 25], 2021, Pactiv Evergreen Inc. (the "Company") has one class of securities, common stock, registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

AUTHORIZED CAPITAL STOCK

Pactiv Evergreen Inc.'s authorized capital stock consists of 2,000,000,000 shares of common stock, par value $0.001 per share, and 200,000,000 shares of preferred stock, par value $0.001 per share. All outstanding shares of our capital stock are fully paid and non-assessable.

DESCRIPTION OF COMMON STOCK

The following description of common stock is a summary and does not purport to be complete and is qualified in its entirety by our amended and restated certificate of incorporation and amended and restated bylaws. Our amended and restated certificate of incorporation and amended and restated bylaws are incorporated by reference as Exhibits to this Annual Report on Form 10-K.

Voting rights. The holders of our common stock are entitled to one vote per share on all matters to be voted upon by the stockholders.

Dividend rights. Holders of shares of our common stock are entitled to receive dividends when, as and if declared by our board of directors out of funds legally available therefor, subject to preferences that may be applicable to any outstanding preferred stock.

Rights upon liquidation. In the event of liquidation, dissolution or winding up of the Company, the holders of common stock will be entitled to share equally, identically and ratably in all assets remaining after the payment of any liabilities, liquidation preferences and accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock.

Other rights. Our common stock is not entitled to preemptive rights and is not subject to conversion, redemption or sinking fund provisions.

Transfer agent and registrar. The transfer agent and registrar for the common stock is American Stock Transfer & Trust Company, LLC.

Listing. Our common stock is traded on the Nasdaq under the symbol "PTVE."

CERTAIN PROVISIONS THAT MAY HAVE AN ANTI-TAKEOVER EFFECT

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws and, together with the ability of our board of directors to issue shares of our preferred stock and to set the voting rights, preferences and other terms of our preferred stock, may delay or prevent takeover attempts not first approved by our board of directors.

Staggered board. Our amended and restated certificate of incorporation and bylaws provide that, prior to the first date on which Mr. Graeme Richard Hart or his estate, heirs, executor, administrator or other personal representative, or any of his immediate family members or any trust, fund or other entity which is controlled by his estate, heirs, any of his immediate family members or any of their respective affiliates (Packaging Finance Limited and all of the foregoing, collectively, the "Hart Entities") and any other transferee of all of the outstanding shares of common stock held at any time by the Hart Entities which are transferred other than pursuant to a widely distributed public sale ("Permitted Assigns") no longer beneficially own more than 50% of the outstanding shares of our common stock, all directors will stand for election each year at our annual meeting of stockholders. From and after such date, our board of directors will be divided into three classes serving staggered three-year terms, with one class standing for election each year. At each annual meeting of stockholders, directors will be elected to succeed the class of directors whose terms have expired. This classification of our board of directors could have the effect of increasing the length of time necessary to change the composition of a majority of the board of directors. In general, at least two annual meetings of stockholders will be necessary for stockholders to effect a change in a majority of the members of the board of directors.

Limits on written consents. Our amended and restated certificate of incorporation and our bylaws provide that from and after the date on which the Hart Entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of our common stock, holders of our common stock will not be able to act by written consent without a meeting.

Stockholder meetings. Our amended and restated certificate of incorporation and our bylaws provide that special meetings of our stockholders may be called only by our Chief Executive Officer, the chairman of our board of directors, a majority of the directors, or stockholders holding more than 50% of the voting power of our outstanding common stock (which ability of stockholders to call special meetings will terminate once the Hart Entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of our common stock). Our amended and restated certificate of incorporation and our bylaws specifically deny any power of any other person to call a special meeting.

Limits on amending our certificate of incorporation. The provisions of our amended and restated certificate of incorporation may be amended only by the affirmative vote of holders of at least a majority of the voting power of our outstanding shares of voting stock, for as long as the Hart Entities or Permitted Assigns beneficially own more than 50% of the outstanding shares of our common stock. From and after the date on which the Hart Entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of our common stock, the affirmative vote of holders of at least 66 2/3% of the voting power of our outstanding shares of common stock will be required to amend provisions of our amended and restated certificate of incorporation.

Limits on amending our bylaws. Our bylaws may generally be altered, amended or repealed, and new bylaws may be adopted, with:

- the affirmative vote of a majority of directors present at any regular or special meeting of the board of directors called for that purpose; or

- the affirmative vote of holders of at least a majority of the voting power of our outstanding shares of voting stock for as long as the Hart Entities or Permitted Assigns beneficially own more than 50% of the outstanding shares of our common stock. From and after the date on which the Hart Entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of our common stock, the affirmative vote of holders of at least $66^{2/3}$% of the voting power of our outstanding shares of common stock will be required to amend provisions of our bylaws.

Requirements for advance notification of stockholder nominations and proposals. Our amended and restated certificate of incorporation and our bylaws establish advance notice procedures with respect to stockholder proposals and nominations of candidates for election as directors other than nominations made by or at the direction of the board of directors or a committee of the board of directors. To be timely, stockholders must deliver notice:

- in connection with an annual meeting of stockholders, not less than 120 nor more than 180 days prior to the date on which the annual meeting of stockholders was held in the immediately preceding year, but in the event that the date of the annual meeting is more than 30 days before or more than 60 days after the anniversary date of the preceding annual meeting of stockholders, a stockholder notice will be timely if received by us no earlier than 120 days prior to such annual meeting and not later than the close of business on the later of (1) 70 days prior to the date of the annual meeting and (2) the 10th day following the day on which we first publicly announce the date of the annual meeting; or

- in connection with the election of a director at a special meeting of stockholders, a stockholder notice will be timely if received by us (1) not earlier than 150 days prior to the date of the special meeting nor (2) later than the later of (a) 120 days prior to the date of the special meeting or (b) the 10th day following the day on which public announcement of the date of the special meeting of the stockholders is first made.

Undesignated preferred stock. Our board of directors has the authority, without further vote or action by the stockholders, to issue preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences or other rights or preferences that could impede the success of any attempt to change control of the Company.

Section 203 of the Delaware General Corporation Law. Section 203 of the Delaware General Corporation Law prevents an "interested stockholder," which is defined generally as a person owning 15% or more of a corporation's voting stock, or any affiliate or associate of that person, from engaging in a broad range of "business combinations" with the corporation for three years after becoming an interested stockholder unless:

- the board of directors of the corporation had previously approved either the business combination or the transaction that resulted in the stockholder's becoming an interested stockholder;

- upon the closing of the transaction that resulted in the stockholder's becoming an interested stockholder, that person owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than statutorily excluded shares; or

- following the transaction in which that person became an interested stockholder, the business combination is approved by the board of directors of the corporation and holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

A Delaware corporation may elect in its certificate of incorporation or bylaws not to be governed by this particular Delaware law. Our amended and restated certificate of incorporation contains a provision expressly electing not to be governed by Section 203. Therefore, the restrictions on certain business combinations in Section 203 do not currently apply in respect of the Company.

Exhibit 10.41

CONFORMED CONVENIENCE COPY SHOWING CHANGES BY THE AMENDMENT NO. 11, DATED OCTOBER 4, 2016, THE INCREMENTAL ASSUMPTION AGREEMENT, DATED OCTOBER 7, 2016, THE INCREMENTAL ASSUMPTION AGREEMENT, DATED FEBRUARY 7, 2017, THE AMENDMENT NO. 12, DATED AUGUST 4, 2020, AND THE SPECIFIED REFINANCING AMENDMENT AND AMENDMENT NO. 13, DATED OCTOBER 1, 2020, TO THE FOURTH AMENDED AND RESTATED CREDIT AGREEMENT.

NOTE THAT THIS CONFORMED COPY IS NOT AN OPERATIVE DOCUMENT. PLEASE REFERENCE THE EXECUTED VERSION OF THE FOURTH AMENDED AND RESTATED CREDIT AGREEMENT DATED AS OF AUGUST 5, 2016 AND AMENDMENTS THERETO FOR THE FINAL TERMS OF THE CREDIT AGREEMENT AS AMENDED.

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

dated as of August 5, 2016

among

REYNOLDS GROUP HOLDINGS INC.,
PACTIV LLC

and

the other Borrowers set forth herein,
as Borrowers,

REYNOLDS GROUP HOLDINGS LIMITED,

THE LENDERS PARTY HERETO,

and

CREDIT SUISSE AG,
as Administrative Agent

CREDIT SUISSE SECURITIES (USA) LLC

and

HSBC SECURITIES (USA) INC.

as Joint Bookrunners and Joint Lead Arrangers

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SCHEDULES

EXHIBITS

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT dated as of August 5, 2016 (this "***Agreement***"), among REYNOLDS GROUP HOLDINGS INC., a Delaware corporation ("***RGHI***"), PACTIV LLC, a Delaware limited liability company ("***Pactiv***"), EVERGREEN PACKAGING LLC (formerly Evergreen Packaging Inc.), a Delaware limited liability company ("***Evergreen***" and, together with RGHI, and Pactiv, the "***U.S. Borrowers***" or the "***Revolving Borrowers***"), PACTIV EVERGREEN INC. (formerly Reynolds Group Holdings Limited), a Delaware corporation ("***Holdings***"), the Guarantors (such term and each other capitalized term used but not defined in this introductory statement having the meaning given it in Article I), the Lenders and CREDIT SUISSE AG, as administrative agent for the Lenders (in such capacity, including any successor thereto, the "***Administrative Agent***").[1]

The Borrowers have requested (a) the U.S. Term Lenders (as defined in Article I) to extend credit in the form of U.S. Term Loans (as defined in Article I) to the U.S. Borrowers on the 2016 Restatement Date, in an aggregate principal amount not in excess of $1,973,000,000[2], (b) the European Term Lenders (as defined in Article I) to make European Term Loans (as defined in Article I) to the European Borrowers on the 2016 Restatement Date, in an aggregate principal amount not in excess of €250,000,000[3], (c) the Revolving Credit Lenders (as defined in Article I) to extend credit to the Revolving Borrowers in the form of Revolving Loans from time to time prior to the Revolving Credit Maturity Date in an aggregate principal amount at any time outstanding not in excess of $302,300,000 and (d) the Issuing Banks to issue Letters of Credit in an aggregate face amount at any time outstanding not in excess of the aggregate amount of the L/C Commitments at such time. The U.S. Term Lenders, the European Term Lenders, the Revolving Credit Lenders and the Issuing Banks are willing to extend such credit, in each case on the terms and subject to the conditions set forth herein and in Amendment No. 10.[4]

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1 Note: On September 17, 2020, , Reynolds Group Holdings Limited converted to Delaware and changed its name to Pactiv Evergreen Inc. and Beverage Packaging Holdings III Limited (formerly Beverage Packaging Holdings (Luxembourg) III S.à r.l.) ceased to be a Borrower upon its amalgamation into PEI Holdings Company.. On August 4, 2020, Graham Packaging Company Inc. was released as a Borrower. On February 4, 2020, Reynolds Consumer Products Holdings LLC and Reynolds Consumer Products LLC were released as Borrowers. On December 20, 2019, Closure Systems International Inc., Closure Systems International Holdings LLC and Closure Systems International LLC (previously Closure Systems International B.V.) were released as Borrowers upon their sale to a third party.

2 Note: Pursuant to Incremental Assumption Agreements dated October 16, 2016 and February 7, 2017, the aggregate principal amount of the U.S. Term Loans changed. See also Footnote 4.

3 Note: The European Term Loans were repaid in full on August 4, 2020.

4 Note: Pursuant to the Specified Refinancing Amendment and Amendment No. 13 dated as of October 1, 2020, (i) the U.S. Borrowers incurred the Tranche B-2 U.S. Term Loans in an aggregate principal amount of $1,250,000,000and (ii) the Revolving Borrowers established the Specified Refinancing Revolving Facility in an aggregate amount of $250,000,000.

The proceeds of the Term Loans to be made on the 2016 Restatement Date are to be used solely to consummate the 2016 Restatement Transactions and for general corporate purposes of Holdings and the Subsidiaries. The proceeds of the Revolving Loans and any Incremental Term Loans made after the 2016 Restatement Date are to be used solely for general corporate purposes of Holdings and the Subsidiaries. Letters of Credit are to be issued to support payment obligations incurred in the ordinary course of business by the Borrowers and the Subsidiaries of Holdings (including payment obligations with respect to any local working capital facilities (other than the Local Facilities)).

Pursuant to Amendment No. 10, the Borrowers and the Lenders party thereto have agreed to amend and restate the Existing Credit Agreement in the form hereof. The amendment and restatement of the Existing Credit Agreement evidenced by this Agreement shall become effective as provided in Amendment No. 10.

Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Defined Terms***. As used in this Agreement, the following terms shall have the meanings specified below:

"***2007 Intercreditor Agreement***" shall mean the Intercreditor Agreement dated May 11, 2007, as amended and restated as of the Closing Date, among Holdings, BP I, the other obligors signatory thereto, and Credit Suisse AG, on behalf of the senior lenders thereunder, and as senior agent, security trustee and senior issuing bank thereunder.

"***2016 Incremental U.S. Term Loans***" shall mean the Incremental Term Loans made pursuant to the First Incremental Assumption Agreement.

"***2016 Incremental Term Loans Effective Date***" shall mean October 7, 2016, which was the "Effective Date" under and as defined in the First Incremental Assumption Agreement.

"***2016 Restatement Date***" shall mean August 5, 2016, which was the "Effective Date" under and as defined in Amendment No. 10.

"***2016 Restatement Transactions***" shall have the meaning assigned to such term in Amendment No. 10.

"***2017 Incremental Term Loan Effective Date***" shall mean February 7, 2017, which was the "Effective Date" under and as defined in the Second Incremental Assumption Agreement.

"***ABR***", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"***Accepting Lenders***" shall have the meaning assigned to such term in Section 2.24(a).

"***Acquired Entity***" shall have the meaning assigned to such term in Section 6.04(h).

"***Additional Bank Secured Party Acknowledgment***" shall mean an Additional Bank Secured Party Acknowledgment executed under a Prior Credit Agreement or substantially in the form attached hereto as Exhibit N or in another form permitted by the Administrative Agent.

"***Additional Specified Refinancing Lender***" shall have the meaning assigned to such term in Section 2.25(b).

"***Adjusted LIBO Rate***" shall mean, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum equal to (a) in the case of a Eurocurrency Borrowing denominated in Dollars, the product of (i) the LIBO Rate in effect for such Interest Period and (ii) Statutory Reserves and (b) in the case of a Eurocurrency Borrowing denominated in Euro, the EURIBO Rate in effect for such Interest Period; *provided, however*, that the Adjusted LIBO Rate for any Interest Period in respect of any Loan shall not be less than 0% per annum.

"***Administrative Agent***" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"***Administrative Agent Fees***" shall have the meaning assigned to such term in Section 2.05(b).

"***Administrative Questionnaire***" shall mean an Administrative Questionnaire in the form of Exhibit A, or such other form as may be supplied from time to time by the Administrative Agent.

"***Affected Class***" shall have the meaning assigned to such term in Section 2.24(a).

"***Affiliate***" shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; *provided, however,* that, for purposes of the definition of "Eligible Assignee" and Section 6.07 the term "Affiliate" shall also include any Person that directly or indirectly owns 10% or more of any class of Equity Interests of the Person specified or that is an officer or director of the Person specified.

"***Affiliate Subordination Agreement***" shall mean an Affiliate Subordination Agreement in the form of Exhibit H pursuant to which intercompany obligations and advances owed by any Loan Party are subordinated to the Bank Obligations.

"***Affiliated Lender***" shall mean any Lender that is a Related Person.

"***Agents***" shall have the meaning assigned to such term in Article VIII.

"***Aggregate Revolving Credit Exposure***" shall mean the aggregate amount of the Lenders' Revolving Credit Exposures.

"***Agreed Security Principles***" shall mean the principles set forth on Exhibit E.

"***Agreement Value***" shall mean, for each Hedging Agreement, on any date of determination, the maximum aggregate amount (giving effect to any netting agreements) that Holdings or any Subsidiary would be required to pay if such Hedging Agreement were terminated on such date.

"***Alternate Base Rate***" shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate on such day for a three-month Interest Period commencing on the second Business Day after such day plus 1%. If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate or the LIBO Rate for any reason, the Alternate Base Rate shall be determined without regard to clause (b) or (c), as applicable, of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate, or the LIBO Rate shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate, as the case may be.

"***Amendment No. 2***" shall mean Amendment No. 2 and Incremental Term Loan Assumption Agreement dated as of May 4, 2010, to the Original Credit Agreement.

"***Amendment No. 2 Effective Date***" shall mean May 4, 2010.

"***Amendment No. 3***" shall mean Amendment No. 3 and Incremental Term Loan Assumption Agreement dated as of September 30, 2010, to the Original Credit Agreement.

"***Amendment No. 6***" shall mean Amendment No. 6 and Incremental Term Loan Assumption Agreement dated as of August 9, 2011, to the Original Credit Agreement.

"***Amendment No. 9***" shall mean Loan Modification Agreement and Amendment No. 9 dated as of February 25, 2015, to the Existing Credit Agreement.

"***Amendment No. 10***" shall mean Amendment No. 10 and Incremental Assumption Agreement dated as of the 2016 Restatement Date, to the Existing Credit Agreement.

"***Amendment No. 13***" shall mean Specified Refinancing Amendment and Amendment No. 13 dated as of October 1, 2020, to this Agreement.

"***Amendment No. 13 Effective Date***" shall have the meaning assigned to such term in Amendment No. 13.[5]

"***Ancillary Borrower***" shall mean any Borrower that is not a Principal Borrower.

"***Applicable Discount***" shall have the meaning assigned to such term in Section 2.12(b)(iii).

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[5] Note: Amendment No. 13 was effective on October 1, 2020.

"***Applicable Margin***" shall mean, for any day, (a) with respect to any Eurocurrency Tranche B-1 U.S. Term Loan, 3.00% per annum (or, if the public corporate rating of Holdings then in effect from S&P is B or higher and the public corporate family rating of Holdings then in effect from Moody's is B2 or higher, in each case with a stable outlook or better, 2.75% per annum), (b) with respect to any Eurocurrency Tranche B-2 U.S. Term Loan, 3.25% per annum, (c) [reserved], (d) with respect to any Daily Rate Tranche B-1 U.S. Term Loan, 2.00% per annum (or, if the public corporate rating of Holdings then in effect from S&P is B or higher and the public corporate family rating of Holdings then in effect from Moody's is B2 or higher, in each case with a stable outlook or better, 1.75% per annum), (e) with respect to any Daily Rate Tranche B-2 U.S. Term Loan, 2.25% per annum, (f) [reserved], (g) with respect to any Eurocurrency Revolving Loan, 2.75% per annum and (h) with respect to any Daily Rate Revolving Loan, 1.75% per annum.

"***Asset Sale***" shall mean any sale, transfer or other disposition (including by way of merger, amalgamation, casualty, condemnation or otherwise) by Holdings or any Subsidiary to any Person other than Holdings, any Borrower or any Subsidiary Guarantor of (a) any Equity Interests of any Subsidiary (including any issuance thereof) (other than any sale or issuance of directors' qualifying shares) or (b) any other assets of Holdings or any Subsidiary, in each case, other than:

(i) inventory (including filling machines and other equipment sold to customers), damaged, obsolete or worn out assets, scrap, cash and Permitted Investments, in each case disposed of in the ordinary course of business;

(ii) dispositions between or among Subsidiaries that are not Loan Parties;

(iii) dispositions of (A) Securitization Assets in connection with a Permitted Receivables Financing and (B) receivables in connection with factoring or similar arrangements in the ordinary course of business;

(iv) any disposition constituting an investment permitted under Section 6.04(a) or Section 6.04(j);

(v) dispositions consisting of the granting of Liens permitted by Section 6.02;

(vi) [reserved];

(vii) any sale, transfer or other disposition or series of related sales, transfers or other dispositions having a value not in excess of $30,000,000;

(viii) the abandonment of patents, trademarks or other intellectual property rights which, in the reasonable good faith determination of Holdings, are not material to the conduct of the business of Holdings and the Subsidiaries;

(ix) dispositions consisting of Restricted Payments permitted by Section 6.06;

(x) any exchange of assets for assets related to a Similar Business that are of comparable or greater fair market value or, as determined in good faith by the Board of Directors of Holdings, that are of comparable or greater usefulness to the business of Holdings and the

Subsidiaries as a whole; *provided* that any cash received by Holdings or any Subsidiary must be applied in accordance with Section 2.13 as if such transaction were an Asset Sale;

(xi) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;

(xii) leases or sub-leases of any real property or personal property in the ordinary course of business;

(xiii) licensings and sublicensings of intellectual property of Holdings or any Subsidiary in the ordinary course of business;

(xiv) dispositions of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in the joint venture arrangements and similar binding arrangements;

(xv) any disposition of Equity Interests of a Subsidiary pursuant to an agreement or other obligation with or to a Person (other than Holdings or a Subsidiary) from whom such Subsidiary was acquired or from whom such Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition;

(xvi) any Sale and Leaseback Transaction; and

(xvii) any disposition of the November 2013 5.625% Senior Unsecured Notes by a Subsidiary to BP II as part of, or in connection with, the refinancing thereof.

For the avoidance of doubt, the term "Asset Sale" shall include any Specified Asset Sale.

"***Asset Sale Prepayment Date***" shall mean, with respect to any Asset Sale and the Net Cash Proceeds received (or, in the case of proceeds with respect to which Holdings has delivered a notice to the Administrative Agent electing Reinvestment, deemed received) with respect thereto, the earlier of (a) the 90th day following the date on which such Net Cash Proceeds are received or deemed received, as applicable, and (b) the date on which Holdings or any of its Subsidiaries uses any of such Net Cash Proceeds to prepay or repurchase Indebtedness with Liens on the Collateral ranking *pari passu* with the Liens securing the Bank Obligations pursuant to an asset sale offer made in accordance with the provisions of the indenture or other agreement governing the terms of such Indebtedness.

"***Assignment and Acceptance***" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in the form of Exhibit B or such other form as shall be approved by the Administrative Agent.

"***Auction***" shall have the meaning assigned to such term in Section 2.12(b)(i).

"***Auction Amount***" shall have the meaning assigned to such term in Section 2.12(b)(i).

"***Auction Notice***" shall have the meaning assigned to such term in Section 2.12(b)(i).

"***August 2011 Issuers***" shall mean RGHL US Escrow II LLC, a Delaware limited liability company, and RGHL US Escrow II Inc., a Delaware corporation.

"***August 2011 9.875% Senior Unsecured Note Indenture***" shall mean the senior unsecured note Indenture dated as of August 9, 2011, between the August 2011 Issuers and The Bank of New York Mellon as trustee, pursuant to which the August 2011 9.875% Senior Unsecured Notes were issued.

"***August 2011 9.875% Senior Unsecured Notes***" shall mean the 9.875% Senior Unsecured Notes due 2019 issued on August 9, 2011 by the August 2011 Issuers in an aggregate principal amount of $1,000,000,000 and issued on August 10, 2012 by the U.S. Issuers and the Luxembourg Issuer in exchange for February 2012 9.875% Senior Unsecured Notes, including any Senior Unsecured Notes into which such notes may be exchanged in accordance with the provisions of the August 2011 9.875% Senior Unsecured Notes Indenture.

"***Available Amount***" shall mean, at any time, the Cumulative Credit at such time, *plus* the amount of any Declined Proceeds retained by the Borrowers following the 2016 Restatement Date, *minus* the aggregate amounts expended by Holdings and the Subsidiaries on or after the First Restatement Date and at or prior to such time to make investments, loans or advances pursuant to Section 6.04(q), to make Restricted Payments pursuant to Section 6.06(a)(ix) and to prepay, redeem, repurchase, retire or otherwise acquire Indebtedness pursuant to Section 6.09(c). As of June 30, 2016, the Available Amount was equal to $1,416,000,000.

"***Bank Obligations***" shall mean (a) the due and punctual payment of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrowers under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (iii) all other monetary obligations of the Borrowers to any of the Bank Secured Parties under this Agreement and each of the other Loan Documents, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrowers under or pursuant to this Agreement and each of the Loan Documents, (c) the due and punctual payment and performance of all obligations of each other Loan Party under or pursuant to this Agreement and each of the other Loan Documents, (d) the due and punctual payment and performance of all obligations of each Loan Party or other Subsidiary (as contemplated by the definition of the term "Hedge Provider") under each Hedging Agreement with a Hedge Provider, (e) the due and punctual payment and performance of all obligations of each Loan Party or other Subsidiary (as contemplated by the definition of the term "Local Facility") under each Local Facility and (f) the Cash Management Obligations. With respect to any Guarantor, if and to the extent, under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof), all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest for, the

obligation (the "***Excluded Guarantor Obligation***") to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act is or becomes illegal, the Bank Obligations of such Guarantor shall not include any such Excluded Guarantor Obligation.

"***Bank Secured Parties***" shall mean (a) the Lenders, (b) the Administrative Agent, (c) each Collateral Agent, (d) any Issuing Bank, (e) each Hedge Provider, (f) each Local Facility Provider, (g) each Cash Management Bank, (h) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (i) the successors and assigns of each of the foregoing.

"***Bankruptcy Code***" shall mean the provisions of Title 11 of the United States Code, 11 USC. §§ 101 et seq.

"***Bankruptcy Proceedings***" shall have the meaning assigned to such term in Section 9.04(m).

"***Benchmark Rate***" shall mean the LIBO Rate or the EURIBO Rate, as applicable.

"***Benchmark Replacement***" shall mean the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent and Holdings giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the Benchmark Rate for syndicated credit facilities denominated in the applicable currency and (b) the Benchmark Replacement Adjustment; *provided* that if the Benchmark Replacement as so determined would be less than 0.00% per annum, the Benchmark Replacement will be deemed to be 0.00% per annum for the purposes of this Agreement.

"***Benchmark Replacement Adjustment***" shall mean, with respect to any replacement of any Benchmark Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and Holdings giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the applicable Benchmark Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the applicable Benchmark Rate with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable currency at such time.

"***Benchmark Replacement Conforming Changes***" shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate", to the definition of "Interest Period", to timing and frequency of determining rates and to making payments of interest and other administrative matters) as may be mutually agreed by the Administrative Agent and Holdings as are necessary to reflect the adoption and implementation of such Benchmark Replacement and to permit the

administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with this Agreement with the prior written consent of Holdings, not to be unreasonably withheld, delayed or conditioned).

"***Benchmark Replacement Date***" shall mean the earlier to occur of the following events with respect to any Benchmark Rate:

(a) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the applicable Benchmark Rate permanently or indefinitely ceases to provide such Benchmark Rate; or

(b) in the case of clause (3) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

"***Benchmark Transition Event***" shall mean the occurrence of one or more of the following events with respect to any Benchmark Rate:

(1) a public statement or publication of information by or on behalf of the administrator of the applicable Benchmark Rate announcing that such administrator has ceased or will cease to provide such Benchmark Rate, permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark Rate;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of any Benchmark Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for any Benchmark Rate, a resolution authority with jurisdiction over the administrator for any Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the administrator for any Benchmark Rate, which states that the administrator of such Benchmark Rate has ceased or will cease to provide such Benchmark Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark Rate; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of any Benchmark Rate announcing that such Benchmark Rate is no longer representative.

"***Benchmark Transition Start Date***" shall mean (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as

applicable, by notice to Holdings, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

"***Benchmark Unavailability Period***" shall mean, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to any Benchmark Rate and solely to the extent that such Benchmark Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the applicable Benchmark Rate for all purposes hereunder in accordance with Section 2.08 and (y) ending at the time that a Benchmark Replacement has replaced the applicable Benchmark Rate for all purposes hereunder pursuant to Section 2.08.

"***BHC Act Affiliate***" of a party shall mean an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"***Board***" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"***Borrowers***" shall mean the U.S. Borrowers, the European Borrowers, and any other Wholly Owned Subsidiary of BP I that becomes a party hereto as a Borrower pursuant to Section 9.21.

"***Borrower Materials***" shall have the meaning assigned to such term in Section 9.01.

"***Borrowing***" shall mean Loans of the same Class, Type and currency made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

"***Borrowing Minimum***" shall mean (a) with respect to a Borrowing denominated in Dollars, $5,000,000 and (b) with respect to a Borrowing denominated in Euro, €5,000,000.

"***Borrowing Multiple***" shall mean (a) with respect to a Borrowing denominated in Dollars, $1,000,000 and (b) with respect to a Borrowing denominated in Euro, €1,000,000.

"***Borrowing Request***" shall mean a request by any Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C, or such other form as shall be approved by the Administrative Agent.

"***Borrowing Subsidiary Agreement***" shall mean a Borrowing Subsidiary Agreement substantially in the form of Exhibit M-1.

"***Borrowing Subsidiary Termination***" shall mean a Borrowing Subsidiary Termination substantially in the form of Exhibit M-2.

"***BP I***" shall mean Beverage Packaging Holdings (Luxembourg) I S.A., a Luxembourg public limited liability company (*société anonyme*) with a registered office at 6C rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg

Register of Commerce and Companies under number B 128.592 and a Wholly Owned Subsidiary of Holdings.

"***BP II***" shall mean Beverage Packaging Holdings (Luxembourg) II SA, a Luxembourg public limited liability company (*société anonyme*) with a registered office at 6C rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 128.914 and a Wholly Owned Subsidiary of Holdings.

"***BP Factoring***" shall mean Beverage Packaging Factoring (Luxembourg) S.à r.l., a company incorporated as a société à responsabilité limitée under the laws of Luxembourg with registered office at 6C, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg (or any successor in interest thereto).

"***Breakage Event***" shall have the meaning assigned to such term in Section 2.16.

"***Business Day***" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by law to close; *provided*, *however*, that (a) when used in connection with a Eurocurrency Loan, the term "Business Day" shall exclude any day on which banks are not open for dealing in Dollar deposits in the London interbank market, (b) when used in connection with a Loan denominated in Euro, the term "Business Day" shall also exclude any day which is not a Target Day and (c) when used in connection with any Calculation Date or determining any date on which any amount is to be paid or made available in a Designated Foreign Currency, the term "Business Day" shall also exclude any day on which commercial banks and foreign exchange markets are not open for business in the principal financial center with respect to such Designated Foreign Currency.

"***Calculation Date***" shall mean each of the following dates if on such date one or more Revolving Loans or Letters of Credit denominated in a Designated Foreign Currency would be outstanding: (a) the date on which any Revolving Loan is made, converted or continued, (b) the date of issuance, extension or renewal of any Letter of Credit, (c) the last Business Day of each quarter and (d) such additional dates on which the Exchange Rate is calculated as the Administrative Agent shall specify.

"***Capital Expenditures***" shall mean, for any period, (a) the additions to property, plant and equipment and other capital expenditures of Holdings and its consolidated Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of Holdings for such period prepared in accordance with GAAP and (b) Capital Lease Obligations incurred by Holdings and its consolidated Subsidiaries during such period, but excluding in each case (i) any such expenditure made to restore, replace or rebuild property to the condition of such property immediately prior to any damage, loss, destruction or condemnation of such property, to the extent such expenditure is made with insurance proceeds, condemnation awards or damage recovery proceeds relating to any such damage, loss, destruction or condemnation, (ii) any such expenditure financed with the proceeds of Qualified Capital Stock or Subordinated Shareholder Loans, (iii) any such expenditure that constitutes a Permitted Acquisition or an investment in another Person permitted by Section 6.04 and (iv) any such expenditure that constitutes an amount reinvested in accordance with the definition of "Net Cash Proceeds".

"***Capital Lease Obligations***" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP (excluding any lease that would be required to be so classified as a result of a change in GAAP after the 2016 Restatement Date), and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"***Captive Insurance Subsidiary***" shall mean any Subsidiary of Holdings that is subject to regulation as an insurance company (or any subsidiary thereof).

"***Cash Management Bank***" shall mean any Person at the time it provides any Cash Management Services that (a) was, at the time of entry into the agreement to provide such Cash Management Services, the Administrative Agent, a Lender or an Affiliate of the Administrative Agent or a Lender, (b) is a Specified Cash Management Bank or (c) is otherwise approved by the Administrative Agent acting reasonably; *provided* that, in each case, such Person has executed and delivered to the Administrative Agent an Additional Bank Secured Party Acknowledgment, which has not been cancelled.

"***Cash Management Obligations***" shall mean obligations owed by any Borrower or any other Subsidiary to any Cash Management Bank at the time it provides any Cash Management Services.

"***Cash Management Services***" shall mean any composite accounting or other cash pooling arrangements and netting, overdraft protection and other arrangements with any bank arising under standard business terms of such bank.

A "***Change in Control***" shall be deemed to have occurred if (a) prior to a Qualified Public Offering, the Permitted Investors shall fail to own, directly or indirectly, beneficially and of record, shares representing at least 51% of each of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Holdings, (b) after a Qualified Public Offering, (x) a majority of the Board of Directors of Holdings shall not be Continuing Directors or (y) the Permitted Investors shall cease to own, directly or indirectly, at least 35% of the Capital Stock of Holdings and any other "person" or "group" (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the date hereof) shall own a greater amount (it being understood that if any such person or group includes one or more Permitted Investors, the shares of Capital Stock of Holdings directly or indirectly owned by the Permitted Investors that are part of such person or group shall not be treated as being owned by such person or group for purposes of determining whether this clause (y) is triggered) or (c) any Principal Borrower shall cease to be a Wholly Owned Subsidiary of Holdings.

"***Change in Law***" shall mean (a) the adoption of any law, rule or regulation after the 2016 Restatement Date or, to the extent the concept is applied to an Incremental Lender in its capacity as such, the date of the relevant Incremental Assumption Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the 2016 Restatement Date or, to the extent the concept is applied to an Incremental Lender in its capacity as such, the date of the relevant Incremental Assumption Agreement or (c)

compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.14, by any lending office of such Lender or Issuing Bank or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the 2016 Restatement Date or, to the extent the concept is applied to an Incremental Lender in its capacity as such, the date of the relevant Incremental Assumption Agreement; *provided* that any legislation relating to any U.K. Bank Levy and any published practice or other official guidance related thereto shall not constitute a Change in Law; *provided further* that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"***Charges***" shall have the meaning assigned to such term in Section 9.09.

"***Claim***" shall have the meaning assigned to such term in Section 9.04(m).

"***Class***", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Tranche B-1 U.S. Term Loans, Tranche B-2 U.S. Term Loans, European Term Loans or Other Term Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Credit Commitment, U.S. Term Loan Commitment, European Term Loan Commitment or Incremental Term Loan Commitment. Other Term Loans and Other Revolving Loans (and the related Commitments) made and established at different times and with different terms, and new tranches of Term Loans and Revolving Credit Commitments established as a result of a Loan Modification Offer, shall be construed to be in different Classes.

"***Closing Date***" shall mean November 5, 2009.

"***Code***" shall mean the U.S. Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended from time to time.

"***Collateral***" shall mean all the collateral described in the Security Documents and the First Lien Intercreditor Agreement.

"***Collateral Agents***" shall mean, collectively, The Bank of New York Mellon and Wilmington Trust (London) Limited, each in its capacity as a separate collateral agent under the First Lien Intercreditor Agreement with respect to a portion of the Collateral determined in accordance with the First Lien Intercreditor Agreement, any successor thereto and any other collateral agent acceptable to Holdings and each Representative (as defined in the First Lien Intercreditor Agreement) that executes a joinder in a form acceptable to Holdings and each Representative pursuant to which it accedes to the First Lien Intercreditor Agreement as a co-collateral agent or additional or separate collateral agent with respect to all or any portion of the Collateral, and any successor to any such other collateral agent.

"***Collateral Agreement***" shall mean each of the U.S. Collateral Agreement and each Foreign Collateral Agreement.

"***Commitment***" shall mean, with respect to any Lender, such Lender's Revolving Credit Commitment, Term Loan Commitment or Incremental Revolving Credit Commitment.

"***Communications***" shall have the meaning assigned to such term in Section 9.01.

"***Commodity Exchange Act***" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"***Confidential Information Memorandum***" shall mean the Confidential Information Memorandum of Holdings dated June 2016, as supplemented prior to the 2016 Restatement Date.

"***Consolidated EBITDA***" shall mean, for any period, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated net financial expense for such period, (ii) consolidated expense for taxes based on income, profits or capital for such period, (iii) all amounts attributable to depreciation and amortization for such period, (iv) any non recurring fees, expenses or charges in connection with the consummation and implementation of the 2016 Restatement Transactions, any Permitted Acquisition or any offering of Equity Interests or Indebtedness permitted hereunder (whether or not consummated), (v) Restructuring Costs, (vi) Cost Savings, (vii) any decrease in Consolidated Net income for such period resulting from purchase accounting in connection with any acquisition, (viii) any non-cash charges (other than the write-down of current assets) for such period, (ix) any extraordinary charges, (x) any Non-Recurring Charges, (xi) any commissions, discounts, yield and upfront and other fees or charges related to any Permitted Receivables Financing for such period, and any other amounts for such period comparable to or in the nature of interest under any Permitted Receivables Financing, and losses on dispositions of Securitization Assets and related assets in connection with any Permitted Receivables Financing for such period and (xii) the aggregate amount of Management Fees recognized as an expense during such period by Holdings and its Subsidiaries and *minus* (b) without duplication, (i) all cash payments made during such period on account of reserves and other non-cash charges added to Consolidated Net Income pursuant to clause (a)(viii) above in a previous period and (ii) to the extent included in determining such Consolidated Net Income, any gains which are of an abnormal, unusual, extraordinary or non-recurring nature and all non-cash items of income for such period, all determined on a consolidated basis in accordance with GAAP; *provided* that for purposes of calculating the Senior Secured First Lien Leverage Ratio, the Total Secured Leverage Ratio and the Total Leverage Ratio for any period, (A) the Consolidated EBITDA of any Acquired Entity acquired by Holdings or any Subsidiary during such period (or after the end of such period and on or prior to the date of such determination) shall be included on a pro forma basis for such period (assuming the consummation of such acquisition occurred as of the first day of such period) and (B) the Consolidated EBITDA of any Person or line of business sold or otherwise disposed of by Holdings or any Subsidiary during such period (or after the end of such period and on or prior to the date of such determination) shall be excluded for such period (assuming the consummation of such sale or other disposition occurred as of the first day of such period). Solely for purposes of determining compliance with the covenant in Section 6.12, any cash common equity contribution made to Holdings after the last day of any fiscal quarter and on or prior to the day that is 10

Business Days after the day on which financial statements are required to be delivered for such fiscal quarter will, at the request of Holdings, be deemed to increase, dollar for dollar, Consolidated EBITDA for such fiscal quarter and applicable subsequent periods which include such fiscal quarter (any such contribution so included in the calculation of Consolidated EBITDA, a "***Specified Equity Contribution***"); *provided* that (a) in each four consecutive fiscal quarter period, there shall be at least two fiscal quarters in respect of which no Specified Equity Contribution is made, (b) no more than six Specified Equity Contributions may be made in the aggregate during the term of this Agreement, (c) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause Holdings to be in compliance with the covenant in Section 6.12 for the relevant fiscal quarter, (d) all Specified Equity Contributions shall be disregarded for any purpose under this Agreement other than determining compliance with the covenant in Section 6.12 (including determining the Applicable Margin) and (e) the Specified Equity Contribution may not reduce Indebtedness on a pro forma basis for purposes of calculating the covenant in Section 6.12. If, after giving effect to the foregoing recalculations, Holdings shall then be in compliance with the requirements of the covenant set forth in Section 6.12, Holdings shall be deemed to have satisfied the requirements of the covenant in Section 6.12 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and any breach or default of the covenant in Section 6.12 that had occurred shall be deemed cured for the purposes of this Agreement and upon receipt by the Administrative Agent of written notice, prior to the expiration of the 10th Business Day subsequent to the date the relevant financial statements are required to be delivered pursuant to Section 5.04 (the "***Anticipated Cure Deadline***"), that Holdings intends to make a Specified Equity Contribution in respect of a fiscal quarter, the Revolving Credit Lenders shall not be permitted to accelerate Loans held by them, to terminate the Revolving Credit Commitments or to exercise remedies against the Collateral solely on the basis of a failure to comply with the requirements of the covenant set forth in Section 6.12 in respect of such fiscal quarter unless such failure is not cured pursuant to a Specified Equity Contribution on or prior to the Anticipated Cure Deadline (it being understood that any Default or Event of Default that shall have occurred as a result of the failure to comply with such covenant shall exist for all other purposes of this Agreement and the other Loan Documents until such Specified Equity Contribution is actually made).

"***Consolidated Interest Expense***" shall mean, for any period, the sum of (a) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of Holdings and the Subsidiaries for such period net of any interest income of Holdings and the Subsidiaries for the period, in each case determined on a consolidated basis in accordance with GAAP, plus (b) any interest accrued during such period in respect of Indebtedness of Holdings or any Subsidiary that is required to be capitalized rather than included in consolidated interest expense for such period in accordance with GAAP (but excluding any capitalized interest on Subordinated Shareholder Loans), plus (c) to the extent not otherwise included in Consolidated Interest Expense, any commissions, discounts, yield and upfront and other fees and charges expensed during such period in connection with any Permitted Receivables Financing which are payable to any Person other than a Borrower, a Loan Party or a Securitization Subsidiary. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by Holdings or any Subsidiary with respect to interest rate Hedging Agreements.

"***Consolidated Net Income***" shall mean, for any period, the net income or loss of Holdings and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP

(adjusted to reflect any charge, tax or expense incurred or accrued by a Parent Company during such period as though such charge, tax or expense had been incurred by Holdings, to the extent that Holdings has made or would be entitled under the Loan Documents to make any payment to or for the account of a Parent Company in respect thereof); *provided* that there shall be excluded (a) the income of any Subsidiary (other than a Loan Party) to the extent that the declaration or payment of dividends or similar distributions (including by way of repayment of existing loans) by such Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, statute, rule or governmental regulation applicable to such Subsidiary, (b) the income or loss of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with any Subsidiary or the date that such Person's assets are acquired by any Subsidiary, (c) the income or loss of any Person that is not a Wholly Owned Subsidiary of Holdings, to the extent attributable to the minority interest in such Person, (d) any gains attributable to sales of assets out of the ordinary course of business, (e) any net unrealized gain or loss resulting in such period from translation gains or losses including those related to currency re-measurements of Indebtedness and (f) any income or loss attributable to the early extinguishment of Indebtedness, Hedging Agreements or other derivative agreements. Consolidated Net Income shall not include the income or loss of any Unrestricted Subsidiary; *provided* that the amount of any cash dividends paid by any Unrestricted Subsidiary to Holdings or any Subsidiary during any period shall be included, without duplication, in the calculation of Consolidated Net Income for such period.

"***Consolidated Total Assets***" shall mean, as of any date, the total assets of Holdings and the Subsidiaries, determined in accordance with GAAP, as set forth on the consolidated balance sheet of Holdings as of such date.

"***Contingent SIG Proceeds***" shall have the meaning assigned to such term in Amendment No. 9.

"***Continuing Directors***" shall mean the directors of the Board of Directors of Holdings on the 2016 Restatement Date, and each other director if, in each case, such other director's nomination for election to the Board of Directors of Holdings is recommended by at least a majority of the then Continuing Directors or the election of such other director is approved by one or more Permitted Investors.

"***Control***" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "***Controlling***" and "***Controlled***" shall have meanings correlative thereto.

"***Cost Savings***" shall mean, for any period, without duplication of cost savings reflected in the actual operating results for such period, cost savings actually realized during such period as part of a cost savings plan, calculated on a pro forma basis as though such cost savings had been realized on the first day of such period; *provided* that a certificate of a Financial Officer of Holdings, certifying that such cost savings plan has been implemented and that the reflection of the Cost Savings in the calculation of Consolidated EBITDA is fair and accurate shall have been delivered to the Administrative Agent, and if reasonably requested by the Administrative Agent, such cost savings shall be verified by the Independent Accountant.

"***Covered Entity***" shall mean any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"***Covered Party***" shall have the meaning assigned to such term in Section 9.27.

"***Credit Event***" shall have the meaning assigned to such term in Section 4.01.

"***Credit Facilities***" shall mean the revolving credit, letter of credit, and term loan facilities provided for by this Agreement.

"***Cumulative Credit***" shall have the meaning assigned to such term in the June 2016 Senior Secured Note Indenture as in effect on the 2016 Restatement Date (whether or not in effect and whether or not any Indebtedness issued thereunder is outstanding at the time).

"***Daily Rate***" shall mean, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate or Foreign Base Rate.

"***Debtor Relief Laws***" shall mean the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States of America or other applicable jurisdictions from time to time in effect.

"***Declined Proceeds***" shall have the meaning assigned to such term in Section 2.13(e).

"***Default***" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"***Defaulting Lender***" shall mean any Lender that has (a) failed to (i) fund any portion of its Loans within three Business Days of the date required to be funded by it hereunder, unless such Lender notifies the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any Issuing Bank or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within three Business Days of the date when due, (b) notified any Borrower, the Administrative Agent, the Issuing Bank or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit (unless such writing or

public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) failed, within three Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, (e) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, custodian or similar entity appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, custodian or similar entity appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (f) has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action (as defined in Section 9.20).

"***Default Right***" shall mean the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"***Designated Foreign Currency***" shall mean (a) Euro and (b)(i) with respect to any Other Term Loan Commitments and Other Revolving Credit Commitments, Canadian Dollars or any other freely available currency reasonably requested by a Borrower and reasonably acceptable to the Administrative Agent and any applicable Issuing Bank and (ii) with respect to any Letter of Credit, any freely available currency reasonably requested by a Borrower and reasonably acceptable to the Administrative Agent and the applicable Issuing Bank.

"***Designated Foreign Currency Equivalent***" shall mean, on any date of determination, with respect to an amount in Dollars, the equivalent thereof in the relevant Designated Foreign Currency, determined by the Administrative Agent using the Exchange Rate with respect to such Designated Foreign Currency at the time in effect.

"***Designated Non-Cash Consideration***" shall mean the fair market value (which may be determined at the time the definitive agreement with respect to a given Asset Sale is entered into or at the time of the closing thereof) of non-cash consideration received by Holdings, any Borrower or any Subsidiary in connection with an Asset Sale made pursuant to Section 6.05(b) that is designated on or prior to the closing date thereof as Designated Non-Cash Consideration pursuant to a certificate of a Financial Officer of Holdings setting forth the basis of such valuation (which amount of Designated Non-Cash Consideration shall be deemed to be reduced for purposes of Section 6.05(b) to the extent the same is converted to cash, cash equivalents or Permitted Investments following the consummation of the applicable Asset Sale).

"***Discount Range***" shall have the meaning assigned to such term in Section 2.12(b)(i).

"***Disqualified Institution***" shall mean (a) any institution (and its known Affiliates) identified by Holdings in writing to the Administrative Agent from time to time as being adverse to Holdings or any of its Affiliates in any actual or threatened lawsuit and (b) business competitors of Holdings and its Subsidiaries identified by Holdings in writing to the Administrative Agent from time to time and their known Affiliates.

"***Disqualified Stock***" shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment constituting a return of capital (other than a return of capital payable solely in shares of Qualified Capital Stock), in each case at any time on or prior to the date that is 91 days after the Latest Term Loan Maturity Date in effect at the time of issuance of such Equity Interest, or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interest referred to in clause (a) above, in each case at any time prior to the date that is 91 days after the Latest Term Loan Maturity Date in effect at the time of issuance of such Equity Interest (other than (i) upon payment in full of the Obligations (other than indemnification and other contingent obligations for which no claim has been made) or (ii) upon a "change in control"; *provided* that any payment required pursuant to this clause (ii) is subject to the prior repayment in full of the Obligations (other than indemnification and other contingent obligations for which no claim has been made) that are accrued and payable and the termination of the Commitments); *provided further*, however, that if such Equity Interest is issued to any employee or to any plan for the benefit of employees of Holdings or any of its subsidiaries or by any such plan to such employees, such Equity Interest shall not constitute Disqualified Stock solely because it may be required to be repurchased by Holdings or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"***Dollar Equivalent***" shall mean, on any date of determination, with respect to any amount denominated in a currency other than Dollars, the equivalent in Dollars of such amount, determined by the Administrative Agent using the Exchange Rate at the time in effect.

"***Dollars***" or "***$***" shall mean lawful money of the United States of America.

"***Domestic Subsidiary***" shall mean any Subsidiary that is incorporated or organized under the laws of the United States of America or any state thereof or the District of Columbia.

"***Early Opt-in Election***" shall mean the occurrence of:

(1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to Holdings) that the Required Lenders have determined that syndicated credit facilities denominated in the applicable currency being executed at such time, or that include language similar to that contained in Section 2.08 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace any applicable Benchmark Rate, and

(2) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to Holdings and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.

"***Eligible Assignee***" shall mean (a) in the case of Term Loans and Term Loan Commitments, (i) an Affiliated Lender, to the extent contemplated by Section 9.04(m), (ii) a Lender, (iii) an Affiliate of a Lender, (iv) a Related Fund of a Lender and (v) any other Person (other than a natural person) approved by the Administrative Agent and, unless an Event of Default has occurred and is continuing, the applicable Borrowers (each such approval not to be unreasonably withheld or delayed), and (b) in the case of any assignment of a Revolving Credit Commitment, (i) a Revolving Credit Lender, (ii) an Affiliate of a Revolving Credit Lender, (iii) a Related Fund of a Revolving Credit Lender and (iv) any other Person (other than a natural person), in the case of each of the foregoing clauses, approved by the Administrative Agent and each Issuing Bank and, in the case of clauses (b)(ii), (iii) and (iv), unless an Event of Default has occurred and is continuing, the applicable Borrowers (each such approval not to be unreasonably withheld or delayed); *provided further* that notwithstanding the foregoing, the term "***Eligible Assignee***" shall not include Holdings, any Borrower or any of their respective Affiliates, except as set forth in clause (a)(i) above.

"***Environmental Laws***" shall mean all Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, binding directives, orders (including consent orders), and binding agreements in each case, relating to the environment, the preservation or reclamation of natural resources, endangered or threatened species, protection of the climate, human health and safety as they relate to exposure to Hazardous Materials, or the presence or Release of, exposure to, or the generation, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

"***Environmental Liability***" shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages, costs of medical monitoring, remediation costs and reasonable fees and expenses of attorneys and consultants), whether contingent or otherwise, arising out of or relating to (a) compliance or noncompliance with any Environmental Law, (b) the generation, use, handling, distribution, recycling, transportation, storage, treatment or disposal (or the arrangement for such activities) of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"***Environmental Permits***" shall mean any permit, license or other approval required under any Environmental Law.

"***Equity Interests***" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"***ERISA Affiliate***" shall mean any trade or business (whether or not incorporated) that, together with Holdings or any Subsidiary is treated as a single employer under Section 414 (b) and (c) of the Code but for purposes of Sections 412 and 430, shall include clauses (m) and (o).

"***ERISA Event***" shall mean (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived by regulation), (b) the failure of any Plan to satisfy the minimum funding standard applicable to such Plan within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 303(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by Holdings, any Material Subsidiary or any ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of Holdings, any Material Subsidiary or any of ERISA Affiliates from any Plan or Multiemployer Plan, (e) the receipt by Holdings or any of its ERISA Affiliates from the PBGC or the administrator of any Plan or Multiemployer Plan of any notice relating to the intention to terminate any Plan or Multiemployer Plan or to appoint a trustee to administer any Plan, (f) the adoption of any amendment to a Plan that would require the provision of security pursuant to Section 436(f) of the Code or Section 206 of ERISA, (g) the receipt by Holdings, any Material Subsidiary or any ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from Holdings, any Material Subsidiary or any ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV of ERISA or in "endangered" or "critical" status within the meaning of Section 305 of ERISA, (h) the occurrence of a non-exempt "prohibited transaction" with respect to which Holdings or any Subsidiary is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which Holdings or any such Subsidiary could otherwise be liable, (i) any Foreign Benefit Event or (j) the occurrence of any other similar event or condition with respect to a Plan or Multiemployer Plan that could result in liability (other than liability incurred in the ordinary course of business) of Holdings or any Material Subsidiary in each case in excess of $10,000,000.

"***Escrow Subsidiary***" shall mean one or more subsidiaries created by Holdings for the purpose of issuing or incurring Indebtedness, the proceeds of which shall be deposited and held in escrow pursuant to customary escrow arrangements pending their use to finance a contemplated Permitted Acquisition. Until such time as the proceeds of such Indebtedness have been released from escrow in accordance with the applicable escrow arrangements (the "***Escrow Release Effective Time***"), each relevant Escrow Subsidiary shall be deemed not to be a Subsidiary for any purpose of this Agreement and the other Loan Documents; *provided* that (a) each Escrow Subsidiary shall be identified to the Administrative Agent promptly following its formation (and in any event prior to its incurrence of any Indebtedness) and (b) as of and after the Escrow Release Effective Time, each relevant Escrow Subsidiary shall be a Subsidiary for all purposes of this Agreement and the other Loan Documents unless designated as an Unrestricted Subsidiary in accordance with the terms of this Agreement.

"***EURIBO Rate***" shall mean, with respect to any Eurocurrency Borrowing denominated in Euro for any Interest Period, the rate per annum equal to the Banking Federation of the European Union EURIBO Rate ("***BFEA EURIBOR***"), as published by Reuters (or another commercially available source providing quotations of BFEA EURIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Target Days prior to the commencement of such Interest Period, for deposits in Euro (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; *provided* that if such rate is not available at such time for any reason, then the "EURIBO Rate" for such Interest Period shall be the Interpolated Rate.

"***Euro***" or "***€***" shall mean the single currency of the European Union as constituted by the Treaty on European Union and as referred to in the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states.

"***Eurocurrency***", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"***European Borrowers***" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"***European Principal Borrower***" shall mean the Luxembourg Borrower or any replacement Principal Borrower with respect to any Credit Facility denominated in Euro designated as set forth in Section 9.21(a)(iii).

"***European Term Lender***" shall mean a Lender with a European Term Loan Commitment or an outstanding European Term Loan.

"***European Term Loan Commitments***" shall have the meaning assigned to the term "Incremental European Term Loan Commitments" in Amendment No. 10. As of the Amendment No. 10 Effective Date, the aggregate outstanding principal amount of European Term Loan Commitments was €250,000,000.

"***European Term Loan Maturity Date***" shall mean February 5, 2023.

"***European Term Loans***" shall mean prior to the 2017 Incremental Term Loan Effective Date, the "Incremental European Term Loans" as defined in Amendment No. 10 and thereafter, the "Incremental European Term Loans" as defined in the Second Incremental Assumption Agreement.

"***Events of Default***" shall mean any of the events specified in clauses (a) through (r) of Article VII; *provided* that any requirement set forth therein for the giving of notice, the lapse of time, or both, has been satisfied.

"***Excess Cash Flow***" shall mean, for any fiscal year of Holdings the excess of (a) the sum, without duplication, of (i) Consolidated EBITDA for such fiscal year and (ii) any decrease in working capital of Holdings and its Subsidiaries from the beginning to the end of such fiscal year as disclosed in the most recent consolidated statement of cashflows of Holdings and its Subsidiaries as changes in trade debtors, inventories and trade creditors over (b) the sum, without duplication, of (i) the amount of any Taxes paid or payable in cash by Holdings and the Subsidiaries with respect to such fiscal year, (ii) Consolidated Interest Expense for such fiscal year paid in cash, (iii) non recurring fees, expenses or charges paid in cash in connection with the consummation and implementation of the 2016 Restatement Transactions and in connection with any offering of Equity Interests, investment or Indebtedness permitted by this Agreement (whether or not consummated), (iv) Restructuring Costs paid in cash, (v) Cost Savings, (vi) expenses or charges paid in cash which are of an abnormal, unusual, extraordinary or non-recurring nature, (vii) Capital Expenditures made in cash during such fiscal year, except to the extent financed with the proceeds of Indebtedness, equity issuances, casualty proceeds or condemnation proceeds, (viii) the consideration paid in connection with Permitted Acquisitions (and transaction related fees and expenses, including financing fees, merger and acquisition fees, accounting, due diligence and legal fees and other fees and expenses in connection therewith), in each case paid or made in cash during such fiscal year, except to the extent financed with the proceeds of Indebtedness, equity issuances, casualty proceeds or condemnation proceeds, (ix) the amount of any contributions made during such fiscal year by Holdings or any Subsidiary to any Plan, Multiemployer Plan or Foreign Pension Plan, to the extent not deducted in determining Consolidated EBITDA for such fiscal year, (x) permanent repayments of Indebtedness (other than (w) repurchases of Term Loans made pursuant to Section 2.12(b), (x) mandatory prepayments of Loans under Section 2.13, (y) Voluntary Prepayments and (z) permanent prepayments, repayments, repurchases or redemptions of Senior Secured Notes) made in cash by Holdings and the Subsidiaries during such fiscal year, but only to the extent that the Indebtedness so prepaid by its terms cannot be reborrowed or redrawn and such prepayments are not made with funds received in connection with a refinancing of all or any portion of such Indebtedness, (xi) any increase in working capital of Holdings and its Subsidiaries from the beginning to the end of such fiscal year as disclosed in the most recent consolidated statement of cashflows of Holdings and its

Subsidiaries as changes in trade debtors, inventories and trade creditors, (xii) to the extent such Management Fees have been or will be paid in cash by Holdings and its Subsidiaries prior to the end of the following fiscal year (and without duplication of any amounts deducted pursuant to this clause (xii) in respect of any prior fiscal year), the aggregate amount of Management Fees added back in the calculation of Consolidated EBITDA for such fiscal year pursuant to clause (a)(xii) of the definition thereof; *provided* that, to the extent any Management Fees deducted from Excess Cash Flow pursuant to this clause (xii) are not paid in cash prior to the end of such following fiscal year, the amount of Management Fees deducted from Excess Cash Flow pursuant to this clause (xii) and not so paid shall be added to Excess Cash Flow for such following fiscal year, (xiii) the amount of Investments, loans and advances made in cash pursuant to Sections 6.04 (a), (e), (h), (i), (j), (k), (l), (m), (o), (q), (t) and (z) during such fiscal year (and in any event excluding all investments by Holdings and the Subsidiaries in Holdings or any Subsidiary), except to the extent financed with the proceeds of Indebtedness, equity issuances, casualty proceeds or condemnation proceeds, (xiv) the amount of Restricted Payments paid in cash pursuant to Sections 6.06(a)(iii), (iv), (v) and (viii) during such fiscal year, except to the extent financed with the proceeds of Indebtedness, equity issuances, casualty proceeds or condemnation proceeds, (xv) cash expenditures made under Hedging Agreements during such fiscal year to the extent not deducted in arriving at Consolidated Net Income, (xvi) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash during such fiscal year that are required to be made in connection with any prepayment of Indebtedness and (xvii) at the option of Holdings, the aggregate amount of consideration

required to be paid in cash pursuant to binding contracts entered into during or prior to such fiscal year of Holdings with respect to Capital Expenditures and Permitted Acquisitions to be made during the next succeeding fiscal year, in each case except to the extent such cash payments have been or are expected to be financed with the proceeds of Indebtedness, equity issuances, casualty proceeds or condemnation proceeds; *provided* that, to the extent any such cash payments deducted from Excess Cash Flow pursuant to this clause (xvii) are not paid in cash prior to the end of such following fiscal year, the amount so deducted from Excess Cash Flow pursuant to this clause (xvii) and not so paid shall be added to Excess Cash Flow for such following fiscal year. In calculating the decrease or increase in working capital of Holdings and its Subsidiaries, there shall be excluded the effect of any Permitted Acquisition during such period as well as the impact of movements in foreign currencies.

"***Exchange Act***" shall mean the United States Securities and Exchange Act of 1934, as amended from time to time.

"***Exchange Rate***" shall mean, on any day, with respect to any currency to be translated into Dollars or any Designated Foreign Currency, the rate at which such currency may be exchanged into Dollars or such Designated Foreign Currency, as the case may be, as set forth at approximately 11:00 a.m., New York City time, on such day on the Bloomberg Key Cross Currency Rates Page for such currency. In the event that such rate does not appear on any Bloomberg Key Cross Currency Rates Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and Holdings, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the primary market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m., local time, on such date for the purchase of Dollars or the applicable Designated Foreign Currency, as the case may be, for delivery two Business Days later; *provided*, *however*, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with Holdings, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

"***Excluded Contribution***" shall mean the cash proceeds or other assets (valued at their fair market value (as determined reasonably and in good faith by a Responsible Officer of Holdings) received by Holdings from (a) contributions to its common equity capital or (b) the issuance or sale (other than to a Subsidiary or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Equity Interests (other than Disqualified Stock and preferred stock) of Holdings, in each case after the 2016 Restatement Date, to the extent designated as an Excluded Contribution on the date such capital contributions are made or such Equity Interests are sold, as the case may be, pursuant to a certificate signed by a Responsible Officer of Holdings (it being understood that such an Excluded Contribution shall not otherwise be included in the calculation of the Available Amount); *provided* that in no event shall any Specified Equity Contribution be deemed to be an Excluded Contribution.

"***Excluded Information***" shall mean any non-public information with respect to Holdings or its Subsidiaries or any of their respective securities that could be material to a Lender's decision to assign, sell or purchase Loans.

"***Excluded Subsidiary***" shall mean:

(a) each Subsidiary listed on Schedule 1.01(c), being all the Excluded Subsidiaries existing on the 2016 Restatement Date;

(b) each other Subsidiary formed or acquired after the Closing Date that is not a Wholly Owned Subsidiary of Holdings;

(c) each Subsidiary that (i) is not organized in a Guarantor Jurisdiction, (ii) as of the last day of the fiscal quarter of Holdings most recently ended for which financial statements are available, did not have gross assets (excluding intra group items but including investments in Subsidiaries) in excess of 1.0% of the Consolidated Total Assets and (iii) for the period of four consecutive fiscal quarters of Holdings most recently ended for which financial statements are available, did not have earnings before interest, tax, depreciation and amortization calculated on the same basis as Consolidated EBITDA in excess of 1.0% of the Consolidated EBITDA;

(d) each Inactive Subsidiary;

(e) each Securitization Subsidiary;

(f) each Unrestricted Subsidiary;

(g) each Subsidiary which, in accordance with the Agreed Security Principles, is not required to provide a Guarantee with respect to the Obligations and which does not Guarantee the Obligations, any Senior Secured Notes or any Senior Unsecured Notes;

(h) each other Subsidiary (other than a Borrower or BP I) that Holdings designates in writing to the Administrative Agent as an Excluded Subsidiary; *provided* that (i) no Default or Event of Default exists at the time of such designation or would result therefrom (including in respect of Section 5.12(b)) and (ii) such Subsidiary is not organized under the laws of (x) the United States, any State thereof or the District of Columbia or (y) in the case of any direct or indirect subsidiary of BP I (other than any such subsidiary that is directly or indirectly owned by a subsidiary of BP I organized under the laws of a jurisdiction other than Luxembourg), Luxembourg, and *provided further* that following such designation such Subsidiary does not Guarantee any Senior Secured Notes or any Senior Unsecured Notes, it being understood that if such Subsidiary subsequently Guarantees any Senior Secured Notes or any Senior Unsecured Notes it shall immediately cease to be an Excluded Subsidiary under this clause (h) and shall, concurrently therewith, become a Subsidiary Guarantor hereunder; and

(i) each Captive Insurance Subsidiary.

"***Excluded Taxes***" shall mean (a) Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising solely from such Recipient having executed, delivered, enforced, become a

party to, performed its obligations, received payments, received or perfected a security interest under, or engaged in any other transaction pursuant to, this Agreement or any Loan Document), except as provided for in Section 2.14(a), (b) any withholding Taxes resulting from a failure by the applicable Recipient (other than a failure resulting from a Change in Law or from the application of Section 2.20(f)) to comply with Sections 2.20(e) and 2.20(g), (c) in the case of a U.S. Recipient, any U.S. Federal withholding Taxes, except to the extent that (i) such Taxes result from a Change in Law that occurred after the later of the date such U.S. Recipient becomes a party to this Agreement, and the date (if any) such U.S. Recipient designates a new lending office or (ii) amounts with respect to such Taxes were payable pursuant to Section 2.20 to such U.S. Recipient's assignor immediately before such U.S. Recipient acquired its interest with respect to this Agreement from such assignor or to such U.S. Recipient immediately before it designated such new lending office, as applicable, (d) in the case of a U.S. Recipient that is an intermediary, partnership or other flow-through entity for U.S. Federal income tax purposes, any U.S. Federal withholding Taxes that are imposed based upon the status of a beneficiary, partner or member of such U.S. Recipient, except to the extent that (i) such Taxes result from a Change in Law that occurred after the date on which such beneficiary, partner or member becomes a beneficiary, partner or member of such U.S. Recipient or (ii) amounts with respect to such Taxes were payable pursuant to Section 2.20 to such U.S. Recipient in respect of the assignor (or predecessor in interest) of such beneficiary, partner or member immediately before such beneficiary, partner or member acquired its interest in such U.S. Recipient from such assignor (or predecessor in interest)), and (e) any Taxes arising under FATCA.

"***Existing Credit Agreement***" shall mean the Third Amended and Restated Credit Agreement dated as of September 28, 2012, as amended, supplemented or otherwise modified prior to the 2016 Restatement Date, among Holdings, the Borrowers, the other Subsidiaries of Holdings party thereto, the lenders party thereto and the Administrative Agent.

"***Existing Letter of Credit***" shall mean each Letter of Credit previously issued for the account of a Borrower that (a) is outstanding on the 2016 Restatement Date and (b) is listed on Schedule 1.01(a).

"***Facility Fees***" shall have the meaning assigned to such term in Section 2.05(a).

"*Failed Auction*" shall have the meaning assigned to such term in Section 2.12(b)(iii).

"***FATCA***" shall mean Section 1471 through 1474 of the Code, as of the 2016 Restatement Date (or any amended or successor version that is substantively comparable), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement entered into in connection with any of the foregoing and any fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreement.

"***FBR***", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Foreign Base Rate.

"***February 2011 6.875% Senior Secured Note Indenture***" shall mean the senior secured note Indenture dated as of February 1, 2011, among the U.S. Issuers, the Luxembourg Issuer, the other Loan Parties party thereto and the Indenture Trustee, pursuant to which the February 2011 6.875% Senior Secured Notes were issued.

"***February 2011 6.875% Senior Secured Notes***" shall mean the 6.875% Senior Secured Notes due 2021 issued on February 1, 2011, by the Luxembourg Issuer and the U.S. Issuers in an aggregate principal amount of $1,000,000,000, including any Senior Secured Notes into which such notes may be exchanged in accordance with the provisions of the February 2011 6.875% Senior Secured Note Indenture.

"***February 2011 8.250% Senior Unsecured Note Indenture***" shall mean the senior unsecured note Indenture dated as of February 1, 2011, among the U.S. Issuers, the Luxembourg Issuer, the other Loan Parties party thereto and The Bank of New York Mellon, as trustee, pursuant to which the February 2011 8.250% Senior Unsecured Notes were issued.

"***February 2011 8.250% Senior Unsecured Notes***" shall mean the 8.250% Senior Unsecured Notes due 2021 issued on February 1, 2011, by the Luxembourg Issuer and the U.S. Issuers in an aggregate principal amount of $1,000,000,000, including any Senior Unsecured Notes into which such notes may be exchanged in accordance with the provisions of the February 2011 8.250% Senior Unsecured Note Indenture.

"***February 2012 9.875% Senior Unsecured Note Indenture***" shall mean the senior unsecured note Indenture dated as of February 15, 2012, among the U.S. Issuers, the Luxembourg Issuer, the other Loan Parties party thereto and The Bank of New York Mellon, as trustee, pursuant to which the February 2012 9.875% Senior Unsecured Notes were issued.

"***February 2012 9.875% Senior Unsecured Notes***" shall mean the Senior Unsecured Notes issued on February 15, 2012, by the Luxembourg Issuer and the U.S. Issuers in an aggregate principal amount of $1,250,000,000 to the extent not exchanged for August 2011 9.875% Senior Unsecured Notes, including any Senior Unsecured Notes into which such notes may be exchanged in accordance with the provisions of the February 2012 9.875% Senior Unsecured Note Indenture.

"***Federal Funds Effective Rate***" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"***Federal Reserve Bank of New York's Website***" shall mean the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"***Fee Letter***" shall mean the Engagement Letter dated July 14, 2016, among Holdings, the Administrative Agent and Credit Suisse Securities (USA) LLC.

"***Fees***" shall mean the Facility Fees, the Administrative Agent Fees, the L/C Participation Fees and the Issuing Bank Fees.

"***Financial Officer***" of any Person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"***First Incremental Assumption Agreement***" shall mean the Incremental Assumption Agreement dated as of October 7, 2016, relating to this Agreement.

"***First Lien Intercreditor Agreement***" shall mean the Intercreditor Agreement dated as of November 5, 2009, as amended on January 21, 2010, among the Administrative Agent, the Indenture Trustee, the Collateral Agents, the grantors party thereto and each additional representative from time to time party thereto, attached hereto as Exhibit G.

"***First Restatement Date***" shall mean February 9, 2011.

"***Fixed Charge Coverage Ratio***" shall have the meaning assigned to such term in the June 2016 Senior Secured Note Indenture as in effect on the 2016 Restatement Date (whether or not in effect and whether or not any Indebtedness issued thereunder is outstanding at the time) (it being understood that defined terms used in such definition shall also have the meaning assigned to such terms in such indenture and that the Fixed Charge Coverage Ratio shall be calculated in accordance with the rules set forth in such indenture).

"***Foreign Base Rate***" shall mean, for any day, (a) with respect to amounts denominated in Euros, the EURIBO Rate on such day for a three month Interest Period commencing on the second Business Day after such day plus 1%, and (b) with respect to amounts denominated in a Designated Foreign Currency other than Euros, the "Foreign Base Rate" as defined in the applicable Incremental Assumption Agreement.

"***Foreign Benefit Event***" shall mean, with respect to any Foreign Pension Plan, (a) the existence of unfunded liabilities in excess of the amount of unfunded liabilities permitted under any applicable law, or in excess of the amount that would be permitted absent a waiver from a Governmental Authority, (b) the failure to make the required contributions or payments, under any applicable law, on or before the due date for such contributions or payments, (c) the receipt of a notice by a Governmental Authority relating to the intention to terminate any such Foreign Pension Plan or to appoint a trustee or similar official to administer any such Foreign Pension Plan, or alleging the insolvency of any such Foreign Pension Plan, (d) the incurrence of any liability in excess of $25,000,000 by Holdings or any Subsidiary under applicable law on account of the complete or partial termination of such Foreign Pension Plan or the complete or partial withdrawal of any participating employer therein or (e) the occurrence of any transaction that is prohibited under any applicable law and that could reasonably be expected to result in the incurrence of any liability by Holdings or any Subsidiary, or the imposition on Holdings or any Subsidiary of any fine, excise tax or penalty resulting from any noncompliance with any applicable law, in each case in excess of $50,000,000.

"***Foreign Collateral Agreement***" shall mean each security agreement that is stated to be governed by the law of a jurisdiction outside of the United States and that is required by the Administrative Agent and any Collateral Agent to grant Liens in certain of the assets of the Loan Parties party thereafter in favor of such Collateral Agent and/or the "Pledgees" (as defined therein), for the benefit of the "Secured Parties" and/or the "Pledgees" (each as defined therein), in form

and substance reasonably satisfactory to the Administrative Agent and such Collateral Agent and subject to the Agreed Security Principles.

"***Foreign Pension Plan***" shall mean any benefit plan that under applicable law outside of the United States is required to be funded through a trust or other funding vehicle other than a trust or funding vehicle maintained exclusively by a Governmental Authority, *provided* that, for the avoidance of doubt, a "Foreign Pension Plan" does not include a "Plan".

"***Foreign Subsidiary***" shall mean a Subsidiary that is not a Domestic Subsidiary.

"***GAAP***" shall initially mean IFRS; *provided*, *however*, that from and after the effectiveness of any change permitted by Section 6.13(b) until the effective time of any subsequent change permitted by Section 6.13(b), "GAAP" shall mean the accounting principles used for financial reporting by Holdings at the effective time of such change.

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

"***Graeme Hart***" shall mean (a) Mr. Graeme Richard Hart (or his estate, heirs, executor, administrator or other personal representative, or any of his immediate family members or any trust, fund or other entity which is controlled by his estate, heirs or any of his immediate family members), and any of his or their Affiliates (each a "***Hart Party***") and (b) any Person that forms a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) with any Hart Party; *provided* that in the case of clause (b), (i) one or more Hart Parties own a majority of the voting power of the Equity Interests of Holdings or any Parent Company, as applicable, (ii) no other Person has beneficial ownership of any of the Equity Interests included in determining whether the threshold set forth in clause (i) has been satisfied and (iii) one or more Hart Parties control a majority of the Board of Directors of Holdings or any Parent Company, as applicable.

"***Graham Packaging***" shall mean Graham Packaging Holdings Company, a Pennsylvania limited partnership.

"***Graham Packaging Closing Date***" shall mean the "Closing Date" as defined in Amendment No. 6.

"***Graham Packaging Transactions***" shall mean the "Transactions" as defined in Amendment No. 6.

"***Granting Lender***" shall have the meaning assigned to such term in Section 9.04(j).

"***Guarantee***" of or by any Person shall mean any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "***primary obligor***") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (b) to purchase or lease property, securities or services for

the purpose of assuring the owner of such Indebtedness or other obligation of the payment of such Indebtedness or other obligation or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation; *provided*, *however*, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"***Guarantor Joinder***" shall mean a joinder agreement to this Agreement entered into by a Subsidiary Guarantor and accepted by the Administrative Agent, in the form of Exhibit D or such other form as shall be approved by the Administrative Agent.

"***Guarantor Jurisdiction***" shall mean a jurisdiction where one or more Loan Parties is organized.

"***Guarantors***" shall mean Holdings, BP I, the Borrowers and the Subsidiary Guarantors.

"***Hazardous Materials***" shall mean (a) any petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material, substance or waste that is prohibited, limited or regulated by or pursuant to any Environmental Law.

"***Hedge Provider***" shall mean each counterparty to any Hedging Agreement with a Loan Party (or any other Subsidiary, if such Hedge Agreement is entered into in the ordinary course of business of such Subsidiary and related to the operations of Holdings and its Subsidiaries) that either (i) is in effect on the 2016 Restatement Date if such counterparty is the Administrative Agent, a Lender or an Affiliate of the Administrative Agent or a Lender as of the 2016 Restatement Date or (ii) is entered into after the 2016 Restatement Date if such counterparty is Administrative Agent, a Lender or an Affiliate of the Administrative Agent or a Lender at the time such Hedging Agreement is entered into; *provided* that, in each case, such Person has executed and delivered to the Administrative Agent an Additional Bank Secured Party Acknowledgment, which has not been cancelled.

"***Hedging Agreement***" shall mean any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"***Holdings***" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"***IFRS***" shall mean International Financial Reporting Standards issued by the International Accounting Standards Board applied on a consistent basis.

"***Immaterial Subsidiary***" shall mean any Subsidiary that (a) as of the last day of the fiscal quarter of Holdings most recently ended for which financial statements are available, did not have gross assets (excluding intra group items but including investments in Subsidiaries) in excess of 5.0% of the Consolidated Total Assets and (b) for the period of four consecutive fiscal quarters of Holdings most recently ended for which financial statements are available, did not have earnings before interest, tax, depreciation and amortization calculated on the same basis as Consolidated EBITDA in excess of 5.0% of the Consolidated EBITDA; *provided* that if the Immaterial Subsidiaries taken as a whole would have, as of the last day of the fiscal quarter of Holdings most recently ended for which financial statements are available, gross assets (excluding intra group items but including investments in Subsidiaries, without duplication) in excess of 10.0% of the Consolidated Total Assets or would have, for the most recently ended period of four consecutive fiscal quarters of Holdings for which financial statements are available, aggregate earnings before interest, tax, depreciation and amortization calculated on the same basis as Consolidated

EBITDA in excess of 10.0% of the Consolidated EBITDA, then Holdings shall designate one or more of such Subsidiaries to cease being Immaterial Subsidiaries to the extent necessary to eliminate such excess, and upon such designation such designated Subsidiaries shall cease to be Immaterial Subsidiaries. On the 2016 Restatement Date, a Responsible Officer of Holdings shall deliver a certificate certifying a list of names of all Immaterial Subsidiaries, that each Subsidiary set forth on such list individually qualifies as an Immaterial Subsidiary and that all such Subsidiaries in the aggregate do not exceed the limitations set forth above.

"***Inactive Subsidiary***" shall mean any Subsidiary (other than BP I and the Borrowers) that (a) does not conduct any material business operations, (b) has assets with a book value not in excess of $1,000,000 and (c) does not have any Indebtedness outstanding.

"***Incremental Assumption Agreement***" shall mean an Incremental Assumption Agreement among, and in form and substance reasonably satisfactory to, each applicable Borrower, the Administrative Agent and one or more Incremental Term Lenders or Incremental Revolving Credit Lenders, as the case may be.

"***Incremental Dollar Amount***" shall have the meaning assigned to such term in the definition of Incremental Facility Amount.

"***Incremental Facility Amount***" shall mean, on any date of determination, an amount equal to (a) the excess, if any, of (i) $750,000,000 (it being understood that such amount shall not be subject to reduction as a result of the making of the U.S. Term Loans and the European Term Loans on the 2016 Restatement Date or as a result of the establishment after the 2016 Restatement Date of Incremental Revolving Credit Commitments in an aggregate principal amount of up to $97,700,000 (the "***Specified Incremental Revolving Amount***")) over (ii) the sum of (i) the aggregate amount of all Incremental Term Loan Commitments and Incremental Revolving Credit Commitments, in each case, established pursuant to Section 2.23 after the 2016 Restatement Date and prior to such date of determination in reliance on this clause (a) and (ii) the aggregate principal amount of Indebtedness incurred pursuant to Section 6.01(m) after the 2016 Restatement Date and prior to such date of determination; *provided*, however, that to the extent (A) the proceeds of any Incremental Term Loans made after the 2016 Restatement Date are used concurrently with the incurrence thereof to prepay then outstanding Term Loans of a Class or Classes and (B) concurrently with the establishment of any Incremental Revolving Credit Commitments, the then outstanding Revolving Credit Commitments of a Class or Classes are permanently reduced on a pro tanto basis, the establishment of such Incremental Term Loan Commitments and Incremental Revolving Credit Commitments shall not reduce the Incremental Facility Amount determined pursuant to this clause (a)(the "***Incremental Dollar Amount***") plus (b) the maximum principal amount of Indebtedness that, if fully drawn on such date of determination, would not cause the Total Secured Leverage Ratio, calculated on a Pro Forma Basis after giving effect to the incurrence

of such Indebtedness and the application of proceeds therefrom (but without netting the proceeds thereof), to exceed 4.5 to 1.0 (the "***Incremental Ratio Amount***"). Notwithstanding anything to the contrary contained herein, if established, the Specified Incremental Revolving Amount shall be implemented pursuant to clause (a) above.

"***Incremental Lender***" shall mean an Incremental Revolving Credit Lender or an Incremental Term Lender.

"***Incremental Ratio Amount***" shall have the meaning assigned to such term in the definition of Incremental Facility Amount.

"***Incremental Revolving Credit Commitment***" shall mean any increased or incremental Revolving Credit Commitment provided pursuant to Section 2.23.

"***Incremental Revolving Credit Lender***" shall mean a Lender with an Incremental Revolving Credit Commitment or an outstanding Revolving Loan of any Class as a result of an Incremental Revolving Credit Commitment.

"***Incremental Revolving Loan***" shall mean Revolving Loans made by one or more Lenders to one or more Borrowers pursuant to their Incremental Revolving Credit Commitments. Incremental Revolving Loans may be made in the form of additional Revolving Loans or, to the extent permitted by Section 2.23 and provided for in the relevant Incremental Assumption Agreement, Other Revolving Loans.

"***Incremental Term Lender***" shall mean a Lender with an Incremental Term Loan Commitment or an outstanding Incremental Term Loan.

"***Incremental Term Loan Commitment***" shall mean the commitment of any Lender, established pursuant to Amendment No. 10 or Section 2.23, to make Incremental Term Loans to one or more Term Borrowers, and shall include the U.S. Term Loan Commitments and the European Term Loan Commitments.

"***Incremental Term Loan Maturity Date***" shall mean, with respect to any Incremental Term Loans made after the 2016 Restatement Date, the final maturity date of such Incremental Term Loans, as set forth in the applicable Incremental Assumption Agreement.

"***Incremental Term Loan Repayment Dates***" shall mean, with respect to any Incremental Term Loans made after the 2016 Restatement Date, the dates scheduled for the repayment of principal thereof, as set forth in the applicable Incremental Assumption Agreement.

"***Incremental Term Loans***" shall mean Term Loans made by one or more Lenders to one or more Term Borrowers pursuant to Section 2.01(b). Incremental Term Loans may be made in the form of additional Term Loans or, to the extent permitted by Section 2.23 and provided for in the relevant Incremental Assumption Agreement, Other Term Loans.

"***Indebtedness***" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of

such Person upon which interest charges are customarily paid, (d) [reserved], (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) net obligations of such Person under any Hedging Agreements, valued at the Agreement Value thereof, (j) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests of such Person or any other Person or any warrants, rights or options to acquire such equity interests, valued, in the case of redeemable preferred interests, at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends, (k) all obligations of such Person as an account party in respect of letters of credit and bank guarantees, (l) all obligations of such Person in respect of bankers' acceptances and (m) with respect to Holdings and the Subsidiaries, the Securitization Amount; *provided* that Indebtedness shall not include (A) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset or (B) earn-out and other contingent obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP; *provided, further,* that if any Indebtedness under clause (f) is recourse only to the property so securing it, then the amount thereof shall be deemed to be equal to the lesser of the aggregate principal amount of such Indebtedness and the fair market value of such property. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner.

"***Indemnified Taxes***" shall mean Taxes (including Other Taxes), other than Excluded Taxes.

"***Indemnitee***" shall have the meaning assigned to such term in Section 9.05(b).

"***Indenture Trustee***" shall mean The Bank of New York Mellon, in its capacity as trustee under each of the February 2011 6.875% Senior Secured Note Indenture, the September 2012 5.750% Senior Secured Note Indenture, the June 2016 Senior Secured Note Indenture.

"***Independent Accountant***" shall mean PricewaterhouseCoopers or other independent public accountants of recognized national standing.

"***Information***" shall have the meaning assigned to such term in Section 9.16.

"***Intercreditor Agreements***" shall mean the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement, the November 2013 Intercreditor Agreement, the Other Intercreditor Agreements, if any, and the Junior Lien Intercreditor Agreements, if any.

"***Interest Payment Date***" shall mean (a) with respect to any Daily Rate Loan, the last Business Day of each March, June, September and December, and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than

three months' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months' duration been applicable to such Borrowing.

"***Interest Period***" shall mean, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months or, to the extent agreed to by all affected Lenders, 12 months or a period of less than one month thereafter, as the applicable Borrowers may elect; *provided*, *however*, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period and (iii) no Interest Period for any Loan shall extend beyond the maturity date of such Loan. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing. Notwithstanding the foregoing, the Interest Period with respect to the initial borrowing of the Tranche B-2 U.S. Term Loans shall be a period commencing on the Amendment No. 13 Effective Date and ending on October 30, 2020.

"***Interpolated Rate***" shall mean, in relation to the LIBO Rate or the EURIBO Rate for any Borrowing, the rate which results from interpolating on a linear basis between: (a) (x), in the case of the LIBO Rate, the rate appearing on the Reuters screen (or another commercially available source as designated by the Administrative Agent from time to time) for the LIBO Rate or (y), in the case of EURIBO Rate, the rate appearing on the Reuters screen (or another commercially available source as designated by the Administrative Agent from time to time) for the EURIBO Rate, in each case, for the longest period (for which that rate is available) which is less than the Interest Period for such Borrowing and (b) the rate appearing on such screen or other source, as the case may be, for the shortest period (for which that rate is available) which exceeds the Interest Period for such Borrowing, each as of approximately 11:00 A.M., London time, (x) in the case of the LIBO Rate, two Business Days or (y) in the case of the EURIBO Rate, two Target Days prior to the commencement of such Interest Period.

"***Investment Fund***" means an Affiliate of Parent Company (other than a natural person) that is primarily engaged in, or advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit or securities in the ordinary course and with respect to which none of Parent Company, Holdings or any of its subsidiaries possesses, directly or indirectly, the power to make, cause or direct the individual investment decisions for such entity, in each case identified as such in any related Assignment and Acceptance and reasonably acceptable to the Administrative Agent.

"***IRS***" shall mean the United States Internal Revenue Service.

"***Issuing Bank***" shall mean, as the context may require, (a) Credit Suisse AG, acting through any of its Affiliates or branches, in its capacity as the issuer of the Existing Letters of Credit, (b) each of the Revolving Credit Lenders with an L/C Commitment set forth on Schedule 2.01, in each case acting through any of its Affiliates or branches, in its capacity as an issuer of Letters of Credit hereunder and (c) any other Lender that may become an Issuing Bank pursuant to Section 2.22(i) or 2.22(k), with respect to Letters of Credit issued by such Lender. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates or branches of such Issuing Bank, in which case the term "***Issuing Bank***" shall include any such Affiliate or branch with respect to Letters of Credit issued by such Affiliate or branch. It is understood that, after the 2016 Restatement Date, Coöperatieve Rabobank U.A. may become an Issuing Bank pursuant to Section 2.22(k).

"***Issuing Bank Fees***" shall have the meaning assigned to such term in Section 2.05(c).

"***June 2016 5.125% Senior Secured Notes***" shall mean the 5.125% Senior Secured Notes due 2023 issued by the Luxembourg Issuer and the U.S. Issuers on June 27, 2016, in an aggregate principal amount of $1,350,000,000, and on August 1, 2016 in an aggregate principal amount of $250,000,000, including any Senior Secured Notes into which such notes may be exchanged in accordance with the provisions of the June 2016 5.125% Senior Secured Note Indenture.

"***June 2016 Senior Secured Floating Rate Notes***" shall mean the floating rate Senior Secured Notes due 2021 issued on June 27, 2016, by the Luxembourg Issuer and the U.S. Issuers in an aggregate principal amount of $750,000,000, including any Senior Secured Notes into which such notes may be exchanged in accordance with the provisions of the June 2016 Senior Secured Floating Rate Note Indenture.

"***June 2016 Senior Secured Notes***" shall mean the June 2016 5.125% Senior Secured Notes and the June 2016 Senior Secured Floating Rate Notes.

"***June 2016 Senior Secured Notes Indenture***" shall mean the senior secured note Indenture dated as of June 27, 2016, among the U.S. Issuers, the Luxembourg Issuer, the other Loan Parties party thereto and the Indenture Trustee, pursuant to which the June 2016 5.125% Senior Secured Notes and June 2016 Senior Secured Floating Rate Notes were issued.

"***June 2016 7.000% Senior Unsecured Note Indenture***" shall mean the senior unsecured note Indenture dated as of June 27, 2016, among the U.S. Issuers, the Luxembourg Issuer, the other Loan Parties party thereto and The Bank of New York Mellon, as trustee, pursuant to which the June 2016 7.000% Senior Unsecured Notes were issued.

"***June 2016 7.000% Senior Unsecured Notes***" shall mean the 7.000% Senior Unsecured Notes due 2024 issued on June 27, 2016, by the Luxembourg Issuer and the U.S. Issuers in an aggregate principal amount of $800,000,000, including any Senior Unsecured Notes into which such notes may be exchanged in accordance with the provisions of the June 2016 7.000% Senior Unsecured Note Indenture.

"***Junior Lien Intercreditor Agreements***" shall mean one or more intercreditor agreements substantially in the form of Exhibit I or such other form as shall be reasonably satisfactory to both Holdings and the Administrative Agent.

"***Latest Term Loan Maturity Date***" shall mean, at any date of determination, the latest maturity date applicable to any Term Loans or Term Loan Commitment hereunder at such time, in each case as extended in accordance with this Agreement from time to time.

"***L/C Commitment***" shall mean, with respect to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The initial amount of each Issuing Bank's L/C Commitment is set forth on Schedule 2.01, or if an Issuing Bank has entered into an Assignment and Assumption or became an Issuing Bank pursuant to an agreement designating it as contemplated by Section 2.22(i) or 2.22(k), the amount set forth for such Issuing Bank as its L/C Commitment in the Register maintained by the Administrative Agent or in such agreement.

"***L/C Disbursement***" shall mean a payment or disbursement made by any Issuing Bank pursuant to a Letter of Credit issued by such Issuing Bank.

"***L/C Exposure***" shall mean at any time the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time that are denominated in Dollars, *plus* the Dollar Equivalent at such time of the aggregate undrawn amount of all outstanding Letters of Credit denominated in a Designated Foreign Currency at such time and (b) the aggregate principal amount of all L/C Disbursements in respect of Letters of Credit denominated in Dollars, *plus* the Dollar Equivalent at such time of the aggregate principal amount of all L/C Disbursements in respect of Letters of Credit denominated in Designated Foreign Currencies, in each case that have not yet been reimbursed by or on behalf of the Revolving Borrowers at such time. The L/C Exposure of any Revolving Credit Lender at any time shall equal its Pro Rata Percentage of the aggregate L/C Exposure at such time.

"***L/C Participation Fees***" shall have the meaning assigned to such term in Section 2.05(c).

"***Legal Reservations***" shall mean (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, bankruptcy, reorganization and other laws generally affecting the rights of creditors; (b) the time barring of claims under any applicable laws, the possibility that an undertaking to assume liability for or indemnify a Person against non payment of Taxes may be void and defenses of set-off or counterclaim; (c) similar principles, rights and defenses under the laws of any relevant jurisdiction; and (d) any other matters of law of general application which may limit validity, enforceability or perfection in any relevant jurisdiction.

"***Lenders***" shall mean (a) the Persons listed on Schedule 2.01 and (b) any Person that has become a party hereto pursuant to an Assignment and Acceptance or an Incremental Assumption Agreement (other than, in the case of clauses (a) and (b), any such Person that has ceased to be a party hereto pursuant to an Assignment and Acceptance).

"***Letter of Credit***" shall mean any standby letter of credit (which shall not include any trade letter of credit) issued pursuant to Section 2.22 and any Existing Letter of Credit.

"***LIBO Rate***" shall mean, with respect to any Eurocurrency Borrowing for any Interest Period denominated in a currency other than Euro, the rate per annum determined by the Administrative Agent at approximately 11:00 a.m., London time, on the date that is two Business Days prior to the commencement of such Interest Period by reference to the ICE Benchmark

Administration Interest Settlement Rates for deposits in such currency (as set forth by any service selected by the Administrative Agent that has been nominated by the ICE Benchmark Administration Limited (or any successor administrator) as an authorized information vendor for the purpose of displaying such rates (or, if the ICE Benchmark Administration Limited no longer administers such rate, the equivalent rate for deposits in such currency administered by any successor administrator of such rate) for a period equal to such Interest Period; *provided* that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "LIBO Rate" shall be the Interpolated Rate.

"***Lien***" shall mean, with respect to any asset, (a) any mortgage, trust declared for the purpose of creating a security interest in an asset, lien, pledge, encumbrance, charge or security interest in or on such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing).

"***Limited Condition Acquisition***" shall mean any acquisition which Holdings or one or more of its Subsidiaries has contractually committed to consummate, the terms of which do not condition Holdings' or its Subsidiary's, as applicable, obligation to close such acquisition on the availability of third-party financing.

"***Loan Documents***" shall mean this Agreement, each amendment to this Agreement (including each Incremental Assumption Agreement), the Letters of Credit, the Security Documents, each Loan Modification Agreement, each Specified Refinancing Amendment, the Intercreditor Agreements, each Additional Bank Secured Party Acknowledgment and the promissory notes, if any, executed and delivered pursuant to Section 2.04(e).

"***Loan Modification Agreement***" shall mean a Loan Modification Agreement in form and substance reasonably satisfactory to the Administrative Agent, Holdings, the other Loan Parties and one or more Accepting Lenders.

"***Loan Modification Offer***" shall have the meaning assigned to such term in Section 2.24(a).

"***Loan Parties***" shall mean Holdings, the Borrowers and the Subsidiary Guarantors.

"***Loan Parties' Agent***" shall mean Holdings.

"***Loans***" shall mean the Revolving Loans and the Term Loans.

"***Local Facility***" or "***Secured Local Facility***" shall mean a working capital facility provided to a Subsidiary (other than BP I and the Borrowers) by a Local Facility Provider.

"***Local Facility Provider***" means a lender or other bank or financial institution that has executed and delivered to the Administrative Agent an Additional Bank Secured Party Acknowledgment with respect to a working capital facility provided to a Subsidiary (other than BP I and the Borrowers).

"***Local Time***" shall mean, in relation to any Borrowing by (a) the U.S. Borrowers, New York City time, and (b) the European Borrowers, London time.

"***Luxembourg Borrower***" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"***Luxembourg Issuer***" shall mean Reynolds Group Issuer (Luxembourg) S.A., société anonyme and a Wholly Owned Subsidiary of Holdings, with a registered office at 6, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg and registered with the Luxembourg register of commerce and companies under number B 148.957 and its successors.

"***Management Fees***" shall mean any management, consulting, monitoring or advisory fees to a Parent Company or an Affiliate thereof; *provided* that (i) the aggregate amount of any such management, consulting, monitoring or advisory fees paid to a Parent Company or an Affiliate thereof in respect of fiscal years 2009 and 2010 shall not exceed $37,000,000 in the aggregate regardless of the fiscal year in which such payments occur (it being understood that such payment may occur after the 2016 Restatement Date) and (ii) the aggregate amount of any such management, consulting, monitoring or advisory fees paid to a Parent Company or an Affiliate thereof in any fiscal year (excluding any amounts paid in respect of fiscal years 2009 and 2010, which shall be subject to the foregoing clause (i)) shall not exceed an amount equal to 1.5% of Consolidated EBITDA of Holdings for the immediately preceding fiscal year (but calculated for purposes of this definition without giving effect to any addition to such Consolidated EBITDA pursuant to clause (a)(xii) of the definition thereof).

"***Management Group***" shall mean the group consisting of the directors, executive officers and other management personnel of Holdings or any Parent Company, as the case may be, on the 2016 Restatement Date together with (a) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of Holdings or any Parent Company, as applicable, was approved by a vote of a majority of the directors of Holdings or any Parent Company, as applicable, then still in office who were either directors on the 2016 Restatement Date or whose election or nomination was previously so approved and (b) executive officers and other management personnel of Holdings or Parent Company, as applicable, hired at a time when the directors on the 2016 Restatement Date together with the directors so approved constituted a majority of the directors of Holdings or Parent Company, as applicable.

"***Margin Stock***" shall have the meaning assigned to such term in Regulation U.

"***Material Adverse Effect***" shall mean (a) a materially adverse effect on the business, assets, liabilities, operations, condition (financial or otherwise) or operating results of Holdings and the Subsidiaries, taken as a whole, or (b) a material impairment of the rights and remedies available to the Lenders, taken as a whole, under any Loan Document (other than one or more Security Documents that purport to create security interests in Collateral with an aggregate fair market value at any time less than $100,000,000).

"***Material Indebtedness***" shall mean Indebtedness (other than the Loans and Letters of Credit) of any one or more of Holdings or any Subsidiary in an aggregate principal amount exceeding $150,000,000. For purposes of determining Material Indebtedness, the "principal

amount" of the obligations of Holdings or any Subsidiary in respect of any Hedging Agreement at any time shall be the Agreement Value of such Hedging Agreement at such time.

"***Material Subsidiary***" shall mean any Subsidiary that is not an Immaterial Subsidiary.

"***Maximum Rate***" shall have the meaning assigned to such term in Section 9.09.

"***Minimum Exchange Tender Condition***" shall have the meaning assigned to such term in Section 2.26(b).

"***Moody's***" shall mean Moody's Investors Service, Inc., or any successor thereto.

"***Mortgaged Properties***" shall mean, as of the 2016 Restatement Date, the owned real properties of the Loan Parties specified on Schedule 1.01(d), and shall include each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 5.12 or has been granted (and not previously released) pursuant to Section 5.12 of any of the Prior Credit Agreements.

"***Mortgages***" shall mean, collectively, the mortgages, trust deeds, deeds of trust, deeds to secure debt, assignments of leases and rents, and other security documents delivered with respect to the Mortgaged Properties, each in form and substance reasonably satisfactory to the Administrative Agent and the applicable Collateral Agent.

"***Multiemployer Plan***" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"***Net Cash Proceeds***" shall mean (a) the aggregate cash proceeds (including any Contingent SIG Proceeds) received by Holdings or any Subsidiaries in respect of any Asset Sale (including any cash received in respect of or upon the sale or other disposition of any Designated Non-Cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, and specifically excluding the assumption by the acquiring Person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form), less, in the case of the sale by Holdings or any Subsidiary of an Equity Interest in another Person, an amount equal to the amount of cash and Permitted Investments remaining on the balance sheet of such Person immediately after the closing of the sale (or if the Equity Interest sold by Holdings or any Subsidiary represents less than all of the Equity Interests in such Person, only the pro rata portion of such cash and Permitted Investments attributable to the Equity Interest sold by Holdings or any Subsidiary), and net of the costs and expenses relating to and in respect of such Asset Sale and the sale or disposition of such Designated Non-Cash Consideration (including legal, accounting and investment banking fees, brokerage and sales commissions and foreign currency hedging expenses), any relocation expenses incurred as a result thereof, all U.S. federal, state, provincial, foreign and local taxes required to be paid or to be accrued as a liability under GAAP, in each case as a consequence of, or in respect of, such Asset Sale (including as a consequence of any transfer of funds in connection with the application thereof in accordance with Section 2.13(b)) and determined without taking into account any available tax credits, losses or deductions or any tax sharing arrangements), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required to be paid as a result of such transaction by the terms

of such Indebtedness (other than any Indebtedness secured by Liens on the Collateral ranking *pari passu* with, or junior to, the Liens securing the Bank Obligations, and the Bank Obligations) or in order to obtain a necessary consent to the relevant Asset Sale or by applicable law, any deduction of appropriate amounts to be provided by Holdings as a reserve in accordance with GAAP against any liabilities associated with the asset disposed in such transaction and retained by Holdings after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction and, in the case of an Asset Sale by a non-Wholly Owned Subsidiary, the pro rata portion of the cash proceeds thereof attributable to minority interests and not available for distribution to or for the account of Holdings or a Wholly Owned Subsidiary as a result thereof; *provided, however*, that, if (A) Holdings shall deliver a notice to the Administrative Agent at the time of receipt thereof electing to retain all or any portion of such proceeds for Reinvestment within 12 months of receipt of such proceeds and (B) no Default or Event of Default shall have occurred and shall be continuing at the time of delivery of such notice, such retained portion of such proceeds shall not constitute Net Cash Proceeds except to the extent not so used at the end of such 12-month period (or, if Holdings or a Subsidiary shall have entered into a legally binding commitment to Reinvest such proceeds within such 12-month period, within 180 days following the end of such 12-month period), or to the extent that at any time prior to the end of such 12-month (or 18-month, as the case may be) period Holdings notifies the Administrative Agent that it elects not to pursue such Reinvestment, at which time such retained portion of such proceeds shall be deemed to be Net Cash Proceeds and (b) with respect to any issuance of Equity Interests by, any capital contribution to, or the issuance or incurrence of Indebtedness by Holdings or any Subsidiary, the cash proceeds thereof, net of all taxes and customary fees, commissions, costs and other expenses incurred in connection therewith.

"***Non-Consensual Asset Sale***" shall mean any sale, transfer or other disposition (a) that gives rise to any property or casualty insurance claim or (b) that arises in connection with any taking under power of eminent domain or by condemnation or similar proceeding of or relating to any property or asset of Holdings or any Subsidiary.

"***Non-Consenting Lender***" shall have the meaning assigned to such term in Section 2.21(a).

"***Non-Defaulting Lender***" shall mean, at any time, each Lender that is not a Defaulting Lender at such time.

"***Non-Recurring Charges***" shall mean, in respect of any period, charges which are of an abnormal, unusual or non-recurring nature; *provided* that a certificate of a Financial Officer of Holdings, certifying that such charges are fair and accurate, and in form reasonably satisfactory to the Administrative Agent shall have been delivered to the Administrative Agent.

"***November 2013 Intercreditor Agreement***" shall mean the Intercreditor Agreement dated as of November 15, 2013, among Holdings, BP I, the other obligors signatory thereto, Credit Suisse AG, as Administrative Agent, and The Bank of New York Mellon as High Yield Noteholders Trustee.

"***November 2013 5.625% Senior Unsecured Note Documents***" shall mean the November 2013 5.625% Senior Unsecured Note Indenture and all other instruments, agreements and other documents evidencing or governing the November 2013 5.625% Senior Unsecured Notes or providing for any Guarantee or other right in respect thereof.

"***November 2013 5.625% Senior Unsecured Note Indenture***" shall mean the senior unsecured note Indenture dated as of November 15, 2013, among BP II, and Beverage Packaging Holdings II Issuer Inc., the other Loan Parties party thereto and The Bank of New York Mellon, as trustee, pursuant to which the November 2013 5.625% Senior Unsecured Notes were issued.

"***November 2013 5.625% Senior Unsecured Notes***" shall mean the 5.625% senior unsecured notes due 2016 issued on November 15, 2013 by BP II and Beverage Packaging Holdings II Issuer Inc., in the aggregate principal amount of $642,000,000.

"***Obligations***" shall have the meaning assigned to such term in the First Lien Intercreditor Agreement.

"***OFAC***" shall have the meaning assigned to such term in Section 3.24.

"***Original Credit Agreement***" shall mean the Credit Agreement dated as of November 5, 2009, as amended by Amendment No. 1 dated as of January 21, 2010, Amendment No. 2 and Amendment No. 3, among the U.S. Borrowers identified therein, the European Borrowers identified therein, Holdings, the Guarantors, the lenders party thereto and the Administrative Agent.

"***Other Intercreditor Agreements***" shall have the meaning assigned to such term in Section 9.26.

"***Other Revolving Credit Commitments***" shall have the meaning assigned to such term in Section 2.23(a).

"***Other Revolving Loans***" shall have the meaning assigned to such term in Section 2.23(a).

"***Other Taxes***" shall mean any and all present or future stamp, court, recording, intangible, filing or documentary Taxes or any other excise or property or similar Taxes, charges or levies arising from the execution, delivery, performance or enforcement of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document.

"***Other Term Loans***" shall have the meaning assigned to such term in Section 2.23(a).

"***Pactiv Transactions***" shall mean the "Transactions" as defined in Amendment No. 3.

"***Parent Company***" shall mean (a) Packaging Finance Limited, a limited liability company organized under the laws of New Zealand and (b) any other entity of which Holdings becomes a direct or indirect Wholly Owned Subsidiary after the 2016 Restatement Date.

"***Participant Register***" has the meaning specified in Section 9.04(g).

"***Party***" means a party to this Agreement. The term "***Parties***" means any of them.

"***PBGC***" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"***Perfection Certificate***" shall mean the Perfection Certificate substantially in the form of Exhibit B to the U.S. Collateral Agreement.

"***Permitted Acquisition***" shall have the meaning assigned to such term in Section 6.04(h). If any acquisition is consummated in accordance with Section 6.04(i), each such acquisition shall be deemed to have been a Permitted Acquisition for all purposes of this Agreement and the other Loan Documents.

"***Permitted Affiliated Lender Exchange Debt***" shall mean debt securities of Holdings, the Borrowers or a Parent Company issued to an Affiliated Lender in exchange for Term Loans of such Affiliated Lender pursuant to Section 9.04(m)(i)(C); *provided* that (a) such Indebtedness may be unsecured or secured on a junior basis to (but not on a *pari passu* basis with) the Obligations, (b) such Indebtedness shall not be guaranteed by any Subsidiary or Affiliate of Holdings that is not a Guarantor, (c) the obligations in respect thereof shall not be secured by any Lien on any asset of Holdings or any Subsidiary or any Affiliate of Holdings other than assets constituting Collateral, (d) the final maturity date of such Indebtedness shall be no earlier than the Maturity Date with respect to the Term Loans exchanged for such Indebtedness, (e) the weighted average life to maturity of such Indebtedness shall be no shorter than the weighted average life to maturity of the Term Loans exchanged for such Indebtedness, (f) none of the interest rates, fees or other pricing terms with respect to such Indebtedness provides for greater payments than those with respect to the Term Loans exchanged for such Indebtedness and (g) the other terms of such Indebtedness, taken as a whole, are no more favorable to the holder thereof than the terms applicable to the Term Loans exchanged for such Indebtedness.

"***Permitted Amendments***" shall mean any or all of the following: (i) the extension of the final maturity date and scheduled amortization of the applicable Loans and/or Commitments of the Accepting Lenders, (ii) increases or decreases to the scheduled amortization payments of the applicable Term Loans of the Accepting Lenders; *provided* that the weighted average life to maturity of the Term Loans of the Accepting Lenders after giving effect to the Permitted Amendments with respect thereto shall be no shorter than the weighted average life to maturity of the Term Loans of the Affected Class held by Lenders that are not Accepting Lenders, (iii) increases or decreases in the Applicable Margins and/or Fees payable with respect to the applicable Loans and/or Commitments of the Accepting Lenders, (iv) the inclusion of additional fees to be payable to the Accepting Lenders, (v) modifications to the prepayment provisions with respect to the Loans of the Accepting Lenders; *provided* that such Accepting Lenders may participate on a pro rata basis or a less than pro rata basis (but not on a greater than pro rata basis) in any mandatory repayments or prepayments under this Agreement, and (vi) such amendments to this Agreement and the other Loan Documents as shall be appropriate, in the reasonable judgment of the Administrative Agent, to treat the modified Loans and Commitments of the Accepting Lenders as a new tranche of Loans and Commitments for all purposes under this Agreement and the other Loan Documents.

"***Permitted Debt Exchange***" shall have the meaning assigned to such term in Section 2.26(a).

"***Permitted Debt Exchange Offer***" shall have the meaning assigned to such term in Section 2.26(a).

"***Permitted Debt Exchange Notes***" shall have the meaning assigned to such term in Section 2.26(a).

"***Permitted Investments***" shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of issuance thereof;

(b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, a rating of at least "A-2" (or the then equivalent grade) from S&P or of at least "P-2" (or the then equivalent grade) from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $1,500,000,000 and that issues (or the parent of which issues) commercial paper rated at least "P-2" (or the then equivalent grade) by Moody's or "A-2" (or the then equivalent grade) by S&P;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above; and

(f) instruments equivalent to those referred to in clauses (a) through (e) above denominated in Euro or any other foreign currency comparable in credit quality and tenor to those referred to above and commonly used by corporations for cash management purposes in any jurisdiction outside the United States.

"***Permitted Investors***" means, at any time, each of (i) Graeme Hart, (ii) the Management Group and (iii) any Person acting in the capacity of an underwriter in connection with a public or private offering of Capital Stock of Holdings or any of its Affiliates.

"***Permitted Receivables Financing***" shall mean one or more transactions pursuant to which any Borrower or any Subsidiary (a) may sell, convey or otherwise transfer Securitization Assets to a Securitization Subsidiary or any other Person or (b) may grant a security interest in any

Securitization Assets; *provided* that (i) recourse to Holdings or any Subsidiary (other than the Securitization Subsidiaries) in connection with such transactions shall be limited to the extent customary for similar transactions in the applicable jurisdictions (it being understood that Special Purpose Financing Undertakings shall be permitted) and (ii) the material terms and conditions and structure of each Permitted Receivables Financing and any waiver, supplement, modification or amendment to such material terms and conditions and structure with respect to such Permitted Receivables Financing) shall have been approved by the Administrative Agent (such approval not to be unreasonably withheld). For the avoidance of doubt, the receivables financing under the Securitization Facility shall constitute a Permitted Receivables Financing.

"***Permitted Receivables Financing Documents***" shall mean all documents and agreements implementing, relating to or otherwise governing a Permitted Receivables Financing.

"***Permitted Refinancing Indebtedness***" shall have the meaning assigned to such term in Section 6.01(bb).

"***Person***" shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, Governmental Authority or other entity.

"***Plan***" shall mean any employee pension benefit plan (other than a Multiemployer Plan, but including any "multiple employer" pension plan within the meaning of Sections 4063 and 4064 of ERISA) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 307 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" (as defined in Section 3(5) of ERISA) or "contributing sponsor" (as defined in Section 4001(a)(13) of ERISA).

"***Pledged Collateral***" shall mean, as the context may require and with respect to any Security Document, the "Pledged Collateral" as defined in such Security Document.

"***PricewaterhouseCoopers***" shall mean PricewaterhouseCoopers LLP or PricewaterhouseCoopers AG, or any successor thereto.

"***Prime Rate***" shall mean the rate of interest per annum determined from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City and notified to the Borrowers. The prime rate is a rate set by the Administrative Agent based upon various factors including its costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such rate.

"***Principal Borrower***" shall mean the European Principal Borrower or the U.S. Principal Borrower.

"***Prior Credit Agreements***" shall mean the Original Credit Agreement, the Second Restated Credit Agreement and the Existing Credit Agreement.

"***Pro Forma Basis***" shall mean, with respect to any calculation to be made in connection with a given transaction, that such calculation is made after giving pro forma effect to such transaction and to any other investment, acquisition, disposition, merger, amalgamation, consolidation and discontinued operation (as determined in accordance with GAAP) in each case with respect to an operating unit of a business, any incurrence or repayment of Indebtedness and any other event occurring during the relevant calculation period or, except for purposes of Section 6.12, after such period as to which pro forma recalculation is appropriate as if such transaction had occurred as of the first day of such period.

"***Pro Forma Compliance***" shall mean, at any date of determination, that Holdings is in compliance with the covenant set forth in Section 6.12 as of the most recently completed period of four consecutive fiscal quarters ending prior to the relevant transaction for which the financial statements and certificates required by Section 5.04(a) or 5.04(b), as the case may be, and 5.04(c) have been delivered or for which comparable financial statements have been filed with the Securities and Exchange Commission (whether or not such covenant is then required to be complied with), such calculation to be made on a Pro Forma Basis.

"***Pro Rata Percentage***" of any Revolving Credit Lender at any time shall mean the percentage of the Total Revolving Credit Commitment represented by such Lender's Revolving Credit Commitment. In the event the Revolving Credit Commitments shall have expired or been terminated, the Pro Rata Percentages shall be determined on the basis of the Revolving Credit Commitments most recently in effect, giving effect to any subsequent assignments.

"***QFC***" shall mean the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"***QFC Credit Support***" shall have the meaning assigned to such term in Section 9.27.

"***Qualified Capital Stock***" of any Person shall mean any Equity Interest of such Person that is not Disqualified Stock.

"***Qualified ECP Guarantor***" shall mean, with respect to any Bank Obligations in respect of any Hedge Agreement, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Hedge Agreement or such other Person as constitutes an "Eligible Contract Participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "Eligible Contract Participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"***Qualified Public Offering***" shall mean an underwritten, broadly distributed public offering of common Equity Interests of Holdings or any Parent Company that results in at least $200,000,000 of net cash proceeds (including proceeds invested in Holdings by such Parent Company) to Holdings.

"***Qualifying Bids***" shall have the meaning assigned to such term in Section 2.12(b)(iii).

"***Qualifying Lender***" shall have the meaning assigned to such term in Section 2.12(b)(iv).

"***Receivables***" means accounts receivables, including any indebtedness, obligation or interest constituting an account, contract right, payment intangible, promissory note, chattel paper, instrument, document, investment property, financial asset or general intangible, arising in connection with the sale of goods or the rendering of services, and further includes the obligation to pay any finance charges with respect thereto. Indebtedness and other rights and obligations arising from any one transaction, including indebtedness and other rights and obligations represented by an individual invoice, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction; *provided,* that any indebtedness, rights or obligations referred to in the immediately preceding sentence shall be a "Receivable" regardless of whether the account debtor or the applicable Securitization Subsidiary treats such indebtedness, rights or obligations as a separate payment obligation.

"***Recipient***" shall mean, as applicable, (a) the Administrative Agent, (b) any Lender or (c) any Issuing Bank.

"***Reference Debt***" shall mean any Term Loans, Senior Secured Notes and/or Senior Unsecured Notes with a scheduled maturity date earlier than November 1, 2024.

"***Register***" shall have the meaning assigned to such term in Section 9.04(d).

"***Regulation T***" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation U***" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation X***" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Reinvest***" shall mean, with respect to any Asset Sale, to apply all or part of the proceeds therefrom (i) to make an investment not prohibited by Section 6.04 in any one or more businesses (*provided*, *however*, that if such investment is in the form of the acquisition of Equity Interests of a Person, such acquisition results in such Person becoming a Subsidiary if it is not already a Subsidiary), assets, or property or capital expenditures (including refurbishments), in each case used or useful in a Similar Business; or (ii) to make an investment in any one or more businesses (*provided, however,* that if such investment is in the form of the acquisition of Equity Interests of a Person, such acquisition results in such Person becoming a Subsidiary), properties or assets that replace the properties and assets that are the subject of such Asset Sale. The term "***Reinvestment***" shall have the meaning correlative thereto.

"***Related Fund***" shall mean, with respect to any Lender that is a fund or commingled investment vehicle that invests in bank loans, any other fund that invests in bank loans and is managed or advised by the same investment advisor as that which advises such Lender or by an Affiliate of such investment advisor.

"***Related Parties***" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, trustees, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"***Related Persons***" shall mean Parent Company and each of Parent Company's direct and indirect subsidiaries and Affiliates, including Investment Funds and Holdings and its subsidiaries.

"***Related Security***" means, with respect to any Receivable, all of the interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the financing or lease of which gave rise to such Receivable, and all insurance contracts with respect thereto, all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable, all guaranties, letters of credit, letter-of-credit rights, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable, whether pursuant to the contract related to such Receivable or otherwise, all service contracts and other contracts and agreements associated with such Receivable, all records related to such Receivable, and all of the applicable Securitization Subsidiary's right, title and interest in, to and under the applicable documentation.

"***Release***" shall mean any actual or threatened release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within, under, from or upon any building, structure, facility or fixture.

"***Relevant Governmental Body***" shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"***Reply Amount***" shall have the meaning assigned to such term in Section 2.12(b)(ii).

"***Reply Discount***" shall have the meaning assigned to such term in Section 2.12(b)(ii).

"***Repurchaser***" shall have the meaning assigned to such term in Section 2.12(b).

"***Required Lenders***" shall mean, at any time, Lenders having Loans, L/C Exposure and unused Revolving Credit Commitments and Term Loan Commitments representing more than 50% of the sum of all Loans outstanding, L/C Exposure and unused Revolving Credit Commitments and Term Loan Commitments at such time; *provided* that the Revolving Loans, L/C Exposure and unused Revolving Credit Commitments of any Defaulting Lender shall be disregarded in the determination of the Required Lenders at any time.

"***Required Revolving Credit Lenders***" shall mean, at any time, Revolving Credit Lenders having Revolving Loans, L/C Exposure and unused Revolving Credit Commitments representing more than 50% of the sum of all Revolving Loans outstanding, L/C Exposure and unused Revolving Credit Commitments at such time; *provided* that the Revolving Loans, L/C Exposure and unused Revolving Credit Commitments of any Defaulting Lender shall be disregarded in the determination of the Required Revolving Credit Lenders at any time.

"***Requirement of Law***" shall mean, as to any Person, the certificate of incorporation and bylaws or other organizational or governing documents of such Person, and any law, statute, ordinance, code, decree, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its material property or to which such Person or any of its material property is subject, including laws, ordinances and regulations pertaining to zoning, occupancy and subdivision of real properties; *provided* that the foregoing shall not apply to any non-binding recommendation of any Governmental Authority.

"***Responsible Officer***" of any Person shall mean any executive officer or Financial Officer of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement.

"***Restricted Indebtedness***" shall mean Indebtedness of Holdings or any Subsidiary, the payment, prepayment, repurchase or defeasance of which is restricted under Section 6.09(b).

"***Restricted Payment***" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings or any Subsidiary or any Subordinated Shareholder Loans or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Holdings or any Subsidiary or any Subordinated Shareholder Loans.

"***Restructuring Costs***" shall mean in respect of any period, restructuring charges or expenses incurred by Holdings and its Subsidiaries during that period (which, for the avoidance of doubt shall include site closure charges and expenses, systems establishment costs, excess pension costs, severance or relocation costs) provided that each such restructuring charge has been certified by a Financial Officer as being fair and accurate.

"***Revolving Borrowers***" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"***Revolving Credit Borrowing***" shall mean a Borrowing comprised of Revolving Loans.

"***Revolving Credit Commitment***" shall mean, with respect to each Revolving Credit Lender, the commitment of such Lender to make Revolving Loans hereunder (and to acquire participations in Letters of Credit as provided for herein) as set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender assumed its Revolving Credit Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04.

"***Revolving Credit Exposure***" shall mean, with respect to any Lender at any time, the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender, *plus* the aggregate amount at such time of such Lender's L/C Exposure.

"***Revolving Credit Lender***" shall mean a Lender with a Revolving Credit Commitment or outstanding Revolving Credit Exposure.

"***Revolving Credit Maturity Date***" shall mean August 5, 2024; *provided* that if on any Springing Maturity Date with respect to any Reference Debt that occurs prior to the then-scheduled Revolving Credit Maturity Date, the outstanding principal amount of such applicable Reference Debt exceeds $500,000,000, the Revolving Credit Maturity Date shall instead be such Springing Maturity Date.

"***Revolving Loans***" shall mean the revolving loans made by the Lenders to the Revolving Borrowers pursuant to Section 2.01(a). Unless the context shall otherwise require the term "Revolving Loans" shall include Loans made by Incremental Revolving Credit Lenders pursuant to their Incremental Revolving Credit Commitments.

"***RGHI***" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"***S&P***" shall mean S&P Global Ratings, or any successor thereto.

"***Sale and Lease-Back Transaction***" shall have the meaning assigned to such term in Section 6.03.

"***Second Incremental Assumption Agreement***" shall mean the Incremental Assumption Agreement dated as of February 7, 2017, relating to this Agreement.

"***Second Restated Credit Agreement***" shall mean the Second Amended and Restated Credit Agreement dated as of August 9, 2011 (as amended, supplemented or otherwise modified prior to the Third Restatement Date), among Holdings, the Borrowers party thereto, the lenders party thereto and Credit Suisse AG, as administrative agent.

"***Secured Parties***" shall mean (a) the Bank Secured Parties, (b) the holders of the Senior Secured Notes, (c) the Indenture Trustee, (d) the successors and assigns of each of the foregoing and (e) each other "Secured Party" as defined in the First Lien Intercreditor Agreement.

"***Securities Act***" shall mean the Securities Act of 1933, as amended.

"***Security Documents***" shall mean the Mortgages, the Collateral Agreements, each Affiliate Subordination Agreement and each of the security agreements, mortgages and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.12.

"***Securitization Amount***" shall mean the aggregate cash amount paid by the lenders or purchasers under any Permitted Receivables Financing in connection with their purchase of, or the making of loans secured by, Securitization Assets or interests therein, as the same may be reduced from time to time by collections with respect to such Securitization Assets or otherwise in accordance with the terms of the Permitted Receivables Financing Documents (but excluding any such collections used to make payments of items included in clause (c) of the definition of Consolidated Interest Expense); *provided*, *however*, that if all or any part of such Securitization Amount shall have been reduced by application of any distribution and thereafter such distribution is rescinded or must otherwise be returned for any reason, such Securitization Amount shall be increased by the amount of such distribution, all as though such distribution had not been made.

"***Securitization Assets***" shall mean Receivables (whether now existing or arising in the future) and any assets related thereto including (i) the Related Security with respect to such Receivables, (ii) the collections and proceeds of such Receivables and Related Security, (iii) all lockboxes, lockbox accounts, collection accounts or other deposit accounts into which such collections are deposited and which have been specifically identified and consented to by the Administrative Agent and (iv) all other rights and payments which relate solely to such Receivables.

"***Securitization Facility***" means the Receivables Loan and Security Agreement dated as of November 7, 2012, among, among others, BP Factoring, Nieuw Amsterdam Receivables Corporation as conduit lender, and the other parties from time to time thereto, (a) as amended prior to the 2016 Restatement Date and (b) as further amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original parties or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures; *provided* that, in the case of this clause (b), the limited nature of the recourse to Holdings or any Subsidiary (other than the Securitization Subsidiary) is not materially increased.

"***Securitization Subsidiary***" shall mean any Subsidiary (a) formed solely for the purpose of engaging, and that engages only, in one or more Permitted Receivables Financings and business activities that are required by or incidental to such Permitted Receivables Financings, (b) which is organized in a manner intended to reduce the likelihood that it would be substantively consolidated with Holdings, the Borrowers or any of the Subsidiaries (other than Securitization Subsidiaries) in the event Holdings, the Borrowers or any such Subsidiary becomes subject to a proceeding under the Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law and (c) subject to the Agreed Security Principles, all of the Equity Interests of which shall be pledged to a Collateral Agent for the ratable benefit of the Bank Secured Parties pursuant to a Collateral Agreement.

"***Senior Secured First Lien Leverage Ratio***" shall mean, on any date, the ratio of (a) the Total Debt that is secured by Liens on property or assets of Holdings or any of the Subsidiaries (other than Liens that are junior to the Liens securing the Bank Obligations pursuant to a Junior Lien Intercreditor Agreement and other than cash or Permitted Investments held in a defeasance or similar trust or arrangement for the benefit of Indebtedness that has been called for redemption or otherwise defeased, satisfied or discharged) minus, without duplication, Unrestricted Cash, in each case on such date, to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date for which the financial statements and certificates required by Sections 5.04(a) or 5.04(b), as the case may be, and 5.04(c) have been delivered or for which comparable financial statements have been filed with the Securities and Exchange Commission.

"***Senior Secured Note Documents***" shall mean each Senior Secured Note Indenture and all other instruments, agreements and other documents evidencing or governing any Senior Secured Notes or providing for any Guarantee or other right in respect thereof.

"***Senior Secured Note Indenture***" shall mean each of (a) the February 2011 6.875% Senior Secured Note Indenture, (b) the September 2012 5.750% Senior Secured Notes Indenture, (c) the June 2016 Senior Secured Note Indentures and (d) any other indenture, note purchase agreement, credit agreement or loan agreement under which any Senior Secured Notes are issued, in each case as the same may be amended, restated, supplemented, substituted, replaced, refinanced or otherwise modified from time to time in accordance with Section 6.01(l), 6.01(m), 6.01(bb) or 6.01(cc).

"***Senior Secured Notes***" shall mean each of (a) (i) the February 2011 6.875% Senior Secured Notes, (ii) the September 2012 5.750% Senior Secured Notes and (iii) the June 2016 Senior Secured Notes and (b) any other senior secured notes issued pursuant to an indenture or a note purchase agreement or senior secured loans of any Loan Party incurred pursuant to Section 6.01(l), 6.01(m), 6.01(bb) or 6.01(cc) (which notes or loans may have the same lien priority as, or be junior in lien priority to, the Bank Obligations); *provided* that (x) in the case of clause (b), (A) the final maturity date of such Indebtedness is no earlier than the Latest Term Loan Maturity Date and (B) the weighted average life to maturity of such Indebtedness is no shorter than the weighted average life to maturity of the Term Loans (or in the case of such Indebtedness incurred pursuant to Section 6.01(bb), the final maturity date and weighted average life to maturity thereof satisfy the requirements set forth in clauses (ii)(A)(I) and (ii)(A)(II), respectively, of the proviso to Section 6.01(bb)), and (y) in each case of clauses (a) and (b), (A) the obligations in respect thereof shall not be secured by any Lien on any asset of Holdings or any Subsidiary or any Affiliate of Holdings other than any asset constituting Collateral, (B) the obligations in respect thereof shall not be guaranteed by any Subsidiary or Affiliate of Holdings that is not a Guarantor and (C) the secured parties thereunder (or an authorized representative thereof) shall have become a party to each applicable (as determined in good faith by Holdings and the Administrative Agent) Intercreditor Agreement.

"***Senior Unsecured Note Documents***" shall mean each Senior Unsecured Note Indenture and all other instruments, agreements and documents evidencing or governing the Senior Unsecured Notes or providing any Guarantee or other right in respect thereof.

"***Senior Unsecured Note Indenture***" shall mean each of (a) the February 2011 8.250% Senior Unsecured Note Indenture, (b) the August 2011 9.875% Senior Unsecured Note Indenture, (c) the February 2012 9.875% Senior Unsecured Note Indenture, (d) the June 2016 7.000% Senior Unsecured Note Indenture and (e) any other indenture or note purchase agreement under which any senior unsecured notes are issued (or in the case of Senior Unsecured Notes in the form of bridge loans, the loan agreement with respect thereto), in each case, as the same may be amended, restated, supplemented, substituted, replaced, refinanced or otherwise modified from time to time in accordance with Sections 6.01(m), 6.01(w) or 6.01(bb) (but excluding the November 2013 5.625% Senior Unsecured Note Indenture).

"***Senior Unsecured Notes***" shall mean each of (a) (i) the February 2011 8.250% Senior Unsecured Notes, (ii) the August 2011 9.875% Senior Unsecured Notes, (iii) the February 2012 9.875% Senior Unsecured Notes and (iv) the June 2016 7.000% Senior Unsecured Notes and (b) any other senior unsecured notes issued pursuant to an indenture or note purchase agreement or senior unsecured bridge loan of any Loan Party issued or incurred pursuant to Section 6.01(m), 6.01(w) or 6.01(bb) (but excluding the November 2013 5.625% Senior Unsecured Notes);

provided that (x) in the case of clause (b), (A) the final maturity date of such Indebtedness is no earlier than the date that is 91 days after the Latest Term Loan Maturity Date and (B) the weighted average life to maturity of such Indebtedness is no shorter than the weighted average life to maturity of the Term Loans and (y) in each case of clauses (a) and (b),the obligations in respect thereof shall not be guaranteed by any Subsidiary or Affiliate of Holdings that is not a Guarantor.

"***September 2012 5.750% Senior Secured Note Indenture***" shall mean the senior secured note Indenture dated as of September 28, 2012, among the U.S. Issuers, the Luxembourg Issuer, the other Loan Parties party thereto and the Indenture Trustee, pursuant to which the September 2012 5.750% Senior Secured Notes were issued.

"***September 2012 5.750% Senior Secured Notes***" shall mean the Senior Secured Notes issued on September 28, 2012, by the Luxembourg Issuer and the U.S. Issuers in an aggregate principal amount of $3,250,000,000, including any Senior Secured Notes into which such notes may be exchanged in accordance with the provisions of the September 2012 5.750% Senior Secured Notes Indenture.

"***Similar Business***" shall mean (a) any businesses, services or activities engaged in by Holdings or any Subsidiary on the 2016 Restatement Date and (b) any businesses, services and activities engaged in by Holdings or any Subsidiary that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"***SOFR***" with respect to any day shall mean the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York's Website.

"***Special Purpose Financing Undertakings***" means representations, warranties, covenants, indemnities, guarantees of performance and other agreements and undertakings entered into or provided by Holdings or any of the Subsidiaries that Holdings determines in good faith are customary or otherwise necessary in connection with a Permitted Receivables Financing; *provided* that any such other agreements and undertakings shall not include the incurrence of any Guarantee in respect of Indebtedness of a Securitization Subsidiary or the collectability of any Receivables.

"***Specified Asset Sale***" shall mean any sale, transfer or other disposition by Holdings or any Subsidiary of any asset, division, product line or line of business made to obtain the approval of any applicable antitrust authority in connection with a Permitted Acquisition. In connection with any Specified Asset Sale, Holdings shall have delivered a certificate of a Financial Officer (i) identifying the asset, division, product line or line of business to be sold, transferred or otherwise disposed of and (ii) containing reasonable details of the reason for such sale, transfer or other disposition, in form and substance reasonably satisfactory to the Administrative Agent. For the avoidance of doubt, a Specified Asset Sale may include any existing asset, division, product line or line of business of Holdings or any Subsidiary.

"***Specified Cash Management Banks***" shall mean Citibank, N.A., JPMorgan Chase Bank, N.A., and their respective Affiliates.

"***Specified Equity Contribution***" shall have the meaning assigned to such term in the definition of the term "Consolidated EBITDA".

"***SPV***" shall have the meaning assigned to such term in Section 9.04(j).

"***Specified Incremental Revolving Amount***" shall have the meaning assigned to such term in the definition of the term "Incremental Facility Amount".

"***Specified Refinancing Amendment***" shall mean an amendment to this Agreement in form and substance reasonably satisfactory to the Administrative Agent, Holdings, the other Loan Parties and one or more Specified Refinancing Lenders effecting the incurrence of Specified Refinancing Facilities in accordance with Section 2.25.

"***Specified Refinancing Facilities***" shall have the meaning assigned to such term in Section 2.25(a).

"***Specified Refinancing Lenders***" shall have the meaning assigned to such term in Section 2.25(b).

"***Specified Refinancing Loans***" shall have the meaning assigned to such term in Section 2.25(a).

"***Specified Refinancing Revolving Facilities***" shall have the meaning assigned to such term in Section 2.25(a).

"***Specified Refinancing Revolving Loans***" shall have the meaning assigned to such term in Section 2.25(a).

"***Specified Refinancing Term Loan Facilities***" shall have the meaning assigned to such term in Section 2.25(a).

"***Specified Refinancing Term Loans***" shall have the meaning assigned to such term in Section 2.25(a).

"***Springing Maturity Date***" shall mean the 91st day prior to the scheduled maturity date of any applicable Reference Debt.

"***Statutory Reserves***" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority, domestic or foreign, to which Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject for Eurocurrency Liabilities (as defined in Regulation D of the Board). Eurocurrency Loans shall be deemed to constitute Eurocurrency Liabilities (as defined in Regulation D of the Board) and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"***Subordinated Indebtedness***" shall mean (a) with respect to any Borrower, any Indebtedness of such Borrower which is by its terms subordinated in right of payment to the Loans

and (b) with respect to any other Loan Party, any Indebtedness of such Loan Party which is by its terms subordinated in right of payment to its Guarantee of the Obligations.

"***Subordinated Shareholder Loans***" shall mean, collectively, any funds provided to Holdings by any Parent Company or any Permitted Investor or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Equity Interests, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Equity Interests issued in payment of any obligation under any Subordinated Shareholder Loans; *provided* that such Subordinated Shareholder Loans:

(1) do not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Latest Term Loan Maturity Date (other than through conversion or exchange of such funding into Equity Interests (other than Disqualified Stock) of Holdings or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Latest Term Loan Maturity Date is restricted by an intercreditor agreement enforceable by, and reasonably acceptable to, the Administrative Agent;

(2) do not (including upon the happening of any event) require, prior to the first anniversary of the Latest Term Loan Maturity Date, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Latest Term Loan Maturity Date is restricted by an intercreditor agreement enforceable by, and reasonably acceptable to, the Administrative Agent;

(3) contain no change of control or similar provisions and do not accelerate and have no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (in each case, prior to the first anniversary of the Latest Term Loan Maturity Date) or the payment of any amount as a result of any such action or provision, or the exercise of any rights or enforcement action (in each case, prior to the first anniversary of the Latest Term Loan Maturity Date) is restricted by an intercreditor agreement enforceable by, and reasonably acceptable to, the Administrative Agent;

(4) do not provide for or require any Lien over any asset of Holdings or any Subsidiary; and

(5) pursuant to its terms or pursuant to an intercreditor agreement enforceable by, and reasonably acceptable to, the Administrative Agent, is fully subordinated and junior in right of payment to the Bank Obligations pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to the Lenders than those contained in the November 2013 Intercreditor Agreement as in effect on the 2016 Restatement Date with respect to the "Senior Creditors" (as defined therein) in relation to "Parentco Debt" (as defined therein) (it being understood, in each case, that such terms of subordination

shall permit voluntary prepayment of Subordinated Shareholder Loans to the extent permitted under Section 6.06(a)(ix) or (xii)),

provided that any event or circumstance that results in such subordinated obligation ceasing to qualify as Subordinated Shareholder Loans, including it ceasing to be held by any Parent Company, any Affiliate of any Parent Company or any Permitted Investor or any Affiliate thereof, shall constitute an incurrence of such Indebtedness by Holdings or such Subsidiary not permitted by clause (v) of Section 6.01 (it being understood such Indebtedness may be permitted by another clause).

"***subsidiary***" shall mean, with respect to any Person (herein referred to as the "***parent***"), any corporation, partnership, limited liability company, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"***Subsidiary***" shall mean any subsidiary of Holdings other than an Escrow Subsidiary prior to the Escrow Release Effective Time; *provided*, *however* that Unrestricted Subsidiaries shall be deemed not to be Subsidiaries for all purposes of this Agreement and the other Loan Documents.

"***Subsidiary Guarantor***" shall mean each Subsidiary listed on Schedule 1.01(e), and each other Subsidiary that executes a Guarantor Joinder, in each case until such time as such Person ceases to be a Guarantor as permitted by this Agreement.

"***Subsidiary Redesignation***" shall have the meaning assigned to such term in the definition of "Unrestricted Subsidiary".

"***Supported QFC***" shall have the meaning assigned to such term in Section 9.27.

"***Synthetic Purchase Agreement***" shall mean any swap, derivative or other agreement or combination of agreements pursuant to which Holdings or any Subsidiary is or may become obligated to make (a) any payment in connection with a purchase by any third party from a Person other than Holdings or any Subsidiary of any Equity Interest or Restricted Indebtedness or (b) any payment (other than on account of a permitted purchase by it of any Equity Interest or Restricted Indebtedness) the amount of which is determined by reference to the price or value at any time of any Equity Interest or Restricted Indebtedness; *provided* that no phantom stock or similar plan providing for payments only to current or former directors, officers or employees of Holdings or any Subsidiary (or to their heirs or estates) shall be deemed to be a Synthetic Purchase Agreement.

"***Target Day***" shall mean any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in Euro.

"***Taxes***" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges, assessments, fees, withholdings or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Tax Return***" means all returns, declarations of estimated tax payments, reports, estimates, information returns and statements, including any related or supporting information with respect to any of the foregoing, filed or to be filed with any taxing authority in connection with the determination, assessment, collection or administration of any taxes (including any statement pursuant to Treasury Regulation Section 1.6011-4).

"***Term Borrowers***" shall mean the U.S. Borrowers and the European Borrowers.

"***Term Borrowing***" shall mean a Borrowing comprised of any Class of Term Loans.

"***Term Lenders***" shall mean the U.S. Term Lenders and the European Term Lenders. Unless the context shall otherwise require, the term "Term Lender" shall include any Incremental Term Lenders.

"***Term Loan Commitments***" shall mean the U.S. Term Loan Commitments and the European Term Loan Commitments. Unless the context shall otherwise require, the term "Term Loan Commitments" shall include any other Incremental Term Loan Commitments.

"***Term Loan Repayment Dates***" shall mean (a) the dates scheduled for the repayment of principal of Term Loans set forth in Section 2.11(a) and (b) any Incremental Term Loan Repayment Dates.

"***Term Loans***" shall mean the U.S. Term Loans and the European Term Loans. Unless the context shall otherwise require, the term "Term Loans" shall include any Incremental Term Loans made after the 2016 Restatement Date.

"***Term SOFR***" shall mean the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"***Third Restatement Date***" shall mean September 28, 2012.

"***Total Debt***" shall mean, at any time, the aggregate principal amount of total Indebtedness of Holdings and the Subsidiaries at such time of the types described under clauses (a) (excluding Indebtedness of Holdings consisting of Subordinated Shareholder Loans), (b), (f), (g) (to the extent related to Indebtedness that could constitute "Total Debt" hereunder), (h), (j) (to the extent relating to Disqualified Stock), (k) (to the extent of any unreimbursed drawings thereunder) and (l) of the definition of the term "Indebtedness". For the avoidance of doubt, Total Debt shall not include intercompany Indebtedness of Holdings or a Subsidiary to Holdings or a Subsidiary. Notwithstanding the foregoing, Total Debt shall include Indebtedness under any receivables financing to the extent, and only to the extent, such Indebtedness is included in the calculation of "Senior Secured First Lien Indebtedness" (or any similar term) in any Senior Secured Note Indenture or "Secured Indebtedness" (or any similar term) in any Senior Unsecured Note Indenture, in each case in effect on the date of determination.

"***Total Leverage Ratio***" shall mean, on any date, the ratio of (a) the Total Debt minus, without duplication, Unrestricted Cash, in each case on such date, to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date for which the financial statements and certificates required by Sections 5.04(a) or 5.04(b), as the case

may be, and 5.04(c) have been delivered or for which comparable financial statements have been filed with the Securities and Exchange Commission.

"***Total Revolving Credit Commitment***" shall mean, at any time, the aggregate amount of the Revolving Credit Commitments, as in effect at such time. The Total Revolving Credit Commitment is $302,300,000 as at the 2016 Restatement Date.

"***Total Secured Leverage Ratio***" shall mean, on any date, the ratio of (a) the Total Debt that is secured by Liens on property or assets of Holdings or any of the Subsidiaries (other than cash or Permitted Investments held in a defeasance or similar trust or arrangement for the benefit of Indebtedness that has been called for redemption or otherwise defeased, satisfied or discharged) minus, without duplication, Unrestricted Cash, in each case on such date, to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date for which the financial statements and certificates required by Sections 5.04(a) or 5.04(b), as the case may be, and 5.04(c) have been delivered or for which comparable financial statements have been filed with the Securities and Exchange Commission.

"***Tranche B-1 U.S. Term Lender***" shall mean a Lender with a Tranche B-1 U.S. Term Loan.

"***Tranche B-1 U.S. Term Loan Maturity Date***" shall mean February 5, 2023.

"***Tranche B-1 U.S. Term Loans***" shall mean the U.S. Term Loans made prior to the Amendment No. 13 Effective Date that were designated as "Tranche B-1 U.S. Term Loans" pursuant to Amendment No. 13. As of the Amendment No. 13 Effective Date and after giving effect to any prepayment thereof with the proceeds of the Tranche B-2 U.S. Term Loans and the proceeds of the Notes Offering (as defined in Amendment No. 13), the aggregate outstanding principal amount of Tranche B-1 U.S. Term Loans is $1,206,535,777.48.

"***Tranche B-2 U.S. Term Lender***" shall mean a Lender with a Tranche B-2 U.S. Term Loan.

"***Tranche B-2 U.S. Term Loan Maturity Date***" shall mean February 5, 2026.

"***Tranche B-2 U.S. Term Loans***" shall mean the term loans made pursuant to Amendment No. 13 on the Amendment No. 13 Effective Date. As of the Amendment No. 13 Effective Date, the aggregate outstanding principal amount of Tranche B-2 U.S. Term Loans is $1,250,000,000.

"***Transactions***" shall have the meaning assigned to such term in the Existing Credit Agreement.

"***Type***", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term "***Rate***" shall mean the Adjusted LIBO Rate, the Alternate Base Rate and the Foreign Base Rate.

"***U.K. Bank Levy***" shall mean the United Kingdom Tax called the "Bank Levy", the introduction of which was announced by the United Kingdom government on June 22, 2010, with

effect in relation to periods of account ending on or after January 1, 2011, and any Tax that is based on or substantially similar to such Tax.

"***Unadjusted Benchmark Replacement***" shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"***Unfunded Advances/Participations***" shall mean (a) with respect to the Administrative Agent, without duplication of amounts paid to the Administrative Agent under the First Lien Intercreditor Agreement, the aggregate amount, if any (i) made available to the applicable Borrowers on the assumption that each applicable Lender has made its portion of the applicable Borrowing available to the Administrative Agent as contemplated by Section 2.02(d) and (ii) with respect to which a corresponding amount shall not in fact have been returned to the Administrative Agent by the applicable Borrowers or made available to the Administrative Agent by any such Lender, and (b) with respect to any Issuing Bank, the aggregate amount, if any, of participations in respect of any outstanding L/C Disbursement with respect to any Letters of Credit issued by such Issuing Bank that shall not have been funded by the Revolving Credit Lenders in accordance with Sections 2.22(d) and 2.02(f).

"***Unrestricted Cash***" shall mean, on any date of determination, the cash and Permitted Investments of Holdings and the Subsidiaries that are not pledged to secure any obligations (unless such cash and Permitted Investments are also pledged to secure the Bank Obligations or such pledge is permitted by Section 6.02(u)) and are not otherwise shown on the consolidated balance sheet of Holdings as "restricted" (or with a like designation); *provided* that any such cash or Permitted Investments of a Subsidiary that is not a Loan Party that is subject to any Requirement of Law that prohibits or would otherwise prevent such Subsidiary from both distributing and lending such cash or Permitted Investments to a Loan Party shall not constitute Unrestricted Cash to the extent of such prohibition (it being understood, for the avoidance of doubt, that any Requirement of Law that restricts the frequency of distribution shall not be deemed to prohibit or prevent such distribution).

"***Unrestricted Subsidiary***" shall mean (a) any Subsidiary of Holdings designated by Holdings as an Unrestricted Subsidiary hereunder by written notice to the Administrative Agent; *provided* that Holdings shall only be permitted to so designate an Unrestricted Subsidiary so long as (i) no Event of Default has occurred and is continuing or would result therefrom, (ii) immediately after giving effect to such designation, Holdings shall be in Pro Forma Compliance with the covenant set forth in Section 6.12, (iii) such Unrestricted Subsidiary shall be capitalized (to the extent capitalized by Holdings or any Subsidiary) through investments as permitted by, and in compliance with, Section 6.04, (iv) without duplication of clause (iii), any net assets owned by such Unrestricted Subsidiary at the time of the initial designation thereof shall be treated as investments pursuant to Section 6.04, (v) such subsidiary shall have been or will promptly be designated an "unrestricted subsidiary" (or otherwise not be subject to the covenants) under each Senior Secured Note Indenture, each Senior Unsecured Note Indenture, the November 2013 5.625% Senior Unsecured Note Indenture and each indenture governing any Permitted Refinancing Indebtedness, as applicable, in respect thereof and (vi) Holdings shall have delivered to the Administrative Agent a certificate executed by a Financial Officer of Holdings, certifying compliance with the requirements of the preceding clauses (i) through (v), and containing the calculations and information required by the preceding clause (ii) and (b) any subsidiary of an

Unrestricted Subsidiary. Holdings may designate any Unrestricted Subsidiary to be a Subsidiary for purposes of this Agreement (each, a "***Subsidiary Redesignation***"); *provided* that (A) no Event of Default has occurred and is continuing or would result therefrom, (B) immediately after giving effect to such Subsidiary Redesignation, Holdings shall be in Pro Forma Compliance with the covenant set forth in Section 6.12, (C) any Indebtedness of the applicable Subsidiary and any Liens encumbering its property existing as of the time of such Subsidiary Redesignation shall be deemed newly incurred or established, as applicable, at such time and (D) Holdings shall have delivered to the Administrative Agent a certificate executed by a Financial Officer of Holdings, certifying compliance with the requirements of the preceding clauses (A) and (B), and containing the calculations and information required by the preceding clause (B); *provided further* that no Unrestricted Subsidiary that has been designated as a Subsidiary pursuant to a Subsidiary Redesignation may again be designated as an Unrestricted Subsidiary.

"***U.S. Borrowers***" shall have the meaning assigned to such term in the introductory statement to this Agreement.

"***U.S. Collateral Agreement***" shall mean the Collateral Agreement dated as of November 5, 2009, among the U.S. Borrowers and the Subsidiaries that are organized in the United States and that are party thereto, certain other Subsidiaries party thereto and The Bank of New York Mellon, as Collateral Agent for the benefit of the Secured Parties, attached hereto as Exhibit F.

"***U.S. GAAP***" shall mean generally accepted accounting principals in effect from time to time in the United States, applied on a consistent basis.

"***U.S. Issuers***" shall mean Reynolds Group Issuer LLC, a Delaware limited liability company, and Reynolds Group Issuer Inc., a Delaware corporation, each of which is a Wholly Owned Subsidiary of Holdings (and their respective successors which shall be Wholly Owned Subsidiaries of Holdings).

"***U.S. Principal Borrower***" shall mean RGHI or any replacement Principal Borrower with respect to any Credit Facility denominated in Dollars designated as set forth in Section 9.21(a)(iii).

"***U.S. Recipient***" shall mean, as applicable, any Recipient of payments on or in respect of the U.S. Term Loans, the Revolving Loans, Incremental Term Loans to a U.S. Borrower or a Letter of Credit, including any fees related thereto.

"***U.S. Special Resolution Regimes***" shall have the meaning assigned to such term in Section 9.27.

"***U.S. Term Lender***" shall mean a Tranche B-1 U.S. Term Lender or a Tranche B-2 U.S. Term Lender, or both, as the context may require.

"***U.S. Term Loan Commitments***" shall mean, collectively, the "Incremental Term Loan Commitments" (as defined in Amendment No. 10) and the "Tranche B-2 Term Loan Commitments" (as defined in Amendment No. 13).

"***U.S. Term Loans***" shall mean the Tranche B-1 U.S. Term Loans and the Tranche B-2 U.S. Term Loans.

"***USA PATRIOT Act***" shall mean The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

"***Voluntary Prepayments***" shall mean a prepayment of principal of Term Loans pursuant to Section 2.12(a) in any year to the extent that such prepayment reduces the scheduled installments of principal due in respect of Term Loans in any subsequent year.

"***Wholly Owned Subsidiary***" of any Person shall mean a subsidiary of such Person of which securities (except for directors' qualifying shares) or other ownership interests representing 100% of the Equity Interests are, at the time any determination is being made, owned, Controlled or held by such Person or one or more wholly owned subsidiaries of such Person or by such Person and one or more wholly owned subsidiaries of such Person.

"***Withdrawal Liability***" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"***Withholding Agent***" shall mean the Borrowers and the Administrative Agent.

SECTION 1.02. ***Terms Generally***. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all types of tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (i) any reference in this Agreement to any Loan Document shall mean such document as amended, restated, supplemented or otherwise modified from time to time, in each case, in accordance with the express terms of this Agreement, and (ii) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided*, *however*, that if Holdings notifies the Administrative Agent that it wishes to amend any covenant in Article VI or any related definition to eliminate the effect of any change in GAAP (or change contemplated by Section 6.13(b)) occurring after the Closing Date on the operation of such covenant (or if the Administrative Agent notifies Holdings that the Required Lenders wish to amend Article VI or any related definition for such purpose), then Holdings' compliance with such covenant shall be determined, with respect to the relevant change in GAAP, on the basis of GAAP in effect immediately before such change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to (x) with respect to changes in GAAP related to pension or lease accounting, revenue recognition or financial instruments, Holdings and the Administrative Agent in its sole discretion and (y) with respect to other changes to GAAP, Holdings and the Required Lenders.

SECTION 1.03. ***Pro Forma Calculations***. (a) All pro forma calculations permitted or required to be made by Holdings or any Subsidiary pursuant to this Agreement shall include only those adjustments that (a) would be permitted or required by the definition of Consolidated EBITDA, (b) would be permitted or required by Regulation S-X under the Securities Act, or (c) have been certified by a Financial Officer of Holdings as having been prepared in good faith based upon reasonable assumptions.

(b) For purposes of calculating the principal amount of Indebtedness permitted to be incurred pursuant to Section 2.23 (including the definition of Incremental Facility Amount), 6.01(i) or 6.01(l), in each case in reliance on a pro forma calculation of the Total Secured Leverage Ratio, such pro forma calculation of the Total Secured Leverage Ratio shall not give effect to any other incurrence of Indebtedness on the date of determination secured by Liens pursuant to Section 6.02(dd) or, in the case of a calculation under Section 1.07, any proposed incurrence of Indebtedness on the closing date of a Limited Condition Acquisition to be secured by Liens pursuant to Section 6.02(dd).

SECTION 1.04. ***Classification of Loans and Borrowings***. For purposes of this Agreement, Loans may be classified and referred to by Class (*e.g.*, a "Revolving Loan") or by Type (*e.g.*, a "Eurocurrency Loan") or by Class and Type (*e.g.*, a "Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (*e.g.*, a "Revolving Credit Borrowing") or by Type (*e.g.,* a "Eurocurrency Borrowing") or by Class and Type (*e.g.*, a "Eurocurrency Revolving Credit Borrowing").

SECTION 1.05. ***Exchange Rate Calculations***. On each Calculation Date, the Administrative Agent shall (a) determine the Exchange Rate as of such Calculation Date and (b) give notice thereof to the Borrowers. The Exchange Rate so determined shall become effective on such Calculation Date and shall remain effective until the next succeeding Calculation Date, and shall for all purposes relating to the Revolving Credit Commitments and the extensions of credit thereunder (other than as set forth below or in any other provision expressly requiring the use of a current Exchange Rate) be the Exchange Rate employed in converting amounts between Dollars and any Designated Foreign Currency. Whenever it shall be necessary to determine the Required Lenders, or the allocation of any payment to be made to or by the Lenders holding Loans and Commitments denominated in Euro or another Designated Foreign Currency, (a) the Dollar Equivalent of the Term Loans denominated in any Designated Foreign Currency as determined at the time such Term Loans are made and (b) the Dollar Equivalent of the Revolving Credit Commitments denominated in any Designated Foreign Currency at the time such Revolving Credit Commitments become effective shall be used to make such determination. In addition, where the permissibility of a transaction depends upon compliance with, or is determined by reference to, amounts stated in Dollars or Euro, any amount stated in another currency shall be translated to Dollars or Euro, as the case may be, at the Exchange Rate then in effect and the permissibility of actions taken under Article VI shall not be affected by subsequent fluctuations in exchange rates. Further, if Indebtedness is incurred to refinance Indebtedness in a transaction otherwise permitted hereunder and such refinanced Indebtedness is denominated in a currency other than Euro or Dollars (or in a currency (including Euro or Dollars) that is different from the currency of the Indebtedness being incurred), and such refinancing would cause an applicable Euro or Dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect

on the date of such refinancing, such Euro or Dollar denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness incurred does not exceed (i) the outstanding committed or principal amount (whichever is higher) of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

SECTION 1.06. ***Designation as Senior Debt***. The Loans and other Bank Obligations are hereby designated as "Senior Indebtedness" and "Designated Senior Indebtedness" for all purposes of the November 2013 5.625% Senior Unsecured Note Documents, the 2007 Intercreditor Agreement and the November 2013 Intercreditor Agreement.

SECTION 1.07. ***Limited Condition Acquisitions***. (a) In connection with any action (including the incurrence of any Indebtedness or Liens or the making of any investments, Restricted Payments, Asset Sales or fundamental changes or the designation of any Person as an Unrestricted Subsidiary or as a Subsidiary) being taken in connection with a Limited Condition Acquisition, for purposes of (i) determining compliance with any provision of this Agreement which requires the calculation of the Senior Secured First Lien Leverage Ratio, the Total Secured Leverage Ratio, the Total Leverage Ratio or the Fixed Charge Coverage Ratio or (ii) testing baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated Total Assets), in each case, at the option of Holdings (and, if Holdings elects to exercise such option, such option shall be exercised on or prior to the date on which the definitive agreement for such Limited Condition Acquisition is executed) (Holdings' election to exercise such option in connection with any Limited Condition Acquisition, an "***LCA Election***"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "***LCA Test Date***"), and if, after giving *pro forma* effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred on the LCA Test Date, Holdings could have taken such action on the relevant LCA Test Date in compliance with such ratio or basket, such ratio or basket shall be deemed to have been complied with. For the avoidance of doubt, if Holdings has made an LCA Election and any of the ratios or baskets for which compliance was determined or tested as of the LCA Test Date in connection with any action taken with respect to such Limited Condition Acquisition are exceeded as a result of fluctuations in any such ratio or basket, including due to fluctuations in Consolidated EBITDA or Consolidated Total Assets of Holdings or the Person subject to such Limited Condition Acquisition, at or prior to the consummation of the relevant transaction or action, such baskets or ratios will be deemed not to have been exceeded as a result of such fluctuations.

(b) In connection with any action being taken in connection with a Limited Condition Acquisition, for purposes of determining compliance with any provision of this Agreement (other than Article IV (except as set forth in Section 2.23(c))) which requires that no Default, Event of Default or specified Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of Holdings, be deemed satisfied, so long as no Default, Event of Default or specified Event of Default, as applicable, exists on the LCA Test Date. For the avoidance of doubt, if Holdings has exercised its option under the first sentence of this clause (b), and any Default or Event of Default occurs following the

LCA Test Date and prior to the consummation of such Limited Condition Acquisition, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Acquisition is permitted hereunder.

ARTICLE II

The Credits

SECTION 2.01. ***Commitments***. (a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Revolving Credit Lender agrees, severally and not jointly, to make Revolving Loans to the Revolving Borrowers in Dollars, at any time and from time to time on or after the 2016 Restatement Date, and until the earlier of the Revolving Credit Maturity Date and the termination of the Revolving Credit Commitment of such Lender in accordance with the terms hereof and in an aggregate principal amount at any time outstanding that will not result in (x) such Lender's Revolving Credit Exposure exceeding its Revolving Credit Commitment or (y) the Aggregate Revolving Credit Exposure exceeding the Total Revolving Credit Commitments. Within the limits set forth in the preceding sentence and subject to the terms, conditions and limitations set forth herein, the Borrowers may borrow, pay or prepay and reborrow Revolving Loans. Amounts paid or prepaid in respect of Term Loans may not be reborrowed.

(b) Each Lender having an Incremental Term Loan Commitment (including a U.S. Term Loan Commitment or a European Term Loan Commitment on the 2016 Restatement Date) or an Other Revolving Credit Commitment, severally and not jointly, hereby agrees, subject to the terms and conditions and relying upon the representations and warranties set forth herein and in the applicable Incremental Assumption Agreement, to make Incremental Term Loans or Other Revolving Loans, in an aggregate principal amount, to the Borrowers and on the terms and conditions set forth in the applicable Incremental Assumption Agreement. Amounts paid or prepaid in respect of Incremental Term Loans may not be reborrowed.

SECTION 2.02. ***Loans***. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the applicable Class made by the Lenders ratably in accordance with their respective applicable Commitments; *provided, however*, that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Loans deemed made pursuant to Section 2.02(f), the Loans comprising any Borrowing shall be in an aggregate principal amount that is (i) an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum (except, with respect to any Borrowing of Incremental Term Loans or Other Revolving Loans, to the extent otherwise provided in the related Incremental Assumption Agreement) or (ii) equal to the remaining available balance of the applicable Commitments.

(b) Subject to Sections 2.02(f), 2.08, 2.15 and 2.22(f), (i) each Borrowing denominated in Dollars shall be comprised entirely of ABR Loans or Eurocurrency Loans as the applicable U.S. Borrower may request pursuant to Section 2.03 and (ii) each Borrowing denominated in a Designated Foreign Currency shall be

comprised entirely of Eurocurrency Loans. Each Lender may at its option make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; *provided, however*, that no Borrower shall be entitled to request any Borrowing that, if made, would result in more than 14 Eurocurrency Borrowings of the U.S. Borrowers in the aggregate and six Eurocurrency Borrowings of the European Borrowers in the aggregate being outstanding hereunder at any time (or in each such case such greater number of Eurocurrency Borrowings permitted by the Administrative Agent in its sole discretion). For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Except with respect to Loans made pursuant to Section 2.02(f), each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds in the applicable currency to such account as the Administrative Agent may designate not later than (i) 12:00 (noon), New York City time, in the case of a Eurocurrency Borrowing denominated in Dollars or an ABR Borrowing or (ii) 8:00 a.m., New York City time, in the case of any Borrowings denominated in a Designated Foreign Currency, and the Administrative Agent shall promptly credit the amounts so received to an account in the name of the applicable Borrower, designated by such Borrower in the applicable Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and the applicable Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower to but excluding the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, a rate determined by the Administrative Agent to represent its cost of overnight or short-term funds in the applicable currency (which determination shall be conclusive absent manifest error). If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

(e) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request any Revolving Credit Borrowing if the Interest Period requested with respect thereto would end after the Revolving Credit Maturity Date.

(f) If the applicable Issuing Bank shall not have received from the applicable Borrower the payment required to be made by Section 2.22(e) within the time specified in such Section, such Issuing Bank will promptly notify the Administrative Agent of the applicable L/C Disbursement and the Administrative Agent will promptly notify each Revolving Credit Lender of such L/C Disbursement, the Dollar Equivalent thereof (if denominated in a Designated Foreign Currency) and its Pro Rata Percentage thereof. Each Revolving Credit Lender shall pay by wire transfer of immediately available funds in Dollars to the Administrative Agent, an amount equal to such Lender's Pro Rata Percentage of such L/C Disbursement (or the Dollar Equivalent thereof if such L/C Disbursement was denominated in an Designated Foreign Currency) (it being understood that (i) if the conditions precedent to borrowing set forth in Sections 4.01(b) and (c) have been satisfied, such amount shall be deemed to constitute an ABR Revolving Loan of such Lender and, to the extent of such payment, the obligations of the applicable Borrower in respect of such L/C Disbursement shall be discharged and replaced with the resulting ABR Revolving Credit Borrowing and (ii) if such conditions precedent to borrowing have not been satisfied, then any such amount paid by any Revolving Credit Lender shall not constitute a Loan and shall not relieve the applicable Borrower from its obligation to reimburse such L/C Disbursement), and the Administrative Agent will promptly pay to such Issuing Bank amounts so received by it from each Revolving Credit Lender. The fundings by the Revolving Credit Lenders pursuant to this paragraph shall be made on the dates, and prior to the times, that would be required for the funding of a Revolving Credit Borrowing were the Administrative Agent's notice deemed to be a Borrowing notice pursuant to Section 2.03. The Administrative Agent will promptly pay to such Issuing Bank any amounts received by it from the applicable Borrowers pursuant to Section 2.22(e) prior to the time that any Revolving Credit Lender makes any payment pursuant to this paragraph (f); any such amounts received by the Administrative Agent thereafter will be promptly remitted by the Administrative Agent to the Revolving Credit Lenders that shall have made such payments and to such Issuing Bank, as their interests may appear. If any Revolving Credit Lender shall not have made its Pro Rata Percentage of such L/C Disbursement available to the Administrative Agent as provided above, such Lender and the applicable Borrower severally agree to pay interest on such amount, for each day from and including the date such amount is required to be paid in accordance with this paragraph to but excluding the date such amount is paid, to the Administrative Agent for the account of such Issuing Bank at (i) in the case of such Borrower, a rate per annum equal to the interest rate applicable to Revolving Loans pursuant to Section 2.06(a), and (ii) in the case of such Lender, for the first such day, the Federal Funds Effective Rate, and for each day thereafter, the Alternate Base Rate.

SECTION 2.03. ***Borrowing Procedure***. In order to request a Borrowing (other than a deemed Borrowing pursuant to Section 2.02(f) as to which this Section 2.03 shall not apply), a Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a

Eurocurrency Borrowing denominated in Dollars, not later than 12:00 (noon), New York City time, three Business Days before a proposed Borrowing and (b) in the case of a Eurocurrency Borrowing denominated in a Designated Foreign Currency, not later than 12:00 (noon), New York City time, four Business Days before a proposed Borrowing and (c) in the case of an ABR Borrowing, not later than 12:00 (noon), New York City time, one Business Day before a proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, fax or e-mail delivery to the Administrative Agent of a written Borrowing Request and shall specify the following information: (i) whether the Borrowing then being requested is to be a Borrowing of Tranche B-1 U.S. Term Loans, Tranche B-2 U.S. Term Loans, European Term Loans, Incremental Term Loans of any other Class, Revolving Loans or Other Revolving Loans and whether such Borrowing is to be a Eurocurrency Borrowing or an ABR Borrowing (or a FBR Borrowing); (ii) the date of such Borrowing (which shall be a Business Day); (iii) the number and location of the account to which funds are to be disbursed; (iv) the amount and currency of such Borrowing; and (v) if such Borrowing is to be a Eurocurrency Borrowing, the Interest Period with respect thereto; *provided*, *however*, that, notwithstanding any contrary specification in any Borrowing Request, (x) each requested Borrowing shall comply with the requirements set forth in Section 2.02 and (y) no Borrowing may be requested to be made on the same day that a prepayment under Section 2.12 of Loans of the same Class and Type the requested Borrowing is scheduled to be made. If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be in the case of Borrowing denominated in Dollars, an ABR Borrowing, and, in the case of a Borrowing denominated in a Designated Foreign Currency, a Eurocurrency Borrowing. If no Interest Period with respect to any Eurocurrency Borrowing is specified in any such notice, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall promptly advise the applicable Lenders of any notice given pursuant to this Section 2.03 (and the contents thereof), and of each Lender's portion of the requested Borrowing.

SECTION 2.04. ***Evidence of Debt; Repayment of Loans***. (a) The U.S. Borrowers hereby unconditionally promise to pay to the Administrative Agent for the account of each applicable Lender the principal amount of the applicable Class of U.S. Term Loans of such Lender as provided in Section 2.11. The Revolving Borrowers hereby unconditionally promise to pay to the Administrative Agent for the account of each applicable Lender the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Credit Maturity Date. The European Borrowers hereby unconditionally promise to pay to the Administrative Agent for the account of each applicable Lender the principal amount of each European Term Loan of such Lender as provided in Section 2.11.

(b) Each Lender shall maintain, in accordance with its usual practice, an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Class, Type and currency thereof and, if applicable, the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each

Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from any Borrower or any Guarantor and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) above shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded; *provided*, *however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of any Borrower to repay the Loans in accordance with their terms.

(e) Any Lender may request that Loans made by it hereunder be evidenced by a promissory note. In such event, each applicable Borrower shall execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form and substance reasonably acceptable to the Administrative Agent and such Borrower. Notwithstanding any other provision of this Agreement, in the event any Lender shall request and receive such a promissory note, the interests represented by such note shall at all times (including after any assignment of all or part of such interests pursuant to Section 9.04) be represented by one or more promissory notes payable to the payee named therein or its registered assigns.

SECTION 2.05. ***Fees***. (a) Each Revolving Borrower, jointly and severally, agrees to pay to each Revolving Credit Lender, through the Administrative Agent, on the last Business Day of March, June, September and December in each year and on each date on which any Commitment of such Lender shall expire or be terminated as provided herein, a facility fee (the "***Facility Fees***") in Dollars equal to 0.50% per annum on the daily amount of the Revolving Credit Commitment (whether used or unused) of such Lender during the preceding quarter (or other period commencing with the 2016 Restatement Date or ending with the Revolving Credit Maturity Date or the date on which the Commitments of such Lender shall expire or be terminated); *provided* that (i) if any Revolving Credit Exposure remains outstanding following any such expiration or termination of the Revolving Credit Commitments, the Facility Fees with respect to such Revolving Credit Exposure shall continue to accrue for so long as such Revolving Credit Exposure remains outstanding and shall be payable on demand and (ii) if any Revolving Credit Lender shall become a Defaulting Lender, the portion of such Facility Fee attributable to the unused amount of the Revolving Credit Commitment of such Defaulting Lender shall cease to accrue and shall not be payable hereunder for so long as such Revolving Credit Lender shall be a Defaulting Lender. All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(b) Each Borrower agrees to pay to the Administrative Agent, for its own account and the accounts of its Affiliates referred to therein, the fees set forth in the Fee Letter at the times and in the amounts specified therein (the "***Administrative Agent Fees***").

(c) Each Revolving Borrower agrees to pay to each Revolving Credit Lender (other than a Defaulting Lender), through the Administrative Agent, on the last Business Day of March, June, September and December of each year and on the date

on which the Revolving Credit Commitment of such Lender shall be terminated as provided herein, a fee (the "***L/C Participation Fees***") in Dollars calculated on such Lender's Pro Rata Percentage of the daily aggregate L/C Exposure (excluding the portion thereof attributable to unreimbursed L/C Disbursements) during the preceding quarter (or shorter period commencing with the 2016 Restatement Date or ending with the Revolving Credit Maturity Date or the date on which all Letters of Credit have been canceled or have expired and the Revolving Credit Commitments of all Lenders shall have been terminated) at a rate per annum equal to the Applicable Margin from time to time used to determine the interest rate on Revolving Credit Borrowings comprised of Eurocurrency Loans pursuant to Section 2.06. Each Revolving Borrower agrees to pay to each Issuing Bank for its own account, the fronting, issuing and drawing fees specified from time to time by such Issuing Bank (the "***Issuing Bank Fees***"). All L/C Participation Fees and Issuing Bank Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(d) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders, except that the Issuing Bank Fees shall be paid directly to the applicable Issuing Bank. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.06. ***Interest on Loans***. (a) Subject to the provisions of Section 2.07, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, and calculated from and including the date of such Borrowing to but excluding the date of repayment thereof) at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Subject to the provisions of Section 2.07, the Loans comprising each Eurocurrency Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Subject to the provisions of Section 2.07, the Loans comprising each FBR Borrowing shall bear interest (computed on the basis of the actual days elapsed over a year of 360 days, as the case may be) at a rate per annum equal to the Foreign Base Rate in effect for such Borrowing plus the Applicable Margin.

(d) Interest on each Loan shall be payable on the Interest Payment Dates applicable to such Loan except as otherwise provided in this Agreement. The applicable Alternate Base Rate, Foreign Base Rate or Adjusted LIBO Rate for each Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.07. ***Default Interest***. If any Borrower shall default in the payment of any principal of or interest on any Loan or any other amount due hereunder or under any other Loan Document, by acceleration or otherwise, until such defaulted amount shall have been paid in full,

to the extent permitted by law, all overdue amounts outstanding under this Agreement and the other Loan Documents shall bear interest (after as well as before judgment), payable on demand, (a) in the case of overdue principal, at the rate otherwise applicable to such Loan pursuant to Section 2.06 plus 2.00% per annum and (b) with respect to all other overdue amounts, at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) equal to (i) if such overdue amount relates to Revolving Loans, the rate that would be applicable to a Daily Rate Revolving Loan, (ii) if such overdue amount relates to Tranche B-1 U.S. Term Loans, the rate that would be applicable to a Daily Rate Tranche B-1 U.S. Term Loan and (iii) otherwise, the rate that would be applicable to a Daily Rate Tranche B-2 U.S. Term Loan, in each case, plus 2.00% per annum.

SECTION 2.08. ***Alternate Rate of Interest***. (a) If at least two Business Days prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the EURIBO Rate for such Interest Period; *provided* that no Benchmark Transition Event shall have occurred at such time; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the EURIBO Rate for the applicable currency and/or such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give written notice thereof to Holdings and the Lenders by hand delivery, facsimile or other electronic transmission as promptly as practicable thereafter and, until the Administrative Agent notifies Holdings and the Lenders that the circumstances giving rise to such notice no longer exist, which the Administrative Agent agrees promptly to do, (i) any request by a Borrower for the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective and such Borrowing shall be converted to a Daily Rate Borrowing on the last day of the Interest Period applicable thereto and the utilization of the LIBO Rate component in determining the Alternate Base Rate shall be suspended and (ii) if any Borrowing Request requests a Eurocurrency Borrowing, then such Borrowing shall be made as a Daily Rate Borrowing and the utilization of the LIBO Rate component in determining the Alternate Base Rate shall be suspended; *provided*, *however*, that (x) in each case, Holdings may revoke any Borrowing Request that is pending when such notice is received and (y) if the circumstances giving rise to such notice affect only Borrowings in certain currencies, then Eurocurrency Borrowings in unaffected currencies shall be permitted to the extent otherwise permitted by this Agreement.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and Holdings may amend this Agreement to replace any Benchmark Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m., New York City time, on the fifth Business Day after the Administrative

Agent has posted such proposed amendment to all Lenders and Holdings so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of any Benchmark Rate with a Benchmark Replacement pursuant to this Section 2.08 will occur prior to the applicable Benchmark Transition Start Date.

(c) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time with the prior written consent of Holdings, not to be unreasonably withheld, delayed or conditioned.

(d) The Administrative Agent will promptly notify Holdings and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.08, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.08.

(e) Upon Holdings' receipt of notice of the commencement of a Benchmark Unavailability Period, Holdings may revoke any request for a Borrowing of, conversion to or continuation of Eurocurrency Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Holdings will be deemed to have converted any such request into a request for a Borrowing of or conversion to Daily Rate Loans. During any Benchmark Unavailability Period, (x) the component of the Alternate Base Rate based upon the LIBO Rate will not be used in any determination of the Alternate Base Rate, (y) any request by a Borrower for the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective and (z) any affected Borrowing shall be converted to a Daily Rate Borrowing on the last day of the Interest Period applicable thereto.

Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, to the extent any Tranche B-1 U.S. Term Loans are outstanding under this Agreement with respect to which the terms of this Section 2.08 do not apply, solely for purposes of determining whether the Required Lenders have taken any action contemplated by this Section 2.08 or the definition of the term "Benchmark Transition Start Date" or "Early Opt-in Election", such Tranche B-1 U.S. Term Loans shall be disregarded in making such determination.

SECTION 2.09. ***Termination and Reduction of Commitments***. (a) Any Incremental Term Loan Commitments shall terminate as provided in the related Incremental Assumption Agreement. The Revolving Credit Commitments shall automatically terminate on the Revolving Credit Maturity Date. The L/C Commitments shall automatically terminate on the earlier to occur of (i) the termination of the applicable Revolving Credit Commitments and (ii) the date 30 days prior to the Revolving Credit Maturity Date.

(b) Upon at least three Business Days' prior irrevocable written or fax notice to the Administrative Agent, the applicable U.S. Borrowers or the applicable European Borrowers may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Term Loan Commitments of any Class or the Revolving Credit Commitments extended to such Borrowers; *provided*, *however*, that (i) each partial reduction of any Term Loan Commitments or any Revolving Credit Commitments of any Class shall be in an integral multiple of the Borrowings Multiple and in a minimum amount equal to the Borrowing Minimum and (ii) the Total Revolving Credit Commitment shall not be reduced to an amount that is less than the Aggregate Revolving Credit Exposure (without taking into account Letters of Credit that have been cash collateralized or backstopped in a manner reasonably satisfactory to the Administrative Agent) at the time. Notwithstanding anything to the contrary contained in this Agreement, the applicable U.S. Borrowers and the applicable European Borrowers may rescind any notice of termination under this Section 2.09 if such termination would have resulted from a refinancing of all of the relevant Loans, which refinancing shall not be consummated or shall otherwise be delayed.

(c) Each reduction in the Term Loan Commitments or the Revolving Credit Commitments of a Class hereunder shall be made ratably among the Lenders in accordance with their respective Commitments of such Class. The U.S. Borrowers or the European Borrowers, as applicable, shall pay to the Administrative Agent for the account of the applicable Lenders, on the date of each termination or reduction, of any Revolving Credit Commitments, the Facility Fees on the amount of the Commitments so terminated or reduced accrued to but excluding the date of such termination or reduction.

SECTION 2.10. ***Conversion and Continuation of Borrowings***. The applicable Borrowers shall have the right at any time upon prior irrevocable written notice to the Administrative Agent (a) not later than 12:00 (noon), New York City Time, three Business Days prior to the day of conversion or continuation, to (x) convert any Eurocurrency Borrowing denominated in Dollars into an ABR Borrowing or to continue any Eurocurrency Borrowing denominated in Dollars as a Eurocurrency Borrowing for an additional Interest Period, (y) convert any ABR Borrowing into a Eurocurrency Borrowing or (z) convert the Interest Period with respect to any Eurocurrency Borrowing denominated in Dollars to another permissible Interest Period and (b) not later than 12:00 (noon), New York City time, four Business Days prior to conversion or continuation, to (A) continue any Eurocurrency Borrowing denominated in a Designated Foreign Currency as a Eurocurrency Borrowing for an additional Interest Period or (B) convert the Interest Period with respect to any Eurocurrency Borrowing denominated in a Designated Foreign Currency to another permissible Interest Period, subject in each case to the following:

(i) [reserved];

(ii) each conversion or continuation shall be made pro rata among the Lenders in accordance with the respective principal amounts of the Loans comprising the converted or continued Borrowing;

(iii) if less than all the outstanding principal amount of any Borrowing shall be converted or continued, then each resulting Borrowing shall satisfy the limitations specified in Sections 2.02(a) and 2.02(b) regarding the principal amount and maximum number of Borrowings of the relevant Type;

(iv) each conversion shall be effected by each Lender and the Administrative Agent by recording for the account of such Lender the new Loan of such Lender resulting from such conversion and reducing the Loan (or portion thereof) of such Lender being converted by an equivalent principal amount; and accrued interest on any Eurocurrency Loan (or portion thereof) being converted shall be paid by the applicable Borrower at the time of conversion;

(v) if any Eurocurrency Borrowing is converted at a time other than the end of the Interest Period applicable thereto, the applicable Borrower shall pay, upon demand, any amounts due to the Lenders pursuant to Section 2.16;

(vi) any portion of a Borrowing maturing or required to be repaid in less than one month may not be converted into or continued as a Eurocurrency Borrowing;

(vii) any portion of a Eurocurrency Borrowing that cannot be converted into or continued as a Eurocurrency Borrowing by reason of the immediately preceding clause shall be automatically converted at the end of the Interest Period in effect for such Borrowing into a Daily Rate Borrowing;

(viii) no Interest Period may be selected for any Eurocurrency Term Borrowing that would end later than a Term Loan Repayment Date occurring on or after the first day of such Interest Period if, after giving effect to such selection, the aggregate outstanding amount of (A) the Eurocurrency Term Borrowings comprised of Term Loans or Other Term Loans, as applicable, with Interest Periods ending on or prior to such Term Loan Repayment Date and (B) the Daily Rate Term Borrowings comprised of Term Loans or Other Term Loans, as applicable, would not be at least equal to the principal amount of Term Borrowings to be paid on such Term Loan Repayment Date; and

(ix) upon notice to the Borrowers from the Administrative Agent given at the request of the Required Lenders, after the occurrence and during the continuance of an Event of Default, (A) no outstanding Loan (except, and subject to clause (C), Loans comprising a Borrowing denominated in a Designated Foreign Currency) may be converted into, or continued as, a Eurocurrency Loan, (B) each outstanding Eurocurrency Borrowing denominated in Dollars shall be automatically converted at the end of the Interest Period in effect for such Borrowing into an ABR Borrowing and (C) no Interest Period in excess of one month may be selected for any Borrowing denominated in a Designated Foreign Currency.

Each notice pursuant to this Section 2.10 shall be irrevocable and shall refer to this Agreement and specify (i) the identity and amount of the Borrowing that the applicable Borrower requests be converted or continued, (ii) whether such Borrowing is to be converted to or continued as a Eurocurrency Borrowing or an ABR Borrowing or, to the extent required by Section 2.10(vii), an FBR Borrowing, (iii) if such notice requests a conversion, the date of such conversion (which shall be a Business Day) and (iv) if such Borrowing is to be converted to or continued as a Eurocurrency Borrowing, the Interest Period with respect thereto. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a Eurocurrency Borrowing, the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall advise the applicable Lenders of any notice given pursuant to this Section 2.10 and of each such Lender's portion of any converted or continued Borrowing. If the applicable Borrower shall not have given notice in accordance with this Section 2.10 to continue any Borrowing into a subsequent Interest Period (and shall not otherwise have given notice in accordance with this Section 2.10 to convert such Borrowing), such Borrowing shall, at the end of the Interest Period applicable thereto (unless repaid pursuant to the terms hereof), (i) in the case of a Borrowing denominated in Dollars, automatically be continued as an ABR Borrowing and (ii) in the case of a Borrowing denominated in a Designated Foreign Currency, automatically be continued as a new Eurocurrency Borrowing with an Interest Period of one month.

SECTION 2.11. ***Repayment of Term Borrowings***. (a) (i) The U.S. Borrowers shall pay to the Administrative Agent, on the last Business Day of each calendar quarter commencing with the first full calendar quarter ending after the Amendment No. 13 Effective Date, for the account of the Tranche B-2 U.S. Term Lenders, a principal amount of the Tranche B-2 U.S. Term Loans (as adjusted from time to time pursuant to Sections 2.12, 2.13(f) and 2.23(d)) equal to 0.25% of the aggregate principal amount of the Tranche B-2 U.S. Term Loans made on the Amendment No. 13 Effective Date.[6]

(ii) The European Borrowers shall pay to the Administrative Agent, for the account of the European Term Lenders, on the last Business Day of each calendar quarter following the 2017 Incremental Term Loan Effective Date (commencing with the calendar quarter that contains the 2017 Incremental Term Loan Effective Date), a principal amount of the European Term Loans (as adjusted from time to time pursuant to Sections 2.12, 2.13(f) and 2.23(d)) equal to 0.25% of the aggregate principal amount of the Incremental European Term Loans (as defined in the Second Incremental Assumption Agreement) made on the 2017 Incremental Term Loan Effective Date.

(iii) [Reserved].

(iv) Except with respect to the Term Loans described in the preceding clauses of this Section 2.11(a), the applicable Term Borrower or Term Borrowers shall pay to the Administrative Agent, for the account of the Incremental Term Lenders, on each Incremental Term Loan Repayment Date, a principal amount of the Other Term Loans (as adjusted from time to time pursuant to Sections 2.12 and 2.13(f)) equal to the amount set forth for such date in the applicable Incremental Assumption Agreement, together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(b) To the extent not previously paid, all Term Loans and Other Term Loans shall be due and payable on the European Term Loan Maturity Date, the Tranche B-1 U.S. Term Loan Maturity Date, the Tranche B-2 U.S. Term Loan Maturity Date or the Incremental Term Loan Maturity Date, as the case may be, applicable to such Class of Term Loans or Other Term Loans, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

(c) All repayments pursuant to this Section 2.11 shall be subject to Section 2.16, but shall otherwise be without premium or penalty.

SECTION 2.12. ***Voluntary Prepayment***. (a) The Borrowers shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, following written or fax notice (or telephone notice promptly confirmed by written or fax notice) to the Administrative Agent not later than 12:00 (noon), New York City time, (i) three Business Days prior to the date of prepayment, in the case of Eurocurrency Loans denominated in Dollars, (ii) four Business Days prior to the date of prepayment, in the case of Eurocurrency Loans denominated in a Designated Foreign Currency and (iii) one Business Day prior to the date of prepayment, in the case of ABR Loans; *provided, however*, that (x) each partial prepayment shall be in an amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum and (y) at the applicable Borrower's election in connection with any prepayment of Revolving Loans pursuant to this Section 2.12(a), such prepayment may not, so long as no Event of Default then exists, be applied to any Revolving Loan of a Defaulting Lender.

(b) Notwithstanding anything to the contrary contained in this Section 2.12 or any other provision of this Agreement and without otherwise limiting the rights in respect of prepayments of the Loans, so long as no Event of Default has occurred and is continuing, Holdings, any Borrower or any of their Subsidiaries (each, a "***Repurchaser***") may repurchase outstanding Term Loans pursuant to this Section 2.12 on the following basis:

(i) The Repurchaser may conduct one or more auctions (each, an "***Auction***") to repurchase all or any portion of the Term Loans of any Class by providing written notice to the Administrative Agent (for distribution to the Term Lenders of the related Class) identifying the Term Loans that will be the subject of the Auction (an "***Auction Notice***"). Each Auction Notice shall be in a form reasonably acceptable to the Administrative Agent and shall contain (x) the total cash value of the bid, in a minimum amount of $10,000,000 or €10,000,000, as the case may be, with minimum increments of $1,000,000 or €1,000,000, as the case may be (the "***Auction Amount***") and (y) the discount to

par, which shall be a range (the "***Discount Range***") of percentages of the par principal amount of the Term Loans at issue that represents the range of purchase prices that could be paid in the Auction;

6 Note: The first amortization payment for the Tranche B-2 U.S. Term Loans is due March 31, 2021.

(ii) In connection with any Auction, each Term Lender of the related Class may, in its sole discretion, participate in such Auction and may provide the Administrative Agent with a notice of participation (the "***Return Bid***") which shall be in a form reasonably acceptable to the Administrative Agent and shall specify (x) a discount to par that must be expressed as a price (the "***Reply Discount***"), which must be within the Discount Range, and (y) a principal amount of Term Loans which must be in increments of $1,000,000 or €1,000,000, as the case may be, or in an amount equal to the Term Lender's entire remaining amount of such Term Loans (the "***Reply Amount***"). Term Lenders may only submit one Return Bid per Auction. In addition to the Return Bid, the participating Term Lender must execute and deliver, to be held in escrow by the Administrative Agent, an Assignment and Acceptance in a form reasonably acceptable to the Administrative Agent;

(iii) Based on the Reply Discounts and Reply Amounts received by the Administrative Agent, the Administrative Agent, in consultation with the Repurchaser, will determine the applicable discount (the "***Applicable Discount***") for the Auction, which will be the lowest Reply Discount for which the Repurchaser can complete the Auction at the Auction Amount; *provided* that, in the event that the Reply Amounts are insufficient to allow the Repurchaser to complete a purchase of the entire Auction Amount (any such Auction, a "***Failed Auction***"), the Repurchaser shall either, at its election, (x) withdraw the Auction or (y) complete the Auction at an Applicable Discount equal to the highest Reply Discount. The Repurchaser shall purchase Term Loans subject to such Auctions (or the respective portions thereof) from each applicable Term Lender with a Reply Discount that is equal to or greater than the Applicable Discount ("***Qualifying Bids***") at the Applicable Discount; *provided*, *further*, that if the aggregate proceeds required to purchase all Term Loans subject to Qualifying Bids would exceed the Auction Amount for such Auction, the Repurchaser shall purchase such Term Loans at the Applicable Discount ratably based on the principal amounts of such Qualifying Bids (subject to rounding requirements specified by the Administrative Agent). Each participating Term Lender will receive notice of a Qualifying Bid as soon as reasonably practicable but in no case later than five Business Days from the date the Return Bid was due;

(iv) Once initiated by an Auction Notice, the Repurchaser may not withdraw an Auction other than a Failed Auction. Furthermore, in connection with any Auction, upon submission by a Term Lender of a Qualifying Bid, such Term Lender (each, a "***Qualifying Lender***") will be obligated to sell the entirety or its allocable portion of the Reply Amount, as the case may be, at the Applicable Discount;

(v) With respect to all repurchases made by the Repurchaser pursuant to this Section 2.12(b), such repurchases shall be deemed to be voluntary prepayments pursuant to this Section 2.12 in an amount equal to the aggregate principal amount of such Term Loans; *provided* that such repurchases shall not be subject to the provisions of Section 2.12(a), Section 2.17 and Section 2.18; and

(vi) The repurchases by the Repurchaser of Term Loans pursuant to this Section 2.12(b) shall be subject to the following conditions: (v) the Auction is open to all Term Lenders of the applicable Class on a pro rata basis, (w) no Default or Event of Default has occurred or is continuing or would result therefrom, (x) any Term Loans repurchased

pursuant to this Section 2.12(b) shall be automatically and permanently canceled upon acquisition thereof by the Repurchaser, (y) the Repurchaser shall not use the proceeds of Revolving Loans (including Incremental Revolving Loans) to acquire such Term Loans and (z) at the time of (and calculated on a pro forma basis after giving effect to) any such repurchase, the Aggregate Revolving Credit Exposure (excluding any outstanding L/C Exposure) shall not exceed unrestricted cash and cash equivalents on hand of Holdings and the Subsidiaries.

(vii) Each Lender participating in any Auction acknowledges and agrees that in connection with such Auction, (x) the Repurchaser may then have, or later may come into possession of, Excluded Information, (y) such Lender has independently and, without reliance on Holdings, the Borrowers, any of the other Subsidiaries, the Administrative Agent or any of their respective Affiliates, made its own analysis and determination to participate in such Auction notwithstanding such Lender's lack of knowledge of the Excluded Information and (z) none of Holdings, the Borrowers, any other Subsidiary, the Administrative Agent, or any of their respective Affiliates shall have any liability to such Lender, and such Lender hereby waives and releases, to the extent permitted by law, any claims such Lender may have against Holdings, the Borrowers, the other Subsidiaries, the Administrative Agent, and their respective Affiliates, under applicable laws or otherwise, with respect to the nondisclosure of the Excluded Information. Each Lender participating in any Auction further acknowledges that the Excluded Information may not be available to the Administrative Agent or the other Lenders.

(c) Voluntary prepayments of Term Loans pursuant to Section 2.12(a) shall be allocated among the Classes of Term Loans as specified by the applicable Term Borrower or Term Borrowers and shall be applied against the remaining scheduled installments of principal due in respect of the Term Loans of any such Class under Section 2.11 as specified by the applicable Term Borrower or Term Borrowers.

(d) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable (*provided* that such notice may be conditioned on receiving the proceeds of any refinancing or the occurrence of any other event) and shall commit the applicable Borrower to prepay such Borrowing by the amount stated therein on the date stated therein; *provided*, *however*, that if such prepayment is for all of the then outstanding Loans of a Class, then the applicable Borrower may revoke such notice and/or extend the prepayment date; *provided further*, *however*, that the provisions of Section 2.16 shall apply with respect to any such revocation or extension. All prepayments under Section 2.12(a) shall be subject to Sections 2.12(e), 2.12 (f) and 2.16, but shall otherwise be without premium or penalty. All prepayments under Section 2.12(a) (other than prepayments of Daily Rate Revolving Loans that are not made in connection with the termination or permanent reduction of the applicable Revolving Credit Commitments) shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment.

(e) If, prior to the date that is six months after the Amendment No. 13 Effective Date, (i) all or any portion of the Tranche B-2 U.S. Term Loans are prepaid

out of the proceeds of a substantially concurrent issuance or incurrence of secured term loans that are marketed or syndicated to banks and other institutional investors and the all-in-yield (as determined by the Administrative Agent in consultation with Holdings and in a manner consistent with generally accepted financial practice and, in any event, excluding the effect of any arrangement, structuring, syndication, commitment or other fees in connection therewith that are not shared with all providers of such financing, and without taking into account any fluctuations in the Adjusted LIBO Rate) of such secured term loan financing is less than the yield (as determined by the Administrative Agent on the same basis) of the Tranche B-2 U.S. Term Loans or (ii) a Tranche B-2 U.S. Term Lender must assign its Tranche B-2 U.S. Term Loans pursuant to Section 2.21 as a result of its failure to consent to an amendment that would reduce (as determined by the Administrative Agent in consultation with Holdings) any of the interest rate margins (or other pricing-related terms) then in effect with respect to such Tranche B-2 U.S. Term Loans then in each case the aggregate principal amount so prepaid or assigned will be subject to a fee payable by the U.S. Borrowers equal to 1.0% of the principal amount thereof; *provided* that, in each case, such fee shall only be payable if the primary purpose (as determined by Holdings in good faith) of such prepayment, repayment, refinancing, substitution, replacement, amendment, waiver or other modification was to reduce the all-in-yield of the Tranche B-2 U.S. Term Loans; *provided further* that this Section 2.12(e) shall not apply to any prepayment of the Tranche B-2 U.S. Term Loans upon the occurrence of a Change in Control.

SECTION 2.13. ***Mandatory Prepayments***. (a) In the event of any termination of all the Revolving Credit Commitments, the Revolving Borrowers shall, on the date of such termination, repay or prepay all outstanding Revolving Credit Borrowings and replace or cause to be canceled (or cash collateralize or backstop pursuant to arrangements satisfactory to the Administrative Agent and each Issuing Bank) all outstanding Letters of Credit issued by each such Issuing Bank. If, after giving effect to any partial reduction of the Revolving Credit Commitments or at any other time (including on any Calculation Date), the Aggregate Revolving Credit Exposure would exceed the Total Revolving Credit Commitment, then the Revolving Borrowers shall, on the date of such reduction or at such other time, repay or prepay Revolving Credit Borrowings and, after the Revolving Credit Borrowings shall have been repaid or prepaid in full, replace or cause to be canceled (or cash collateralize or backstop pursuant to arrangements satisfactory to the Administrative Agent and such Issuing Bank) Letters of Credit issued by each such Issuing Bank in an amount sufficient to eliminate such excess.

(b) Not later than the Asset Sale Prepayment Date with respect to any Asset Sale, the Borrowers shall apply an amount equal to 100% of the Net Cash Proceeds received with respect thereto to prepay outstanding Term Loans in accordance with Section 2.13(f); *provided* that (i) no such prepayment will be required until the Net Cash Proceeds in respect of Asset Sales received from and after the time of the immediately preceding prepayment under this clause (b) (or if no such prepayments have yet occurred since the 2016 Restatement Date, from the 2016 Restatement Date) exceeds $100,000,000 (or, if an asset sale offer or prepayment is required at a lower threshold under the definitive documentation governing any Material Indebtedness, such lower threshold) and (ii) with respect to the Net Cash Proceeds of any Asset Sale, to the extent any applicable Senior Secured Note Indenture requires the Borrowers to

prepay or make an offer to purchase Senior Secured Notes with Liens on the Collateral ranking *pari passu* with the Liens securing the Bank Obligations with the proceeds of such Asset Sale, the Net Cash Proceeds to be applied to prepay outstanding Term Loans pursuant to this clause (b) shall be reduced by an amount equal to the product of (1) the amount of such Net Cash Proceeds and (2) a fraction, the numerator of which is the outstanding principal amount of the Senior Secured Notes with a Lien on the Collateral ranking *pari passu* with the Liens securing the Bank Obligations and with respect to which such a requirement to prepay or make an offer to purchase exists and the denominator of which is the sum of the outstanding principal amount of such Senior Secured Notes and the outstanding principal amount of Term Loans.

(c) No later than the earlier of (i) 90 days after the end of each fiscal year of Holdings, commencing with the fiscal year ending on December 31, 2016, and (ii) the date that is 10 days following the date on which the financial statements with respect to such period are delivered pursuant to Section 5.04(a), the Borrowers shall prepay outstanding Term Loans in accordance with Section 2.13(f) in an aggregate principal amount equal to (A) (x) if the Senior Secured First Lien Leverage Ratio at the end of such period shall have been greater than 3.0 to 1.0, 50% of Excess Cash Flow for the fiscal year then ended and (y) if the Senior Secured First Lien Leverage Ratio at the end of such period shall have been less than or equal to 3.0 to 1.0 and greater than 2.5 to 1.0, 25% of Excess Cash Flow for the fiscal year then ended (it being understood that no prepayment pursuant to this Section 2.13(c) shall be required in respect of the fiscal year then ended if the Senior Secured First Lien Leverage Ratio at the end of such period shall have been less than or equal to 2.5 to 1.0), in each case minus (B) Voluntary Prepayments and prepayments of Revolving Loans under Section 2.12(a) during such fiscal year but only to the extent that the Indebtedness so prepaid by its terms cannot be reborrowed or redrawn and such prepayments are not made with funds received in connection with a refinancing of all or any portion of such Indebtedness minus (C) the amount of cash used to make permanent voluntary prepayments, repurchases or redemptions, as the case may be, of Term Loans pursuant to Section 2.12(b) or 9.04(m) or of Senior Secured Notes (and the repayment or redemption of Senior Secured Notes upon the maturity thereof) during such fiscal year but only to the extent that the Term Loans and Senior Secured Notes so prepaid, repaid, repurchased or redeemed, as the case may be, by their terms cannot be reborrowed, redrawn or resold and such prepayments, repayments, repurchases or redemptions are not made with funds received in connection with a refinancing of all or any portion of such Term Loans and Senior Secured Notes; *provided* that the Borrowers may use a portion of such Excess Cash Flow to prepay Senior Secured Notes in the form of senior secured loans with Liens on the Collateral ranking *pari passu* with the Liens securing the Bank Obligations to the extent the definitive documentation in respect of any such Senior Secured Notes requires the Borrowers to prepay such Senior Secured Notes with such Excess Cash Flow (and, for the avoidance of doubt, the amount of Excess Cash Flow required to be applied in prepayment of the Term Loans pursuant to this Section 2.13(c) shall be reduced by such portion), in each case in an amount not to exceed the product of (1) the amount of such Excess Cash Flow and (2) a fraction, the numerator of which is the outstanding principal amount of such Senior Secured Notes with respect to which such a requirement to prepay

exists and the denominator of which is the sum of the outstanding principal amount of such Senior Secured Notes and the outstanding principal amount of Term Loans.

(d) In the event that any Loan Party or any Subsidiary of a Loan Party shall receive Net Cash Proceeds from the issuance or incurrence of Indebtedness for money borrowed of any Loan Party or any Subsidiary of a Loan Party (other than any cash proceeds from Indebtedness permitted by Section 6.01), the Borrowers shall, substantially simultaneously with (and in any event not later than the fourth Business Day next following) the receipt of such Net Cash Proceeds by such Loan Party or such Subsidiary, apply an amount equal to 100% of such Net Cash Proceeds to prepay outstanding Term Loans in accordance with Section 2.13(f).

(e) Notwithstanding the foregoing, Holdings (in its sole discretion) may give each Term Lender the option (in its sole discretion) to elect, by written notice to the Administrative Agent at the time and in the manner specified by the Administrative Agent in consultation with Holdings, to decline all (but not less than all) of any mandatory prepayment of its Term Loans pursuant to this Section 2.13 (such declined amounts, the "***Declined Proceeds***"). Any Declined Proceeds may be retained by the Borrowers and will be added to the Available Amount.

(f) Subject to Section 2.13(e), mandatory prepayments of outstanding Term Loans under this Agreement shall be allocated pro rata to each Class of Term Loans and applied to the remaining scheduled installments of principal due pursuant to clauses (i), (ii) and (iv) of Section 2.11(a) as directed by the applicable Borrower (and absent any such direction, in direct order of maturity against the remaining scheduled installments of principal due).

(g) Each applicable Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.13, (i) a certificate signed by a Financial Officer of such Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and (ii) at least four Business Days prior irrevocable written notice of such prepayment, which notice, in the case of any prepayments required under Section 2.13(b) or Section 2.13(d), may be conditioned upon the receipt by Holdings or a Subsidiary of the Net Cash Proceeds referred to therein or the occurrence of any other event. Each notice of prepayment shall specify the prepayment date, the Class and Type of each Loan being prepaid and the principal amount of each Loan (or portion thereof) to be prepaid. All prepayments of Borrowings under this Section 2.13 shall be subject to Sections 2.13(f) and 2.16, but shall otherwise be without premium or penalty, and shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment.

(h) Notwithstanding the foregoing provisions, to the extent that repatriating any or all of the Net Cash Proceeds from any Asset Sale or Excess Cash Flow attributable to a Foreign Subsidiary (x) would result in material adverse tax consequences to Holdings or any Subsidiary or (y) is prohibited or delayed by applicable local law from being repatriated to any jurisdiction that would enable such

amounts to be applied to prepayment pursuant to this Section 2.13 (in the case of the foregoing clauses (x) and (y), as reasonably determined by Holdings in good faith, which determination shall be conclusive), the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied in compliance with the foregoing provisions, and such amounts may be retained by the applicable Foreign Subsidiary or invested in, distributed to or otherwise transferred to any other Foreign Subsidiary; *provided*, *however*, that, in the case of this clause (y), if the Net Cash Proceeds or Excess Cash Flow the repatriation of which is prohibited or delayed by applicable local law exceeds $10.0 million, Holdings shall take commercially reasonable efforts to cause the applicable Foreign Subsidiary to take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation, and if such repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow can be achieved such repatriation will be promptly effected and such repatriated Net Cash Proceeds or Excess Cash Flow will be applied (whether or not repatriation actually occurs), in compliance with the foregoing provisions (A) in the case of Excess Cash Flow, within 10 Business Days thereafter and (B) in the case of Net Cash Proceeds from Any Asset Sale, within the time periods specified in Section 2.13(b) above (measured from the date such Net Cash Proceeds can be repatriated, whether or not such repatriation actually occurs).

SECTION 2.14. ***Reserve Requirements; Change in Circumstances***.

(a) Notwithstanding any other provision of this Agreement, if any Change in Law shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender or any Issuing Bank (except any such reserve requirement which is reflected in the Adjusted LIBO Rate) or shall impose on such Lender or such Issuing Bank or the applicable interbank market any other condition (including, in each case, the imposition of Taxes other than (and excluding) Taxes (i) imposed on any payment made pursuant to this Agreement, (ii) measured by net income or profits, franchise, branch profits or similar Taxes or (iii) arising under FATCA) affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participation therein, and the result of any of the foregoing shall be to increase the cost to such Lender or such Issuing Bank of making or maintaining any Eurocurrency Loan or increase the cost to any Lender or any Issuing Bank of issuing or maintaining any Letter of Credit or purchasing or maintaining a participation therein or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender or such Issuing Bank to be material, then the U.S. Borrowers or the European Borrowers, as applicable, will pay to such Lender or such Issuing Bank, as the case may be, upon demand such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank shall have reasonably determined that any Change in Law regarding capital adequacy has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made or participations in Letters of Credit purchased by such Lender pursuant hereto or the Letters of Credit issued by such

Issuing Bank pursuant hereto to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy) by an amount deemed by such Lender or such Issuing Bank to be material, then from time to time the U.S. Borrowers or European Borrowers, as applicable, shall pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) If any Lender or Issuing Lender becomes entitled to claim any additional amounts pursuant to paragraph (a) or (b) above, it shall provide prompt notice thereof to the applicable Borrower, through the Administrative Agent, certifying (i) that one of the events described in paragraph (a) or (b) has occurred and describing in reasonable detail the nature of such event, (ii) as to the increased cost or reduced amount resulting from such event and (iii) as to the additional amount demanded by such Lender or Issuing Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate shall be conclusive absent manifest error. The applicable Borrower or Borrowers shall pay such Lender or such Issuing Bank the amount shown as due on any such certificate delivered by it within 30 days after its receipt of the same.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; *provided* that no Borrower shall be under any obligation to compensate any Lender or any Issuing Bank under paragraph (a) or (b) above with respect to increased costs or reductions with respect to any period prior to the date that is 120 days prior to such request if such Lender or such Issuing Bank knew or could reasonably have been expected to know of the circumstances giving rise to such increased costs or reductions and of the fact that such circumstances would result in a claim for increased compensation by reason of such increased costs or reductions; *provided further* that the foregoing limitation shall not apply to any increased costs or reductions arising out of the retroactive application of any Change in Law within such 120-day period. The protection of this Section shall be available to each Lender and each Issuing Bank regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

SECTION 2.15. ***Change in Legality***. (a) Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Eurocurrency Loan or to give effect to its obligations as contemplated hereby with respect to any Eurocurrency Loan, then, by written notice to the applicable Borrowers and to the Administrative Agent:

(i) such Lender may declare that Eurocurrency Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued for additional Interest Periods) and Daily Rate Loans will not thereafter (for such duration) be converted into Eurocurrency Loans, whereupon any request for a Eurocurrency Borrowing (or to convert a Daily Rate Borrowing to a Eurocurrency Borrowing or to continue a Eurocurrency Borrowing for an additional Interest Period) shall, as to such Lender only, be deemed a request for a Daily Rate Loan (or a request to continue a Daily Rate Loan as such for an additional Interest Period or to convert a Eurocurrency Loan into a Daily Rate Loan, as the case may be), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding Eurocurrency Loans made by it be converted to Daily Rate Loans, in which event all such Eurocurrency Loans shall be automatically converted to Daily Rate Loans as of the effective date of such notice as provided in paragraph (b) below.

In the event any Lender shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal that would otherwise have been applied to repay the Eurocurrency Loans that would have been made by such Lender or the converted Eurocurrency Loans of such Lender shall instead be applied to repay the Daily Rate Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurocurrency Loans.

(b) For purposes of this Section 2.15, a notice to the applicable Borrowers by any Lender shall be effective as to each Eurocurrency Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such Eurocurrency Loan; in all other cases such notice shall be effective on the date of receipt by such Borrowers.

SECTION 2.16. ***Breakage***. The applicable Borrowers shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of (a) any event, other than a default by such Lender in the performance of its obligations hereunder, which results in (i) such Lender receiving or being deemed to receive any amount on account of the principal of any Eurocurrency Loan prior to the end of the Interest Period in effect therefor, (ii) the conversion of any Eurocurrency Loan to a Daily Rate Loan, or the conversion of the Interest Period with respect to any Eurocurrency Loan, in each case other than on the last day of the Interest Period in effect therefor, or (iii) any Eurocurrency Loan to be made by such Lender (including any Eurocurrency Loan to be made pursuant to a conversion or continuation under Section 2.10) not being made after notice of such Loan shall have been given by the applicable Borrower hereunder (any of the events referred to in this clause (a) being called a "***Breakage Event***") or (b) any default in the making of any payment or prepayment of Eurocurrency Loans after a Borrower has given notice thereof in accordance with the provisions of this Agreement. In the case of any Breakage Event, such loss shall include an amount equal to the excess, as reasonably determined by such Lender, of (i) its cost of obtaining funds for the Eurocurrency Loan that is the subject of such Breakage Event for the period from the date of such Breakage Event to the last day of the Interest Period in effect (or that would have been in effect) for such Loan over (ii) the amount of interest likely to be realized by such Lender (as reasonably determined by such Lender) in redeploying the funds released or not utilized by reason of such Breakage Event for such period. A reasonably detailed certificate of any Lender setting forth any amount or amounts which such Lender is

entitled to receive pursuant to this Section 2.16 shall be delivered to the applicable Borrowers and shall be conclusive absent manifest error.

SECTION 2.17. ***Pro Rata Treatment***. Subject to the express provisions of this Agreement which require, or permit, differing payments to be made to non-Defaulting Lenders as opposed to Defaulting Lenders, and except for prepayments of Term Loans made in accordance with Section 2.12(b) and as required under Section 2.15, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans, each payment of the Facility Fees, each reduction of the Term Loan Commitments or the Revolving Credit Commitments and each conversion of any Borrowing to or continuation of any Borrowing as a Borrowing of any Type shall be allocated pro rata among the Lenders in accordance with their respective applicable Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Loans). Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole Dollar or Designated Foreign Currency amount.

SECTION 2.18. ***Sharing of Setoffs***. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loan or Loans or L/C Disbursement as a result of which the unpaid principal portion of its Loans and participations in L/C Disbursements shall be proportionately less than the unpaid principal portion of the Loans and participations in L/C Disbursements of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans and L/C Exposure of such other Lender, so that the aggregate unpaid principal amount of the Loans and L/C Exposure and participations in Loans and L/C Exposure held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Loans and L/C Exposure then outstanding as the principal amount of its Loans and L/C Exposure prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans and L/C Exposure outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; *provided*, *however*, that (i) if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.18 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest, and (ii) the provisions of this Section 2.18 shall not be construed to apply to any payment made by any Loan Party pursuant to and in accordance with the express terms of this Agreement (including prepayments received pursuant to Section 2.12(b)) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant. The Borrowers and Holdings expressly consent to the foregoing arrangements and agree that any Lender holding a participation in a Loan or L/C Disbursement deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by any Borrower and Holdings to such Lender by reason thereof as fully as if such Lender had made a Loan directly to such Borrower in the amount of such participation.

SECTION 2.19. ***Payments***. (a) The Borrowers shall make each payment (including principal of or interest on any Borrowing or any L/C Disbursement or any Fees or other amounts) hereunder and under any other Loan Document (i) with respect to any Eurocurrency Borrowings denominated in Dollars or ABR Borrowings not later than 12:00 (noon), New York City time and (ii) with respect to any Eurocurrency Borrowings denominated in any Designated Foreign Currency or FBR Borrowings, not later than 8:00 a.m., New York City time, on the date when due in immediately available funds, without setoff, defense or counterclaim. Each such payment (other than Issuing Bank Fees, which shall be paid directly to the applicable Issuing Bank) shall be made to the Administrative Agent at its offices at: in the case of the Administrative Agent, Eleven Madison Avenue, New York, NY 10010. All payments received by the Administrative Agent after (i) 12:00 (noon), New York City time, with respect to Eurocurrency Borrowings denominated in Dollars or ABR Borrowings, or (ii) 8:00 a.m., New York City time, with respect to Eurocurrency Borrowings denominated in any Designated Foreign Currency or FBR Borrowings, shall be deemed received on the next Business Day (in the Administrative Agent's sole discretion) and any applicable interest shall continue to accrue. The Administrative Agent shall promptly distribute to each Lender any payments received by the Administrative Agent on behalf of such Lender.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

(c) The obligations of the U.S. Borrowers hereunder and under the other Loan Documents shall be joint and several. The obligations of the Revolving Borrowers hereunder and under the other Loan Documents shall be joint and several. The obligations of the European Borrowers hereunder and under the other Loan Documents shall be joint and several.

SECTION 2.20. ***Taxes***. (a) Except as required by applicable law (as modified by the practice then in effect of any Governmental Authority), any and all payments by or on account of any obligation of a Borrower or any other Loan Party hereunder or under any other Loan Document shall be made free and clear of and without withholding or deduction for any Taxes; *provided* that if any Borrower or any other Loan Party shall be required by applicable law to withhold or deduct any Taxes from such payments, then (i) such Borrower or such other Loan Party shall make such withholdings or deductions, (ii) such Borrower or such other Loan Party shall pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with applicable law and (iii) if such Taxes are Indemnified Taxes, the amount payable by the applicable Borrower or any Loan Party shall be increased as necessary so that, net of all required withholdings and deductions for Indemnified Taxes (including withholdings and deductions applicable to additional amounts payable under this Section 2.20), the applicable Recipient receives the amount it would have received had no such withholdings or deductions, as the case may be, been made.

(b) In addition, the applicable Borrower or any Loan Party shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrowers and any Loan Party shall, jointly and severally, indemnify each Recipient, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes paid by the applicable Recipient on or with respect to any payment by or on account of any obligation of any Borrower or any other Loan Party hereunder or under any other Loan Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth the amount of such payment or liability delivered to the Borrowers by a Recipient on behalf of itself or another Recipient shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes by any Borrower or any other Loan Party to a Governmental Authority, such Borrower or such other Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Recipient shall deliver to any Borrower or any other Loan Party (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by such Borrower, such other Loan Party or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law, if any, as will (i) permit payments hereunder or under any other Loan Document to be made without, or at a reduced rate of, withholding Tax or (ii) enable such Borrower, such other Loan Party or the Administrative Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements, but only, in each case, if such Recipient is legally entitled to do so.

(f) Notwithstanding anything to the contrary in this Section 2.20, in the case of any withholding Tax, the completion, execution and submission of such documentation shall not be required if, in the Recipient's judgment, such completion, execution or submission would subject such Recipient to any material, unreimbursed out-of-pocket cost or expense or would materially prejudice the legal or commercial position of such Recipient; *provided*, *however*, that this Section 2.20(f) shall not apply to documentation described in Section 2.20(g)(i)-(v).

(g) Without limiting the generality of the foregoing hereunder or the provisions of any other Loan Document, each U.S. Recipient shall deliver to the U.S. Borrowers and Administrative Agent two copies (or such other number of copies as shall be requested by the recipient) on or prior to the date on which such Person becomes a U.S. Recipient, as the case may be, under this Agreement (and from time to time thereafter when a previously provided form becomes obsolete or invalid, but only if such Person is legally entitled to do so), of whichever of the following is applicable:

(i) in the case of a U.S. Recipient claiming the benefits of an income tax treaty to which the United States of America is a party, (A) with respect to payments of interest under this Agreement or any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (B) with respect to all other payments under this Agreement or any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) in the case of a U.S. Recipient for whom payments under this Agreement or any Loan Document constitute income that is effectively connected with such U.S. Recipient's conduct of a trade or business in the United States, duly completed copies of IRS Form W-8ECI and, in the case of the Administrative Agent, also deliver two duly completed copies of IRS Form W-8IMY certifying that it is a "U.S. branch" and that the payments it receives for the account of others are not effectively connected with the conduct of its trade or business in the United States and that it is using such form as evidence of its agreement with the U.S. Borrowers to be treated as a U.S. person with respect to such payments (and the U.S. Borrowers and Administrative Agent agree to so treat the Administrative Agent as a U.S. person with respect to such payments), with the effect that the U.S. Borrowers can make payments to the Administrative Agent without deduction or withholding of any Taxes imposed by the United States,

(iii) in the case of a U.S. Recipient claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such U.S. Recipient is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code or (D) conducting a trade or business in the United States with which the relevant interest payments are effectively connected and (y) duly completed copies of IRS Form W-8BEN, or W-8BEN-E, as applicable;

(iv) in the case of a U.S. Recipient that is a U.S. person within the meaning of section 7701(a)(30) of the Code, duly completed copies of Internal Revenue Service Form W-9;

(v) to the extent a U.S. Recipient is not a U.S. person within the meaning of section 7701(a)(30) of the Code and is not the beneficial owner of payments made under this Agreement or any Loan Document (for example, where such U.S. Recipient is a non-U.S. partnership), (A) an IRS Form W-8IMY on behalf of itself and (B) the relevant forms prescribed in clauses (i), (ii), (iii), (iv) and (vi) of this Section 2.20(e) that would be required of each such beneficial owner if such beneficial owner were a U.S. Recipient; or

(vi) any other form prescribed by applicable law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the U.S. Borrowers or the Administrative Agent to determine the amount of withholding or deduction, if any, required to be made.

(h) If any Recipient determines, in its sole discretion, that it has received a refund of any Indemnified Taxes (including, for purposes of this Section 2.20(h), Taxes indemnified pursuant to Section 2.14) as to which it has been indemnified by any Borrower or any other Loan Party or with respect to which any Borrower or any other Loan Party has paid additional amounts pursuant to Section 2.14 or this Section 2.20, as applicable, it shall pay to such Borrower or such other Loan Party, as applicable, an amount equal to such refund (but only to the extent of indemnity payments made, or such additional amounts paid, by any Borrower or any other Loan Party under Sections 2.14 or 2.20, as applicable, with respect to the Indemnified Taxes giving rise to such refund), net of all out-of-pocket expenses of such Recipient and without interest (other than any interest paid by the relevant Governmental Authority with respect to the amount of such refund as corresponds to the Indemnified Taxes giving rise to such refund), *provided* that such Borrower or such other Loan Party, upon the request of such Recipient, agrees to repay the amount paid over to such Borrower or such other Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Recipient in the event such Recipient is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require any Recipient to make available its Tax Returns (or any other information relating to its Taxes that it deems confidential) to any Borrower or any other Person.

(i) The Lenders and Issuing Banks (including any successors or assigns thereof) shall severally indemnify the Administrative Agent for the full amount of any Excluded Taxes payable by the Administrative Agent with respect to this Agreement, any Loan Document or any payment by any Borrower or any other Loan Party under this Agreement and any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Excluded Taxes were correctly imposed by the relevant Governmental Authority, except to the extent that any such amount or payment is determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The indemnity under this paragraph (i) shall be paid within 30 days after the Administrative Agent delivers to the applicable Lender or Issuing Bank a certificate stating the amount of Excluded Taxes so payable by the Administrative Agent. Such certificate shall be conclusive of the amount so payable absent manifest error.

(j) Notwithstanding anything to the contrary contained herein or in any Loan Document, if any Lender assigns, participates or transfers any of its rights or obligations under this Agreement pursuant to Section 9.04 or any Lender changes its lending branch, neither the Borrowers nor any other Loan Party shall make any greater payments pursuant to this Section 2.20, as a consequence of such assignment, participation, transfer or change, than would have been payable in the absence of such assignment, participation, transfer or change; *provided* that this Section 2.20(j) shall not apply to changes made pursuant to Section 2.21(a).

(k) If a payment made to a Recipient would be subject to U.S. Federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with

the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Withholding Agent, at the time or times prescribed by applicable law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. For purposes of this Section 2.20(k), FATCA shall include any amendments made to FATCA after the 2016 Restatement Date.

(l) For purposes of this Section 2.20, the term "applicable law" includes FATCA.

SECTION 2.21. ***Assignment of Commitments Under Certain Circumstances; Duty to Mitigate***. (a) In the event (i) any Lender or any Issuing Bank delivers a certificate requesting compensation pursuant to Section 2.14, (ii) any Lender or any Issuing Bank delivers a notice described in Section 2.15, (iii) any Borrower is required to pay any additional amount to any Lender or any Issuing Bank or any Governmental Authority on account of any Lender or any Issuing Bank pursuant to Section 2.20, (iv) any Lender refuses to consent to (x) any Loan Modification Offer or (y) any other amendment, waiver or other modification of any Loan Document requested by the Borrowers that, in the case of clause (y), requires the consent of a greater percentage of Lenders than the Required Lenders (or, in the case of an amendment, waiver or other modification described in clause (B) of the second proviso to Section 9.08(b), greater than a majority in interest of the affected Class of Lenders) and such Loan Modification Offer or other amendment, waiver or modification is consented to by the Required Lenders (or, in the case of a Loan Modification Offer or any amendment, waiver or modification described in clause (B) of the second proviso to Section 9.08(b), a majority in interest of the affected Class) (each such Lender, a "***Non-Consenting Lender***") or (v) any Lender becomes a Defaulting Lender then, in each case, the Borrowers may, at their sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender or such Issuing Bank, as the case may be, and the Administrative Agent, either (A) require such Lender or such Issuing Bank to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights and obligations under this Agreement (or, in the case of clause (iv) or (v) above, all of its interests, rights and obligations with respect to the Class of Loans or Commitments that is the subject of the related consent, amendment, waiver or other modification or in respect of which such Lender is a Defaulting Lender) to an Eligible Assignee that shall assume such assigned obligations and, with respect to clause (iv) above, shall consent to such requested amendment, waiver or other modification of any Loan Documents (which assignee may be another Lender, if a Lender accepts such assignment) or (B) so long as no Event of Default shall have occurred and be continuing, terminate the Commitments of such Lender or such Issuing Bank (or in the case of clause (iv) or (v) above, the Commitments of such Lender of the Class of Commitments that is the subject of the related consent, amendment, waiver or other modification or in respect of which such Lender is a Defaulting Lender), if applicable, and (1) in the case of a Lender (other than an Issuing Bank), repay all obligations of the Borrowers owing to such Lender relating to the Loans and participations held by such Lender as of such

termination date and (2) in the case of an Issuing Bank, repay all obligations of the Borrowers owing to such Issuing Bank relating to the Loans and participations held by such Issuing Bank as of such termination date and cancel or backstop on terms satisfactory to such Issuing Bank any Letters of Credit issued by it; *provided* that (x) in the case of clause (A) above, such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (y) in the case of clause (A) above, the U.S. Borrowers or the European Borrowers, as applicable, shall have received the prior written consent of the Administrative Agent (and, if any Revolving Credit Commitment is being assigned, of each applicable Issuing Bank), which consents shall not be unreasonably withheld or delayed and (z) the U.S. Borrowers or the European Borrowers, as applicable, or such assignee shall have paid to the affected Lender or the affected Issuing Bank in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans or L/C Disbursements of the applicable Class of such Lender or such Issuing Bank, respectively, plus (except, in the case of a Defaulting Lender, any Fees not required to be paid to such Defaulting Lender pursuant to the express provisions of this Agreement) all Fees and other amounts accrued for the account of such Lender or such Issuing Bank hereunder with respect thereto (including any amounts under Sections 2.14 and 2.16); *provided further* that in the case of any such termination of Commitments with respect to a Non-Consenting Lender, such termination shall be sufficient (together with all other consenting Lenders (after giving effect to any other Commitments to be terminated, transferred or assigned under this Section 2.21)) to cause the adoption of the applicable consent, amendment, waiver or other modification of the Loan Documents; *provided further* that, if prior to any such transfer and assignment or termination, as the case may be, the circumstances or event that resulted in such Lender's or such Issuing Bank's claim for compensation under Section 2.14, notice under Section 2.15 or the amounts paid pursuant to Section 2.20, as the case may be, cease to cause such Lender or such Issuing Bank to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to have the consequences specified in Section 2.15, or cease to result in amounts being payable under Section 2.20, as the case may be (including as a result of any action taken by such Lender or such Issuing Bank pursuant to paragraph (b) below), or if such Lender or such Issuing Bank shall waive its right to claim further compensation under Section 2.14 in respect of such circumstances or event or shall withdraw its notice under Section 2.15 or shall waive its right to further payments under Section 2.20 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification or shall cease to be a Defaulting Lender, as the case may be, then such Lender or such Issuing Bank shall not thereafter be required to make any such transfer and assignment hereunder and the Borrowers shall not thereafter be permitted to so terminate the Commitment of such Lender or such Issuing Bank. Each Lender and each Issuing Bank hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender or such Issuing Bank, as the case may be, as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's or such Issuing Bank's interests hereunder in the circumstances contemplated by this Section 2.21(a).

(b) If (i) any Lender or any Issuing Bank shall request compensation under Section 2.14, (ii) any Lender or any Issuing Bank delivers a notice described in Section 2.15 or (iii) any Borrower is required to pay any additional amount to any Lender or any Issuing Bank or any Governmental Authority on account of any Lender or any Issuing Bank, pursuant to Section 2.20, then such Lender or such Issuing Bank

shall use reasonable efforts (which shall not require such Lender or such Issuing Bank to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden deemed by it to be significant) (x) to file any certificate or document reasonably requested in writing by the Borrowers or (y) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or Affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.14 or enable it to withdraw its notice pursuant to Section 2.15 or would reduce amounts payable pursuant to Section 2.20, as the case may be, in the future. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or any Issuing Bank in connection with any such filing or assignment, delegation and transfer.

SECTION 2.22. ***Letters of Credit***. (a) ***General***. Any Revolving Borrower may request the issuance of a Letter of Credit for its own account or for the account of any Wholly Owned Subsidiary of Holdings (in which case the applicable Borrower and such Wholly Owned Subsidiary shall be co-applicants with respect to such Letter of Credit), in a form reasonably acceptable to the applicable Issuing Bank, at any time and from time to time while the L/C Commitments remain in effect as set forth in Section 2.09(a). Any Letter of Credit shall be denominated in Dollars or, at the election of the Borrowers, in a Designated Foreign Currency. This Section shall not be construed to impose any obligation upon any Issuing Bank to issue any Letter of Credit that is inconsistent with the terms and conditions of this Agreement. Notwithstanding anything to the contrary contained in this Section 2.22 or elsewhere in this Agreement, in the event that (x) a Revolving Credit Lender is a Defaulting Lender and (y) the reallocation described in Section 2.22(l) cannot or can only be partially effected, no Issuing Bank shall be required to issue any Letter of Credit unless such Issuing Bank has entered into arrangements reasonably satisfactory to it and the applicable Borrower to eliminate such Issuing Bank's risk with respect to the participation in Letters of Credit by all such Defaulting Lenders that has not been reallocated as set forth in Section 2.22(l), including by cash collateralizing each such Defaulting Lender's Pro Rata Percentage of the applicable L/C Exposure.

(b) ***Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions***. In order to request the issuance of a Letter of Credit (or to amend, renew or extend an existing Letter of Credit), the applicable Borrower shall hand deliver or fax to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, the date of issuance, amendment, renewal or extension, the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) below), the amount of such Letter of Credit and the currency in which such Letter of Credit is to be denominated, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare such Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if, and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that, after giving effect to such issuance, amendment, renewal or extension, (i) the L/C Exposure shall not exceed $175,000,000, (ii) the portion of the L/C Exposure attributable to Letters

of Credit issued by any Issuing Bank shall not exceed the L/C Commitment of such Issuing Bank (unless otherwise agreed by such Issuing Bank), (iii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Credit Commitment and (iv) the Aggregate Revolving Credit Exposure shall not exceed the Total Revolving Credit Commitment.

(c) ***Expiration Date***. Each Letter of Credit shall expire at the close of business on the earlier of the date one year after the date of the issuance of such Letter of Credit and the date that is five Business Days prior to the Revolving Credit Maturity Date, except to the extent cash collateralized or backstopped pursuant to arrangements reasonably satisfactory to the relevant Issuing Bank at the time of issuance or renewal thereof, unless such Letter of Credit expires by its terms on an earlier date; *provided*, *however*, that a Letter of Credit may, upon the request of the applicable Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of 12 months or less (but not beyond the date that is five Business Days prior to the Revolving Credit Maturity Date, except to the extent cash collateralized or backstopped pursuant to arrangements reasonably satisfactory to the relevant Issuing Bank at the time of issuance or renewal thereof) unless the applicable Issuing Bank notifies the beneficiary thereof at least 30 days (or such longer period as may be specified in such Letter of Credit) prior to the then-applicable expiration date that such Letter of Credit will not be renewed.

(d) ***Participations***. By the issuance of a Letter of Credit and without any further action on the part of the applicable Issuing Bank or the Revolving Credit Lenders, such Issuing Bank hereby grants to each Revolving Credit Lender, and each such Revolving Credit Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit, payable in Dollars, equal to its applicable Pro Rata Percentage of the aggregate amount available to be drawn under such Letter of Credit, effective upon the issuance of such Letter of Credit (and each Revolving Credit Lender shall be deemed to have acquired a participation pursuant to this paragraph (d) in each Existing Letter of Credit on the 2016 Restatement Date). In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Lender's Pro Rata Percentage of each L/C Disbursement made by such Issuing Bank and not reimbursed by the applicable Borrower (or, if applicable, another party pursuant to its obligations under any other Loan Document) forthwith on the date due as provided in Section 2.02(f). Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) ***Reimbursement***. If any Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, the applicable Borrower shall pay to the Administrative Agent an amount equal to such L/C Disbursement not later than the Business Day after

such Borrower shall have received notice from such Issuing Bank that payment of such draft will be made.

(f) ***Obligations Absolute***. Each Borrower's obligation to reimburse L/C Disbursements as provided in paragraph (e) above shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under any and all circumstances whatsoever, and irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit or any Loan Document, or any term or provision therein;

(ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Letter of Credit or any Loan Document;

(iii) the existence of any claim, setoff, defense or other right that such Borrower, any other party guaranteeing, or otherwise obligated with, such Borrower, any Subsidiary or other Affiliate thereof or any other Person may at any time have against the beneficiary under any Letter of Credit, the applicable Issuing Bank, Administrative Agent or any Lender or any other Person, whether in connection with this Agreement, any other Loan Document or any other related or unrelated agreement or transaction;

(iv) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by the applicable Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit; and

(vi) any other act or omission to act or delay of any kind of the applicable Issuing Bank, the Lenders, the Administrative Agent or any other Person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of such Borrower's obligations hereunder.

Without limiting the generality of the foregoing, it is expressly understood and agreed that the absolute and unconditional obligation of the Borrowers hereunder to reimburse L/C Disbursements will not be excused by the gross negligence or willful misconduct of the applicable Issuing Bank. However, the foregoing shall not be construed to excuse such Issuing Bank from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by such Borrower that are caused by such Issuing Bank's gross negligence or willful misconduct in determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. It is further understood and agreed that the applicable Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary and, in making any payment under any Letter of Credit issued by such Issuing Bank (i) such Issuing Bank's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all

matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary thereunder equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever and (ii) any noncompliance in any immaterial respect of the documents presented under such Letter of Credit with the terms thereof shall, in each case, be deemed not to constitute gross negligence or willful misconduct of such Issuing Bank.

(g) ***Disbursement Procedures***. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall as promptly as possible give telephonic notification, confirmed by fax or e-mail, to the Administrative Agent and the applicable Borrower of such demand for payment and whether such Issuing Bank has made or will make an L/C Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve such Borrower of its obligation to reimburse such Issuing Bank and the Revolving Credit Lenders with respect to any such L/C Disbursement.

(h) ***Interim Interest***. If any Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit issued by such Issuing Bank, then, unless the applicable Borrower shall reimburse such L/C Disbursement in full on such date, the unpaid amount thereof shall bear interest for the account of such Issuing Bank, for each day from and including the date of such L/C Disbursement, to but excluding the earlier of the date of payment by such Borrower or the date on which interest shall commence to accrue thereon as provided in Section 2.02(f), at (i) if such amount is denominated in Dollars, the rate per annum that would apply to such amount if such amount were a Daily Rate Revolving Loan, (ii) if such amount is denominated in Euro, the Foreign Base Rate plus the Applicable Margin for Daily Rate Revolving Loans at such time and (iii) if such amount is denominated in a Designated Foreign Currency other than Euro, the interest rate determined by such Issuing Bank to be the average rate (rounded upwards, if necessary, to the next 1/16 of 1%) at which overnight deposits in such Designated Foreign Currency are obtainable by such Issuing Bank on such date in the relevant interbank market plus the Applicable Margin for Eurocurrency Revolving Loans at such time.

(i) ***Resignation or Removal of an Issuing Bank***. Any Issuing Bank may resign at any time by giving prior written notice to the Administrative Agent, and with the prior written consent of Holdings, and may be removed at any time by the Borrowers by notice to such Issuing Bank, the Administrative Agent and the Lenders. Upon the acceptance of any appointment as an Issuing Bank hereunder by a Lender that shall agree to serve as a successor Issuing Bank, such successor shall succeed to and become vested with all the interests, rights and obligations of such retiring Issuing Bank. At the time such removal or resignation shall become effective, the Borrowers shall pay all accrued and unpaid fees pursuant to Section 2.05(c). The acceptance of any appointment as an Issuing Bank hereunder by a successor Lender shall be

evidenced by an agreement entered into by such successor, in a form satisfactory to the Borrowers and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Lender shall have all the rights and obligations of such previous Issuing Bank under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the resignation or removal of an Issuing Bank hereunder (including pursuant to Section 2.21(a)), the retiring Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation or removal, but shall not be required to issue additional Letters of Credit.

(j) ***Cash Collateralization***. If any Event of Default shall occur and be continuing, the Borrowers shall on the Business Day they receive notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Credit Lenders holding participations in outstanding Letters of Credit representing greater than 50% of the aggregate undrawn amount of all outstanding Letters of Credit) thereof and of the amount to be deposited, deposit in an account with the Administrative Agent, for the benefit of the Revolving Credit Lenders, an amount in cash equal to the L/C Exposure as of such date; *provided* that the obligation to deposit such cash will become effective immediately, and such deposit will become immediately payable in immediately available funds, without demand or notice of any kind, upon the occurrence of an Event of Default described in Article VII(g) or Article VII(h). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Bank Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits in Permitted Investments, which investments shall be made at the option and sole discretion of the Administrative Agent, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall (i) automatically be applied by the Administrative Agent to reimburse the applicable Issuing Bank for L/C Disbursements for which it has not been reimbursed, (ii) be held for the satisfaction of the reimbursement obligations of the Borrowers for the L/C Exposure at such time and (iii) if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Credit Lenders holding participations in outstanding Letters of Credit representing greater than 50% of the aggregate undrawn amount of all outstanding Letters of Credit), be applied to satisfy the Bank Obligations. If any Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to such Borrower within three Business Days after all Events of Default have been cured or waived.

(k) ***Additional Issuing Banks***. The Borrowers may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed) and such Lender, designate one or more additional

Lenders to act as an issuing bank under the terms of this Agreement, subject to reporting requirements reasonably satisfactory to the Administrative Agent with respect to issuances, amendments, extensions and terminations of Letters of Credit by such additional issuing bank. Any Lender designated as an issuing bank pursuant to this paragraph (k) shall be deemed to be an "Issuing Bank" (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Bank and such Lender.

(l) ***Defaulting Lenders***. If any Revolving Credit Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, such Defaulting Lender's participation in Letters of Credit shall be reallocated among the Non-Defaulting Lenders in accordance with their respective applicable Pro Rata Percentages (calculated without regard to such Defaulting Lender's Commitments), but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation. If the reallocation described above cannot, or can only partially, be effected, the applicable Borrowers shall, without prejudice to any right or remedy available to it hereunder or under law, enter into arrangements reasonably satisfactory to the applicable Issuing Bank and the applicable Borrowers to eliminate such Issuing Bank's risk with respect to the participations in Letters of Credit by all Defaulting Lenders to the extent not so reallocated, including by cash collateralizing each such Defaulting Lender's Pro Rata Percentage of the L/C Exposures.

(m) ***Assignment of L/C Commitments***. (i) The assignment by any Revolving Credit Lender that is an Issuing Bank of its Revolving Credit Commitment shall constitute the assignment by it and the assumption by the assignee of such portion of the assignor's L/C Commitment that is set forth in the applicable Assignment and Acceptance, which may not exceed a ratable portion of the assignor's L/C Commitment. The assignee thereof shall, from and after the date of effectiveness of such assignment, constitute an Issuing Bank hereunder and shall have the L/C Commitment set forth in the applicable Assignment and Acceptance and recorded by the Administrative Agent in the Register. The Administrative Agent shall promptly notify the Borrowers of any such assignment of an L/C Commitment.

(ii) Notwithstanding the foregoing, to the extent that any Letter of Credit issued by an Issuing Bank remains outstanding following the assignment by such Issuing Bank of its L/C Commitment in accordance with this Section 2.22(m) and Section 9.04, such Issuing Bank shall continue to be an Issuing Bank hereunder with respect to such Letter of Credit for so long as such Letter of Credit shall remain outstanding.

(n) ***Reporting By Issuing Banks***. On the last Business Day of each month, each Issuing Bank shall notify the Administrative Agent, by fax or e-mail, of all then outstanding Letters of Credit issued by such Issuing Bank (which notification shall specify, with respect to each such Letter of Credit, the face amount, the beneficiary and the expiration date thereof).

SECTION 2.23. ***Incremental Term Loans and Incremental Revolving Credit Commitments***. (a) Any Borrower may, by written notice to the Administrative Agent, on one or more occasions during the term of this Agreement request Incremental Term Loan Commitments or Incremental Revolving Credit Commitments, as applicable, in an aggregate amount not to exceed the Incremental Facility Amount in effect at such time from one or more Incremental Term Lenders and/or Incremental Revolving Credit Lenders, all of which must be Eligible Assignees. Such notice shall set forth (i) the identity of the Borrower or Borrowers to which the Incremental Term Loan Commitments and/or Incremental Revolving Credit Commitments shall be extended, (ii) the amount of the Incremental Term Loan Commitments and/or Incremental Revolving Credit Commitments being requested (which shall be in a minimum increment equal to the Borrowing Multiple and a minimum amount of the Borrowing Minimum or equal to the remaining Incremental Amount), (iii) if the Incremental Term Loan Commitments and/or Incremental Revolving Credit Commitments are to be provided in a Designated Foreign Currency, the applicable currency, (iv) the date on which such Incremental Term Loan Commitments and/or Incremental Revolving Credit Commitments are requested to become effective (which shall not be less than 10 Business Days nor more than 60 days after the date of such notice unless otherwise agreed to by the Administrative Agent), (v) in the case of Incremental Term Loan Commitments, whether such Incremental Term Loan Commitments are commitments to make additional U.S. Term Loans of any Class, commitments to make additional European Term Loans or commitments to make term loans with terms different from the Term Loans ("***Other Term Loans***"), and (vi) in the case of Incremental Revolving Credit Commitments, whether such Incremental Revolving Credit Commitments are Revolving Credit Commitments or commitments to make Revolving Loans on terms, to Borrowers or in currencies different from the Revolving Loans ("***Other Revolving Loans***", and such commitments, "***Other Revolving Credit Commitments***"). Except with respect to the Specified Incremental Revolving Amount, the Borrowers may elect to request Commitments and incur Indebtedness under this Section 2.23 in reliance on the Incremental Ratio Amount prior to the Incremental Dollar Amount and the Borrower may incur Indebtedness pursuant to clauses (i), (l), (w) or (x) of Section 6.01 and in reliance on the Incremental Dollar Amount, and in the event that such Indebtedness is concurrently incurred pursuant to both the (i) Incremental Ratio Amount or clauses (i), (l), (w) or (x) of Section 6.01 and (ii) the Incremental Dollar Amount, the amount of such Indebtedness incurred pursuant to the Incremental Dollar Amount will be disregarded for purposes of calculating the Total Secured Leverage Ratio or the Fixed Charge Coverage Ratio in connection with the incurrence of such Indebtedness pursuant to the Incremental Ratio Amount or pursuant to clauses (i), (l), (w) or (x) of Section 6.01.

(b) The applicable Borrower or Borrowers may seek Incremental Term Loan Commitments and/or Incremental Revolving Credit Commitments from existing Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) and additional banks, financial institutions and other institutional lenders who will become Incremental Term Lenders and/or Incremental Revolving Credit Lenders, as applicable, in connection therewith. The applicable Borrower or

Borrowers and each Incremental Term Lender and/or Incremental Revolving Credit Lender, as applicable, shall execute and deliver to the Administrative Agent an Incremental Assumption Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the Incremental Term Loan Commitment and/or the Incremental Revolving Credit Commitment of such Person. The terms and provisions of (x) the Incremental Term Loans shall be identical to those of the Term Loans of the applicable Class and (y) Incremental Revolving Credit Commitments shall be identical to those of the Revolving Credit Commitments of the applicable Class, in each case except as otherwise set forth herein or in the Incremental Assumption Agreement. Without the prior written consent of the Required Lenders, (i) the final maturity date of any Other Revolving Loans shall be no earlier than the Revolving Credit Maturity Date with respect to any Class of Revolving Loans, (ii) [reserved], (iii) in the case of Other Term Loans incurred on or prior to the date that is 18 months after the 2016 Restatement Date, if the initial yield on such Other Term Loans (as determined by the Administrative Agent to be equal to the sum of (x) the margin above the Adjusted LIBO Rate on such Other Term Loans (which shall be increased by the amount that any "LIBOR floor" applicable to such Other Term Loans on the date such Other Term Loans are made would exceed the Adjusted LIBO Rate (without giving effect to clause (a) in the definition thereof) that would be in effect for a three-month Interest Period commencing on such date) and (y) if such Other Term Loans are initially made at a discount or the Lenders making the same receive a fee directly or indirectly from Holdings or any Subsidiary for doing so (the amount of such discount or fee, expressed as a percentage of the Other Term Loans, being referred to herein as "***OID***"), the amount of such OID divided by the lesser of (x) the average life to maturity of such Other Term Loans and (y) four) exceeds by more than 50 basis points the sum of (A) the margin then in effect for Eurocurrency Term Loans of any Class (which, with respect to the Term Loans of any such Class, shall be the sum of the Applicable Margin then in effect for such Eurocurrency Term Loans of such Class increased by the amount that any "LIBOR floor" applicable to such Eurocurrency Term Loans of such Class on the date such Other Term Loans are made would exceed the Adjusted LIBO Rate (without giving effect to clause (a) in the definition thereof) that would be in effect for a three-month Interest Period commencing on such date) plus (B) the amount of OID initially paid in respect of the Term Loans of such Class divided by the lesser of (x) the average life to maturity of the Term Loans of such Class as in effect at the time such Term Loans were made as determined by the Administrative Agent in its sole discretion and (y) four (the amount of such excess above 50 basis points being referred to herein as the "***Yield Differential***"), then the Applicable Margin (or, in the case of that portion, if any, of the Yield Differential resulting from the "LIBOR floor" applicable to such Other Term Loans being greater than that applicable to such Class of Eurocurrency Term Loans on the date such Other Term Loans are made, at the request of the Company and in the discretion of the Administrative Agent, the "LIBOR floor") then in effect for each such affected Class of Term Loans shall automatically be increased by the Yield Differential (or relevant portion thereof), effective upon the making of the Other Term Loans, and (iv) the Applicable Margin with respect to any Incremental Revolving Loans shall be equal to the Applicable Margin for the existing Revolving Loans;

provided that the Applicable Margin of the existing Revolving Loans may be increased to equal the Applicable Margin for such Incremental Revolving Loans to satisfy the requirements of this clause (iv). The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Assumption Agreement. Notwithstanding anything to the contrary herein, each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Assumption Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Incremental Term Loan Commitment and/or Incremental Revolving Credit Commitment and the Incremental Term Loans and/or Incremental Revolving Loans evidenced thereby, and the Administrative Agent and the Borrowers may revise this Agreement to evidence such amendments.

(c) Notwithstanding the foregoing, without the consent of the Required Lenders, no Incremental Term Loan Commitment or Incremental Revolving Credit Commitment shall become effective under this Section 2.23 unless (i) on the date of such effectiveness, the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the applicable Borrower or Borrowers, (ii) except as otherwise specified in the applicable Incremental Assumption Agreement, the Administrative Agent shall have received (with sufficient copies for each of the Incremental Term Lenders and/or Incremental Revolving Credit Lenders) legal opinions, board resolutions and other closing certificates reasonably requested by the Administrative Agent and consistent with those delivered on the Closing Date under Section 4.02 of the Original Credit Agreement (or, if the proceeds of any Incremental Term Loan Commitment or Incremental Revolving Credit Commitment will be used to consummate a Permitted Acquisition, Section 4 of Amendment No. 6), (iii) the Administrative Agent shall have received from the applicable Borrower or Borrowers all fees and other amounts due and payable in respect of the Incremental Term Loan Commitments and/or Incremental Revolving Credit Commitments, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by such Borrower or Borrowers hereunder or under any other Loan Document and (iv) except for any Incremental Revolving Commitments requested in reliance on the Specified Incremental Revolving Amount, Holdings shall be in Pro Forma Compliance after giving effect to such Incremental Term Loan Commitment and/or Incremental Revolving Credit Commitment and the Loans to be made thereunder and the application of the proceeds therefrom as if made and applied on such date; *provided* that to the extent the proceeds of Loans made pursuant to any Incremental Term Loan Commitment or Incremental Revolving Credit Commitment will be used to consummate a Limited Condition Acquisition, notwithstanding anything to the contrary in Section 4.01, the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be required to be satisfied, at the option of Holdings, on the date on which definitive agreements with respect to such Limited Condition Acquisition are entered into or on the effective date of such Incremental Term Loan Commitments or Incremental Revolving Credit Commitments.

(d) Each of the parties hereto hereby agrees that the Administrative Agent may, in consultation with the applicable Borrower or Borrowers, take any and all action as may be reasonably necessary to ensure that (i) all Incremental Term Loans (other than Other Term Loans), when originally made, are included in each Borrowing of outstanding Term Loans on a pro rata basis and (ii) all Revolving Loans in respect of Incremental Revolving Credit Commitments (other than Other Revolving Loans), when originally made, are included in each Borrowing of outstanding Revolving Loans on a pro rata basis. With respect to Incremental Term Loans, this may be accomplished by converting each outstanding Eurocurrency Term Borrowing into an ABR Term Borrowing on the date of each Incremental Term Loan. With respect to Incremental Revolving Commitments, this may be accomplished by (i) requiring the outstanding Revolving Loans to be prepaid with the proceeds of a new Revolving Credit Borrowing, (ii) causing Lenders to assign portions of their outstanding Revolving Loans to Incremental Revolving Credit Lenders or (iii) any combination of the foregoing. Any conversion of Eurocurrency Loans to Daily Rate Loans contemplated in the preceding two sentences shall be subject to Section 2.16. In addition, to the extent any Incremental Term Loans are not Other Term Loans, the scheduled amortization payments under Section 2.11(a)(i) or (ii), as applicable, required to be made after the making of such Incremental Term Loans shall be ratably increased by the aggregate principal amount of such Incremental Term Loans and shall be further increased for all Lenders of the applicable Class on a pro rata basis to the extent necessary to avoid any reduction in the amortization payments to which such Lenders were entitled before such recalculation.

SECTION 2.24. ***Loan Modification Offers***. (a) Holdings may, by written notice to the Administrative Agent from time to time, make one or more offers (each, a "***Loan Modification Offer***") to all the Lenders of one or more Classes of Loans and/or Commitments (each Class subject to such a Loan Modification Offer, an "***Affected Class***") to make one or more Permitted Amendments pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to Holdings. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective. Permitted Amendments shall become effective only with respect to the Loans and Commitments of the Lenders of the Affected Class that accept the applicable Loan Modification Offer (such Lenders, the "***Accepting Lenders***") and, in the case of any Accepting Lender, only with respect to such Lender's Loans and Commitments of such Affected Class as to which such Lender's acceptance has been made.

(b) Holdings, each Loan Party and each Accepting Lender shall execute and deliver to the Administrative Agent a Loan Modification Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Notwithstanding anything to the contrary herein, each of the parties hereto hereby agrees that, upon the effectiveness of any Loan Modification Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Loans and Commitments

of the Accepting Lenders of the Affected Class. Notwithstanding the foregoing, no Permitted Amendment shall become effective under this Section 2.24 unless the Administrative Agent, to the extent so reasonably requested by the Administrative Agent, shall have received legal opinions, board resolutions and/or an officer's certificate consistent with those delivered on the Closing Date under Section 4.02(a) and (c) of the Original Credit Agreement.

SECTION 2.25. ***Specified Refinancing Facilities***. (a) The applicable Borrowers may, from time to time, add one or more new term loan facilities (the "***Specified Refinancing Term Loan Facilities***") and new revolving credit facilities (the "***Specified Refinancing Revolving Facilities***", and, together with the Specified Refinancing Term Loan Facilities, the "***Specified Refinancing Facilities***") to the Credit Facilities to refinance (i) all or any portion of any Class of Term Loans then outstanding under this Agreement or (ii) all or any portion of any Class of Revolving Loans (or unused Revolving Credit Commitments) under this Agreement; *provided* that (i) the Specified Refinancing Facilities will not be guaranteed by any Person other than the Guarantors, and will be secured on a *pari passu* basis by the same Collateral securing the Bank Obligations, (ii) the Specified Refinancing Term Loan Facilities and any term loans drawn thereunder (the "***Specified Refinancing Term Loans***") and Specified Refinancing Revolving Facilities and revolving loans drawn thereunder (the "***Specified Refinancing Revolving Loans***" and, together with the Specified Refinancing Term Loans, the "***Specified Refinancing Loans***") shall rank *pari passu* in right of payment with the Bank Obligations, (iii) no Specified Refinancing Amendment may provide for any Specified Refinancing Facility or any Specified Refinancing Loans to be secured by any assets that do not also secure the Bank Obligations, (iv) the Specified Refinancing Facilities will have such pricing, amortization (subject to clause (vi) below) and optional and mandatory prepayment terms as may be agreed by the applicable Borrowers and the applicable Lenders thereof, (v) the maturity date of any Specified Refinancing Revolving Facility shall be no earlier than, and no scheduled mandatory commitment reduction in respect thereof shall be required prior to, the Maturity Date of the Class of Revolving Loans (or unused Revolving Credit Commitments) being refinanced, (vi) the maturity date and the weighted average life to maturity of any Specified Refinancing Term Loan Facility shall be no earlier than or shorter than, as the case may be, the Maturity Date of the Class of Term Loans being refinanced or the remaining weighted average life to maturity of the Class of Term Loans being refinanced, as applicable (other than an earlier maturity date and/or shorter weighted average life to maturity for customary bridge financings, which, subject to customary conditions, would either be automatically converted into or required to be exchanged for permanent financing which does not provide for an earlier maturity date or a shorter weighted average life to maturity than the Maturity Date of the Class of Term Loans being refinanced or the remaining weighted average life to maturity of the Term Loans being refinanced, as applicable), (vii) the Net Cash Proceeds of such Specified Refinancing Facility shall be applied, substantially concurrently with the incurrence thereof, to the pro rata prepayment of outstanding Loans being so refinanced (and, in the case of Revolving Loans, a corresponding amount of Revolving Commitments shall be permanently reduced); and (viii) the Specified Refinancing Facilities shall not have a principal or commitment amount greater than the Loans (or commitments) (including accrued interest) being refinanced *plus* the aggregate amount of all fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

(b) Each request from the Borrowers pursuant to this Section 2.25 shall set forth the requested amount and proposed terms of the relevant Specified Refinancing Facility. The Specified Refinancing Facilities (or any portion thereof) may be made by any existing Lender (in its sole discretion, and any Lender that fails to respond to any such request shall be deemed to have declined such request) or by any other bank or financial institution (any such bank or other financial institution, an "***Additional Specified Refinancing Lender***", and the Additional Specified Refinancing Lenders together with any existing Lender providing Specified Refinancing Facilities, the "***Specified Refinancing Lenders***"); *provided* that the consent of the Administrative Agent (to the extent such consent, if any, would be required in accordance with the definition of the term "Eligible Assignee" for an assignment of a Lender's obligations to such Specified Refinancing Lender) and (in the case of a Specified Refinancing Revolving Facility) the consent of each Issuing Bank (in each case, such consent not to be unreasonably withheld or delayed) shall be required (it being understood that any such Additional Specified Refinancing Lender that is an Affiliated Lender shall be subject to the provisions of Section 9.04(m), *mutatis mutandis*, to the same extent as if such Specified Refinancing Facilities and related Bank Obligations had been obtained by such Lender by way of assignment).

(c) Specified Refinancing Facilities shall become facilities under this Agreement pursuant to a Specified Refinancing Amendment to this Agreement and, as appropriate, the other Loan Documents, executed by Holdings, the applicable Borrowers and each applicable Specified Refinancing Lender. Any Specified Refinancing Amendment may, without the consent of any other Lender, effect such amendments to any Loan Documents as may be necessary or appropriate, in the opinion of the Borrowers and the Administrative Agent, to effect the provisions of this Section 2.25, in each case on terms consistent with this Section 2.25.

(d) Any loans made in respect of any such Specified Refinancing Facility shall be made by creating a new Class or by an increase in the Commitments and/or Loans, as the case may be, of an existing Class. Each Specified Refinancing Facility made available pursuant to this Section 2.25 shall be in a minimum aggregate amount of at least $10,000,000 and in integral multiples of $5,000,000 in excess thereof (or such lower minimum amounts or multiples as agreed to by the Administrative Agent in its reasonable discretion). Any Specified Refinancing Amendment may provide for the issuance of Letters of Credit for the account of the Borrowers or any Subsidiary pursuant to any Specified Refinancing Revolving Facility established thereby; *provided* that no Issuing Bank shall be obligated to provide any such Letters of Credit unless it has consented (in its sole discretion) to the applicable Specified Refinancing Amendment.

(e) The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Specified Refinancing Amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Specified Refinancing Amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary or appropriate to reflect the existence and terms of the Specified Refinancing Facilities incurred pursuant thereto (including the addition of such

Specified Refinancing Facilities as separate Classes hereunder and treated in a manner consistent with the Credit Facilities being refinanced, including for purposes of prepayments and voting). Any Specified Refinancing Amendment may, without the consent of any Person other than the applicable Borrowers, the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned) and the Lenders providing such Specified Refinancing Facilities, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the applicable Borrowers, to effect the provisions of this Section 2.25. In addition, if so provided in the relevant Specified Refinancing Amendment and with the consent of each Issuing Bank (not to be unreasonably withheld, delayed or conditioned), participations in Letters of Credit expiring on or after the scheduled Maturity Date in respect of the respective Class of Revolving Loans or commitments shall be reallocated from Lenders holding Revolving Credit Commitments to Lenders holding commitments under Specified Refinancing Revolving Facilities in accordance with the terms of such Specified Refinancing Amendment; *provided*, *however*, that such participation interests shall, upon receipt thereof by the relevant Lenders holding commitments under such Specified Refinancing Revolving Facilities, be deemed to be participation interests in respect of such commitments under such Specified Refinancing Revolving Facilities and the terms of such participation interests (including the commission applicable thereto) shall be adjusted accordingly.

SECTION 2.26. ***Permitted Debt Exchanges***. (a) Notwithstanding anything to the contrary contained in this Agreement, pursuant to one or more offers (each, a "***Permitted Debt Exchange Offer***") made from time to time by the applicable Borrowers to all Lenders (other than any Lender that, if requested by such Borrowers, is unable to certify that it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an institutional "accredited investor" (as defined in Rule 501 under the Securities Act)) with outstanding Term Loans of a particular Class, as selected by the applicable Borrowers, the Borrowers may from time to time following the 2016 Restatement Date consummate one or more exchanges of Term Loans of such Class for Indebtedness in the form of notes (such notes, "***Permitted Debt Exchange Notes***", and each such exchange a "***Permitted Debt Exchange***"), so long as the following conditions are satisfied: (i) the aggregate principal amount (calculated on the face amount thereof) of Term Loans exchanged shall be equal to or more than the aggregate principal amount (calculated on the face amount thereof) of Permitted Debt Exchange Notes issued in exchange for such Term Loans, (ii) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans exchanged by the applicable Borrowers pursuant to any Permitted Debt Exchange shall automatically be cancelled and retired by such Borrowers on the date of the settlement thereof (and, if requested by the Administrative Agent, any applicable exchanging Lender shall execute and deliver to the Administrative Agent an Assignment and Acceptance, or such other form as may be reasonably requested by the Administrative Agent, in respect thereof pursuant to which the respective Lender assigns its interest in the Term Loans being exchanged pursuant to the Permitted Debt Exchange to the applicable Borrowers for immediate cancellation), (iii) if the aggregate principal amount of all Term Loans (calculated on the face amount thereof) tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount of the applicable Class actually held by it) shall exceed the maximum aggregate principal amount of Term Loans

offered to be exchanged by the applicable Borrowers pursuant to such Permitted Debt Exchange Offer, then such Borrowers shall exchange Term Loans subject to such Permitted Debt Exchange Offer tendered by such Lenders ratably up to such maximum amount based on the respective principal amounts so tendered, (iv) each such Permitted Debt Exchange Offer shall be made on a pro rata basis to the Lenders (other than any Lender that, if requested by the Borrowers, is unable to certify that it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or an institutional "accredited investor" (as defined in Rule 501 under the Securities Act)) based on their respective aggregate principal amounts of outstanding Term Loans of the applicable Class, (v) all documentation in respect of such Permitted Debt Exchange shall be consistent with the foregoing and all written communications generally directed to the Lenders in connection therewith shall be in form and substance consistent with the foregoing and made in consultation with the Administrative Agent, (vi) any applicable Minimum Exchange Tender Condition shall be satisfied, (vii) the maturity date and the weighted average life to maturity of such Permitted Debt Exchange Notes shall be no earlier than or shorter than, as the case may be, the Maturity Date or the remaining weighted average life to maturity of the Class of Term Loans subject to such exchange, as applicable (other than an earlier maturity date and/or shorter weighted average life to maturity for customary bridge financings, which, subject to customary conditions, would either be automatically converted into or required to be exchanged for permanent financing which does not provide for an earlier maturity date or a shorter weighted average life to maturity than the Maturity Date or the remaining weighted average life to maturity of the applicable Class of Term Loans, as applicable), (viii) the Permitted Debt Exchange Notes shall not be guaranteed by any Person other than the Guarantors, and will be secured either on a *pari passu* or (at the Borrowers' option) junior basis by the same Collateral securing the Obligations (so long as any such Permitted Debt Exchange Notes (and related Obligations) are subject to each applicable Intercreditor Agreement) or (at the Borrowers' option) will be unsecured, (ix) the Permitted Debt Exchange Notes shall rank *pari passu* in right of payment with or (at the Borrowers' option) junior to the Obligations, (x) no Permitted Debt Exchange Offer may provide for any Permitted Debt Exchange Notes to be secured by any assets that do not also secure the Obligations, (xi) the Permitted Debt Exchange Notes will have such pricing, amortization and optional and mandatory prepayment terms as may be agreed by the applicable Borrowers and the applicable Lenders thereof, (xii) to the extent such Indebtedness is subordinated, the terms thereof shall provide for customary payment subordination to the Bank Obligations under the Loan Documents as reasonably determined by the Borrowers in good faith (including no mandatory prepayments on such subordinated Indebtedness unless prepayments are first made pro rata, to the extent required hereby, to the Bank Obligations and to the extent required by the documentation governing other senior Indebtedness, such senior Indebtedness and (xiii) if secured by the Collateral, such Indebtedness (and all related obligations) shall be subject to the terms of each applicable Intercreditor Agreement. Notwithstanding anything to the contrary herein, no Lender shall have any obligation to agree to have any of its Loans exchanged pursuant to any Permitted Debt Exchange Offer.

(b) With respect to all Permitted Debt Exchanges effected by the Borrowers pursuant to this Section 2.26, (i) such Permitted Debt Exchanges (and the cancellation of the exchanged Term Loans in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Sections 2.12 and 2.13 and (ii) such Permitted Debt Exchange Offer shall be made for not less than $20,000,000 in aggregate principal amount of Term Loans (or such lower principal amount as

agreed to by the Administrative Agent in its reasonable discretion); *provided* that subject to the foregoing clause (ii), the applicable Borrowers may at their election specify as a condition (a "***Minimum Exchange Tender Condition***") to consummating any such Permitted Debt Exchange that a minimum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in the such Borrowers' discretion) of Term Loans be tendered.

(c) In connection with each Permitted Debt Exchange, the applicable Borrowers shall provide the Administrative Agent at least ten Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and such Borrowers and the Administrative Agent, acting reasonably, shall mutually agree to such procedures as may be necessary or advisable to accomplish the purposes of this Section 2.26 and without conflict with Section 2.26(d); *provided* that the terms of any Permitted Debt Exchange Offer shall provide that the date by which the relevant Lenders are required to indicate their election to participate in such Permitted Debt Exchange shall be not less than five Business Days following the date on which the Permitted Debt Exchange Offer is made (or such shorter period as may be agreed to by the Administrative Agent in its reasonable discretion).

(d) The Borrowers shall be responsible for compliance with, and hereby agrees to comply with, all applicable securities and other laws in connection with each Permitted Debt Exchange, it being understood and agreed that (x) neither the Administrative Agent nor any Lender assumes any responsibility in connection with the Borrowers' compliance with such laws in connection with any Permitted Debt Exchange (other than, in the case of any Lender, the Borrowers' reliance on any certificate delivered by such Lender pursuant to Section 2.26(a) above for which such Lender shall bear sole responsibility) and (y) each Lender shall be solely responsible for its compliance with any applicable "insider trading" laws and regulations to which such Lender may be subject under the Securities Exchange Act of 1934, as amended.

ARTICLE III

Representations and Warranties

Each Loan Party, with respect to itself and its respective Subsidiaries, represents and warrants to each Administrative Agent, each Issuing Bank and each of the Lenders that:

SECTION 3.01. ***Organization; Powers***. Each Loan Party and each Material Subsidiary (a) is duly organized and validly existing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted except where the failure to have the same could not reasonably be expected to have a Material Adverse Effect, (c) is qualified to do business in, and is in good standing (where the concept is relevant) in, every jurisdiction where such qualification is required, except where the failure so to qualify or be in good standing could not reasonably be expected to result in a Material Adverse Effect, and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of

each Borrower, to borrow hereunder. With respect to each Loan Party incorporated in the Grand Duchy of Luxembourg, its place of central administration (*siège de l'administration centrale*) and centre of main interests (*centre des intérêts principaux*) is located at its registered office (*siège statutaire*) in the Grand Duchy of Luxembourg, and it has no establishment outside the Grand Duchy of Luxembourg (each such terms as defined respectively in the Council Regulation (EC) n°1346/2000 of 29 May 2000 on insolvency proceedings or domestic Luxembourg law).

SECTION 3.02. ***Authorization***. (a) The 2016 Restatement Transactions and the transactions contemplated thereby (i) have been duly authorized by all requisite corporate, partnership and, if required, stockholder, works council and partner action and (ii) will not (A) (1) violate any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation, partnership agreements or other constitutive or governing documents or by-laws of Holdings or any Subsidiary, (2) violate in any material respect any order of any Governmental Authority or (3) violate in any material respect any provision of any indenture, agreement or other instrument to which Holdings or any Material Subsidiary is a party or by which any of them or any of their property is or may be bound, (B) result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any material obligation under any such indenture, agreement or other instrument or (C) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by Holdings or any Material Subsidiary (other than any Lien created hereunder or under the Security Documents).

(b) The execution, delivery and performance by the Loan Parties of Amendment No. 10 and the other Loan Documents entered into in connection with Amendment No. 10 (i) have been duly authorized by all requisite corporate, partnership and, if required, stockholder, works council and partner action and (ii) will not (A) violate any provision of law, statute, rule or regulation in any material respect, or of the certificate or articles of incorporation, partnership agreements or other constitutive or governing documents or by-laws of Holdings or any Subsidiary or (B) violate in any material respect any provision of the Senior Secured Notes or the Senior Unsecured Notes, in each case outstanding on the 2016 Restatement Date.

SECTION 3.03. ***Enforceability***. This Agreement has been duly executed and delivered by each Loan Party and constitutes, subject to Legal Reservations, and each other Loan Document when executed and delivered by each Loan Party thereto will constitute, subject to Legal Reservations, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms.

SECTION 3.04. ***Governmental Approvals***. Except as set out in the legal opinions delivered in connection with Amendment No. 10, no action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the 2016 Restatement Transactions or the transactions contemplated thereby, except for (a) filings in connection with the Security Documents, (b) recordation of the Mortgages (or amendments thereto), (c) the filings or other actions listed on Schedule 3.04 and (d) such as have been made or obtained and are in full force and effect or where the failure to obtain which could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.05. ***Financial Statements***. Holdings has heretofore furnished to the Lenders (i) its consolidated statements of comprehensive income, consolidated statements of financial position and related consolidated statements of changes in equity and cash flows as of and for the fiscal year ended December 31, 2015, audited by and accompanied by the opinion of PricewaterhouseCoopers, independent public accountants, and (ii) its interim unaudited consolidated statements of comprehensive income, interim unaudited consolidated statements of financial position and related interim unaudited consolidated statements of changes in equity and cash flows as of and for the three month period ended March 30, 2016, certified by its Financial Officer. Such financial statements present fairly in all material respects the financial condition and results of operations and cash flows of Holdings and its consolidated subsidiaries as of such dates and for such periods. Such statements of financial position and the notes thereto disclose all material liabilities, direct or contingent, of Holdings and its consolidated subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis, subject, in the case of unaudited financial statements, to normal year-end audit adjustments and the absence of footnotes.

SECTION 3.06. ***No Material Adverse Change***. No event, change or condition has occurred that has had, or could reasonably be expected to have, a material adverse effect on the business, assets, liabilities, operations, condition (financial or otherwise) or operating results of Holdings and the Subsidiaries, taken as a whole, since December 31, 2015.

SECTION 3.07. ***Title to Properties; Possession Under Leases***. (a) Each Loan Party and its Subsidiaries has good and valid title to, or valid leasehold interests in, all its material properties and assets (including all Mortgaged Property), except, in each case, where the failure to have such good and valid title or such valid leasehold interests could not reasonably be expected to have a Material Adverse Effect. All such material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each Loan Party and its Subsidiaries has complied with all obligations under all material leases to which it is a party and all such leases are in full force and effect except, in each case, where the failure to so comply could not reasonably be expected to have a Material Adverse Effect. Each Loan Party and its Subsidiaries enjoys peaceful and undisturbed possession under all such material leases except, in each case, where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) As of the 2016 Restatement Date, no Loan Party or any of its Subsidiaries has received any written notice of, nor has any knowledge of, any pending or contemplated condemnation proceeding affecting the Mortgaged Properties or any sale or disposition thereof in lieu of condemnation.

(d) As of the 2016 Restatement Date, no Loan Party or any of its Subsidiaries is obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Mortgaged Property or any interest therein.

SECTION 3.08. ***Subsidiaries***. Schedule 3.08 sets forth as of the 2016 Restatement Date a list of all Subsidiaries of Holdings and the ownership percentage of Holdings or any Subsidiary

of Holdings therein, together with the identity of each such holder. The shares of capital stock or other ownership interests of such Subsidiaries are, as of the 2016 Restatement Date, except as set forth on such Schedule 3.08, fully paid and non-assessable and are owned by Holdings or a Subsidiary, directly or indirectly, free and clear of all Liens other than Liens arising under applicable laws or permitted under Section 6.02 (other than Liens created under the Security Documents).

SECTION 3.09. ***Litigation; Compliance with Laws***. (a) Except as set forth on Schedule 3.09, as of the 2016 Restatement Date there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party or any of its Subsidiaries or any business, property or rights of any such Person (i) that involve any Loan Document or (ii) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) Since the 2016 Restatement Date, there has been no change in the status of the matters disclosed on Schedule 3.09 that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

(c) No Loan Party or any of its Subsidiaries or any of their respective material properties or assets is in violation of, nor will the continued operation of their material properties and assets as currently conducted violate, any law, rule or regulation (including any zoning and building law, ordinance, code or approval, or permits, any Environmental Law and any Environmental Permits) or any restrictions of record or agreements affecting the Mortgaged Property, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect.

(d) Certificates of occupancy (or the functional equivalent thereof) and permits are in effect for each Mortgaged Property as currently constructed or the improvements located on each such Mortgaged Property or the use thereof constitutes legal non-conforming structures or uses except, in each case, where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ***Agreements***. (a) No Loan Party or any of its Subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(b) No Loan Party or any of its Subsidiaries is in default in any manner under any provision of any material indenture or other material agreement or instrument evidencing Indebtedness owed to a third party, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. ***Federal Reserve Regulations***. (a) No Loan Party or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, U or X.

SECTION 3.12. ***Investment Company Act***. No Loan Party is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.13. ***Use of Proceeds***. The Borrowers will use the proceeds of the Loans (other than Incremental Term Loans, which will be used as provided for in the applicable Incremental Assumption Agreement) and will request the issuance of Letters of Credit only for the purposes specified in the introductory statement to this Agreement. The Loans have not and shall not be used with a view to (a) the subscription or acquisition of any shares in the share capital or depositary receipts thereof in a company organized in The Netherlands or (b) repay any Indebtedness which was used for the purposes of acquiring shares in the share capital or depositary receipts thereof in The Netherlands.

SECTION 3.14. ***Taxes***. Each Loan Party and each of its Subsidiaries has filed or caused to be filed all material federal, state, local and foreign Tax Returns required to have been filed by it and has paid or caused to be paid all material Taxes due and payable by it and all material assessments received by it, except Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or Subsidiary, as applicable, shall have set aside on its books adequate reserves.

SECTION 3.15. ***No Material Misstatements***. None of (a) the Confidential Information Memorandum (together with the risk factors incorporated by reference therein) or (b) any other written information, report, exhibit or schedule (excluding the projections, forecasts, other forward-looking information and financial information referred to below) furnished by or on behalf of Holdings or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto, when taken as a whole, contained, contains or will contain as of the date the same was or is furnished any material misstatement of fact or, in the case of the Confidential Information Memorandum, omitted to state as of the date it was furnished any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading. The projections and *pro forma* financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of Holdings to be reasonable at the time made, in light of the circumstances under which they were made, it being recognized by the Agents and the Lenders that such projections, forecasts, other forward-looking information and financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

SECTION 3.16. ***Employee Benefit Plans***. (a) Each Loan Party, each Material Subsidiary and each ERISA Affiliate is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder except to the extent that the liability which could reasonably be expected to result from any failure to comply with such provisions, regulations or interpretations could not reasonably be expected to result in a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in material liability of any Loan Party, any Material Subsidiary or any ERISA Affiliates, except to the extent that such liability could not reasonably be expected to have a Material Adverse Effect. The present value of all benefit liabilities under each Plan (based on the assumptions used for purposes of Accounting Standards Codification Topic 715, as amended or revised from time to time) did not, as of the last annual valuation date applicable thereto, exceed the fair market value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on the assumptions used for purposes of Accounting Standards Codification Topic 715, as amended or revised from time to time) did not, as of the last annual valuation dates applicable thereto, exceed the fair market value of the assets of all such underfunded Plans except in each such case where such underfunding could not reasonably be expected to have a Material Adverse Effect.

(b) Each Foreign Pension Plan is in compliance in all material respects with all requirements of law applicable thereto and the respective requirements of the governing documents for such plan except to the extent that the liability which could reasonably be expected to result from any failure to comply with such requirements could not reasonably be expected to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, no Loan Party, its Affiliates or, to the knowledge of any Loan Party, any of their respective directors, officers, employees or agents has engaged in a transaction which would subject any Loan Party or any Subsidiary thereof, directly or indirectly, to a tax or civil penalty which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, reserves have been established in the financial statements furnished to Lenders in respect of any unfunded liabilities in accordance with applicable law and prudent business practice or, where required, in accordance with ordinary accounting practices in the jurisdiction in which such Foreign Pension Plan is maintained. The aggregate unfunded liabilities with respect to such Foreign Pension Plans could not reasonably be expected to result in a Material Adverse Effect; the present value of the aggregate accumulated benefit liabilities of all such Foreign Pension Plans (based on those assumptions used to fund each such Foreign Pension Plan) did not, as of the last annual valuation date applicable thereto, exceed the fair market value of the assets of all such Foreign Pension Plans except in such case where the underfunding could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.17. ***Environmental Matters***. (a) Except as set forth in Schedule 3.17 and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, as of the 2016 Restatement Date no Loan Party or any Subsidiary thereof (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any Environmental Permits, (ii) has become subject to any Environmental

Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any reasonable basis for any Environmental Liability.

(b) Since the 2016 Restatement Date, there has been no change in the status of the matters disclosed on Schedule 3.17 that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.18. ***Insurance***. Schedule 3.18 sets forth a true, complete and correct description of all insurance maintained by or on behalf of each Loan Party or any Material Subsidiary thereof as of the 2016 Restatement Date that is material to Holdings and the Material Subsidiaries taken as a whole. As of the 2016 Restatement Date, such insurance is in full force and effect and all premiums that, as of the 2016 Restatement Date, are required to be paid have been duly paid. Each Loan Party and each Material Subsidiary has insurance in such amounts and covering such risks and liabilities as are in accordance with normal industry practice.

SECTION 3.19. ***Security Documents***. (a) Subject to the Legal Reservations, the U.S. Collateral Agreement creates in favor of a Collateral Agent, for the ratable benefit of the Bank Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the U.S. Collateral Agreement) and the proceeds thereof and (i) with respect to all Pledged Collateral (as defined in the U.S. Collateral Agreement) previously delivered to and in the continuing possession of a Collateral Agent, the Lien created under the U.S. Collateral Agreement constitutes, or in the case of Pledged Collateral to be delivered to, and remain in the continuing possession of, a Collateral Agent in the future, the Lien created under the U.S. Collateral Agreement will constitute, a fully perfected first priority Lien (subject to the rights of Persons pursuant to Liens expressly permitted by Section 6.02) on, and security interest in, all right, title and interest of the Loan Parties in such Pledged Collateral, in each case prior and superior in right to any other Person, and (ii) with respect to all other Collateral (as defined in the U.S. Collateral Agreement) (other than Intellectual Property, as defined in the U.S. Collateral Agreement) with the previous filing of financing statements in the offices specified on Schedule 3.19(a), or when financing statements in appropriate form are filed in the offices specified on Schedule 3.19(a), or other appropriate instruments are filed or other actions taken, all as described in Schedule 3.19(a), the Lien created under the U.S. Collateral Agreement constitutes or will constitute, as the case may be, a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral, in each case prior and superior in right to any other Person, in each case other than with respect to Liens expressly permitted by Section 6.02.

(b) The U.S. Collateral Agreement, together with the filings made pursuant to the U.S. Collateral Agreement currently on file with the United States Patent and Trademark Office and the United States Copyright Office and the financing statements currently on file in the offices specified on Schedule 3.19(a) have created, as and to the extent provided in the U.S. Collateral Agreement, a Lien that is fully perfected on all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the U.S. Collateral Agreement) in which a security interest may be perfected by filing in the United States and its territories and possessions, in each case prior and superior in right to any other Person other than with respect to Liens expressly permitted by Section 6.02. Notwithstanding the foregoing, it is understood that recordings in the United States Patent and Trademark Office and the United States

Copyright Office, as applicable, may be necessary to perfect a Lien on any U.S. patents, U.S. patent applications, U.S. registered trademarks, U.S. trademark applications, and U.S. registered copyrights of any Loan Party that were acquired after the 2016 Restatement Date (such intellectual property, collectively the "***Post-Closing IP***"). Upon the making of such recordings, together with the financing statements currently on file in the offices specified on Schedule 3.19(a), the Lien created under the U.S. Collateral Agreement shall constitute, as and to the extent provided in the U.S. Collateral Agreement, a fully perfected Lien on all right, title and interest of the Loan Parties in the Post-Closing IP, in each case prior and superior in right to any other Person other than with respect to Liens expressly permitted by Section 6.02.

(c) Subject to the Legal Reservations and except as set forth on Schedule 3.19(c), each Mortgage is effective to create in favor of the applicable Collateral Agent, for the ratable benefit of the Bank Secured Parties, a valid and enforceable Lien on all of the applicable Loan Party's right, title and interest in and to the Mortgaged Property thereunder and the proceeds thereof, and when such Mortgage is filed and/or recorded in the appropriate filing office, such Mortgage shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of the applicable Loan Party in such Mortgaged Property and the proceeds thereof, other than with respect to the rights of Persons pursuant to Liens expressly permitted by Section 6.02.

(d) Subject to the Legal Reservations, the Agreed Security Principles and except as set forth in Schedule 3.19(d) or the applicable legal opinion, (i) each Foreign Collateral Agreement creates in favor of the applicable Collateral Agent, for the benefit of the Bank Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof to the extent permissible under applicable law, and (ii) in the case of the Pledged Collateral described in a Foreign Collateral Agreement, when actions are taken (or were taken) as required in the relevant Foreign Collateral Agreement, the applicable Collateral Agent (for the benefit of the Bank Secured Parties) shall have (or, in the case of actions taken prior to the 2016 Restatement Date, has) a Lien on, and security interest in, all right, title and interest of the applicable Loan Parties in such Pledged Collateral and the proceeds thereto, and such Lien shall be a first priority Lien, subject to Liens permitted by Section 6.02, and shall, to the extent applicable in the relevant jurisdiction, be perfected.

SECTION 3.20. ***Location of Real Property and Leased Premises***. Schedule 3.20 lists completely and correctly as of the 2016 Restatement Date all material real property with a value in excess of $25 million owned by Holdings and the Material Subsidiaries and the addresses thereof. Holdings and the Material Subsidiaries, as of the 2016 Restatement Date, own in fee all the material real property set forth on Schedule 3.20.

SECTION 3.21. ***Labor Matters***. As of the 2016 Restatement Date, there are no material strikes, lockouts or slowdowns against any Loan Party or any Material Subsidiary, to the knowledge of Holdings or any Borrower, threatened. The hours worked by and payments made to employees of each Loan Party and the Subsidiaries thereof have not been in violation of the Fair

Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters in any material respects. All material payments due from any Loan Party or any Material Subsidiary, or for which any claim may be made against any Loan Party or Material Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Loan Party or Material Subsidiary. The consummation of the 2016 Restatement Transactions and the transactions contemplated thereby will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Loan Party or Material Subsidiary is bound to the extent the same could reasonably be expected to have a Material Adverse Effect.

SECTION 3.22. ***Solvency***. Immediately after the consummation of the 2016 Restatement Transactions to occur on the 2016 Restatement Date, (i) the fair value of the assets of the Loan Parties (on a consolidated basis), at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Loan Parties (on a consolidated basis) will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Loan Parties (on a consolidated basis) will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Loan Parties (on a consolidated basis) will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the 2016 Restatement Date.

SECTION 3.23. ***Senior Indebtedness***. The Obligations constitute "Senior Indebtedness" and "Designated Senior Indebtedness" under and as defined in the November 2013 5.625% Senior Unsecured Note Documents, "Senior Liabilities" under and as defined in the 2007 Intercreditor Agreement, and "Senior Obligations" under and as defined in the November 2013 Intercreditor Agreement.

SECTION 3.24. ***Sanctioned Persons***. No Loan Party or subsidiary thereof nor, to the knowledge of any Loan Party, any director, officer, agent, employee or Affiliate of any Loan Party or subsidiary thereof is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("***OFAC***") or sanctions under other similar applicable laws of other jurisdictions in which it conducts business with the result that any Lender would be in violation of applicable law; and no Borrower will knowingly directly or indirectly use the proceeds of the Loans or the Letters of Credit or otherwise make available such proceeds to any Person, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC or sanctions under other similar applicable laws of other jurisdictions in which it conducts business with the result that any Lender would be in violation of applicable law.

ARTICLE IV

Conditions of Lending

The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder are subject to the satisfaction of the following conditions:

SECTION 4.01. ***All Credit Events***. On the date of each Borrowing (other than (i) a conversion or a continuation of a Borrowing or (ii) as set forth in Section 2.23(c) with respect to Incremental Term Loans and Incremental Revolving Credit Commitments) and on the date of each issuance of a Letter of Credit, and on the date of any extension or renewal of a Letter of Credit or any amendment of a Letter of Credit that increases the face or maximum amount thereof (each such event being called a "***Credit Event***"):

(a) The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.02) or, in the case of the issuance, amendment, extension or renewal of a Letter of Credit, the applicable Issuing Bank and the Administrative Agent shall have received a notice requesting the issuance, amendment, extension or renewal of such Letter of Credit as required by Section 2.22(b).

(b) The representations and warranties set forth in Article III and in each other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) At the time of and immediately after such Credit Event, no Default or Event of Default shall have occurred and be continuing.

Each Credit Event shall be deemed to constitute a representation and warranty by the Borrowers and Holdings on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

ARTICLE V

Affirmative Covenants

Each of Holdings and the Borrowers covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts (other than indemnification and other contingent obligations for which no claim has been made) payable under any Loan Document shall have been paid in full and all Letters of Credit have been canceled or have expired (unless cash collateralized or backstopped in a manner reasonably satisfactory to the Administrative Agent) and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing, each of Holdings and the Borrowers will, and will cause the Material Subsidiaries to:

SECTION 5.01. ***Existence; Compliance with Laws; Businesses and Properties***. (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.05.

(b) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations (including any unconditional works council authorizations), patents,

copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated; comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted; and at all times maintain and preserve all property and assets material to the conduct of such business and keep such property and assets in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

SECTION 5.02. ***Insurance***. (a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, as is customary with companies in the same or similar businesses operating in the same or similar locations; and maintain such other insurance as may be required by law.

(b) Cause all such policies covering any Collateral material to Holdings and the Subsidiaries taken as a whole (to the extent it is a property policy) to be endorsed or otherwise amended to include a customary lender's loss payable endorsement, in form and substance satisfactory to the Administrative Agent, which endorsement shall provide that if the insurance carrier shall have received written notice from the Administrative Agent or a Collateral Agent of the occurrence of an Event of Default, the insurance carrier shall pay all proceeds otherwise payable to any Borrower or the Loan Parties under such policies directly to such Collateral Agent; and cause each such policy to provide that it shall not be canceled, modified or not renewed (i) by reason of nonpayment of premium without at least 10 days' prior written notice thereof by the insurer to the Administrative Agent (giving the Administrative Agent and such Collateral Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason without at least 30 days' prior written notice thereof by the insurer to the Administrative Agent.

(c) If at any time the area in which the Premises (as defined in the Mortgages) are located is designated (i) a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as is customary with companies in the same or similar businesses operating in the same or similar locations, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time, or (ii) a "Zone 1" area, obtain earthquake insurance in such total amount as is customary with companies in the same or similar businesses operating in the same or similar locations.

(d) With respect to any Mortgaged Property, carry and maintain comprehensive general liability insurance including the "broad form CGL endorsement" and coverage on an occurrence basis against claims made for personal injury (including bodily injury, death and property damage) and umbrella liability insurance against claims that are customarily insured under such insurance, in no event for a combined single limit of less than that which is customary for companies in the same or similar businesses operating in the same or similar locations, naming the applicable Collateral Agent as an additional insured, on forms satisfactory to the Administrative Agent.

SECTION 5.03. ***Taxes***. Pay and discharge promptly when due all material Taxes, assessments and governmental charges or levies imposed upon or payable by it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default; *provided*, *however*, that such payment and discharge shall not be required with respect to any such Tax, assessment, charge or levy, so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and Holdings, the applicable Borrower or the applicable Subsidiary shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation, Tax, assessment or charge or enforcement of a Lien.

SECTION 5.04. ***Financial Statements, Reports, etc***. In the case of Holdings, furnish to the Administrative Agent, which shall furnish to each Lender:

(a) within 90 days after the end of each fiscal year, its consolidated statements of comprehensive income, consolidated statements of financial position and related consolidated statements of changes in equity and cash flows showing the financial condition of Holdings and its consolidated subsidiaries as of the close of such fiscal year and the results of its operations and the operations of Holdings and such subsidiaries during such year, together with comparative figures for the immediately preceding fiscal year, all audited by PricewaterhouseCoopers or other independent public accountants of recognized national standing and accompanied by an opinion of such accountants (which opinion shall be without a "going concern" explanatory note or any similar qualification or like exception and without any qualification or like exception as to the scope of such audit (other than any such explanatory note, qualification or like exception that is expressed solely with respect to, or resulting solely from, (i) a maturity date in respect of any Term Loans or Revolving Credit Commitments or Revolving Loans that is scheduled to occur within one year from the date of delivery of such opinion or (ii) any inability or potential inability to satisfy the covenant set forth in Section 6.12 of this Agreement on a future date or in a future period)) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of Holdings and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied, together with a customary "management discussion and analysis" section;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, its consolidated statements of comprehensive income, consolidated

statements of financial position and related consolidated statements of changes in equity and cash flows showing the financial condition of Holdings and its consolidated subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of Holdings and such subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, and comparative figures for the same periods in the immediately preceding fiscal year, all certified by its Financial Officer as fairly presenting in all material respects the financial condition and results of operations of Holdings and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the lack of notes thereto, together with a customary "management discussion and analysis" section;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a certificate of its Financial Officer in the form of Exhibit K (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent (which shall include a reasonably detailed calculation of Consolidated EBITDA for the relevant period) of the Total Secured Leverage Ratio, the Total Leverage Ratio and, solely in the case of any such certificate delivered with the financial statements under paragraph (a) above, the Senior Secured First Lien Leverage Ratio, in each case on the last day of the relevant period;

(d) within 90 days after the beginning of each fiscal year of Holdings, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flows as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed to its shareholders or equityholders, as the case may be;

(f) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act;

(g) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of Holdings or any Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent (on

its own behalf or on behalf of any Lender acting through the Administrative Agent) may reasonably request;

(h) provide all information reasonably requested by the Administrative Agent on behalf of any Lender required in order to manage such Lender's anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any laws or regulations; and

(i) upon or reasonably promptly after each designation of a Subsidiary as an "Unrestricted Subsidiary" and each Subsidiary Redesignation, in each case in accordance with the terms of this Agreement, provide written notice of such designation or Subsidiary Redesignation, as applicable, to the Administrative Agent (who shall promptly notify the Lenders).

SECTION 5.05. ***Litigation and Other Notices***. Furnish to the Administrative Agent, each Issuing Bank and each Lender prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against Holdings or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect;

(c) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect; and

(d) any decrease in Holdings' public corporate rating by S&P, in Holdings' public corporate family rating by Moody's or in the public ratings of the Credit Facilities by S&P or Moody's, or any notice from either such agency indicating its intent to effect such a change or to place Holdings or the Credit Facilities on a "CreditWatch" or "WatchList" or any similar list, in each case with negative implications, or its cessation of, or its intent to cease, rating Holdings or the Credit Facilities.

SECTION 5.06. ***Information Regarding Collateral***. (a) Furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's corporate name or (ii) in the jurisdiction of organization or formation of any Loan Party. Holdings and the Borrowers agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made or will be made promptly under the Uniform Commercial Code or otherwise that are required in order for the applicable Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. Holdings and the Borrowers also agree promptly to notify the Administrative Agent if any portion of the Collateral that is material to Holdings and the Subsidiaries taken as a whole is damaged or destroyed.

(b) In the case of Holdings, each year, at the time of delivery of the annual financial statements with respect to the preceding fiscal year pursuant to Section

5.04(a), deliver to the Administrative Agent a certificate of a Financial Officer setting forth the information required pursuant to Section 2 of the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the 2016 Restatement Date or the date of the most recent certificate delivered pursuant to this Section 5.06.

SECTION 5.07. ***Maintaining Records; Access to Properties and Inspections; Maintenance of Ratings***. (a) Keep proper books of record and account in which full, true and correct entries in all material respects in conformity with GAAP or, with respect to any Subsidiary organized outside of the United States, the local accounting standards applicable in the relevant jurisdiction and all requirements of law, are made of all material dealings and transactions in relation to its business and activities. Each Loan Party will, and will cause each of its Material Subsidiaries to, permit any representatives or advisors designated by the Administrative Agent to visit and inspect the financial records and the properties of such Person upon reasonable notice and at reasonable times during normal business hours (*provided* that (i) such visits shall be coordinated by the Administrative Agent on its own behalf or on behalf of, and at the request of, the Required Lenders, (ii) a representative of the Loan Parties may be present at any such visits and inspections, (iii) such visits shall be limited to no more than one such visit per calendar year, and (iv) such visits shall be at the requesting Lenders' expense, except in the case of clauses (iii) and (iv) during the continuance of an Event of Default), and permit any representatives designated by the Administrative Agent (including advisors to the Administrative Agent or the Required Lenders) to have reasonable discussions upon reasonable notice and at reasonable times during normal business hours regarding the affairs, finances and condition of such Person with the officers thereof (*provided* that such discussions shall be limited to no more than once per calendar year except during the continuance of an Event of Default); *provided*, *further* that no Loan Party will be required to disclose or permit the inspection or discussion of, any document, information or other matter (x) that constitutes non-financial trade secrets or non-financial proprietary information, (y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) is prohibited by any Requirement of Law or any binding agreement or (z) that is subject to attorney client or similar privilege or constitutes attorney work product).

(b) In the case of Holdings and the Borrowers, use commercially reasonable efforts to cause the Credit Facilities to be continuously rated publicly by S&P and Moody's, and in the case of Holdings, use commercially reasonable efforts to maintain a public corporate rating from S&P and a public corporate family rating from Moody's, in each case in respect of Holdings.

SECTION 5.08. ***Use of Proceeds***. Use the proceeds of the Loans and request the issuance of Letters of Credit only for the purposes specified in the introductory statement to this Agreement or, in the case of Incremental Term Loans and Incremental Revolving Loans, in the applicable Incremental Assumption Agreement. The Loans shall not be used with a view to (a) the subscription or acquisition of any shares in the share capital or depositary receipts thereof in a company organized in The Netherlands or (b) repay any Indebtedness which was used for the purposes of acquiring shares in the share capital or depositary receipts thereof in The Netherlands.

SECTION 5.09. ***Employee Benefits***. (a) Comply in all material respects with the applicable provisions of ERISA and the Code and the laws applicable to any Foreign Pension Plan

except where the failure to comply could not reasonably be expected to result in a Material Adverse Effect and (b) furnish to the Administrative Agent as soon as possible after, and in any event within ten days after any responsible officer of Holdings or any Borrower knows or has reason to know that, any ERISA Event has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in liability of Holdings, any Borrower or any ERISA Affiliate in an aggregate amount exceeding $75,000,000, a statement of a Financial Officer of Holdings or such Borrower setting forth details as to such ERISA Event and the action, if any, that Holdings or such Borrower proposes to take with respect thereto.

SECTION 5.10. ***Compliance with Environmental Laws***. Comply, and cause all lessees and other Persons occupying or operating its properties to comply with all Environmental Laws applicable to its operations and properties; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct any response or remedial action in accordance with Environmental Laws except in each case where the failure to comply or so act could not reasonably be expected to result in a Material Adverse Effect; *provided*, *however*, that none of Holdings or any Material Subsidiary shall be required to undertake any response or remedial action required by Environmental Laws to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP, except to the extent such response or remedial action is necessary to prevent or abate an imminent and substantial danger to human health and/or the environment.

SECTION 5.11. ***Preparation of Environmental Reports***. If a Default caused by reason of a breach of Section 3.17 or Section 5.10 shall have occurred and be continuing for more than 30 days without Holdings or any Subsidiary commencing activities reasonably likely to cure such Default, at the written request of the Required Lenders through the Administrative Agent, the Loan Parties shall provide to the Lenders within 45 days after such request, at the expense of the Loan Parties, an environmental site assessment report regarding the matters which are the subject of such Default prepared by an environmental consulting firm reasonably acceptable to the Administrative Agent and indicating, to the extent relevant, the presence or absence of Hazardous Materials and the estimated cost of any compliance with, or response or remedial action under, Environmental Law in connection with such Default.

SECTION 5.12. ***Further Assurances***. (a) Execute any and all further documents, financing statements, agreements, assignments, transfers, charges, notices and instruments, and take all further action (including filing Uniform Commercial Code and other financing statements, mortgages and deeds of trust) that may be required under the Agreed Security Principles, or that the Required Lenders or the Administrative Agent may reasonably request (and in such form as any Collateral Agent may reasonably require in respect of such Collateral Agent or its nominee(s)) in accordance with the Agreed Security Principles, in order to effectuate the transactions contemplated by the Loan Documents and (to the extent applicable and required) in order to (i) grant, preserve, protect and perfect the validity and first priority (subject to the rights of Persons pursuant to Liens expressly permitted by Section 6.02) of the security interests created or intended to be created by the Security Documents in accordance with the Agreed Security Principles and (ii) facilitate the realization of the assets which are, or are intended to be, the subject of such security interests. Subject to the Agreed Security Principles, Holdings, each Borrower and each other Loan Party will cause any subsequently acquired or organized Subsidiary of such Person and

any Unrestricted Subsidiary that becomes a Subsidiary of such Person pursuant to a Subsidiary Redesignation (in each case other than an Excluded Subsidiary, for so long as such Subsidiary is permitted to remain an Excluded Subsidiary hereunder) to become a Loan Party by executing a Guarantor Joinder and each applicable Loan Document in favor of the Collateral Agents, in each case within a reasonable period of time after such acquisition, organization, Subsidiary Redesignation, or ceasing to be an Excluded Subsidiary. In addition, from time to time and subject to the Agreed Security Principles, Holdings, each Borrower and each other Loan Party will, at its cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected (to the extent required under the Agreed Security Principles) first priority (subject to the rights of Persons pursuant to Liens expressly permitted by Section 6.02) security interests with respect to such of its assets and properties as the Administrative Agent or the Required Lenders shall designate. Such security interests and Liens will be created under the Loan Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance reasonably satisfactory to the Administrative Agent and applicable Collateral Agent, and Holdings, the Borrowers and the other Loan Parties shall deliver or cause to be delivered to the Lenders all such instruments and documents (including legal opinions, title insurance policies and lien searches) as the Administrative Agent shall reasonably request in accordance with the Agreed Security Principles to evidence compliance with this Section. Subject to the Agreed Security Principles, each of Holdings, the Borrowers and the other Loan Parties agrees to provide such evidence as the Administrative Agent shall reasonably request as to the perfection (where applicable) and priority status of each such security interest and Lien. In furtherance of the foregoing, Holdings and the Borrowers will give prompt notice to the Administrative Agent of the acquisition by any of them or any of their respective Subsidiaries of any owned real property (or any interest in owned real property) having a value in excess of $25,000,000.

(b) If, at any time and from time to time on or after the 2016 Restatement Date, subsidiaries that are not Loan Parties because they are Excluded Subsidiaries (i) had gross assets (excluding intra group items but including, without duplication, investments in Subsidiaries) in excess of 25% of the Consolidated Total Assets as of, in each case, the last day of the fiscal quarter of Holdings most recently ended for which financial statements are available or (ii) had earnings before interest, tax, depreciation and amortization calculated on the same basis as Consolidated EBITDA in excess of 25% of the Consolidated EBITDA for, in each case, the period of four consecutive fiscal quarters of Holdings most recently ended for which financial statements are available, then Holdings shall, not later than 45 days after the date by which financial statements for such quarter are required to be delivered pursuant to this Agreement (or such later date as the Administrative Agent may agree), cause one or more of such subsidiaries that are not Loan Parties to become additional Loan Parties (notwithstanding that such subsidiaries are, individually, Excluded Subsidiaries and notwithstanding anything to the contrary in the Agreed Security Principles) such that the foregoing condition ceases to be true.

SECTION 5.13. ***Post-Closing Obligations***. Schedule III to Amendment No. 10 sets forth certain matters to be effected following the 2016 Restatement Date.

ARTICLE VI

Negative Covenants

Each of Holdings and (other than with respect to Section 6.15) the Borrowers covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts (other than indemnification and contingent obligations for which no claim has been made) payable under any Loan Document have been paid in full and all Letters of Credit have been cancelled or have expired (unless cash collateralized or backstopped in a manner reasonably satisfactory to the Administrative Agent) and all amounts drawn thereunder have been reimbursed in full, unless the Required Lenders shall otherwise consent in writing, none of Holdings or any Borrower will, and each will cause the Material Subsidiaries not to:

SECTION 6.01. ***Indebtedness***. Incur, create, assume or permit to exist any Indebtedness, except:

(a) Indebtedness existing on the 2016 Restatement Date and set forth in Schedule 6.01;

(b) Indebtedness created hereunder and under the other Loan Documents;

(c) intercompany Indebtedness of Holdings and the Subsidiaries to the extent permitted by Section 6.04(c) so long as any such Indebtedness owed by a Loan Party to a Subsidiary that is not a Loan Party that is in excess of $35,000,000 is subordinated in right of payment to the Bank Obligations pursuant to an Affiliate Subordination Agreement (or in another manner acceptable to the Administrative Agent);

(d) Indebtedness of Holdings or any Subsidiary incurred to finance the acquisition, construction or improvement of any property (real or personal); *provided* that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this Section 6.01(d), when combined with the aggregate principal amount of all Capital Lease Obligations incurred pursuant to Section 6.01(e) and Indebtedness incurred pursuant to Section 6.01(f), shall not exceed $400,000,000 at any time outstanding (or, if greater at the time of incurrence thereof, 2.0% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings));

(e) Capital Lease Obligations in an aggregate principal amount, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 6.01(d) and Section 6.01(f), shall not exceed $400,000,000 at any time outstanding (or, if greater at the time of incurrence thereof, 2.0% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings));

(f) Indebtedness assumed in connection with the acquisition of any property (real or personal) or secured by a Lien on any such property prior to the acquisition

thereof, in each case in an aggregate principal amount, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 6.01(d) and Capital Lease Obligations under Section 6.01(e), shall not exceed $400,000,000 at any time outstanding (or, if greater at the time of incurrence thereof, 2.0% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings));

(g) Indebtedness under performance bonds, bid and appeal bonds and completion guarantees or with respect to workers' compensation claims, in each case incurred in the ordinary course of business;

(h) Indebtedness incurred under any local facilities in an aggregate principal amount not to exceed $400,000,000 at any time outstanding, provided that the aggregate principal amount of Indebtedness incurred under the Local Facilities shall not exceed $300,000,000 at any time outstanding;

(i) Indebtedness of any Person that becomes a Subsidiary after the 2016 Restatement Date; *provided* that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary, (ii) immediately before and after such Person becomes a Subsidiary, no Event of Default shall have occurred and be continuing and (iii) the aggregate principal amount of Indebtedness permitted by this Section 6.01(i) shall not exceed $300,000,000 at any time outstanding (or, if greater, the maximum principal amount that, at the time of the incurrence thereof and after giving effect thereto, would not cause (x) in the case of such Indebtedness secured by a Lien, the Total Secured Leverage Ratio, calculated on a Pro Forma Basis, to exceed 4.50 to 1.0 or (y) in the case of such Indebtedness not secured by a Lien, Holdings' Fixed Charge Coverage Ratio, calculated on a pro forma basis, to be less than 2.0 to 1.0);

(j) Indebtedness in respect of Hedging Agreements incurred in the ordinary course of business and consistent with prudent business practices;

(k) (i) The Senior Secured Notes described in clause (a) of the definition thereof, (ii) the Senior Unsecured Notes described in clause (a) of the definition thereof and (iii) the November 2013 5.625% Senior Unsecured Notes;

(l) Senior Secured Notes; *provided* that at the time of such incurrence and after giving effect thereto, (i) the Total Secured Leverage Ratio, calculated on a Pro Forma Basis, would not exceed 4.50 to 1.0 and (ii) both before and after giving effect to such incurrence, no Event of Default shall have occurred and be continuing;

(m) Senior Secured Notes and Senior Unsecured Notes; *provided* that at the time of such incurrence and after giving effect thereto, (i) such Indebtedness (whether or not in the form of Senior Secured Notes) complies with clause (y)(A) of the proviso to the definition of the term "Senior Secured Notes", (ii) at the time of issuance the principal amount of such Indebtedness does not exceed the Incremental Dollar Amount, (iii) Holdings shall be in Pro Forma Compliance and (iv) both before and

after giving effect to such incurrence, no Event of Default shall have occurred and be continuing;

(n) Indebtedness incurred on behalf of, or representing Guarantees of Indebtedness of, joint ventures so long as the aggregate principal amount incurred pursuant to this paragraph (n) after the 2016 Restatement Date, when combined with the aggregate outstanding amounts invested, loaned or advanced pursuant to Section 6.04(j) after the 2016 Restatement Date, does not exceed $350,000,000 at any time outstanding (or, if greater at the time of incurrence thereof, 1.5% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings));

(o) Guarantees by Holdings of Indebtedness of any Subsidiary and by any Subsidiary of any Indebtedness of Holdings or any other Subsidiary; *provided* that Guarantees of any Indebtedness by any Loan Party of any Subsidiary that is not a Loan Party shall be subject to Section 6.04;

(p) (i) Cash Management Obligations with respect to Cash Management Services not to exceed $300,000,000 at any time outstanding (it being understood that any Indebtedness outstanding under intra-day settlement accounts at the end of the day shall be treated as an incurrence of Indebtedness for purposes of, and be subject to the restrictions contained in, this Section 6.01) and (ii) obligations with respect to Cash Management Services entered into in the ordinary course of business;

(q) Indebtedness of Holdings or the Subsidiaries consisting of obligations (including guarantees thereof) to repurchase equipment sold to customers or third party leasing companies pursuant to the terms of sale of such equipment in the ordinary course of business;

(r) [reserved];

(s) Indebtedness representing deferred compensation or other similar arrangements to employees and directors of Holdings or any of the Subsidiaries incurred in the ordinary course of business or in connection with an acquisition or any other investment permitted pursuant to Section 6.04 (including as a result of the cancellation or vesting of outstanding options and other equity based awards in connection therewith);

(t) Indebtedness representing obligations arising under agreements of Holdings or a Subsidiary providing for indemnification, adjustment of purchase price or other post-closing payment adjustments, including wholly contingent earn-outs and other similar arrangements, in each case incurred in connection with an investment permitted under Section 6.04 or a Permitted Acquisition or a permitted disposition;

(u) Indebtedness consisting of Subordinated Indebtedness issued by Holdings or any Subsidiary to current or former officers, directors and employees thereof or any Parent Company thereof, their respective estates, spouses or former spouses, in each

case to finance the purchase or redemption of Equity Interests of Holdings or any Parent Company to the extent described in clause (iii) of Section 6.06(a);

(v) Indebtedness consisting of Subordinated Shareholder Loans;

(w) unsecured Indebtedness of Holdings or any Subsidiary; *provided* that at the time thereof and after giving effect thereto, (i) Holdings' Fixed Charge Coverage Ratio, calculated on a pro forma basis, shall be at least 2.0 to 1.0, (ii) both before and after giving effect to such incurrence, no Event of Default shall have occurred and be continuing, (iii) the final maturity date of such Indebtedness is no earlier than the date that is 91 days after the Latest Term Loan Maturity Date, (iv) the weighted average life to maturity of such Indebtedness is no shorter than the weighted average life to maturity of the Term Loans, (v) if such Indebtedness constitutes Subordinated Indebtedness, the subordination provisions relating thereto are reasonably satisfactory to the Administrative Agent and (vi) the aggregate principal amount of Indebtedness incurred or guaranteed by any Subsidiary that is not a Loan Party pursuant to this clause (w) and clause (bb) (to the extent constituting Permitted Refinancing Indebtedness in respect of such Indebtedness) of this Section 6.01 shall not exceed the greater of $250,000,000 and 1.5% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings);

(x) unsecured subordinated Indebtedness of any Loan Party; *provided* that at the time thereof and after giving effect thereto, (i) Holdings' Fixed Charge Coverage Ratio, calculated on a pro forma basis, shall be at least 2.0 to 1.0, (ii) both before and after giving effect to such incurrence, no Event of Default shall have occurred and be continuing, (iii) the final maturity date of such Indebtedness is no earlier than the date that is 91 days after the Latest Term Loan Maturity Date, (iv) such Indebtedness is not subject to any scheduled amortization and (v) the subordination provisions relating thereto are reasonably satisfactory to the Administrative Agent;

(y) Indebtedness in respect of any Permitted Receivables Financing;

(z) other Indebtedness of Holdings or any Subsidiary in an aggregate principal amount not exceeding $540,000,000 at any time outstanding (or, if greater at the time of incurrence thereof, 3.0% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings));

(aa) Indebtedness of Graham Packaging or any of its subsidiaries existing on the Graham Packaging Closing Date; *provided* that such Indebtedness existed at the time Graham Packaging became a Subsidiary and was not created in contemplation of or in connection with Graham Packaging becoming a Subsidiary;

(bb) any extensions, renewals, refinancings and replacements of the Indebtedness permitted to be incurred under Sections 6.01(a), (d), (i), (k), (l), (m), (w), (bb) and (cc) (the Indebtedness being extended, renewed, refinanced or replaced being referred to herein as the "***Refinanced Indebtedness***"; and the Indebtedness incurred

under this Section 6.01(bb) being referred to herein as "***Permitted Refinancing Indebtedness***"); *provided* that (i) the principal amount of the Permitted Refinancing Indebtedness is not increased (except by an amount equal to the accrued interest and premium on, or other amounts paid, and fees and expenses incurred, in connection with such extension, renewal, refinancing or replacement), (ii) (A) if the Refinanced Indebtedness is in the form of Senior Secured Notes or Senior Unsecured Notes incurred under Sections 6.01 (k), (l), (m) or (w) (or Permitted Refinancing Indebtedness in respect thereof, including with respect to successive extensions, renewals, refinancings or replacements thereof), (I) the final maturity date of the Permitted Refinancing Indebtedness is on or after the earlier of (x) the final maturity date of the Refinanced Indebtedness and (y) 90 days after the Latest Term Loan Maturity Date and (II) the average life to maturity of the Permitted Refinancing Indebtedness is greater than or equal to the lesser of (x) the weighted average life to maturity of the Refinanced Indebtedness and (y) the weighted average life to maturity of the Class of Term Loans then outstanding with the greatest remaining weighted average life to maturity and (B) if the Refinanced Indebtedness is not Indebtedness described under clause (A) above, neither the final maturity nor the weighted average life to maturity of the Permitted Refinancing Indebtedness is decreased, (iii) if the Refinanced Indebtedness is in the form of Senior Secured Notes, the Permitted Refinancing Indebtedness complies with clause (y) of the proviso to the definition of the term "Senior Secured Notes", (iv) if the Refinanced Indebtedness is subordinated to the Bank Obligations, the Permitted Refinancing Indebtedness is subordinated to the Bank Obligations on terms no less favorable to the Lenders, (v) the obligors in respect of the Refinanced Indebtedness remain the only obligors on the Permitted Refinancing Indebtedness (unless each such subsequent obligor is a Loan Party) and (vi) the aggregate principal amount of Indebtedness incurred or guaranteed by any Subsidiary that is not a Loan Party pursuant to clause (w) of this Section 6.01 and this clause (bb) (to the extent constituting Permitted Refinancing Indebtedness in respect of such Indebtedness) shall not exceed the greater of $250,000,000 and 1.5% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings);

(cc) Senior Secured Notes and Senior Unsecured Notes; *provided* that 100% of the Net Cash Proceeds thereof are applied substantially concurrently with the incurrence thereof (taking into account any escrow mechanics relating to the incurrence thereof) to prepay, repay, refinance or replace Term Loans, together with accrued interest thereon, and to pay related fees and expenses;

(dd) Indebtedness of Holdings or any Subsidiary arising from the honoring of a check, draft or similar instrument of such Person drawn against insufficient funds, *provided* that such Indebtedness is extinguished within five Business Days of it being incurred;

(ee) Indebtedness of Holdings or any Subsidiary in respect of letters of credit, bankers' acceptances or other similar instruments or obligations issued, or relating to liabilities or obligations incurred, in the ordinary course of business (including those

issued to governmental entities in connection with self-insurance under applicable workers' compensation statutes);

(ff) Indebtedness of Holdings or any Subsidiary in respect of the financing of insurance premiums in the ordinary course of business; and

(gg) Indebtedness of Holdings or any Subsidiary in respect of take-or-pay obligations under supply arrangements incurred in the ordinary course of business.

For purposes of determining compliance with this Section 6.01, (i) an item of Indebtedness need not be incurred solely by reference to one of the foregoing clauses of this Section 6.01 but may be incurred under any combination of such clauses (including in part under one such clause and in part under any other such clauses), (ii) in the event that an item of Indebtedness (or a portion thereof) meets the criteria of one or more the foregoing clauses of this Section 6.01, Holdings may, in its sole discretion, at any time divide, classify or reclassify such Indebtedness (or any portion thereof) in any manner that complies with this covenant, (iii) any Indebtedness incurred pursuant to clauses (m) or (z) of this Section 6.01 may, at the Borrowers' election, cease to be deemed incurred or outstanding for purposes of such clauses and instead be deemed incurred and outstanding under clauses (l), (w) or (x) of this Section 6.01 from and after the first date on which such Indebtedness could have been incurred thereunder without reliance on clauses (m) or (z), as the case may be and (iv) for purposes of calculating the aggregate principal amount of Indebtedness that may be incurred pursuant to clauses (i), (l), (w) and (x) of this Section 6.01, any concurrent incurrence of Senior Secured Notes or Senior Unsecured Notes pursuant to clause (m) or (z) of this Section 6.01 shall be disregarded in the calculation of the Total Secured Leverage Ratio or Fixed Charge Coverage Ratio, as the case may be.

SECTION 6.02. ***Liens***. Create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests or other securities of any Person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(a) Liens on property or assets of Holdings and the Subsidiaries existing on the 2016 Restatement Date and set forth in Schedule 6.02; *provided* that such Liens shall secure only those obligations which they secure on the 2016 Restatement Date and extensions, renewals, refinancings, and replacements thereof permitted hereunder;

(b) any Lien created under the Loan Documents to secure the Obligations;

(c) any Lien existing on any property or asset prior to the acquisition thereof by Holdings or any Subsidiary or existing on any property or assets or shares of stock of any Person that becomes a Subsidiary after the 2016 Restatement Date prior to the time such Person becomes such a Subsidiary, as the case may be; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not apply to any other property or assets of Holdings or any Subsidiary (other than proceeds thereof) and (iii) such Lien secures only those obligations which it secures on the date of such acquisition or the

date such Person becomes a Subsidiary, as the case may be and any extensions, renewals, refinancings or replacements thereof that do not increase the outstanding principal amount thereof (except by an amount equal to the premium or other amounts paid, and fees and expenses incurred, in connection with such extension, renewal, refinancing or replacement);

(d) Liens for Taxes not yet due or which are being contested;

(e) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not overdue for a period of more than 60 days or which are being contested;

(f) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;

(g) deposits and other Liens to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of any Borrower or any of the Subsidiaries;

(i) purchase money security interests in property (real or personal) or improvements thereto hereafter acquired (or, in the case of improvements, made) by Holdings or any Subsidiary; *provided* that (i) such security interests secure Indebtedness permitted by Section 6.01, (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 90 days after such acquisition (or improvement), (iii) the Indebtedness secured thereby does not exceed the lesser of the cost or the fair market value of such property or improvements at the time of such acquisition (or improvement) and (iv) such security interests do not apply to any other property or assets of Holdings or any Subsidiary (other than proceeds thereof);

(j) judgment Liens securing judgments not constituting an Event of Default under Article VII;

(k) Liens securing Indebtedness or other obligations of Holdings or the Subsidiaries incurred pursuant to Section 6.01(d), (e), (f), (k)(i), (k)(iii), (l), (m) or (cc) (including any Guarantees in respect thereof) (or, except in the case of clause (k)(iii), Permitted Refinancing Indebtedness in respect thereof, including with respect to successive extensions, renewals, refinancings or replacements thereof); provided that (x) in the case of any Liens securing Indebtedness permitted by Section 6.01(d), (e) or (f) (or Permitted Refinancing Indebtedness in respect thereof, including with respect to successive extensions, renewals, refinancings or replacements thereof), such Liens do not encumber any property or assets other than the property or assets financed by such Indebtedness (or the proceeds thereof), (y) in the case of Liens securing Indebtedness permitted by Section 6.01(k)(i), (l) or (m) (or Permitted Refinancing Indebtedness in respect thereof, including with respect to successive extensions, renewals, refinancings or replacements thereof), such

Liens do not encumber any property other than Collateral and (z) in the case of Liens securing Indebtedness permitted by Section 6.01(k)(iii), such Liens do not encumber any property other than the property encumbered by such Liens in existence on the 2016 Restatement Date;

(l) Liens on the assets of Subsidiaries that are not Loan Parties to secure Indebtedness (other than Local Facilities) incurred by such Subsidiaries pursuant to Section 6.01(h);

(m) Liens securing Hedging Agreements permitted hereunder; *provided* that the fair market value of the property and assets of Holdings and the Subsidiaries securing the obligations of Holdings or any Subsidiary in respect of any such Hedging Agreement that are not Bank Obligations shall not exceed $150,000,000;

(n) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(o) leases, subleases, licenses and sublicenses of property (real or personal) which do not materially interfere with the ordinary conduct of the business of Holdings or the Subsidiaries;

(p) Liens in favor of any Loan Party;

(q) deposits made in the ordinary course of business to secure liability to insurance carriers;

(r) grants of software and other technology and intellectual property licenses in the ordinary course of business;

(s) Liens on equipment of Holdings or any Subsidiary granted in the ordinary course of business to Holdings' or any such Subsidiary's client at which location such equipment is located;

(t) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the purchase or sale of goods entered into in the ordinary course of business;

(u) Liens arising by virtue of any statutory, common law or contractual provisions relating to banker's liens, rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution, including any lien arising under the general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*), with

whom a Loan Party or any Subsidiary of a Loan Party maintains a banking relationship in the ordinary course of business;

(v) any encumbrance or restriction (including put and call arrangements) with respect to Equity Interests of any joint venture;

(w) Liens arising from Uniform Commercial Code filings (or the non-US equivalent thereof) regarding operating leases entered into by Holdings and the Subsidiaries in the ordinary course of business;

(x) Liens on securities that are the subject of repurchase agreements constituting Investments permitted by Section 6.04;

(y) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets prior to completion;

(z) Liens arising in connection with any sale or other disposition of assets; *provided* that such Liens do not at any time encumber any assets other than the assets to be sold or disposed of;

(aa) Liens that are created or provided for by (i) a transfer of an account receivable or chattel paper or (ii) a commercial consignment that in each case does not secure payment or performance of an obligation;

(bb) Liens (other than Liens securing Indebtedness for borrowed money) arising by operation of law;

(cc) Liens on Securitization Assets, and any other assets of any Securitization Subsidiary, in each case securing any Permitted Receivables Financing;

(dd) other Liens securing liabilities in an aggregate amount not to exceed $540,000,000 at any time outstanding (or, if greater at the time of incurrence thereof, 3.0% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings));

(ee) a deemed security interest, as described in section 17(1)(b) of the Personal Property Securities Act 1999 (NZ), which does not secure Indebtedness or performance of an obligation;

(ff) Liens on cash and Permitted Investments used to satisfy and discharge or defease Indebtedness, *provided* that such satisfaction and discharge or defeasance is permitted hereunder; and

(gg) Liens on the Equity Interests of Unrestricted Subsidiaries.

For purposes of determining compliance with this Section 6.02, (x) any Lien need not be incurred solely by reference to one of the foregoing clauses of this Section 6.02 but

may be incurred under any combination of such clauses (including in part under one such clause and in part under any other such clauses) and (y) if any Liens securing Indebtedness are incurred to refinance Liens securing Indebtedness initially incurred in reliance on a basket measured by reference to a percentage of Consolidated Total Assets at the time of incurrence, and such refinancing would cause the percentage of Consolidated Total Assets restriction to be exceeded if calculated based on the Consolidated Total Assets on the date of such refinancing, such percentage of Consolidated Total Assets restriction shall not be deemed to be exceeded so long as the principal amount of such Indebtedness secured by such Liens does not exceed the principal amount of such Indebtedness secured by such Liens being refinanced, *plus* the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) incurred or payable in connection with such refinancing

SECTION 6.03. ***Sale and Lease-Back Transactions***. Enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred (each such transaction, a "***Sale and Lease-Back Transaction***") unless any Capital Lease Obligations or Liens arising in connection therewith are permitted by Sections 6.01 and 6.02, as the case may be.

SECTION 6.04. ***Investments, Loans and Advances***. Purchase, hold or acquire any Equity Interests, evidences of indebtedness or other securities of, make or permit to exist any loans or advances to, or make or permit to exist any investment or any other interest in, any other Person, except:

(a) (i) investments by Holdings and the Subsidiaries existing on the 2016 Restatement Date in the Equity Interests of Holdings and the Subsidiaries and (ii) additional investments by Holdings and the Subsidiaries in the Equity Interests of Holdings, the Subsidiaries, the Unrestricted Subsidiaries and the Escrow Subsidiaries; *provided* that (A) any such Equity Interests held by a Loan Party shall be pledged pursuant to a Collateral Agreement or another Security Document (subject to Agreed Security Principles), (B) the aggregate amount of investments by Loan Parties in, and loans and advances by Loan Parties to, Escrow Subsidiaries shall not exceed the amount reasonably determined by Holdings to be the amount such Escrow Subsidiary would be required to pay in respect of accrued interest, accreted original issue discount, premium, fees and expenses in the event that the related Permitted Acquisition is not consummated at the applicable Escrow Release Effective Time and (C) the aggregate outstanding amount of investments by Loan Parties in, and loans and advances by Loan Parties to, Escrow Subsidiaries and Subsidiaries of Holdings that are not Loan Parties, and investments by Holdings or any Subsidiary in, and loans and advances by Holdings or any Subsidiary to, any Unrestricted Subsidiary made after the 2016 Restatement Date (determined without regard to any write-downs or write-offs of such investments, loans and advances) shall not exceed (at the time such investment, loan or advance is made) the greater of (x) $600,000,000 and (y) 15% of Consolidated EBITDA as of the most recently completed period of four consecutive fiscal quarters for which the financial statements and certificates required by Sections

5.04(a) or 5.04(b), as the case may be, and 5.04(c) have been delivered or for which comparable financial statements have been filed with the Securities and Exchange Commission (it being understood and agreed (1) that in the event of the release of the Guarantee of a Loan Party upon or after the designation by Holdings of such Loan Party as an Excluded Subsidiary pursuant to clause (h) of the definition thereof, any then-outstanding investment by any other Loan Party in, or any loan or advance by any other Loan Party to, such Loan Party, in each case, made after the 2016 Restatement Date and while such entity was a Loan Party, shall be deemed to have been made at the time of the effectiveness of such designation and shall be subject to the limitations set forth in this proviso and (2) that any investment, loan and advance subject to this proviso shall no longer be deemed to be outstanding if the Escrow Subsidiary, Unrestricted Subsidiary or Subsidiary that received such investment, loan or advance subsequently becomes, or is merged into, amalgamated or consolidated with, a Loan Party);

(b) Permitted Investments;

(c) loans or advances made by Holdings to any Subsidiary or by any Subsidiary to Holdings or another Subsidiary; *provided* that (i) such loans and advances shall be subordinated to the Obligations to the extent required by Section 6.01(c) and (ii) the amount of such loans and advances made after the 2016 Restatement Date by Loan Parties to Subsidiaries that are not Loan Parties and outstanding at any time shall be subject to the limitation set forth in clause (a) above;

(d) investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(e) Holdings and the Subsidiaries may make loans and advances in the ordinary course of business to their respective employees, directors, officers and consultants so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed $50,000,000;

(f) Holdings and the Subsidiaries may enter into Hedging Agreements that are permitted under Section 6.01(j);

(g) investments resulting from Letters of Credit issued pursuant to Section 2.22 and guarantees (other than in respect of Indebtedness) for the account of Wholly Owned Subsidiaries of Holdings that are not Loan Parties;

(h) Holdings and the Subsidiaries may acquire all or substantially all the assets of a Person or division, product line or line of business of such Person, or not less than a majority of the Equity Interests (other than directors' qualifying shares) of a Person (referred to herein as the "***Acquired Entity***"), or, in connection with a tender offer or similar multi-step acquisition, such lesser percentage (but not less than a majority of the voting Equity Interests) if Holdings has publicly stated its intention to acquire,

directly or indirectly, not less than a majority of the Equity Interests (other than directors' qualifying shares) of such Acquired Entity at the end of such process; *provided* that (i) the Acquired Entity shall be in a Similar Business; and (ii) at the time of such transaction (A) both before and after giving effect thereto, no Event of Default shall have occurred and be continuing; (B) Holdings would be in Pro Forma Compliance; (C) [reserved]; (D) Holdings shall have delivered a certificate of a Financial Officer, certifying as to the foregoing and containing reasonably detailed calculations in support thereof, in form and substance reasonably satisfactory to the Administrative Agent; and (E) subject to the Agreed Security Principles, Holdings shall comply, and shall cause the Acquired Entity to comply, with the applicable provisions of Section 5.12 and the Loan Documents (any acquisition of an Acquired Entity meeting all the criteria of this Section 6.04(h) being referred to herein as a "***Permitted Acquisition***");

(i) Holdings and the Subsidiaries may acquire any Acquired Entity for aggregate consideration (including the aggregate principal amount of all assumed Indebtedness) not to exceed $200,000,000 per annum, *provided* that (i) any amount that is not used in a given year (less any amount carried forward to such year) may be carried forward to the subsequent year, (ii) both before and after giving effect thereto, no Event of Default shall have occurred and be continuing and (iii) subject to the Agreed Security Principles, Holdings shall comply, and shall cause the Acquired Entity to comply, with the applicable provisions of Section 5.12 and the Loan Documents.

(j) acquisitions of, investments in, and loans and advances to, joint ventures so long as the aggregate outstanding amount invested, loaned or advanced after the 2016 Restatement Date pursuant to this paragraph (j) (determined without regard to any write-downs or write-offs of such investments, loans or advances), together with the outstanding aggregate principal amount of Indebtedness incurred after the 2016 Restatement Date under Section 6.01(n), does not exceed $350,000,000 at any time outstanding (or, if greater at the time thereof, 1.5% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings));

(k) investments in an aggregate amount, together with the aggregate amount of Restricted Payments made pursuant to Section 6.06(a)(xiii) and the aggregate amount expended in respect of the payment, redemption or other acquisition for value of Indebtedness pursuant to Section 6.09(c)(ii), not to exceed the amount of Excluded Contributions.

(l) investments existing on the 2016 Restatement Date or made pursuant to binding commitments in effect on the 2016 Restatement Date and, in each case, set forth on Schedule 6.04(l);

(m) investments the payment for which consists of Equity Interests or Subordinated Shareholder Loans of Holdings (other than Disqualified Stock) or any Parent Company, as applicable;

(n) investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(o) investments of any Person existing, or made pursuant to binding commitments in effect, at the time such Person becomes a Subsidiary or consolidates or merges with Holdings or any of the Subsidiaries (including in connection with a Permitted Acquisition) so long as such investments and commitments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation or merger;

(p) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) that are otherwise permitted under Section 6.02 or made in connection with a Lien permitted by Section 6.02;

(q) investments, loans and advances by Holdings, the Borrowers and the Subsidiaries in an amount not to exceed the Available Amount;

(r) investments arising directly out of the receipt of non-cash consideration for any Asset Sale permitted pursuant to Section 6.05;

(s) investments in, and loans and advances to, Securitization Subsidiaries in accordance with any Permitted Receivables Financing Documents;

(t) in addition to investments permitted by paragraphs (a) through (s) above, additional investments, loans and advances by Holdings, the Borrowers and the Subsidiaries so long as the aggregate outstanding amount invested, loaned or advanced pursuant to this paragraph (t) (determined without regard to any write-downs or write-offs of such investments, loans and advances) does not exceed (at the time such investment, loan or advance is made) the greater of (i) $400,000,000 and (ii) 15% of Consolidated EBITDA as of the most recently completed period of four consecutive fiscal quarters for which the financial statements and certificates required by Sections 5.04(a) or 5.04(b), as the case may be, and 5.04(c) have been delivered or for which comparable financial statements have been filed with the Securities and Exchange Commission;

(u) other investments by Holdings or any Subsidiary in another Subsidiary resulting from an Asset Sale permitted under Section 6.05 or other dispositions permitted hereunder; *provided* that the amount of such investments made after the 2016 Restatement Date resulting from Asset Sales by Loan Parties to Subsidiaries that are not Loan Parties, based on the fair market value of the assets or property sold (as determined reasonably and in good faith by a Financial Officer of Holdings and without regard to any write-downs or write-offs of such investments) shall be subject to the limitation set forth in clause (a) above;

(v) investments arising as the result of payments permitted pursuant to Sections 2.12(b) and 6.09, investments resulting from the acquisition of Term Loans by Holdings, a Borrower or a Subsidiary pursuant to Section 9.04(m) and investments in Senior Secured Notes or Senior Unsecured Notes;

(w) investments in receivables owing to Holdings or any Subsidiary;

(x) investments by Holdings and the Subsidiaries in Subsidiaries that are not Loan Parties (i) constituting an exchange of Equity Interests of such Subsidiary for Indebtedness of such Subsidiary, (ii) constituting Guarantees of Indebtedness or other monetary obligations of Subsidiaries that are not Loan Parties owing to any Loan Party, (iii) so long as such transaction is part of a series of related transactions that result in the proceeds of the initial investment being invested in, or transferred to, one or more Loan Parties (or, if the initial proceeds were held at a Subsidiary that is not a Loan Party, a Subsidiary that is not a Loan Party) and (iv) consisting of the contribution of Equity Interests of any other Subsidiary that is not a Loan Party so long as the Equity Interests of the transferee Subsidiary is pledged to secure the Bank Obligations;

(y) any investment by any Captive Insurance Subsidiary in connection with its provision of insurance to Holdings or the Subsidiaries, which investment is made in the ordinary course of business of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable; and

(z) any other investments, loans and advances by Holdings, the Borrowers and the Subsidiaries *provided* that (i) both before and after giving effect thereto, no Event of Default shall have occurred and be continuing and (ii) the Total Leverage Ratio, calculated on a Pro Forma Basis, shall not exceed 4.25 to 1.0.

It is further understood and agreed that for purposes of determining the value of any investment, loan or advance outstanding for purposes of this Section 6.04, such amount shall deemed to be the amount of such investment, loan or advance when made, purchased or acquired less any returns of principal or capital thereon (not to exceed the original amount invested). For purposes of determining compliance with this Section 6.04, any investment need not be made solely by reference to one of the foregoing clauses but may be made under any combination of such clauses (including in part under one clause and in part under any other such clause.

SECTION 6.05. ***Mergers, Consolidations and Sales of Assets***. (a) Merge into, amalgamate or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all the assets (whether now owned or hereafter acquired) of Holdings and the Subsidiaries, taken as a whole, except that (i) [reserved], (ii) if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (A) any Person may merge into, amalgamate with or consolidate with any Borrower in a transaction in which such Borrower is the surviving corporation, (B) any Person may merge into, amalgamate with or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary (*provided* that if any party to any such transaction is a Loan Party, the surviving entity of such transaction shall be a Loan Party), (C) any Subsidiary (other than any Principal Borrower) may merge into, amalgamate with or consolidate with any other Person in order to effect

a Permitted Acquisition or other acquisition permitted by Section 6.04 and (D) any Subsidiary (other than any Principal Borrower) may liquidate or dissolve or, solely for purposes of reincorporating in a different jurisdiction, merge, amalgamate or consolidate if such transaction is not adverse to the Lenders in any material respect and if Holdings determines in good faith that such liquidation or dissolution, merger, amalgamation or consolidation is in the best interest of Holdings and the Subsidiaries, taken as a whole and (iii) any Asset Sale (other than one in which Holdings or a Principal Borrower is sold or otherwise disposed of) that complies with clause (b) below shall be permitted.

(b) Make any Asset Sale not otherwise permitted under clause (i) or (ii) of paragraph (a) above (other than any Non-Consensual Asset Sale or any Specified Asset Sale, as to which this paragraph (b) shall not apply) unless such Asset Sale is for consideration at least 75% of which is cash and such consideration is at least equal to the fair market value of the assets being sold, transferred, leased or disposed of; *provided* that (i) any Designated Non-Cash Consideration in respect of such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received that is at that time outstanding, not in excess of an amount equal to the greater of $275 million and 1.50% of Consolidated Total Assets (calculated on a pro forma basis and with reference to the most recent consolidated balance sheet of Holdings) (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value, (ii) any liabilities (other than liabilities that are by their terms subordinated to the Bank Obligations) shown on the most recent balance sheet of Holdings or any Subsidiary that are assumed by the transferee of any such assets, or that are otherwise cancelled or terminated in connection with the transaction with such transferee, (iii) any notes or other obligations or other securities or assets received by Holdings or any Subsidiary from the purchaser in respect of such Asset Sale that are converted into cash within 180 days of receipt thereof (to the extent of the cash received) and (iv) Indebtedness of any Subsidiary that is no longer a Subsidiary as a result of such Asset Sale, to the extent that Holdings and each other Subsidiary are released from any guarantee of payment of such Indebtedness in connection with such Asset Sale shall, in each case, be deemed to be cash.

SECTION 6.06. ***Restricted Payments; Restrictive Agreements***. (a) Declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment (including pursuant to any Synthetic Purchase Agreement), or incur any obligation (contingent or otherwise) to do so; *provided*, *however*, that:

(i) any Subsidiary of Holdings may declare and pay dividends or make other Restricted Payments ratably to its equity holders,

(ii) (a) Holdings and any Subsidiary may pay or make dividends or distributions to any holder of its Qualified Capital Stock in the form of additional shares of Qualified Capital Stock of the same class, and may exchange one class or type of Qualified Capital Stock with shares of another class or type of Qualified Capital Stock and (b) Holdings may make distributions and payments to any Parent Company, Permitted Investor or Affiliate

thereof holding Subordinated Shareholder Loans in the form of additional Subordinated Shareholder Loans, and may capitalize the interest on its Subordinated Shareholder Loans;

(iii) Holdings may make Restricted Payments to pay for the purchase, repurchase, retirement, defeasance, redemption or other acquisition for value of Equity Interests of Holdings, or any Parent Company held by any future, present or former employee, director or consultant of Holdings or any Parent Company or any Subsidiary of Holdings pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; *provided* that the aggregate Restricted Payments made under this clause (iii) after the 2016 Restatement Date do not exceed $25,000,000 in any calendar year (with unused amounts in any calendar year being permitted to be carried over for the two succeeding calendar years subject to a maximum payment of $50,000,000 in any calendar year);

(iv) Holdings may make Restricted Payments to any Parent Company in amounts required for such Parent Company to pay national, state or local income taxes (as the case may be) imposed directly on such Parent Company to the extent such income taxes are attributable to the income of Holdings and its Subsidiaries (including, without limitation, by virtue of such Parent Company being the common parent of a consolidated or combined tax group of which Holdings or its Subsidiaries are members); *provided*, *however*, that in no event shall Holdings make Restricted Payments pursuant to this Section 6.06(a)(iv) in an amount greater than the amount Holdings would pay on such income to a taxing authority were such income taxes to be computed for Holdings and its Subsidiaries on a separate return basis (taking into account tax attributes from prior years);

(v) Holdings may make Restricted Payments (A) in amounts required for any Parent Company or any Affiliate thereof, if applicable, to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers, directors and employees of any Parent Company or of any Affiliate thereof, if applicable, and general corporate operating and overhead expenses (including compliance and reporting expenses) of any Parent Company or any Affiliate thereof, if applicable, in each case to the extent such fees and expenses are attributable to the ownership or operation of Holdings, if applicable, and their respective Subsidiaries; *provided*, that for so long as such Parent Company owns no material assets other than Equity Interests in Holdings or any Parent Company, such fees and expenses shall be deemed for purposes of this clause (A) to be attributable to such ownership or operation and (B) in amounts required for any Parent Company to pay fees and expenses, other than to Affiliates of Holdings, related to any unsuccessful equity or debt offering of such Parent Company; and *provided further* that such amounts reduce Consolidated Net Income pursuant to the definition of such term;

(vi) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(vii) Restricted Payments by Holdings or any Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Equity Interests of any such Person;

(viii) after a Qualified Public Offering, Holdings may pay dividends and make distributions to any Parent Company, so that such Parent Company can pay dividends and make distributions to, or repurchase or redeem its Equity Interests from, its equity holders in an amount generating a 3.00% annual yield payable to all equity holders (such yield to be determined based on the initial public offering price of the Equity Interests sold in such Qualified Public Offering); *provided* that both before and after giving effect thereto, (x) no Event of Default shall have occurred and be continuing and (y) Holdings would be in Pro Forma Compliance;

(ix) Holdings may make Restricted Payments, in an aggregate amount not to exceed the Available Amount, *provided* that both before and after giving effect thereto, (x) no Event of Default shall have occurred and be continuing and (y) Holdings would be in Pro Forma Compliance;

(x) Holdings or any Subsidiary may make Restricted Payments in an aggregate amount not to exceed $90,000,000;

(xi) Holdings may make Restricted Payments to pay Management Fees, plus out-of-pocket expense reimbursement; *provided* that both before and after giving effect thereto, no Event of Default shall have occurred and be continuing;

(xii) Holdings or any Subsidiary may make a distribution, as a dividend or otherwise, of the Equity Interests of, or Indebtedness owed to Holdings or any Subsidiary by, an Unrestricted Subsidiary; *provided* that both before and after giving effect thereto, no Event of Default shall have occurred and be continuing;

(xiii) Holdings or any Subsidiary may make Restricted Payments in an aggregate amount, together with the aggregate principal amount of Indebtedness paid, redeemed or otherwise acquired for value pursuant to Section 6.09(c)(ii), not to exceed the amount of Excluded Contributions; and

(xiv) Holdings or any Subsidiary may make unlimited Restricted Payments; *provided* that (x) both before and after giving effect thereto, no Event of Default shall have occurred and be continuing and (y) the Total Leverage Ratio, calculated on a Pro Forma Basis, shall not exceed 4.25 to 1.0.

(b) Enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (i) the ability of Holdings or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure the Bank Obligations, or (ii) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to Holdings or any Subsidiary or to Guarantee Indebtedness of Holdings or any Subsidiary, except in each case for such encumbrances or restrictions existing under or by reason of:

(A) contractual encumbrances or restrictions in effect on the 2016 Restatement Date and set forth on Schedule 6.06(b);

(B) the Loan Documents, the Senior Secured Note Documents with respect to Senior Secured Notes outstanding on the 2016 Restatement Date, the Senior Unsecured Note Documents with respect to Senior Unsecured Notes outstanding on the 2016 Restatement Date, the November 2013 5.625% Senior Unsecured Note Documents and the Intercreditor Agreements;

(C) applicable law or any applicable rule, regulation or order;

(D) any agreement or other instrument of a Person acquired by Holdings or any Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired;

(E) customary provisions in joint venture agreements relating solely to such joint venture;

(F) Capital Lease Obligations and purchase money obligations for property acquired in the ordinary course of business, *provided* that such encumbrances and restrictions do not apply to any property or assets other than the property or assets financed by such Capital Lease Obligations and purchase money obligations;

(G) customary provisions contained in leases (other than financing or similar leases), licenses and other similar agreements entered into in the ordinary course of business, *provided* that such encumbrances and restrictions only apply to the property or assets that are the subject of such leases, licenses and agreements;

(H) contracts or agreements for the sale of assets, *provided* that such encumbrances and restrictions only apply to any property or assets that are the subject of such contracts and agreements;

(I) any encumbrance or restriction arising under a local working capital facility permitted by Section 6.01;

(J) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred subsequent to the 2016 Restatement Date permitted by Section 6.01 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Lenders than the encumbrances and restrictions contained in the Loan Documents, the Senior Secured Note Documents with respect to the Senior Secured Notes described in clauses (a), (b), (c), (d) or (e) of the definition of "Senior Secured Notes", the Senior Unsecured Note Documents with respect to the Senior Unsecured Notes described in clauses (a), (b), (c), (d) or (e) of the definition of "Senior Unsecured Notes" or in the November 2013 Senior Unsecured Note Documents;

(K) any customary restrictions and conditions contained in agreements relating to any Permitted Receivables Financing; *provided* such restrictions and conditions apply solely to (A) the Securitization Assets involved in such Permitted Receivables Financing and (B) any applicable Securitization Subsidiary; and

(L) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (A) through (K) above; *provided* that the encumbrances and restrictions contained in such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of Holdings no more restrictive than those encumbrances and restrictions in effect immediately prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this Section 6.06, any Restricted Payment need not be made solely by reference to one of the foregoing clauses but may be made under any combination of such clauses (including in part under one clause and in part under any other such clause).

SECTION 6.07. ***Transactions with Affiliates***. Sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except that Holdings or any Subsidiary may engage in any of the foregoing transactions at prices and on terms and conditions not less favorable to Holdings or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, except that the foregoing provisions shall not apply to the following:

(a) transactions between or among Holdings or any Loan Parties (or an entity that becomes a Loan Party as a result of such transaction) or between or among Loan Parties;

(b) (i) Restricted Payments permitted under Section 6.06 and (ii) Management Fees and out-of-pocket expense reimbursement to the extent such Management Fees and out-of-pocket expense reimbursements would be permitted by Section 6.06(a)(xi) if such Management Fees and out-of-pocket expense reimbursements were included as Restricted Payments for purposes of Section 6.06(a)(xi);

(c) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of Holdings or any Subsidiary or any direct or indirect parent of Holdings;

(d) transactions in which Holdings or any Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an independent investment bank, valuation or accounting firm of recognized national standing stating that such transaction is fair to Holdings or such Subsidiary from a financial point of view or meets the requirements of this Section 6.07;

(e) [reserved];

(f) the formation and maintenance of any consolidated or combined group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(g) transactions with Securitization Subsidiaries in connection with any Permitted Receivables Financing;

(h) investments, loans and advances permitted by Section 6.04;

(i) mergers, consolidations, amalgamations and transfers of assets permitted by Section 6.05;

(j) any issuance of Equity Interests or capital contributions otherwise permitted hereunder;

(k) any issuance of Equity Interests, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans or similar employee benefit plans, or indemnities provided on behalf of employees, directors or consultants and approved by the board of directors or senior management of Holdings; and

(l) any transaction with a value of less than $75,000,000.

SECTION 6.08. ***Conduct of Business***. With respect to each Subsidiary, engage at any time in any business or business activity other than a Similar Business or, in the case of (a) a Securitization Subsidiary, Permitted Receivables Financings and business activities that are required by or incidental to such Permitted Receivables Financings and (b) a Captive Insurance Subsidiary, the provision of insurance to Holdings and the Subsidiaries and business activities that are required thereby or incidental thereto.

SECTION 6.09. ***Other Indebtedness and Agreements***. (a) Permit any waiver, supplement, modification or amendment of (i) its certificate of incorporation, by-laws, operating, management or partnership agreement or other organizational documents, or (ii) the November 2013 5.625% Senior Unsecured Note Documents, to the extent any such waiver, supplement, modification or amendment would be materially adverse to the Lenders; *provided* that nothing in this Section 6.09(a) shall prohibit the refinancing, replacement, extension or other similar modification of any Indebtedness to the extent otherwise permitted by Section 6.01.

(b) Make any distribution, whether in cash, property, securities or a combination thereof, other than regular scheduled payments of principal and interest as and when due (to the extent not prohibited by applicable subordination provisions), in respect of, or pay, or commit to pay, or directly or indirectly redeem, repurchase, retire or otherwise acquire for consideration, or set apart any sum for the aforesaid purposes, the November 2013 5.625% Senior Unsecured Notes or any other Indebtedness that is subordinated in right of payment to the Obligations except (i) refinancings with the proceeds of Indebtedness permitted by Section 6.01 (it being

understood that this clause permits the proceeds of such Indebtedness to be invested in a Person that applies such funds to redeem, repurchase, retire or otherwise acquire all or part of such November 2013 5.625% Senior Unsecured Notes or other subordinated Indebtedness and pay related accrued interest, premium, fees and expenses), (ii) payments to redeem, repurchase, retire or otherwise acquire for consideration November 2013 5.625% Senior Unsecured Notes or such other subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such redemption, repurchase, retirement or acquisition, (iii) payments financed with the proceeds of Qualified Capital Stock or Subordinated Shareholder Loans and (iv) so long as any payment of Loans required to be made pursuant to Section 2.13 with respect to the applicable transaction shall have been made, the payment of the November 2013 5.625% Senior Unsecured Notes or other subordinated Indebtedness pursuant to applicable "change of control" or other asset sale offer requirements.

(c) Notwithstanding the foregoing, Holdings and the Subsidiaries may pay, redeem, repurchase, retire or otherwise acquire for value Indebtedness in transactions that would otherwise be prohibited by paragraph (b) above, so long as the aggregate amount expended does not exceed (i) the Available Amount and (ii) together with aggregate amount of investments made pursuant to Section 6.04(k) and Restricted Payments made pursuant to Section 6.06(a)(xiii), the amount of Excluded Contributions, so long as, in the case of clause (i), (x) at the time of such payment, both before and after giving effect thereto, no Event of Default shall have occurred and be continuing and (y) Holdings and the Subsidiaries would be in Pro Forma Compliance.

SECTION 6.10. ***[Reserved]***.

SECTION 6.11. ***[Reserved]***.

SECTION 6.12. ***Maximum Total Secured Leverage Ratio***. For the benefit of the Revolving Credit Lenders and the Issuing Banks only (and the Administrative Agent on their behalf), permit the Total Secured Leverage Ratio as of the last day of any fiscal quarter (calculated on a Pro Forma Basis and with respect to the period of four consecutive fiscal quarters ended on such date) to be greater than 5.00 to 1.00 if the Aggregate Revolving Credit Exposure (excluding any Revolving Credit Exposure in respect of any undrawn Letter of Credit) outstanding as of the last day of such fiscal quarter exceeds an amount equal to 35% of the aggregate Revolving Credit Commitments as of such day.

SECTION 6.13. ***Fiscal Year***. With respect to Holdings, (a) change its fiscal year-end to a date other than December 31 or (b) change its accounting principles used for financial reporting; *provided*, *however*, that Holdings may change its accounting principles from IFRS to U.S. GAAP or from U.S. GAAP to IFRS, in each case upon not less than 30 days prior notice to the Administrative Agent.

ARTICLE VII

Events of Default

In case of the happening of any of the following Events of Default:

(a) any representation or warranty made or deemed made by a Loan Party in or in connection with any Loan Document or the borrowings or issuances of Letters of Credit hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished; *provided* that the foregoing shall not constitute an Event of Default for a period of 30 days following Holdings or any Subsidiary thereof becoming aware that any such representation, warranty, statement or information was so false or misleading if the circumstances giving rise thereto (x) are capable of being remedied and appropriate steps are being taken to effect such remedy, (y) have not caused and would not reasonably be expected to cause a Material Adverse Effect and (z) are remedied within such 30 day period (and, if not so remedied, shall, following such 30 day period, constitute an Event of Default);

(b) default shall be made by a Loan Party in the payment of any principal of any Loan or the reimbursement with respect to any L/C Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made by a Loan Party in the payment of any interest on any Loan or any Fee or L/C Disbursement or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of five Business Days;

(d) default shall be made in the due observance or performance by (i) Holdings or any Material Subsidiary of any covenant, condition or agreement contained in Section 5.01(a), 5.05(a) or 5.08 or in Article VI (other than Section 6.12) or (ii) Holdings of any covenant, condition or agreement contained in Section 6.12; *provided* that an Event of Default under Section 6.12 shall only constitute an Event of Default for purposes of any Term Loans if the Revolving Credit Lenders have terminated the Revolving Credit Commitments or declared (and which declaration shall not have been rescinded) all outstanding obligations in respect of the Revolving Credit Exposures to be immediately due and payable in accordance with this Agreement;

(e) default shall be made in the due observance or performance by Holdings or any Subsidiary of any material covenant, condition or agreement contained in any Loan Document (other than a Security Document) (other than those specified in (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days

after the earlier of (i) notice thereof from the Administrative Agent to each applicable Borrower (which notice shall also be given at the request of any Lender) or (ii) knowledge thereof by a Responsible Officer of any Loan Party;

(f) Holdings or any Material Subsidiary shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Material Indebtedness, when and as the same shall become due and payable beyond the period of grace, if any, provided in the instrument or agreement pursuant to which such Indebtedness was created, or (ii) default in the observance or performance of any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event of default shall occur that (A) results in any Material Indebtedness becoming due prior to its scheduled maturity or (B) enables or permits (with or without the giving of notice, the lapse of time or both but after any period of grace shall have lapsed and if any notice shall be required to commence a grace period or declare the occurrence of an event of default before a notice of acceleration may be delivered, such notice shall have been given) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; *provided* that (x) this clause (ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, (y) this clause (ii) shall not apply to termination events or equivalent events occurring under any Hedging Agreement in accordance with the terms thereof and not as a result of any default thereunder by Holdings or any Material Subsidiary (it being understood that the failure to pay any amount due as a result of such termination event shall constitute an Event of Default under this paragraph (f)) and (z) clause (ii)(B) shall not apply to any Permitted Receivables Financing; *provided* further that this clause (f) shall not apply where such default, event of default or failure to pay is validly waived by the holders of such Indebtedness in accordance with the terms of the documents governing such Indebtedness prior to the occurrence of an Event of Default hereunder;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of Holdings or any Material Subsidiary, or of a substantial part of the property or assets of Holdings, or any Material Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, provisional liquidator, administrator or similar official for Holdings or any Material Subsidiary or for a substantial part of the property or assets of Holdings or any Material Subsidiary or (iii) the winding-up or liquidation of Holdings or any Material Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) Holdings or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code,

as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of, or shall appoint in its own right, a receiver, trustee, custodian, sequestrator, conservator, administrator or similar official for Holdings or any Material Subsidiary or for a substantial part of the property or assets of Holdings or any Material Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay or thereafter to stop paying its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more judgments shall be rendered against Holdings or any Material Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of Holdings or any Material Subsidiary to enforce any such judgment and such judgment either (i) is for the payment of money in an aggregate amount in excess of $150,000,000 or (ii) is for injunctive relief and could reasonably be expected to result in a Material Adverse Effect;

(j) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect;

(k) the Guarantee provided for in Article X for any reason, other than as expressly permitted hereunder or thereunder, shall fail to remain in full force or effect, or any action shall be taken by any Loan Party to discontinue or to assert the invalidity or unenforceability thereof, or any Guarantor shall deny or disaffirm in writing that it has any further liability thereunder (other than as a result of the discharge of such Guarantor in accordance with the terms of the Loan Documents);

(l) default shall be made in the due observance or performance by Holdings or any Material Subsidiary of any material covenant, condition or agreement contained in any Security Document to which it is a party and such default shall continue unremedied for a period of 45 days after the earlier of (i) notice thereof from the Administrative Agent to each applicable Borrower (which notice shall also be given at the request of any Lender) or (ii) knowledge thereof by a Responsible Officer of any Loan Party;

(m) the security interest in the Collateral created under any Loan Document shall, at any time, cease to be in full force and effect and constitute a valid and, to the extent applicable and required by the Agreed Security Principles, perfected, lien with the priority required by this Agreement or the applicable Loan Documents for any reason other than the satisfaction in full of all obligations under this Agreement and discharge of this Agreement or as provided under the provisions governing the release

of security interests (other than any such failure that would not be material to the Lenders), or any Loan Party or any Affiliate thereof shall assert, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable and such failure or assertion shall have continued uncured for a period of (i) 45 days after any Loan Party becomes aware of such failure with respect to any Collateral of a U.S. Subsidiary (other than Collateral which is an Equity Interest of a Subsidiary that is not a U.S. Subsidiary) or (ii) 60 days after any Loan Party becomes aware of such failure otherwise;

(n) the Indebtedness under the November 2013 5.625% Senior Unsecured Notes or any other Subordinated Indebtedness of Holdings and the Subsidiaries constituting Material Indebtedness shall cease (or any Loan Party or an Affiliate of any Loan Party shall so assert), for any reason, to be validly subordinated to the Bank Obligations as provided in the November 2013 5.625% Senior Unsecured Note Documents or the agreements evidencing such other Subordinated Indebtedness;

(o) [reserved];

(p) [reserved];

(q) any step is taken to appoint a statutory manager (including the making of any recommendation in that regard by the New Zealand Financial Markets Authority) under the New Zealand Corporations (Investigation and Management) Act 1989 in respect of Holdings or any Material Subsidiary, or Holdings or any Material Subsidiary is declared at risk pursuant to the provisions of that Act; or

(r) there shall have occurred a Change in Control;

then, and (x) in every such event (other than (A) an event with respect to any U.S. Borrower or any of its Subsidiaries described in paragraph (g) or (h) above and (B) an event described in paragraph (d)(ii) above), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall, by notice to Holdings and each applicable Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding; (y) in any event with respect to any U.S. Borrower or any of its Subsidiaries described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding and (z) in any such event with respect to Holdings

described in paragraph (d)(ii) above, and at any time thereafter the Administrative Agent, at the request of the Required Revolving Credit Lenders, shall, by notice to Holdings and each applicable Borrower, take either or both of the following actions, at the same or different times: terminate forthwith the Revolving Credit Commitments of each Revolving Credit Lender and (ii) declare the Revolving Credit Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Revolving Credit Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued fees and all other liabilities of the Loan Parties accrued in respect thereof hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding.

ARTICLE VIII

The Administrative Agent and the Collateral Agents

Each Lender and each Issuing Bank hereby irrevocably appoints the Administrative Agent and the Collateral Agents (for purposes of this Article VIII, the Administrative Agent and the Collateral Agents are referred to collectively as the "***Agents***") its agent and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to (i) execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the other Loan Documents and (ii) negotiate, enforce or settle any claim, action or proceeding affecting the Lenders in their capacity as such, at the direction of the Required Lenders, which negotiation, enforcement or settlement will be binding upon each Lender. Each Bank Secured Party (other than the applicable Collateral Agent) hereby authorizes the Administrative Agent to appoint and designate, on its behalf, a Collateral Agent with respect to Collateral at any time located in the Province of Quebec, Canada, including by way of appointment and designation of a fondé de pouvoir and of a depositary, mandatary and custodian, the whole with respect to taking security over such Collateral under the laws of the Province of Quebec, and take all other actions in furtherance thereof.

The institution serving as Administrative Agent and/or the Collateral Agent under any Loan Documents shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Holdings, any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

The Administrative Agent shall have no duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be

necessary under the circumstances as provided in Section 9.08 or in the First Lien Intercreditor Agreement), and (c) except as expressly set forth in the Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings or any Subsidiary that is communicated to or obtained by the bank serving as the Administrative Agent and/or any Collateral Agent or any of their respective Affiliates in any capacity. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08 or in the First Lien Intercreditor Agreement) or in the absence of its own gross negligence or willful misconduct. Neither Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by Holdings, a Borrower or a Lender, and neither Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facilities as well as activities as Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrowers. Upon any such resignation, the Required Lenders shall have the right to appoint from among the Lenders a successor, which successor, so long as no Event of Default shall have occurred and be continuing, shall be subject to approval by Holdings (which approval shall not be unreasonably withheld or delayed). If no successor shall have been so appointed by the Required Lenders and approved by Holdings (to the extent required) and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office

in New York, New York, or an Affiliate of any such bank and, which successor, so long as no Event of Default shall have occurred and be continuing, shall be subject to approval by Holdings (which approval shall not be unreasonably withheld or delayed). If no successor Administrative Agent has been appointed pursuant to the immediately preceding sentence by the 30th day after the date such notice of resignation was given by the Administrative Agent, the Administrative Agent's resignation shall become effective and the Required Lenders shall thereafter perform all the duties of the Administrative Agent hereunder and/or under any other Loan Document until such time, if any, as the Required Lenders appoint a successor Administrative Agent. Any such resignation by the Administrative Agent hereunder shall also constitute, to the extent applicable, its resignation as an Issuing Bank, in which case such resigning Administrative Agent (a) shall not be required to issue any further Letters of Credit hereunder and (b) shall maintain all of its rights as Issuing Bank with respect to any Letters of Credit issued by it prior to the date of such resignation. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Without limiting the foregoing, no Bank Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Agents on behalf of the Bank Secured Parties in accordance with the terms thereof (subject, in the case of the Collateral, to the provisions of the First Lien Intercreditor Agreement). Each Lender (a) acknowledges that it has received a copy of each Intercreditor Agreement, (b) without limiting the foregoing, agrees that it will be bound by and will take no actions contrary to the provisions of any Intercreditor Agreement and (c) acknowledges that each Administrative Agent and the Collateral Agents will, and hereby authorizes the Administrative Agent and each Collateral Agent to, enter into (and be a party to) the First Lien Intercreditor Agreement on behalf of themselves, such Lender and other holders of Bank Obligations. The Lenders further acknowledge that, pursuant to the First Lien Intercreditor Agreement, the applicable Collateral Agent will have the sole right to proceed against the Collateral, and that the provisions of the First Lien Intercreditor Agreement may, in certain circumstances, limit the ability of the Administrative Agent to direct such Collateral Agent. In the event of a foreclosure by any

Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, any Lender may be the purchaser of any or all of such Collateral at any such sale or other disposition, and such Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by such Collateral Agent on behalf of the Secured Parties at such sale or other disposition. Each Bank Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the Bank Obligations provided under the Loan Documents, to have agreed to the foregoing provisions. The provisions of this paragraph are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Loan Party.

Notwithstanding any other provision of this Agreement or any provision of any other Loan Document, each Joint Bookrunner and Joint Lead Arranger listed on the cover page of this Agreement is named as such for recognition purposes only, and in its capacity as such shall have no duties, responsibilities or liabilities with respect to this Agreement or any other Loan Document; it being understood and agreed that each such Person shall be entitled to all indemnification and reimbursement rights in favor of the Agents provided herein and in the other Loan Documents. Without limitation of the foregoing, no Joint Bookrunner or Joint Lead Arranger in its capacity as such shall, by reason of this Agreement or any other Loan Document, have any fiduciary relationship in respect of any Lender, Loan Party or any other Person.

Each Lender and each Issuing Bank hereby (a) authorizes the Administrative Agent to instruct the Collateral Agents to terminate any existing control agreements with depositary banks and securities intermediaries and (b) agrees that, notwithstanding anything to the contrary set forth in the Collateral Agreements, control agreements with depositary banks and securities intermediaries governing deposit accounts or securities accounts shall not be required to be entered into after the 2016 Restatement Date.

Subject to the terms of the First Lien Intercreditor Agreement each Lender and each Issuing Bank hereby:

(a) authorizes the Collateral Agents (whether or not by or through employees or agents and with the right of sub-delegation) to accept as its representative (*Stellvertreter*) any pledge or other creation of any accessory security right granted in favor of such Lender or Issuing Bank in connection with the German Security Documents (as defined in the First Lien Intercreditor Agreement) under German law and to agree to and execute on its behalf as its representative (*Stellvertreter*) any amendments or alterations to any German Security Document which creates a pledge or any other accessory security right (*akzessorische Sicherheit*) including the release or confirmation of release of such security;

(b) releases each of the Administrative Agent and the Collateral Agents from any restrictions on representing several persons and self-dealing under any applicable law, and in particular from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) with the right of sub-delegation of such release, to make

use of any authorization granted under this Agreement and to perform its duties and obligations as Administrative Agent or Collateral Agent, respectively hereunder and under the German Security Documents; and

(c) ratifies and approves all acts and declarations previously done by any Collateral Agent on such person's behalf (including for the avoidance of doubt the declarations made by such Collateral Agent as representative without power of attorney (*Vertreter ohne Vertretungsmacht*) in relation to the creation of any pledge (*Pfandrecht*) on behalf and for the benefit of any Lender or Issuing Bank as future pledgee or otherwise).

The Lenders hereby authorize (i) the Administrative Agent, in its discretion, and (ii) each Collateral Agent, to enter into (and, in the case of the Administrative Agent, to instruct each Collateral Agent to enter into) any agreement, amendment, amendment and restatement, restatement, waiver, supplement or modification, and to make or consent to any filings or to take any other actions, in each case as contemplated by Section 9.26.

ARTICLE IX

Miscellaneous

SECTION 9.01. ***Notices; Electronic Communications***. Subject to Section 9.20, notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(a) if to any Borrower, Holdings or any Guarantor, to it at Reynolds Group Holdings Limited, 1900 West Field Court, Lake Forest, IL 60045, Attention of Joseph E. Doyle, Group Legal Counsel, Fax No. 847-482-4589, E-mail: JDoyle@pactiv.com;

(b) if to the Administrative Agent, to Credit Suisse AG, Agency Manager, Eleven Madison Avenue, New York, NY 10010, Fax No. 212-322-2291, E-mail: agency.loanops@credit-suisse.com; and

(c) if to a Lender, to it at its address (or fax number) set forth in the Administrative Questionnaire provided by such Lender to the Administrative Agent.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date five Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to among Holdings, the Borrowers, the Administrative Agent and the applicable Lenders from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person. No communication (including fax, electronic message or communication in any other written form) under or in connection with the Loan Documents shall be made to or from an address located inside of the Republic of Austria.

Holdings and each Borrower hereby agree, unless directed otherwise by the Administrative Agent or unless the electronic mail address referred to below has not been provided by the Administrative Agent to the Borrowers, that it will, or will cause the Subsidiaries to, provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Loan Documents or to the Lenders under Article V, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (a) is or relates to a Borrowing Request, a notice pursuant to Section 2.10 or a notice requesting the issuance, amendment, extension or renewal of a Letter of Credit pursuant to Section 2.22, (b) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (c) provides notice of any Default or Event of Default under this Agreement or any other Loan Document or (d) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Borrowing or other extension of credit hereunder (all such non-excluded communications being referred to herein collectively as "***Communications***"), by transmitting the Communications in an electronic/soft medium that is properly identified in a format acceptable to the Administrative Agent to an electronic mail address as directed by the Administrative Agent. In addition, Holdings and each Borrower agree, and agree to cause the Subsidiaries, to continue to provide the Communications to the Administrative Agent or the Lenders, as the case may be, in the manner specified in the Loan Documents but only to the extent requested by the Administrative Agent.

Holdings and each Borrower hereby acknowledge that (a) the Administrative Agent will make available to the Lenders and the Issuing Banks materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, the "***Borrower Materials***") by posting the Borrower Materials on Intralinks or another similar electronic system (the "***Platform***") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to each Borrower or its securities) (each, a "***Public Lender***"). Holdings and each Borrower hereby agree that (i) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrowers shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to Holdings and any Borrower or its securities for purposes of foreign, United States federal and state securities laws (*provided*, *however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 9.16); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor;" and (iv) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not marked as "Public Investor." Notwithstanding the foregoing, the following Borrower Materials shall be marked "PUBLIC", unless Holdings or a Borrower notifies the Administrative Agent promptly that any such document contains material non-public information: (A) the Loan Documents and (B) notification of changes in the terms of the Credit Facilities.

Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in

accordance with such Public Lender's compliance procedures and applicable law, including foreign, United States Federal and state securities laws, to make reference to Communications that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to Holdings or a Borrower or its securities for purposes of foreign, United States Federal or state securities laws.

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS RELATED PARTIES WARRANTS THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM AND EACH EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS IS MADE BY THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, WHETHER OR NOT BASED ON STRICT LIABILITY AND INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY SUCH PERSON IS FOUND IN A FINAL RULING BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that receipt of notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.02. ***Survival of Agreement***. All covenants, agreements, representations and warranties made by each Loan Party herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and the Issuing Banks and shall survive the making by the Lenders of the Loans and the issuance of Letters of Credit by the Issuing Banks, regardless of any investigation made by the Lenders or the Issuing Banks or on their behalf, and

shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not been terminated. The provisions of Sections 2.14, 2.16, 2.20 and 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, any Collateral Agent, any Lender or any Issuing Bank.

SECTION 9.03. ***[Reserved]***.

SECTION 9.04. ***Successors and Assigns***. (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Loan Parties, the Administrative Agent, the Issuing Banks or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) (with the prior written consent of the applicable Borrower or Borrowers, if required by the definition of the term "Eligible Assignee", being deemed given unless such Borrower or Borrowers shall have objected to such assignment by written notice to the Administrative Agent within five Business Days after having received notice thereof); *provided*, *however*, that (i) notwithstanding anything to the contrary in the definition of the term "Eligible Assignee", the consent of the applicable Borrower shall not be required to any such assignment made in connection with the initial syndication of the Credit Facilities to Persons identified by the Administrative Agent to the Borrowers on or prior to the 2016 Restatement Date; (ii) the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall be not less than, $1,000,000 or €1,000,000, as the case may be (or, if less, the entire remaining amount of such Lender's Commitment or Loans of the relevant Class); *provided* that simultaneous assignments to or by two or more Related Funds shall be combined for purposes of determining whether the minimum assignment requirement is met; (iii) the parties to each assignment shall (A) execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system acceptable to the Administrative Agent or (B) if previously agreed with the Administrative Agent, manually execute and deliver to the Administrative Agent an Assignment and Acceptance, and, in each case, shall pay to the Administrative Agent a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent); and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire (in which the assignee shall designate one or more credit contacts to whom all syndicate-level information (which may contain material non-

public information about the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws) and all applicable tax forms. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender (and, if applicable, an Issuing Bank) under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits and be subject to the obligations, of Sections 2.14, 2.16, 2.20 and 9.05, as well as to the benefit of any Fees accrued for its account and not yet paid). Notwithstanding the foregoing, no Lender shall be permitted to make assignments under this Agreement to any Disqualified Institutions.

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Term Loan Commitment and Revolving Credit Commitment, and the outstanding balances of its Term Loans and Revolving Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance; (ii) except as set forth in clause (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of Holdings or any Subsidiary or the performance or observance by any Loan Party of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is an Eligible Assignee legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement and of each Intercreditor Agreement, together with copies of the most recent financial statements referred to in Section 3.05 or delivered pursuant to Section 5.04 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee agrees that it will be bound by and will take no actions contrary to the provisions of each Intercreditor Agreement; (vii) such assignee appoints and authorizes the Administrative Agent and the Collateral Agents to take

such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent and the Collateral Agents, respectively, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto; and (viii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender (and, if applicable, as an Issuing Bank).

(d) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of (i) the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time, and (ii) the names and addresses of the Issuing Banks, and their respective L/C Commitments hereunder from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error and the Borrowers, the Administrative Agent, the Issuing Banks, the Collateral Agents and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender or Issuing Bank, as applicable, hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, any Issuing Bank, the Collateral Agents and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of, and consent to, a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above, if applicable, and the written consent of the Administrative Agent and, if required, the Borrowers and each Issuing Bank to such assignment and any applicable tax forms, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e).

(f) Each Lender may without the consent of any Borrower, any Issuing Bank or Administrative Agent sell participations to one or more banks or other Persons in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided*, *however*, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other Persons shall be entitled to the benefit, and be subject to the obligations, of the cost protection provisions contained in Sections 2.14, 2.16 and 2.20 to the same extent as if they were Lenders (but, with respect to any particular participant, to no greater extent than the Lender that sold the participation to such participant) and (iv) the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrowers

relating to the Loans or L/C Disbursements and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable to such participating bank or Person hereunder or the amount of principal of or the rate at which interest is payable on the Loans in which such participating bank or Person has an interest, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans in which such participating bank or Person has an interest, increasing or extending the Commitments in which such participating bank or Person has an interest or releasing any Guarantor (other than in connection with the sale of such Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral). To the extent permitted by law, each participating bank or other Person also shall be entitled to the benefits of Section 9.06 as though it were a Lender; *provided* that such participating bank or other Person agrees to be subject to Section 2.18 as though it were a Lender. Notwithstanding the foregoing, no Lender shall be permitted to sell participations under this Agreement to any Disqualified Institutions.

(g) Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each participant's interest in the loans or other obligations under this Agreement (the "***Participant Register***"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(h) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or participant or proposed assignee or participant any information relating to Holdings or any Subsidiary furnished to such Lender by or on behalf of Holdings and the Subsidiaries; *provided* that, prior to any such disclosure of information, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of such information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.16.

(i) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; *provided* that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(j) Notwithstanding anything to the contrary contained herein, any Lender (a "***Granting Lender***") may grant to a special purpose funding vehicle (an "***SPV***"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrowers, the option to provide to the Borrowers all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrowers pursuant to this Agreement; *provided* that (i) nothing herein shall

constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it will not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPV may (i) with notice to, but without the prior written consent of, the Borrowers and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrowers and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. In the event that a Lender makes a grant to an SPV pursuant to this Section 9.04(j) or an SPV elects to exercise an option granted to it pursuant to this Section 9.04(j), no Loan Party shall be required to make payments under Section 2.20 in an amount in excess of the amount that it would be required to pay in the absence of such grant or election.

(k) [Reserved].

(l) In the event that any Revolving Credit Lender shall become a Defaulting Lender or S&P, Moody's and Thompson's BankWatch (or InsuranceWatch Ratings Service, in the case of Lenders that are insurance companies (or Best's Insurance Reports, if such insurance company is not rated by Insurance Watch Ratings Service)) shall, after the date that any Lender becomes a Revolving Credit Lender, downgrade the long-term certificate deposit ratings of such Lender, and the resulting ratings shall be below BBB-, Baa3 and C (or BB, in the case of a Lender that is an insurance company (or B, in the case of an insurance company not rated by InsuranceWatch Ratings Service)) (or, with respect to any Revolving Credit Lender that is not rated by any such ratings service or provider or any Issuing Bank shall have reasonably determined that there has occurred a material adverse change in the financial condition of any such Lender, or a material impairment of the ability of any such Lender to perform its obligations hereunder, as compared to such condition or ability as of the date that any such Lender became a Revolving Credit Lender) then such Issuing Bank shall have the right, but not the obligation, at its own expense, upon notice to such Lender and the Administrative Agent, to replace such Lender with an assignee (in accordance with and subject to the restrictions contained in paragraph (b) above), and

such Lender hereby agrees to transfer and assign without recourse (in accordance with and subject to the restrictions contained in paragraph (b) above) all its interests, rights and obligations in respect of its Revolving Credit Commitment to such assignee; *provided*, *however*, that (i) no such assignment shall conflict with any law, rule and regulation or order of any Governmental Authority and (ii) such Issuing Bank or such assignee, as the case may be, shall pay to such Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by such Lender hereunder and all other amounts accrued for such Lender's account or owed to it hereunder.

(m) (i) Notwithstanding the definition of "Eligible Assignee" or anything else to the contrary contained in this Agreement, any Term Lender may assign all or a portion of its Term Loans to any Person who, after giving effect to such assignment, would be an Affiliated Lender (without the consent of any Person but subject to acknowledgment by the Administrative Agent and the applicable Borrower or Borrowers, such acknowledgment not to be unreasonably withheld or delayed); *provided* that:

(A) the assigning Lender and the Affiliated Lender purchasing such Term Lender's Term Loans shall execute and deliver to the Administrative Agent an assignment agreement reasonably satisfactory to the Administrative Agent in which such Affiliated Lender will be identified as such;

(B) at the time of such assignment and after giving effect to such assignment, the aggregate outstanding principal amount of all Term Loans held by Affiliated Lenders shall not exceed 25% of the aggregate principal amount of all Term Loans then outstanding under this Agreement;

(C) any such Term Loans acquired by (x) Holdings, a Borrower or a subsidiary shall be retired or cancelled promptly upon the acquisition thereof and (y) an Affiliated Lender may, with the consent of the Borrowers, be contributed to Holdings (and then to any Borrower), whether through a Parent Company or otherwise, and exchanged for equity securities, Subordinated Shareholder Loans or Permitted Affiliated Lender Exchange Debt of Holdings, the Borrowers or such Parent Company that are otherwise permitted to be issued at such time pursuant to the terms of this Agreement, so long as any Term Loans so acquired by Holdings, any Borrower or any subsidiary shall be retired and cancelled promptly upon the acquisition thereof; and

(D) no proceeds of Revolving Loans shall be used to fund any such acquisition by an Affiliated Lender.

(ii) Notwithstanding anything to the contrary in this Agreement, no Affiliated Lender shall have any right to (A) attend (including by telephone) any meeting or discussions (or portion thereof) among the Administrative Agent or any Lender to which representatives of the Loan Parties are not invited or (B) receive any information or material prepared by the Administrative Agent or any Lender or any communication among the Administrative Agent and/or one or more Lenders, except to the extent such

information or materials or communication have been made available to any Loan Party or its representatives.

(iii) Notwithstanding anything in Section 9.08 or the definition of "Required Lenders" to the contrary, for purposes of determining whether the Required Lenders, all affected Lenders or all Lenders have (A) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, (B) otherwise acted on any matter related to any Loan Document or (C) directed or required the Administrative Agent, the Collateral Agents or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, an Affiliated Lender shall be deemed to have voted its interest as a Lender without discretion in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Affiliated Lenders; *provided* that no amendment, modification, waiver, consent or other action with respect to any Loan Document shall deprive such Affiliated Lender of its pro rata share of any payments to which such Affiliated Lender is entitled under the Loan Documents without such Affiliated Lender providing its consent; *provided, further,* that such Affiliated Lender shall have the right to approve any amendment, modification, waiver or consent (1) of the type described in Section 9.08(b)(i), (b)(ii), (b)(iii), (b)(iv) or (b)(vi) of this Agreement or (2) that adversely affects such Affiliated Lender in its capacity as a Lender in any respect as compared to other Lenders; and in furtherance of the foregoing, (x) the Affiliated Lender agrees to execute and deliver to the Administrative Agent any instrument reasonably requested by the Administrative Agent to evidence the voting of its interest as a Lender in accordance with the provisions of this Section 9.04(m); *provided* that if the Affiliated Lender fails to promptly execute such instrument such failure shall in no way prejudice any of the Administrative Agent's rights under this paragraph and (y) the Administrative Agent is hereby appointed (such appointment being coupled with an interest) by the Affiliated Lender as the Affiliated Lender's attorney-in-fact, with full authority in the place and stead of the Affiliated Lender and in the name of the Affiliated Lender, from time to time in Administrative Agent's discretion to take any action and to execute any instrument that Administrative Agent may deem reasonably necessary to carry out the provisions of this paragraph (m)(iii).

(iv) Each Affiliated Lender, solely in its capacity as a Lender, hereby agrees, and each assignment agreement relating to an assignment to such Affiliated Lender shall provide a confirmation that, if any Loan Party shall be subject to any voluntary or involuntary proceeding commenced under any Debtor Relief Laws ("***Bankruptcy Proceedings***"), (i) such Affiliated Lender shall not take any step or action in such Bankruptcy Proceeding to object to, impede or delay the exercise of any right or the taking of any action by the Administrative Agent or the Collateral Agents (or the taking of any action by a third party that is supported by the Administrative Agent or the Collateral Agents) in relation to such Affiliated Lender's claim with respect to its Loans (a "***Claim***") (including objecting to any debtor in possession financing, use of cash collateral, grant of adequate protection, sale or disposition, compromise, or plan of reorganization) so long as such Affiliated Lender is treated in connection with such exercise or action on the same or better terms as the other Lenders and (ii) with respect to any matter requiring the vote of Lenders during the pendency of a Bankruptcy Proceeding (including voting on any plan of

reorganization), the Loans held by such Affiliated Lender (and any Claim with respect thereto) shall be deemed to be voted in accordance with clause (iii) of this Section 9.04(m), so long as such Affiliated Lender is treated in connection with the exercise of such right or taking of such action on the same or better terms as the other Lenders. For the avoidance of doubt, the Lenders and each Affiliated Lender agree and acknowledge that the provisions set forth in this clause (iv) of Section 9.04(m), and the related provisions set forth in each assignment agreement relating to an assignment to such Affiliated Lender, constitute a "subordination agreement" as such term is contemplated by, and utilized in, Section 510(a) of the Bankruptcy Code, and, as such, would be enforceable for all purposes in any case where a Loan Party has filed for protection under any Debtor Relief Law applicable to the Loan Party (it being understood and agreed that the foregoing shall not cause the Loans held by any Affiliated Lender to be subordinated in right of payment to any other Obligations).

(v) Each Lender making an assignment to, or taking an assignment from, an Affiliated Lender acknowledges and agrees that in connection with such assignment, (x) such Affiliated Lender then may have, and later may come into possession of Excluded Information, (y) such Lender has independently and, without reliance on the Affiliated Lender, Holdings, the Borrowers, any of the other Subsidiaries, the Administrative Agent or any of their respective Affiliates, has made its own analysis and determination to enter into such assignment notwithstanding such Lender's lack of knowledge of the Excluded Information and (z) none of Holdings, the Borrowers, any other Subsidiary, the Administrative Agent, or any of their respective Affiliates shall have any liability to such Lender, and such Lender hereby waives and releases, to the extent permitted by law, any claims such Lender may have against Holdings, the Borrowers, the other Subsidiaries, the Administrative Agent, and their respective Affiliates, under applicable laws or otherwise, with respect to the nondisclosure of the Excluded Information. Each Lender entering into such an assignment further acknowledges that the Excluded Information may not be available to the Administrative Agent or the other Lenders.

The foregoing provisions of Sections 9.04(m)(ii), (iii) and (iv) shall not apply to an Investment Fund, and a Term Lender shall be permitted to assign all or a portion of such Term Lender's Term Loans to any Investment Fund without regard to the foregoing provisions of Sections 9.04(m)(ii), (iii) and (iv).

(n) Notwithstanding anything to the contrary contained in this Agreement, any Lender may assign all or a portion of its Term Loans in connection with any primary syndication of Term Loans relating to any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to cashless settlement mechanisms approved by the Borrowers, the Administrative Agent, the assignor Lender and the assignee of such Lender.

SECTION 9.05. ***Expenses; Indemnity***. (a) The Loan Parties agree, jointly and severally, to pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, each Collateral Agent and each Issuing Bank in connection with the syndication of the Credit Facilities and the preparation and administration of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be

consummated); *provided* that, except as otherwise agreed in the First Lien Intercreditor Agreement, the Loan Parties shall not be responsible for the reasonable fees, charges and disbursements of more than one separate law firm (in addition to one local counsel per relevant jurisdiction). The Loan Parties also agree to pay all documented and out-of-pocket expenses incurred by (i) the Administrative Agent or any Collateral Agent in connection with the enforcement or protection of its rights or the rights of the Lenders or the other Secured Parties in connection with this Agreement and the other Loan Documents or in connection with the Loans made or Letters of Credit issued hereunder, including the reasonable and documented fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent, and, in connection with any such enforcement or protection, the reasonable and documented fees, charges and disbursements of any other counsel for the Administrative Agent and (ii) the Lenders in connection with any formal legal action actually taken by, or at the request of, the Required Lenders, to enforce or protect their rights under the Credit Agreement or the other Loan Documents, limited, in the case of this clause (ii), to reasonable and documented fees, charges and disbursements of one firm of counsel for all such Lenders and the reasonable and documented fees, charges and disbursements of one additional firm of counsel for all such Lenders in each relevant jurisdiction.

(b) The Loan Parties agree, jointly and severally, to indemnify the Administrative Agent, each Lender, each Issuing Bank and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions, the Company Post-Closing Reorganization, the Pactiv Transactions, the Graham Packaging Transactions, the 2016 Restatement Transactions, the other transactions contemplated thereby (including the syndication of the Credit Facilities) and any Borrowing hereunder, (ii) the use of the proceeds of the Loans or issuance of Letters of Credit, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrowers, any other Loan Party or any of their respective Affiliates), or (iv) any Release or actual or alleged presence of Hazardous Materials on, at or under any property currently or formerly owned, leased or operated by Holdings or any of its subsidiaries or any Environmental Liability related in any way to Holdings or any of its subsidiaries; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment (or settlement tantamount thereto) to have resulted from (i) the bad faith, gross negligence or willful misconduct of such Indemnitee or Related Party of such Indemnitee or (ii) claims against such Indemnitee or any Related Party brought by any other Indemnitee that (x) did not arise out of any action or inaction on the part of Holdings or any of its Affiliates and (y) do not involve the Lead Arranger or an Agent in its capacity as such. This Section 9.05 shall not apply with respect to Taxes except

as necessary to hold such Indemnitee harmless from any and all losses, claims, damages, liabilities and related expenses with respect to any non-Tax claim.

(c) To the extent that any Loan Party fails to pay any amount required to be paid by it to the Administrative Agent, any Issuing Bank or any Collateral Agent under paragraph (a) or (b) of this Section or under any other Loan Document, each Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought and, in the case of the Collateral Agents, subject to pro rata allocation with the holders of the Senior Secured Notes to the extent provided for in any Intercreditor Agreement) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or such Issuing Bank in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the Aggregate Revolving Credit Exposure, outstanding Term Loans and unused Commitments at the time (in each case, determined as if no Lender were a Defaulting Lender).

(d) To the extent permitted by applicable law, none of Holdings and the Borrowers shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, the Company Post-Closing Reorganization, the Pactiv Transactions, the Graham Packaging Transactions, the 2016 Restatement Transactions and any Borrowing, Loan or Letter of Credit or the use of the proceeds thereof.

(e) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, any Collateral Agent, any Lender or any Issuing Bank. All amounts due under this Section 9.05 shall be payable on written demand therefor.

SECTION 9.06. ***Right of Setoff***. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of any Loan Party against any of and all the obligations of any Loan Party now or hereafter existing under this Agreement and other Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Lender under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.07. ***Applicable Law***. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN LETTERS OF CREDIT AND AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH LETTER OF CREDIT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OR RULES DESIGNATED IN SUCH LETTER OF CREDIT, OR IF NO SUCH LAWS OR RULES ARE DESIGNATED, THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS MOST RECENTLY PUBLISHED AND IN EFFECT, ON THE DATE SUCH LETTER OF CREDIT WAS ISSUED, BY THE INTERNATIONAL CHAMBER OF COMMERCE (THE "***UNIFORM CUSTOMS***") AND, AS TO MATTERS NOT GOVERNED BY THE UNIFORM CUSTOMS, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.08. ***Waivers; Amendment***. (a) No failure or delay of the Administrative Agent, any Lender or any Issuing Bank in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Collateral Agents, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by Holdings, the other Loan Parties and the Required Lenders; *provided*, *however*, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan or any date for reimbursement of an L/C Disbursement, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan or L/C Disbursement, without the prior written consent of each Lender directly adversely affected thereby, (ii) increase or extend the Commitment or decrease or extend the date for payment of any Fees of any Lender without the prior written consent of such Lender, (iii) amend or modify the pro rata requirements of Section 2.17, the provisions of Section 9.04(k) or the provisions of this Section or release Guarantors representing all or substantially all the value of the Guarantee under Article X or all or substantially all of the Collateral, without the prior written consent of each Lender, (iv) change the provisions of any Loan Document in a manner that by its terms directly and adversely affects the rights of Lenders holding Loans of one Class differently from the rights of Lenders holding Loans of any other Class without the prior written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each directly adversely affected Class, (v) modify the protections afforded to an SPV pursuant to the provisions of Section 9.04(j) without the written consent of such SPV, (vi) reduce the percentage contained in the definition of the term "Required Lenders"

without the prior written consent of each Lender (it being understood that with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the Term Loan Commitments and Revolving Credit Commitments on the date hereof) and (vii) only the written consent of the Required Revolving Credit Lenders shall be necessary to amend or waive the terms and provisions of Section 6.12, paragraph (d)(ii) of Article VII and the last two sentences of the definition of Consolidated EBITDA (and related definitions as used in such provisions, but not as used in other provisions of this Agreement), and no amendment or waiver of any of the foregoing in this clause (vii) may be made without the written consent of the Required Revolving Credit Lenders; *provided* that (A) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Collateral Agent or any Issuing Bank hereunder or under any other Loan Document without the prior written consent of the Administrative Agent, such Collateral Agent or such Issuing Bank, as the case may be, and (B) any waiver, amendment or modification of this Agreement that by its terms solely affects the rights or duties under this Agreement of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) may be effected by an agreement or agreements in writing entered into by Holdings, the Borrowers and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time. Notwithstanding the foregoing, with the consent of Holdings, the Borrowers and the Required Lenders, this Agreement (including Section 2.17) may be amended to allow the Borrowers to prepay Loans of a Class on a non-pro rata basis in connection with offers made to all the Lenders of such Class pursuant to procedures approved by the Administrative Agent.

(c) The Administrative Agent, Holdings and the Borrowers may amend any Loan Document to correct administrative or manifest errors or omissions, or to effect administrative changes that are not adverse to any Lender; *provided*, *however*, that no such amendment shall become effective until the fifth Business Day after it has been posted to the Lenders, and then only if the Required Lenders have not objected in writing thereto within such five Business Day period.

SECTION 9.09. ***Interest Rate Limitation***. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or participation in any L/C Disbursement, together with all fees, charges and other amounts which are treated as interest on such Loan or participation in such L/C Disbursement under applicable law (collectively the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or participation in accordance with applicable law, the rate of interest payable in respect of such Loan or participation hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or participation but were not payable as a result of the operation of this Section 9.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or participations or periods shall be increased (but not above the Maximum Rate

therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.10. ***Entire Agreement***. This Agreement, the Fee Letter and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any Person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder (including any Affiliate of any Issuing Bank that issues any Letter of Credit), to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders and, (a) solely with respect to Article VIII, Section 9.22 and Article X, the Collateral Agents and (b) solely with respect to Section 9.22 and Article X, the Local Facility Providers, Hedge Providers and Cash Management Banks) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11. ***WAIVER OF JURY TRIAL***. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. ***Severability***. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13. ***Counterparts***. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by facsimile or other customary means of electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14. ***Headings***. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15. ***Jurisdiction***; ***Consent to Service of Process***. (a) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court; *provided* that solely for the purpose of enforcement of the rights of the Administrative Agent, any Issuing Bank and any Lender under this Agreement in Austria, each Loan Party hereby irrevocably and unconditionally also submits, for itself and its property to the jurisdiction of the courts of England. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Collateral Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Borrower, Holdings or their respective properties in the courts of any jurisdiction.

(b) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) Each Loan Party hereby irrevocably designates and appoints Reynolds Consumer Products Holdings LLC as its authorized agent upon which process may be served in any action, suit or proceeding arising out of or relating to this Agreement that may be instituted by the Administrative Agent or any Lender in any Federal or state court in the State of New York. Each Loan Party hereby agrees that service of any process, summons, notice or document by U.S. registered mail addressed to the U.S. Borrowers, with written notice of said service to such Person at the address above shall be effective service of process for any action, suit or proceeding brought in any such court.

SECTION 9.16. ***Confidentiality***. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below),

except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or quasi-regulatory authority (such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.16, to (i) any actual or prospective assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Holdings or any Subsidiary or any of their respective obligations, (f) with the consent of Holdings or a Borrower and (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 9.16. In addition, the existence of this Agreement and information about this agreement may be disclosed to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the Credit Facilities and to any administration, management or settlement service providers in connection with the administration and management of this Agreement and the other Loan Documents. For the purposes of this Section, "***Information***" shall mean all information received from the Borrowers or Holdings and related to such Person or its or their business, other than any such information that was available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to its disclosure by the Borrowers or Holdings. Any Person required to maintain the confidentiality of Information as provided in this Section 9.16 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord its own confidential information. Notwithstanding any other provision of this Agreement, any other Loan Document or any Assignment and Acceptance, the provisions of this Section 9.16 shall survive with respect to each Agent and Lender until the second anniversary of such Agent or Lender ceasing to be an Agent or a Lender, respectively.

SECTION 9.17. ***Conversion of Currencies***. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures in the relevant jurisdiction, the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each party in respect of any sum due to any other party hereto or any holder of the obligations owing hereunder (the "***Applicable Creditor***") shall, notwithstanding any judgment in a currency (the "***Judgment Currency***") other than the currency in which such sum is stated to be due hereunder (the "***Agreement Currency***"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum

originally due to the Applicable Creditor in the Agreement Currency, such party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Loan Parties contained in this Section 9.17 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

SECTION 9.18. ***USA PATRIOT Act Notice***. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of and each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the USA PATRIOT Act.

SECTION 9.19. ***Place of Performance.*** The Parties shall perform their obligations under or in connection with the Loan Documents exclusively at the Place of Performance (as defined below), but in no event at a place in Austria and the performance of any obligations or liability under or in connection with the Loan Documents within the Republic of Austria shall not constitute discharge or performance of such obligation or liability. For the purposes of the above, "Place of Performance" means:

(a) in relation to any payment under or in connection with a Loan Document, the place at which such payment is to be made pursuant to Section 2.19; and

(b) in relation to any other obligation or liability under or in connection with the Loan Documents, the premises of the Administrative Agent in New York or any other place outside of Austria as the Administrative Agent may specify from time to time.

SECTION 9.20. ***Acknowledgement and Consent to Bail-In of Affected Financial Institutions***. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or

otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

The following terms shall for purposes of this Section 9.20 have the meanings set forth below:

"***Affected Financial Institution***" shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution.

"***Bail-In Action***" shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"***Bail-In Legislation***" shall mean (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"***EEA Financial Institution***" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" shall mean any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"***EEA Resolution Authority***" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Resolution Authority***" shall mean an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"***UK Financial Institution***" shall mean any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"***UK Resolution Authority***" shall mean the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"***Write-Down and Conversion Powers***" shall mean, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 9.21. ***Additional Borrowers; Resignation of Borrowers***. (a) (i) Holdings or any Borrower may designate any of its Wholly Owned Subsidiaries as a Borrower under any of the Revolving Credit Commitments or pursuant to an Incremental Assumption Agreement; *provided* that (x) the Administrative Agent shall be reasonably satisfied that the Lenders of the applicable Class may make loans and other extensions of credit to such Person in such Person's jurisdiction in compliance with applicable laws and regulations and without being subject to any unreimbursed or unindemnified Tax or other expense and (y) the Administrative Agent shall have received, at least five Business Days prior to the date on which such Person is proposed to become a Borrower hereunder, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including to the extent applicable, the USA PATRIOT Act. Upon the receipt by the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Wholly Owned Subsidiary of Holdings, Holdings and the Borrowers, such Wholly Owned Subsidiary of Holdings shall be a Borrower and a party to this Agreement and, thereafter, any reference in this Agreement or in any other Loan Document to the U.S. Borrowers, the European Borrowers or the Borrowers shall, as applicable, include such Wholly Owned Subsidiary in such capacity.

(ii) A Person shall cease to be a Borrower hereunder at such time as (x) in the case of an Ancillary Borrower, (A) such Person (1) ceases to be a Subsidiary or (2) is liquidated, dissolved, merged, consolidated, amalgamated, wound-up or otherwise ceases to exist, in each case pursuant to a transaction or other event permitted pursuant to this Agreement or (B) Holdings delivers a written notice to the Administrative Agent (which notice may be contained in the applicable Borrowing Subsidiary Termination) certifying that it is intended

such Ancillary Borrower be subject to an event described in paragraph (A)(2) above that is otherwise permitted pursuant to this Agreement and that the release of such Ancillary Borrower is necessary or desirable to effect such event, *provided* that the related events contemplated by (A)(2) above are consummated reasonably promptly after such release (taking into account all requirements under applicable laws) or (y) no Loans, Fees or any other amounts due in connection therewith pursuant to the terms hereof shall be outstanding by such Person, no Letters of Credit issued for the account of such Person shall be outstanding and such Person and, in each case, Holdings shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination. The Borrowers and the Guarantors hereby acknowledge and agree that the release of any Borrower in accordance with this Section 9.21(a) shall not affect the nature or validity of their joint and several obligations in respect of the obligations, if any, of the Borrower so released, all of which shall remain in effect in accordance with the terms of this Agreement and the other Loan Documents.

(iii) Holdings may, by written notice to the Administrative Agent, designate (x) any Ancillary Borrower that is a Domestic Subsidiary as the Principal Borrower in respect of any Credit Facility denominated in Dollars in replacement of the Borrower which at that time is the Principal Borrower in respect thereof and (y) any Ancillary Borrower that is a Subsidiary organized under the laws of Luxembourg or the Netherlands (or another jurisdiction reasonably acceptable to the Administrative Agent) as the Principal Borrower in respect of any Credit Facility denominated in Euro in replacement of the Borrower which at that time is the Principal Borrower in respect thereof. For the avoidance of doubt, (A) effective immediately upon such designation, the Borrower that was the Principal Borrower in respect of the applicable Credit Facility prior to such designation shall no longer be the Principal Borrower in respect thereof and (B) there shall at all times be a Principal Borrower that is a Domestic Subsidiary in respect of each Credit Facility denominated in Dollars and a Principal Borrower that is a Subsidiary organized under the laws of Luxembourg or the Netherlands (or another jurisdiction reasonably acceptable to the Administrative Agent) in respect of each Credit Facility denominated in Euro.

(b) Notwithstanding the foregoing, no Person shall be added as a Borrower hereunder pursuant to this Section 9.21 unless (i) on the effective date of such addition, the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the applicable potential Borrower or Borrowers and (ii) except as otherwise specified in the applicable Borrowing Subsidiary Agreement, the Administrative Agent shall have received legal opinions, board resolutions and other closing certificates reasonably requested by the Administrative Agent and consistent with those delivered on the Closing Date under Section 4.02 of the Original Credit Agreement.

SECTION 9.22. ***Application of Proceeds***. Upon receipt from any Collateral Agent of the proceeds of any collection, sale, foreclosure or other realization upon any Collateral, including any Collateral consisting of cash, following the exercise of remedies provided for in Article VII (or after the Loans have automatically become due and payable as set forth in Article VII), the Administrative Agent shall apply such proceeds as follows:

(a) FIRST, to the payment of all costs and expenses incurred by the Administrative Agent (in its capacity as such hereunder or under any other Loan Document) in connection with such collection, sale, foreclosure or realization or otherwise in connection with this Agreement or any other Loan Document, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent hereunder or under any other Loan Document on behalf of any Loan Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

(b) SECOND, to the payment in full of Unfunded Advances/Participations (the amounts so applied to be distributed between or among the Administrative Agent and the Issuing Banks pro rata in accordance with the amounts of Unfunded Advances/Participations owed to them on the date of any such distribution); and

(c) THIRD, to the payment in full of all other Bank Obligations (the amounts so applied to be distributed among the Bank Secured Parties pro rata in accordance with the amounts of the Bank Obligations owed to them on the date of any such distribution).

The Administrative Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement.

SECTION 9.23. ***Loan Parties' Agent***. (a) Each Loan Party (other than the Loan Parties' Agent) by its execution of this Agreement or a Guarantor Joinder irrevocably appoints the Loan Parties' Agent to act on its behalf in relation to the Loan Documents and irrevocably authorizes:

(b) the Loan Parties' Agent on its behalf to supply all information concerning itself contemplated by this Agreement to the Bank Secured Parties and to give all notices and instructions (including, in the case of a Borrower, Borrowing Requests), to execute on its behalf any Guarantor Joinder, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Loan Party notwithstanding that they may affect such Loan Party, without further reference to or the consent of such Loan Party; and

(c) each Bank Secured Party to give any notice, demand or other communication to such Loan Party pursuant to any Loan Document to the Loan Parties' Agent, and in each case such Loan Party shall be bound as though such Loan Party itself had given the notices and instructions (including without limitation, any Borrowing Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(d) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Loan Parties' Agent or given to the Loan Parties' Agent under any Loan Document on behalf of another Loan Party or in connection with any Loan Document (whether

or not known to any other Loan Party and whether occurring before or after such other Loan Party became a Loan Party under any Loan Document) shall be binding for all purposes on such Loan Party as if such Loan Party had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Loan Parties' Agent and any other Loan Party, those of the Loan Parties' Agent shall prevail.

(e) Each Loan Party (other than the Loan Parties' Agent) hereby releases the Loan Parties' Agent from any restrictions on self-dealings under any applicable law arising under section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

SECTION 9.24. ***[Reserved]***.

SECTION 9.25. ***Release or Re-Assignment of Securitization Assets in Connection with a Permitted Receivables Financing***. In the event that Securitization Assets become subject to a Permitted Receivables Financing, whether by transfer or conveyance or by placing a security interest, trust or other encumbrance required by a Permitted Receivables Financing with respect to such Securitization Assets, the Lien on such Securitization Assets (including proceeds thereof and any deposit accounts holding exclusively such proceeds) will be automatically released or re-assigned and the Lenders hereby consent to such release or re-assignment and any steps any Agent may take or request to give effect to such release or re-assignment under the governing law of such Lien.

SECTION 9.26. ***Additional Intercreditor and Security Arrangements.*** (a) In connection with the incurrence by Holdings or any Subsidiary of any Senior Secured Notes in the form of senior secured loans the obligations in respect of which are to be secured by a Lien on the Collateral that has the same priority as the Liens securing the Bank Obligations, the Administrative Agent agrees, in its discretion, to execute and deliver (and to instruct each Collateral Agent to execute and deliver, as applicable) one or more intercreditor agreements in form and substance reasonably satisfactory to both Holdings and the Administrative Agent containing customary intercreditor provisions as between credit agreement parties and which provide that the holders of a majority in aggregate principal amount of Term Loans and such Senior Secured Notes in the form of senior secured loans, voting as a single class, may direct the Collateral Agents and the Administrative Agent in its capacity as "Applicable Representative" under the First Lien Intercreditor Agreement and "Senior Agent" under the 2007 Intercreditor Agreement (and any similar role under any other Intercreditor Agreement) with respect to enforcement or the actions concerning the Collateral ("***Other Intercreditor Agreements***") and any amendments, amendments and restatements, restatements or waivers of or supplements to or other modifications to, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement or any Other Intercreditor Agreement as may be reasonably deemed necessary or desirable by Holdings and the Administrative Agent (acting reasonably) to give effect to such Other Intercreditor Agreements.

(b) In connection with any incurrence permitted hereunder by Holdings or any Subsidiary of any Senior Secured Notes the obligations in respect of which are to be secured by a Lien on the Collateral that is junior to the Liens securing the Bank Obligations, the Administrative Agent agrees, in its discretion, to execute and deliver (and to instruct each Collateral Agent to execute and deliver, as applicable) (i) one or

more Junior Lien Intercreditor Agreements and (ii) any amendments, amendments and restatements, restatements or waivers of or supplements to or other modifications to, the other Intercreditor Agreements and any Security Document as may be reasonably deemed necessary or desirable by Holdings and the Administrative Agent (acting reasonably) to give effect to the incurrence of such Senior Secured Notes and to permit such Senior Secured Notes to be secured by a Lien with such priority as may be designated by Holdings, to the extent such priority is permitted hereunder.

SECTION 9.27. ***Acknowledgment Regarding Any Supported QFCs.*** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for secured Hedging Agreements or any other agreement or instrument that is a QFC (such support, "***QFC Credit Support***" and each such QFC a "***Supported QFC***"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "***U.S. Special Resolution Regimes***") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "***Covered Party***") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

ARTICLE X

Guarantee

SECTION 10.01. ***Guarantee***. Each Guarantor hereby agrees that it is jointly and severally liable for, as primary obligor and not merely as surety, and absolutely and unconditionally guarantees to the Bank Secured Parties the prompt payment when due, whether at stated maturity, upon acceleration after notice of prepayment or otherwise, and at all times thereafter, of the Bank Obligations. Each Guarantor further agrees that the Bank Obligations may be extended or renewed

in whole or in part without notice to or further assent from it, and that it remains bound upon its Guarantee notwithstanding any such extension or renewal.

SECTION 10.02. ***Guarantee of Payment***. This Guarantee is a guarantee of payment when due and not of collection. Each Guarantor waives any right to require any Agent, any Issuing Bank or any Bank Secured Party to sue any Borrower, any other Guarantor, any other guarantor, or any other Person obligated for all or any part of the Bank Obligations (each, an "***Obligated Party***"), or otherwise to enforce its rights in respect of any collateral securing all or any part of the Bank Obligations.

SECTION 10.03. ***No Discharge or Diminishment of Guarantee***. (a) Except as otherwise provided for herein or set forth on Schedule 10.03 (to the extent that such Schedule 10.03 includes limitations and only in respect of the relevant Guarantors) or otherwise with the consent of the Required Lenders, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Bank Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration or compromise of any of the Bank Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other guarantor of or other Person liable for any of the Bank Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Obligated Party, any Agent, any Issuing Bank, any Bank Secured Party, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) Subject to Section 10.03(d), the obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Bank Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Bank Obligations or any part thereof.

(c) Further, subject to the limitations in Schedule 10.03 the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of any Agent, any Issuing Bank or any Bank Secured Party to assert any claim or demand or to enforce any remedy with respect to all or any part of the Bank Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Bank Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of any Borrower for all or any part of the Bank Obligations or any obligations of any other guarantor of or other Person liable for any of the Bank Obligations; (iv) any action or failure to act by any Agent, any Issuing Bank or any Bank Secured Party with respect to any collateral securing any part of the Bank Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Bank Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any

Guarantor as a matter of law or equity (other than the payment in full in cash of the Bank Obligations).

(d) Notwithstanding any provision to the contrary contained in this Agreement the Bank Obligations and liabilities of each applicable Guarantor shall be limited by the applicable local provisions and laws set forth in Schedule 10.03 with respect to such Guarantor.

SECTION 10.04. ***Defenses Waived***. To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of any Borrower or any Guarantor or the unenforceability of all or any part of the Bank Obligations from any cause, or the cessation from any cause of the liability of any Borrower or any Guarantor, other than the indefeasible payment in full in cash of the Bank Obligations. Furthermore, to the extent specified in Schedule 10.03, each Guarantor waives the rights and defenses therein specified. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party, or any other Person. Any Collateral Agent may, at its election, foreclose or enforce on any Collateral held by or on behalf of it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Bank Obligations, and the Administrative Agent may, at its election, compromise or adjust any part of the Bank Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Guarantor under this Guarantee except to the extent the Bank Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Obligated Party or any security.

SECTION 10.05. ***Rights of Subrogation***. No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party (including against any Guarantor that is released from its obligations hereunder pursuant to Section 10.12), or any Collateral, until the Loan Parties have fully performed all their obligations to the Agents, the Issuing Banks and the Bank Secured Parties and the other Secured Parties.

SECTION 10.06. ***Reinstatement; Stay of Acceleration***. If at any time any payment of any portion of the Bank Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower or otherwise, each Guarantor's obligations under this Guarantee with respect to that payment shall be reinstated at such time as though the payment had not been made. If acceleration of the time for payment of any of the Bank Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Bank Obligations shall nonetheless be payable by the Guarantors forthwith on demand by the Administrative Agent.

SECTION 10.07. ***Information***. Each Guarantor assumes all responsibility for being and keeping itself informed of each Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Bank Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Guarantee, and agrees that none of any Agent, any Issuing Bank or any Bank Secured Party or any other Secured Party shall have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08. ***Maximum Liability***. The provisions of this Guarantee are severable, and in any action or proceeding involving any state corporate law, or any state, Federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Guarantee would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Guarantee, then, notwithstanding any other provision of this Guarantee to the contrary, the amount of such liability shall, without any further action by the Guarantors or the Bank Secured Parties, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "***Maximum Liability***"). This Section with respect to the Maximum Liability of each Guarantor is intended solely to preserve the rights of the Bank Secured Parties to the maximum extent not subject to avoidance under applicable law, and no Guarantor nor any other Person or entity shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Guarantor hereunder shall not be rendered voidable under applicable law. Each Guarantor agrees that the Bank Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor without impairing this Guarantee or affecting the rights and remedies of the Bank Secured Parties hereunder; *provided* that nothing in this sentence shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability.

SECTION 10.09. ***Contribution***. In the event any Guarantor (a "***Paying Guarantor***") shall make any payment or payments under this Guarantee or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Guarantee, each other Guarantor (each a "***Non-Paying Guarantor***") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Guarantor Percentage" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Article X, each Non-Paying Guarantor's "***Guarantor Percentage***" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from any Borrower after the 2016 Restatement Date (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Guarantor, the aggregate amount of all monies received by such Guarantors from any Borrower after the 2016 Restatement Date (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Guarantor's several liability for the entire amount of the Bank Obligations (up to such

Guarantor's Maximum Liability). Each of the Guarantors covenants and agrees that its right to receive any contribution under this Guarantee from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the Bank Obligations. This provision is for the benefit of the Agents, the Issuing Banks, the Lenders, the other Bank Secured Parties and the Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 10.10. ***Subordination***. Each Guarantor hereby agrees that all Indebtedness and other monetary obligations owed by it to Holdings or any Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations.

SECTION 10.11. ***Liability Cumulative***. The liability of each Loan Party as a Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Agents, the Issuing Banks, the Lenders and the other Bank Secured Parties under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

SECTION 10.12. ***Release of Guarantors***. Notwithstanding anything in Section 9.08(b) to the contrary, a Guarantor that is a subsidiary of Holdings (other than any Borrower) shall automatically be released from its obligations hereunder and its Guarantee shall be automatically released (A) upon the consummation of any transaction permitted hereunder as a result of which such Guarantor (i) ceases to be a Subsidiary or (ii) is liquidated, dissolved, merged, consolidated, amalgamated, wound-up, reorganised or otherwise ceases to exist (including as a result of a merger or consolidation into a Person that is not a Guarantor to the extent permitted hereunder), (B) upon delivery by Holdings of a written notice to the Administrative Agent certifying that it is intended that such Guarantor be subject to an event described in paragraph (A)(ii) of this Section 10.12 that is otherwise permitted hereunder and that the release of such Guarantor is necessary or desirable to be able to effect such event; *provided* that the related events contemplated by paragraph (A)(ii) of this Section 10.12 are consummated reasonably promptly after such release (taking into account all requirements under applicable laws) or (C) upon such Guarantor being designated as an Unrestricted Subsidiary or as an Excluded Subsidiary, in each case in accordance with this Agreement. In connection with any such release, the Agents shall execute and deliver to any such Guarantor, at such Guarantor's expense, all documents that such Guarantor shall reasonably request to evidence termination or release. Any execution and delivery of documents pursuant to the preceding sentence of this Section 10.12 shall be without recourse to or warranty by the Agents.

SECTION 10.13. ***Keepwell***. Each Guarantor that is a Qualified ECP Guarantor at the time the Guarantee or the grant of the security interest under this Agreement or any other Security Document, in each case, by any Loan Party becomes effective with respect to any Bank Obligation in respect of a Hedge Agreement, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each other Loan Party with respect to such Bank Obligation as may be needed by such Loan Party from time to time to honor all of its obligations under its Guarantee and the other Loan Documents in respect of such Bank Obligation. The obligations and undertakings of each such Guarantor under this Section shall remain in full force and effect until the Bank Obligations have been paid in full. Each such

Guarantor intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support or other agreement" for the benefit of, each other Loan Party for all purposes of § 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Tranche B-2 U.S. Term Lenders

Tranche B-2 U.S. Term Lenders	Tranche B-2 Term Loan Commitments
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH	$1,250,000,000
TOTAL	**$1,250,000,000**

Revolving Credit Commitments and L/C Commitments

Lender	Revolving Credit Commitment	L/C Commitment
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH	$100,000,000	$105,000,000
HSBC BANK USA, N.A.	$85,000,000	$45,000,000
CITIBANK, N.A.	$35,000,000	—
COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH	$30,000,000	—
TOTAL	**$250,000,000**	**$150,000,000**

Pactiv Evergreen Inc.
Code of Business Conduct and Ethics

1. Introduction

Pactiv Evergreen Inc. and its subsidiaries (the "**Company**") hold ethics, integrity, and lawful conduct among their topmost priorities. We expect honesty, openness and integrity in everything we do. No business requirement ever justifies an illegal, unethical, immoral, or unprofessional act. Our success in business depends upon our maintaining the trust of employees, customers, other commercial partners, government authorities and the public. This Code of Business Conduct and Ethics (the "**Code**") is an expression of the professionalism we strive for throughout our business, and of the professionalism we expect of our associates. The principles contained within the Code are based on:

- Ethical and legal behavior.
- Fair, courteous and respectful treatment of fellow employees and others with whom we interact.
- Fair and appropriate consideration of the interests of other stakeholders (customers, other commercial partners, government authorities and the public) and of the environment.
- Professionalism and good business practices.

This Code presents the basic expectations and general principles guiding how the Company does business. Each employee, regardless of position or area of responsibility, is responsible for upholding the Code in his or her daily activities. Any violation of the Code is considered misconduct and will be addressed appropriately and timely. Actions contrary to this policy are, by definition, harmful to the Company and its reputation. Violations, even in the first instance, may result in disciplinary action up to and including dismissal.

The Code does not attempt to address every situation or answer every question. The principles underlying the Code are often directional and in many situations require an exercise of judgment. If anyone has questions about the Code, concerns about someone's workplace conduct or question whether a proposed course of action is consistent with the Code, they should seek guidance from their direct supervisor. A simple, early question often clarifies and avoids potentially troubling situations. Persons may also contact the Company's General Counsel, their Human Resources representative or the Internal Audit Department, or they may use the toll-free ethics and compliance line for their location.

All appropriate steps will be taken to keep calls and letters confidential. Calls may be made anonymously where permitted by law. The identity of a person contacting the General Counsel or toll-free ethics and compliance line will not be given to anyone except as required by law or as needed for investigative purposes. *There will be no retaliation or penalty for honest and good faith reporting, even if it turns out reported concerns were unfounded*. This policy is not an employment contract, and compliance with it does not create a contract for continued employment.

In addition, the Company and its employees are subject to the laws of many countries and other jurisdictions around the world. Employees are expected to comply with the Code and with all applicable laws, rules and regulations. If a provision of the Code conflicts with applicable laws, the rules and regulations of the laws control and should be followed.

2. Areas of Concern

This Code addresses:

- Personal Obligations
- Discrimination
- Conflict of Interest
- True and Fair Financial Reporting
- Corruption, including Bribery and Kickbacks
- Business Entertainment and Gifts
- Fair Sales and Antitrust
- Marketing
- Compliance with Law
- Media and Government Inquires
- Use and Protection of Business Assets and Information

This Code applies to all the Company's operations. The spirit of this Code governs the interpretation of any other policies, guidelines or rules adopted by the Company. This Code of Conduct also clarifies the Company's position in key areas.

We strive to ensure that our business partners understand our standards and, wherever possible, act accordingly in all areas of concern.

3. Personal Obligation

Company employees are expected to follow the law and adhere to high ethical standards.

We should demonstrate social and environmental responsibility, professionalism, and use good business practices in performing our jobs.

Trust and integrity are fundamental Company values which must be respected. We should be familiar with good business practices relevant to our jobs and should implement them conscientiously.

We shall use good judgment and common sense in all situations when the requirements of the law or of good business practices appear unclear. We as employees should seek advice and direction from our supervisors in such situations.

Many of these responsibilities are imposed by society and authorities and are particularly important in areas where the Company is active. This Code places them in a general context.

4. Harassment and Discrimination

Policy

We will not unlawfully discriminate based on race, color, gender, age, religion, national origin, disability, veteran status, marital or family status, sexual orientation, gender identity, or any other category protected by relevant law. All employment decisions, including hiring, performance appraisals, promotions and discharges will be made without unlawful consideration of any such criteria.

It is improper for any employee to harass another employee by creating an intimidating, hostile or offensive work environment through verbal abuse or name-calling, threats, intimidation or similar improper conduct. Employees may not act violently or threaten violence while at work, and may not bring or use a weapon on a work site.

Comments

This policy applies worldwide to all employees. In some locations, local statutory requirements may require employers to conform to additional locally mandated norms.
Threatening, intimidating or violent behavior will not be tolerated. Harassment can take on many forms, all of them unacceptable as shown in the following examples:

- Jokes, insults, threats, and other unwelcome actions about a person's characteristics as described above.
- Unwelcome sexual advances, flirtations, sexually suggestive comments or conduct, requests for sexual favors, and other unwelcome verbal or physical conduct of a sexual nature.
- The display of sexually suggestive objects or pictures.
- Comments or conduct suggesting that an employee's cooperation with, or refusal of sexual or other harassing conduct, will have any effect on the employee's employment, assignment, compensation, advancement, career development, or any other term or condition of employment.
- Verbal or physical conduct that negatively impacts another's work performance or creates a fearful or hostile work environment (e.g., bullying).

We will not tolerate this type of behavior from employees or from others at our worksites, and encourage all employees to join us in keeping a harassment free workplace.

Your Responsibilities

Do not make or tolerate sexual jokes, comments about a person's body, graphic statements about sexual matters, or engage in offensive behavior of a sexual nature.

Do not make or tolerate jokes, comments, remarks or treat any employee differently because of his or her race, color, sex, sexual orientation, gender identity, national origin, age, religion, disability, marital or family status, veteran status, or any other non-business related consideration. Doing so is discriminatory.

Do not display sexually suggestive objects or pictures at work.

Do not ask or make comments about co-workers sexual conduct or sexual preference.

Never suggest or imply that an employee's job will be affected by his or her response to a sexual advance.

Create an atmosphere free of any suggestion of discrimination or harassment.

For further information on Harassment and Discrimination, consult the location Human Resources representative.

5. Health and Safety

Policy

We will never compromise health or safety in the workplace for profit or production. Safety rules and procedures are mandated in all of our plants, offices, and work sites. Each of us must perform his or her job following these health and safety rules, and must promptly report any concerns, safety violations or incidents to his or her supervisor or the business unit Human Resources business partner.

Employees must not use, possess, manufacture, or transfer illegal drugs on company property. Employees are not allowed to work if under the influence of alcohol or illegal drugs. Doing so can result in termination of employment.

Additionally, misusing legal drugs in the workplace is not allowed. We will not let someone work if we believe that such person's use of legal drugs could create an unsafe condition.

Comments

We are firmly committed to having all employees work in a safe and healthy work environment.

Employees must know, understand, and comply with all safety rules and regulations. They must know that no task is more important than their personal safety and that of their fellow employees. Following these requirements helps ensure not only our safety but also the safety of others.

Your Responsibilities

Always comply with your facility's health and safety rules and procedures, and be sure of the "safe way" to perform a task. If unsure, ASK!

Always take appropriate safety precautions, including wearing and using protective safety equipment including seat belts while driving or riding in company vehicles.

Never compromise your personal safety procedures.

Report to your supervisor or the facility Health and Safety Coordinator for location of any hazardous conditions, improper use of safety equipment, or any failure to follow safety procedures; or you may report suspected violations by calling the Company's toll-free ethics and compliance line for your location. Also report any job-related "near miss," injury or illness to your supervisor as soon as possible.

Do not bring illegal drugs or alcohol onto Company's property, or perform Company business or be on Company premises while under the influence of any illegal drug(s) or alcohol.

Never use prohibited or controlled substances or alcohol while in vehicles owned, leased or used for Company business.

If you are taking a medication that you believe might affect your ability to safely do your job, advise your supervisor.

For further information on Workplace Standards or Prohibited Substances, consult with the location Human Resources representative.

6. Conflicts of Interest

Policy

All employees are prohibited from taking any actions that would create a conflict of interest with the Company's interests (including future interests) and should avoid even the appearance of a conflict of interest. The Company's resources are to be used only for approved purposes.

Comments

A conflict of interest is a situation in which an employee's personal interest or benefit interferes with his or her responsibilities as an employee. Employees must not accept payments, gifts, entertainment, or other favors that go beyond the common courtesy usually associated with good business practice or that might be regarded as placing himself or herself under some obligation to a supplier or customer. Some locations may adopt local rules setting more specific limits on the acceptance of gifts, meals, or entertainment, such as particular monetary thresholds. Should your location have such local rules, they will be communicated to you and shall be in addition to the general principles outlined in this Code.

Unless approved in advance, no employee may hold a position with, or have a substantial financial interest in, any business that conflicts with or might appear to conflict with that employee's work on behalf of the Company.

Should any of the above situations occur, communication between employees and their supervisor is of utmost importance and the parties concerned shall attempt to resolve the matter in good faith.

Your Responsibilities

Place compliance with laws and ethical principles above private gain.

Do not solicit or accept anything of more than minor value from business suppliers.

Do not have a position with, nor financial interest in, another business that interferes or appears to interfere with our duties or responsibilities, unless approved in advance by the General Counsel or the location Human Resources representative.

Do not conduct/transact Company business with a relative unless approved in advance by the General Counsel or the location Human Resources representative.

Disclose any financial interest in or position with any competitor.

Report suspected violations of conflict of interest procedures to the General Counsel or the location Human Resources representative, or report suspected violations by calling the toll-free ethics and compliance line for your location.

For further information on Conflicts of Interest, consult with the location Human Resources representative or the General Counsel.

7. Outside Employment and Activities

Policy

A full-time employee's primary work obligation is to the Company. Outside activities, such as a second job or self-employment, must be kept totally separate from Company employment and not interfere with the employee's responsibilities or performance to the Company.

Comments

We respect the privacy of every employee in the conduct of his or her personal affairs. No employee may run a personal business on Company time or using Company resources. Similarly, no employee can allow such outside activities to detract from his or her job performance or require such a commitment that the outside activity adversely affects the employee's physical or mental effectiveness.

Generally, no employee can perform services for, nor serve as an employee, consultant, officer, or director of, any competitor, customer, or supplier of the Company.

Your Responsibilities

Do not use the Company's time or resources for personal or outside business matters.

Do not work on behalf of competitors, suppliers, or customers of the Company without prior authorization by the General Counsel or the location Human Resources representative.

Inform your supervisor, or the location Human Resources representative of any outside business position (other than charitable, educational, or religious) that might be viewed as conflicting with your Company duties or responsibilities.

For further information on Outside Employment and Activities, consult with the location Human Resources representative.

8. Dissemination of Corporate Information

Policy

Employees must not respond to requests for financial or business information about the Company from outside sources such as the government, media, press, financial community, or the public unless specifically authorized to do so. Such inquiries are to be referred to the General Counsel.

Comments

We maintain a coordinated and consistent posture in relations with the various segments of the newsgathering industry. Company management must be made aware of any inquiries from the government or the media so that it can properly and thoroughly respond. If you as an employee are contacted by a representative of a governmental agency or the media seeking an interview or making a non-routine request for documents, you should immediately contact the legal department so that appropriate arrangements can be made to fully comply with the Company's legal obligations.

Confidential information should be released only to employees, agents or representatives on a need-to-know basis.

Your Responsibilities

Refer requests for information of any type to the General Counsel for handling and reply.

Refer inquiries regarding current or former employees, other than by the news media, to the location Human Resources representative. News media inquiries should be referred to the General Counsel.

For further information on the Dissemination of Corporate Information, consult with the General Counsel.

9. Protection of Company Property and Information

Policy

Good business practice dictates careful use and protection of Company assets. Employees are responsible for protecting Company property, including not only tangible assets such as money, inventory, equipment and real property but also intangible property such as business plans, trade secrets, computer programs, technologies, and other confidential or proprietary information of the Company or others, including our customers and suppliers. We treat Company assets with the same care we would if they were our own.

Comments

Generally, Company property must not be used for any purpose other than for Company business. Employees must not borrow, give away, loan, sell, or otherwise dispose of Company property regardless of conditions without specific authorization, and must take reasonable precautions against theft, damage, or misuse of Company property.

Company property includes information developed by employees and may include information received from outside the Company. It may consist of financial, commercial or technical data, or may relate to employees, payroll, salaries, benefits or personnel records. It may include information about customers, potential customers, or information owned by others entrusted to the Company.

Reasonable procedures must be followed to keep confidential information and trade secrets confidential, and if appropriate additional protection should be sought through acquisition of intellectual property rights. All employees are responsible for protecting the Company's confidential information and may not, for non-Company purposes, disclose that information to third parties (including friends and family members) or make any other non-Company use of such information. We shall keep relevant information confidential even if there is no formal secrecy obligation. This obligation to protect the Company's confidential information continues even after you leave the Company and you must return all proprietary information in your possession or control upon leaving the Company. Any dissemination of information outside of the Company should be approved by the appropriate manager(s). If there is a question regarding the sharing of information, please contact your Human Resources representative or the legal department.

We do not destroy Company documents or records before the retention time expires but unless otherwise directed with respect to specific items we do destroy documents when they no longer have useful business purpose. Employees should contact their supervisor if they are unclear whether a document may or may not be destroyed.

Your Responsibilities

Exercise appropriate care, custody and control over the Company's property (including supplies, equipment, facilities, files, documents, films, and electronically recorded data or images).

Do not use Company equipment, including computers, for excessive personal use and/or to browse inappropriate web sites.

Do not duplicate proprietary or trademarked software for personal use.

Keep confidential information stored properly when it is not being used.

For further information on Company Property, consult with the location Controller.

10. Electronic Communication (Use of Computers, Internet, and Email)

Policy

We will protect the Company's computing systems and computerized information from unauthorized access, use, modification, copy, disclosure, or destruction. Use may be reviewed for consistency with legal requirements. Employees and others who violate this policy may be subject to disciplinary action.

Security incidents should be immediately reported by employees to their direct supervisors. If this is not feasible to report to the supervisor, employees should call the toll-free ethics and compliance line for their location.

Use of company computer systems in manners that do not support company values or business purposes is prohibited.

Comments Authorized users will be issued company-approved accounts. Unauthorized access to company computerized information, any use of computer systems or information that constitutes illegal activity and sharing computer user accounts or other accounts assigned for individual use is prohibited.

Occasional, but limited, personal use of technology resources is permitted provided that it is appropriate and does not:

- interfere with the user's or any other user's work performance
- unduly impact the operation of technology resources.
- result in any material expense to the Company.
- violate this policy, the Code or any other policy, guideline or standard.
- violate any law or applicable regulation.
- use storage space beyond that allocated for personal use
- involve the running of any personal business.

Employee's relatives, associates or friends are not permitted to use the Company's technology resources.

Your Responsibilities

Do not expect electronic messages to be private or confidential.

Do not use these systems to solicit or communicate in a manner which would violate this or other Company policies or procedures, including communicating discriminatory or harassing statements, pornographic material, inappropriate humor, solicitations regarding political or charitable matters, or for any illegal purposes.

Create messages with the general expectation that these may be made public or otherwise used in legal proceedings.

Use good judgment in using these systems and exercise the same judgment in creating electronic messages as you would use in paper documents.

For further information on Electronic Communication, consult with location Human Resources.

11. Antitrust

Policy

We will not engage in practices that limit competition such as price fixing and division of markets, nor will we engage in practices to unlawfully restrict a competitor's opportunities.

Comments

Free competition is healthy for business and good for consumers. The antitrust laws of the United States and the competition laws of other countries govern the day-to-day conduct of business in setting prices and other aspects of the purchasing and marketing of goods and services. These laws protect consumers from illegal competitive actions such as price fixing and division of markets. It is vital to follow the laws of the United States and other countries that prohibit practices undermining competition. As a rule, antitrust laws not only cover commercial behavior in a particular country but also apply to any commercial behavior even outside that country if it has a significant impact on competition. We will compete solely on the merits of our products and services. We will succeed by satisfying its customers' needs, not by unlawfully limiting a competitor's opportunities.

Because of the complexity of antitrust laws, all agreements with competitors or with other third parties that may have a negative effect on competition must be approved by legal counsel. Clauses which may have a negative effect on competition include:

- Exclusivity clause
- Pricing clauses
- Tie-in clauses
- Territorial restrictions
- Price discrimination (including preferential discounts and rebates)

Antitrust laws generally prohibit entering into any kind of agreement or understanding (even oral or informal) with a competitor regarding:

- Prices, costs, profits, margins, inventories, or terms and conditions of sale
- Territories
- Limitations on products or services
- Production facilities, volume, or capacity
- Market share
- Customer or supplier allocation or selection
- Distribution methods
- Any action that affects, limits, or restricts competition
- Bidding arrangements
- Resale price maintenance schemes•Restricting products offered or tying the purchase of products to other purchases
- Agreements to boycott, i.e. a refusal to supply or to accept delivery

Your Responsibilities

Never agree with competitors to fix prices or divide markets.

Never enter into any understanding with a competitor that restricts either party's discretion to manufacture any products or provide any service or that limits selling to, or buying from, a third party.

Never, without first consulting the General Counsel, enter into any understanding with a customer that might:

1. Restrict a customer's discretion to use or resell one of the Company products;

2. Condition the sale of a product or service on the customer's purchase of another product or service from The Company.

Contact the General Counsel for prior approval before any meeting with a competitor. If you attend a trade association meeting and competitors are present, never discuss, whether at the meeting or at any social gathering, prices, costs, sales, profits, market shares, or other competitive subjects. If such matters enter into the discussion, stop the discussion, or leave the meeting or social gathering, and notify the General Counsel.

Report any activities that appear contrary to the antitrust laws to the General Counsel, or report suspected violations by calling the toll-free ethics and compliance line for your location.

For further information on Antitrust, consult with the General Counsel.

Don’t think that agreements are unlawful only if a written document is signed by the parties involved. If competitors make a conscious commitment to a common course of anti-competitive action, they can be in violation of competition laws.

Antitrust laws prohibit the abuse of a dominant market position. The term “abuse” refers to situations in which dominant market power is exercised to the detriment of suppliers or customers. Marketing strategies and practices in markets in which the Company is a strong player need particular attention by the General Counsel.
Antitrust law may limit acquisitions, which would bring about a dominant market position and could injure competition. Moreover, notification to government authorities is required in most jurisdictions before certain acquisitions can be made. The Company’s legal department should be involved in acquisition projects at an early stage.
Contracts relating to the use of intellectual property rights (patents, trademarks, designs, copyright, know-how and trade secrets) are often subject to special rules and may therefore be critical in terms of antitrust. They need particular attention and should be brought to the Company’s legal department.

12. Marketing

The Company recognizes that our credibility as a leading, ethical supplier to our customers depends, among other things, on upholding high standards of marketing and communication. We believe we have an obligation to provide accurate information and education about our products to our customers and consumers.

Those of us engaged in the promotion of Company products should adhere to the following principles:

- Promotional practices must be ethical and must be in good taste.
- Information provided must take account of customer needs.
- Hospitality must be appropriate, in good taste consistent with Company practices.
- Gifts must be modest and relevant to our business.
- Sales representatives must have appropriate training and product knowledge.

Abuse of market position in the marketing of a specific product is illegal. The term "abuse" refers to situations in which dominant market power is exercised to the detriment of suppliers or customers. Marketing strategies and practices in markets in which the Company is a player need particular attention by our legal counsel.

Your Responsibilities

Comply with all Company's policies and procedures with respect to all marketing activities.

Be truthful in all marketing claims.

Know the Company's products and services. Often issues arise not because a person was intentionally misleading but because he or she simply did not know the correct information.

Comply with the Company's gift and entertainment policy.

13. Anti-Bribery

Policy

The Company complies with all applicable laws and regulations wherever we do business. Almost every country in the world prohibits making payments or offers of anything of value to government officials, political parties, or candidates in order to obtain or retain business. These laws include the U.S. Foreign Corrupt Practice Act (FCPA), the U.K. Bribery Act of 2010 (the UK Bribery Act) and similar laws in other jurisdictions.

Comments

The FCPA prohibits payments or offers of payments of anything of value to foreign officials, foreign political parties, or candidates for foreign political office in order to obtain, keep, or direct business. Indirect payments of this nature made through an intermediary, such as a distributor or sales representative, also are illegal.

The FCPA also requires that the Company maintain a system of internal accounting controls and keep accurate records of transactions and assets. The following activities are prohibited:

- Maintaining secret or unrecorded funds or assets.
- Falsifying records.
- Providing misleading or incomplete financial information to an auditor.

The following actions are considered criminal by the UK Bribery Act:

- Offering, promising or giving a bribe to another person.
- Requesting, agreeing to receive or accepting a bribe from another person.
- Bribing a foreign public official.
- Failure of a company to prevent bribery (the company is responsible for all persons associated with the company).

Note: The UK Bribery Act can apply to companies doing business in the UK, not only to acts done in the UK. Therefore, it is important that all employees, wherever located, are aware of and comply with this law.

For additional information on compliance with the various Anti-Bribery laws, see the Company's Fraud Control Policy.

Your Responsibilities

Comply with the Company's procedures and act ethically and with integrity.

Do not make any corrupt payment, regardless of amount, to foreign officials or personnel directly or through an intermediary.

Do not use the Company's assets for any unlawful or improper use.

Do not create or maintain a secret or unrecorded fund or asset for any purpose.

Comply with the Company's accounting policies and internal control procedures.

Do not make any false or misleading entries in Company's records or make any payment on behalf of the Company without adequate supporting documentation.

Report any suspected acts of bribery or violations of the Company's financial and accounting policies to your supervisor or the General Counsel, or report suspected violations by calling the toll-free ethics and compliance line for your location.

For further information on the various Anti-Bribery laws, consult with the General Counsel.

14. Entertainment and Gift Policy

Policy

Within the framework of their duties, employees shall only accept benefits related to their business activities in accordance with this policy. Employees are expected to exercise good judgment in each case, taking into account pertinent circumstances, including the character of the benefit, its purpose, its appearance, the positions of the persons providing and receiving the benefit, the business context, reciprocity, and applicable laws and social norms. All expenditures for entertainment or other benefits provided by the Company must be accurately recorded in the books and records of the Company.

Comments

Employees must not give or accept gifts where doing so would violate the law, including the FCPA or UK Bribery Act, Company policy, or, to the knowledge of the employee, any policy applicable to the other person giving or receiving the gift.

Employees must adhere to the following:

- In countries where gifts are accepted and expected by local custom, employees should always seek advice from the General Counsel.
- Under no circumstances should a benefit or entertainment be accepted or provided if it will obligate, or appear to obligate, the receiver.
- The giving or accepting, requesting, or soliciting of inappropriate, lavish or repeated gifts or other benefits is always prohibited.
- A gift with a monetary value greater than $100 is generally considered “lavish” and should not be accepted. If refusing to accept the gift is not a reasonable option (for instance, if received the gift through the mail), you are to notify the divisional or corporate HR representative to determine the next course of action.
- Money (cash, check, or any form of transfer of currency) should never be given or accepted as a gift.

Some locations may adopt local rule setting more specific limits on the acceptance of gifts, meals or entertainment, including specific monetary thresholds. If your location has such additional rules they will be communicated to you and are in addition to the general principles outlined in the Code. If you have any questions, please refer to the General Counsel.

Your Responsibilities

Comply with the Company’s procedures and act ethically and with integrity.

Do not make or accept any corrupt payment or bribe in any form, regardless of amount directly or through an intermediary.

Do not accept or give money or cash equivalents as a gift.

Do not use Company’s assets for any unlawful or improper use.

Do not create or maintain a secret or unrecorded fund or asset for any purpose.

Comply with the Company’s accounting policies and internal control procedures.

Do not make any false or misleading entries in the Company’s records or make any payment on behalf of The Company without adequate supporting documentation.

For further information on Entertainment & Gifts, consult with the General Counsel.

15. Foreign Economic Boycotts

Policy

The Company should never cooperate with any restrictive trade practice or boycott that is prohibited by U.S. or other applicable laws. For example, U.S. laws prohibit participating in or cooperating with illegal economic boycotts supported by foreign nations, such as the Arab boycott of Israel. The Company, all its employees worldwide, and its joint venture partners, agents, distributors, and other representatives will strictly comply with U.S. and other applicable local “anti-boycott” laws and policies.

Comments

There are many other prohibited activities. Be alert to the possibility that boycott related provisions can appear in the “standard” language in documents such as contracts, letters of credit, and shipping documents. Because this is a complex legal area, if employees identify or receive any boycott related language or request they should report it to their supervisor and the legal department. U.S. law also requires that requests to take boycott-related actions (including requests to provide information or to agree to boycott-related terms) be reported to the U.S. Government. Other or different requirements may apply in different jurisdictions.

An "illegal boycott request" may include any request from a third party to take any of the following described actions against a country or countries:

- Refusal to do business with a country, or with other persons or entities that do business in or with a country
- Furnishing information about business relationships with or in a country
- Discriminating against someone based on race, religion, sex, national origin except in cases where such information is related to valid government documents such as visas
- Executing business documents such as contracts, letters of credit, warranties that contain illegal boycott requests (such as prohibiting a country’s product content, product delivery through a country, business dealings with a country, etc.)

Employees may contact the General Counsel to obtain a current boycott listing.

Your Responsibilities

Do not refuse (or agree to refuse) to do business with illegally boycotted countries, blacklisted persons or companies.

Do not furnish (or agree to furnish) information or certifications regarding employees’ race, religion, sex, national origin, or business relationships with blacklisted companies. Remember that these requests may be hidden in the fine print of contracts or other documents.

For further information on Foreign Economic Boycotts, consult with the General Counsel.

16. Exports and International Trade Restrictions

Policy

The Company's worldwide operations require an awareness of international trade laws. The Company, all its employees worldwide, and its joint venture partners, agents, distributors, and other representatives will comply with these laws, including applicable trade sanctions, economic embargoes, and export and re-export controls.

Comments

The export of goods and technology (including transfers with no sale) from many countries is regulated by a number of very complicated laws and regulations. There are many factors in determining whether a product or technology can be exported, including the nature of the item, the country of destination, and the end-user or end-use. Export restrictions apply not only to the export of goods and services but also to the licensing of software and the transfer of technology in many forms, such as plans, designs, training, consulting, and technical assistance. These restrictions can also apply to products based on another country's technology or that contain another country's parts or components. Exporting goods or technology without the appropriate government approvals can result in the loss of export privileges and can subject a company to both civil and criminal penalties. For example, currently the United States generally prohibits or restricts all trade, investment and transactions involving the following countries: Burma (Myanmar), Cuba, Iran, North Korea, Sudan and Syria. Other countries' prohibitions or restrictions may vary. These lists change periodically so employees should check with the legal department regarding an updated list.

Your Responsibilities

Be familiar with applicable export control laws, trade sanctions, and embargoes if you work on programs involving international trade.

Maintain complete and accurate records of international transactions.

Consult the General Counsel anytime you are dealing with a product or technology intended for export. You must have the necessary government approvals before proceeding with the export.

Accurately complete any export control document.

Watch out for transactions that could be a "cover" for prohibited sales by diverting the goods through various corporations or countries not subject to restrictions.

Screen all international transactions to ensure against dealings with any individuals or entities on lists of proscribed parties maintained by the U.S. Government.

For further information on Exports and International Trade Restrictions, consult with the General Counsel.

17. Financial Controls and Records

Policy

A variety of laws require the Company to record, preserve, and report financial information to lenders and government agencies. This information must present fairly the Company's financial position and the results of their operations. Employees involved in preparing, processing and recording such information will be held responsible for its timeliness, completeness and accuracy**.**

Comments

The Company must maintain a comprehensive internal control structure and procedures designed to provide reasonable assurance that their books and records accurately reflect their transactions, that assets are protected from unauthorized use or disposition, that financial data and reports are safeguarded against material fraud and error, and that financial statements are prepared in conformity with the Company's accounting rules and principles, and with local regulations and local accounting principles. Where the Company's requirements differ from local requirements employees must consult the Company's controller.

No funds or other assets belonging to the Company or derived from its operations (regardless of the purposes or the use to which the assets are applied) may be maintained in any account not appropriately reflected in their books and records and subject to audit by Internal Auditing and its independent accountants. No false or fictitious entry may be made on the books and records of the Company, nor any entry made which does not truly reflect the nature of the transaction recorded. Where an inadvertent error is discovered, it will be reported to appropriate internal management and be corrected as soon as possible, leaving an appropriate audit trail to reflect the correction. Accurate and adequate supporting documents are required for all transactions, and accountability for assets is to be maintained at all times. Financial and operating information reported internally and externally is to be current, accurate, complete and timely.

To assure effective internal controls, the Company maintains an internal audit staff that conducts an ongoing internal audit program to test and evaluate the effectiveness of our internal control structure and procedures. Internal Audit is responsible for independently evaluating and promoting effective internal controls.

The Company also seeks to assure the accuracy, objectivity and integrity of its financial records and data by developing and distributing written policies and procedures. The Company selects and trains qualified employees, maintain organizational structures and arrangements with defined lines of responsibility and delegation of authority, and conduct regular reviews of financial practices, records, and results to ensure the numbers are correct.

The Company's management and all employees must continuously seek to assure that internal control over financial reporting is effective.

Your Responsibilities

Make appropriate and timely entries in the Company's books and records to record all transactions.
Diligently perform and adequately document the performance of, all control procedures for which you are responsible.
Do not make an inaccurate, false, or misleading entry in the Company's books and records.
Do not make or approve payments without adequate supporting information or if any part of the payment is to be used for any purpose other than the purpose described in the supporting documentation.
If you participate in the preparation of financial reports, **know and follow** the Company's accounting and internal control procedures.
Report any inaccurate, false, or misleading records to your supervisor, the controller, the internal audit manager, the General Counsel, or report suspected violations by calling the toll-free ethics and compliance line for your location

For further information on Financial Controls and Records, consult with the location Controller.

18. Political Contributions and Activities

Policy

Employee participation in government elections and the political process must be undertaken on their own time and expense. No corporate contributions or assets may be used to support specific issues, candidates, or political parties without prior approval of the General Counsel.

Comments

Any political activities (lobbying, donations, public positions, etc.) by or in the name of the Company must be approved by the Company's CEO and General Counsel. Nothing in this policy is intended to restrict in any way any persons from participating in political activities of any type; however, unless specifically approved in advance no person should use the Company's resources for political activities or attribute any political position to the Company, or any of its employees.

Your Responsibilities

Know and obey restrictions imposed by law upon personal and corporate participation in politics.

The Company's contact with public and elected officials is regulated by a variety of laws and regulations. Any dealings with these officials regarding the Company must be coordinated with the General Counsel.

Never represent your personal political activity as being the Company's.

Never use Company assets or employees in support of political activities without approval of the General Counsel. For further information on Political Contributions and Activities, consult with the General Counsel.

For further information on Political Contributions, and Activities, consult with the General Counsel.

19. Environmental Stewardship

Policy

We are committed to responsible environmental behavior. We will conduct business with respect and care for the environment and the communities in which we work. We must obtain environmental permits when required, understand and comply with their terms and conditions, and follow the rules. If something occurs in our facility that might harm employees or the community, we communicate these situations as appropriate and develop a plan to correct them effectively and quickly.

Comments

We will implement responsible programs and processes to eliminate and/or minimize environmental incidents. When it is financially and technologically feasible, material will be reused and/or recycled to minimize the need for treatment or disposal to conserve resources. Where waste is generated, it will be handled and disposed of safely, responsibly, and in conformance with applicable regulations. We respond truthfully and responsibly to questions and concerns about our environmental actions.

Your Responsibilities

Understand and follow the Company's environmental policy, procedures, and principles.

Understand the specific environmental requirements for your job function.

Conduct all activities in accordance with applicable environmental laws, regulations, permits, and facility policy.

Ensure that environmental records, documents, and labels are complete, accurate, and truthful.

Handle, store, and dispose of hazardous materials using identified methods and practices.

Report immediately to your supervisor or local environmental representative unpermitted leaks, spills or releases or any potential or suspected violation of environmental guidelines, or report suspected violations by calling the toll-free ethics and compliance line for your location.

For further information on Environmental Stewardship, consult with the location environmental representative at your location or the General Counsel.

20. Reporting Violations

Ensuring compliance with Code is the responsibility of all employees. We urge all employees to familiarize themselves with the Code. If you have questions about the Code or another company policy or whether the Company is complying with a particular law or regulation, please speak with:

- Your supervisor
- Another member of company management
- A Human Resource professional
- An attorney in the Company's Legal Department
- A member of the Company's Compliance Committee

If you suspect that anyone within the Company is violating the Code or another Company policy or is violating a law or regulation, please alert the Company's Compliance Committee. You can do so by:

1) **Contacting a member of the Compliance Committee directly by telephone, email or mail.** The contact information of each member of the Compliance Committee is published on pactivevergreen.com.

2) **Calling the Lighthouse Compliance Hotline.** Lighthouse is an independent compliance service. Lighthouse operators are available who speak numerous languages. You do not have to reveal your identity to the Lighthouse operator if you report a suspected violation using the Lighthouse Compliance Hotline. In the United States the numbers are:

   Pactiv Evergreen: **833-690-0033**

   Pactiv: **833-690-0033**

   Evergreen: **877-650-0008**

   You may contact Lighthouse around the globe using the numbers posted at the relevant locations, all of which are listed on pactivevergreen.com.

3) **Emailing a report to Lighthouse at reports@lighthouse-services.com.** Please reference "Pactiv" or "Evergreen" or "Pactiv Evergreen" in the subject line of your email. You may write your email in your preferred language. You do not have to reveal your identity in your email to Lighthouse. You may also ask Lighthouse in your email not reveal your identity to the Company.

4) **Filing a report with Lighthouse through its website at www.lighthouse-services.com/pactiv or www.lighthouse-services.com/everpack.** The Lighthouse website is available in multiple languages. You may write your report in your preferred language. You do not have to reveal your identity to Lighthouse if you report a suspected violation through the Lighthouse website.

If the concern involves a senior executive officer or director of the Company you are encouraged to contact the General Counsel directly.

Your Responsibilities

Familiarize yourself with this Code.

Understand when you might use the Company's toll-free hotline.

Respect anyone who in good faith raises or helps address a violation of the Code or other ethics or integrity concern.

Respect the privacy and personal data of others.

Co-operate fully with any internal investigation with which you are asked to assist.

For further information on Reporting Violations, consult with your supervisor, the location Human Resources representative or the General Counsel.

The identity of a person contacting the Compliance Committee will not be given to anyone except as required by law or as needed for investigative purposes. The Company and Lighthouse also respect all laws concerning the collection and use of personal data and other privacy laws.

The Company may require employees to provide information to a Compliance Committee investigator and to otherwise assist with the investigation of a suspected violation. In certain circumstances, the Compliance Committee investigator may ask employees to refrain from discussing anything about the investigation with other individuals within or outside of the Company.

The Company prohibits retaliation against anyone who reports a suspected violation in good faith or who cooperates in an investigation of a suspected violation. The Company will discipline an employee who provide false information to the Compliance Committee or its investigator or otherwise interferes with an investigation of a suspected violation.

Adopted: September 7, 2020 (Revised October 29, 2020)

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-248858 and 333-248859) of Pactiv Evergreen Inc. of our report dated February 25, 2021 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Chicago, IL
February 25, 2021

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, John McGrath, certify that:

1. I have reviewed this report on Form 10-K 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: February 25, 2021

By: /s/ John McGrath

John McGrath
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, Michael J. Ragen, certify that:

1. I have reviewed this report on Form 10-K 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: February 25, 2021

By: /s/ Michael J. Ragen

Michael J. Ragen
Chief Financial Officer / Chief Operating 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 Annual Report of Pactiv Evergreen Inc (the "Company") on Form 10-K for the period ending December 31, 2020 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: February 25, 2021

By: /s/ John McGrath
John McGrath
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 Annual Report of Pactiv Evergreen Inc (the "Company") on Form 10-K for the period ending December 31, 2020 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: February 25, 2021

By: /s/ Michael J. Ragen

Michael J. Ragen
Chief Financial Officer / Chief Operating Officer