

## **PACTIV CORPORATION**

### **Compensation/Nominating/Governance Committee Charter**

#### **A. Name**

There shall be a committee of the Board of Directors (the “Board”) which shall be called the Compensation/Nominating/Governance Committee (the “C/N/G Committee”).

#### **B. Purposes**

The purposes of the C/N/G Committee shall include the following:

- (1) Discharging the Board’s responsibilities relating to compensation of the Company’s executives, including review and approval of corporate goals and objectives relevant to compensation of the Chief Executive Officer (“CEO”); and, either as a committee or together with the other independent directors (as directed by the Board), evaluation of the CEO’s performance in light of those goals and objectives, and determination and approval of the CEO’s compensation level based on this evaluation; and recommendations to the Board with respect to non-CEO compensation, incentive-compensation plans and equity-based plans;
- (2) Producing an annual report on executive compensation for inclusion in the Company’s proxy statement or annual report on Form 10-K in accordance with applicable rules and regulations;
- (3) Identifying individuals qualified to become Board members (consistent with criteria approved by the Board), and selecting and recommending to the Board the director nominees for the next annual meeting of shareholders;
- (4) Developing and recommending to the Board the Corporate Governance Guidelines applicable to the Company and reviewing such Guidelines, as appropriate, but at least annually for the Board;
- (5) Overseeing the evaluation of the Board and management; and
- (6) Conducting an annual performance evaluation of the C/N/G Committee.

In fulfilling its purposes, the C/N/G Committee shall undertake those tasks and responsibilities that, in its judgment, would most effectively contribute to and implement the purposes of the C/N/G Committee, including those specifically listed in this Charter.

### **C. C/N/G Committee Membership and Procedure**

The C/N/G Committee shall consist of no fewer than three directors. Each member of the C/N/G Committee shall satisfy the independence requirements of the New York Stock Exchange and, if deemed appropriate from time to time, meet the definition of “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934, and “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board shall appoint the members of the C/N/G Committee annually, considering the recommendation of the C/N/G Committee, and further considering the views of the Chairman of the Board and CEO, as appropriate, and shall designate the Chairman of the C/N/G Committee. The members of the C/N/G Committee shall serve until their successors are appointed and qualify. The Board shall have the power at any time to change the membership of the C/N/G Committee and to fill vacancies in it, subject to such new member(s) satisfying the above requirements. Except as expressly provided in this Charter or the by-laws of the Company or the Corporate Governance Guidelines of the Company, the C/N/G Committee shall fix its own rules of procedure.

### **D. C/N/G Committee Authority and Responsibilities**

The C/N/G Committee shall have and may exercise all of the powers and authority of the Board in connection with the performance of its duties and responsibilities under this Charter, including without limitation the authority to call upon the Company’s officers and employees or outside consultants for such assistance and support as it deems appropriate, and to institute and carry out investigations of improprieties or such other matters as it deems necessary. The C/N/G Committee shall, at least annually, review with the Board the Company’s compensation structure and philosophy.

#### **1. Compensation Matters**

- Compensation Structure and Philosophy. The C/N/G Committee shall examine the compensation structure of the Company periodically to determine that the Company is rewarding its executive personnel in a manner consistent with sound business practices and, in connection with such review, determine, in consultation with Senior Management and the Board of Directors, the compensation philosophy for the Company. Among other things, the compensation structure should:
  - Align the interests of the Company’s executives and shareholders by implementing and maintaining compensation programs that provide for the acquisition and retention of Company shares by senior executives;
  - Reinforce a results-oriented management culture with executive pay that varies according to overall Company and individual performance against aggressive business goals and core behavioral standards;
  - Provide an executive compensation package that attracts, retains, and motivates key executives; and

- Place greater emphasis and leverage on variable performance-based “at risk” (versus fixed) compensation as executives assume increased responsibility.

The C/N/G Committee shall also develop and maintain a program covering long-range plans for executive compensation for further consideration by the Board. The C/N/G Committee shall review and approve the list of a peer group of companies to which the Company shall compare itself for compensation purposes.

- CEO Compensation. The C/N/G Committee shall review and approve corporate goals and objectives relevant to CEO compensation, and either as a Committee or together with the other independent directors (as directed by the Board), evaluate the CEO’s performance in light of those goals and objectives; and determine and approve the CEO’s compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the C/N/G Committee shall consider the Company’s performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company’s CEO in past years.
- Compensation Plans. To the extent permitted by law, the C/N/G Committee shall establish, administer, amend or terminate, and to otherwise act for and on behalf of the Board with respect to the executive compensation, incentive and deferred compensation, and equity-based compensation plans and programs of the Company and affiliated companies (“Compensation Plans”), including other similar compensation plans the C/N/G Committee deems desirable to establish, terminate or amend from time to time. The C/N/G Committee shall review and approve the performance or operating goals for participants in the Company’s Compensation Plans. The C/N/G Committee shall have the power to determine eligibility, size of awards, and set maximum number of shares that may be issued each year under such Compensation Plans, in such manner as the C/N/G Committee shall deem in the best interests of the Company, in all cases in which specific directions shall not have been given by the Board.
- Employee Benefit Plans. To the extent permitted by law, the C/N/G Committee shall have the right to establish, administer, amend or terminate, and to otherwise act for and on behalf of the Board with respect to the employee benefit plans of the Company and affiliated companies including both welfare and pension plans (“Benefit Plans”), including any supplemental Benefit Plans, and any other similar plans or arrangements which the C/N/G Committee deems as desirable in the best interests of the Company to establish from time to time, in all cases in which specific direction shall not have been given by the Board. The C/N/G Committee shall receive at least annually a report from management with respect to the performance of the assets in the Company’s Benefit Plans.

- Other Plans and Arrangements. To the extent permitted by law, the C/N/G Committee shall have the right to establish, administer, amend or terminate, and to otherwise act for and on behalf of the Board with respect to Change in Control and severance arrangements, employment contracts, special retirement programs and any other similar plans or arrangements which the C/N/G Committee deems desirable in the best interests of the Company to establish from time to time.
- Board Compensation. The C/N/G Committee shall advise the Board on changes in compensation for Board and committee members.
- Consultants and Advisors. The C/N/G Committee shall have the sole authority to retain and terminate any compensation consultant used to assist in the evaluation of director, CEO, executive officer and senior management compensation or Company Compensation Plans or Benefit Plans generally and shall have sole authority to approve the consultant's fees and other retention terms. The C/N/G Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

## **2. Authority and Responsibility Related to Nominating and Governance Matters**

- Director Qualifications. The C/N/G Committee shall, consistent with criteria approved by the Board of Directors, determine the desirable balance of experience, qualifications and expertise among members of the Board. The C/N/G Committee will review all proposed nominees for the Board of Directors, including those proposed by shareholders, in accordance with the charter of the C/N/G Committee and the Corporate Governance Guidelines to determine whether they might make good candidates for consideration for membership on the Board of Directors. This will include a review of the person's judgment, experience, independence, diversity of experience at policy-making level in businesses and in areas relevant to the Company's activities, and such other factors as the C/N/G Committee determines are relevant in light of the needs of the Board of Directors and the Company; there are no specific minimum qualifications that the C/N/G Committee believes must be met by a nominee. The Board shall not discriminate among qualified candidates based on gender, race, ethnicity or age. The C/N/G Committee will select qualified candidates and review its recommendations with the Board of Directors, which will decide whether to invite the candidate to be a nominee for election to the Board of Directors.
- Annual Recommendation of Directors. The C/N/G Committee shall review and recommend to the Board a management slate of directors to be proposed for election at the annual shareholders' meeting and included in the Proxy Statement for such meeting.

- Board Performance Review. The C/N/G Committee shall solicit and receive comments from all directors and report annually to the Board with an assessment of the Board's membership, structure and performance.
- Committees' Performance Review. The C/N/G Committee shall review the function and composition of the committees of the Board (including the C/N/G Committee), and recommend to the Board qualified persons for membership on such committees. The C/N/G Committee shall review annually, or more often if appropriate, the directors who are members (including qualifications, requirements, rotation of Committee assignments and term limits of Committee memberships), the structure (including authority to delegate) and the performance of such committees and report to the Board the results of such review.
- Organization and Governance Generally. The C/N/G Committee shall serve in an advisory capacity to the Board and Chairman of the Board on matters of organizational and governance structure of the Company and the conduct of the Board generally.
- Officers. The C/N/G Committee shall review, as appropriate, the qualifications of candidates for election as officers of the Company and recommend such candidates for election by the Board.
- Succession Planning. The Board of Directors and the C/N/G Committee (to the extent directed by the Board) shall review at least annually with the CEO the availability of qualified replacements for key executive positions in the company and its subsidiaries and the nature and adequacy of the Company's plans for developing and providing necessary replacements both on a current and a long-term basis, so as to ensure continuity and orderly succession of capable and qualified management for the Company as well as policies regarding succession in the event of injury to, or retirement of, the CEO.
- Search Firms and Advisors. The C/N/G Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms. The C/N/G Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- Corporate Governance Guidelines. The C/N/G Committee shall review and reassess at least annually, and more often, if appropriate, the adequacy of the Corporate Governance Guidelines of the Company and recommend any proposed changes to the Board for approval.

- Code of Business Conduct and Ethics. The C/N/G Committee shall develop and recommend to the Board a Code of Business Conduct and Ethics, and shall consider any requests by directors or executive officers for waivers from the Company's Code of Business Conduct and Ethics. The Company shall make disclosure of such waivers to both the New York Stock Exchange and the Securities and Exchange Commission. If appropriate, the C/N/G Committee shall develop and recommend to the Board a separate Code of Conduct for Financial Managers.

### **3. General Authority and Responsibility**

- Regular Reports. The C/N/G Committee shall make regular reports to the Board. In addition, the C/N/G Committee shall develop a Master Calendar of Committee responsibilities and the meetings at which such responsibilities will be addressed.
- Review of Charter and Committee Performance. The C/N/G Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
- Delegation. The C/N/G Committee may form and delegate authority to subcommittees when appropriate.
- Meetings. The C/N/G Committee may request any officer or employee of the Company or the Company's outside counsel or other advisors to attend a meeting of the C/N/G Committee or to meet with any members of, or consultants to, the C/N/G Committee. The C/N/G Committee shall meet at least four (4) times per year.

### **E. Miscellaneous**

This Charter supercedes and replaces any prior resolutions or actions of the Board, or any committee thereof, to the extent such prior resolutions or actions are inconsistent with the provisions of this Charter.