

PACTIV CORPORATION

AUDIT COMMITTEE CHARTER

A. Name

There shall be a committee of the Board of Directors (Board) which shall be called the Audit Committee.

B. Purpose

The Audit Committee shall be directly responsible for the appointment, compensation and oversight over the work of the Company's independent public accountants.

The Audit Committee shall monitor (1) the integrity of the financial statements of the Company, (2) the Company's compliance with the corporate code of conduct and legal and regulatory requirements, (3) the independent public accountants' qualifications and independence and (4) the performance of the Company's internal audit function and independent public accountants.

The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

C. Committee Membership

The Audit Committee shall consist of three or more directors as determined by the Board. Each member of the Audit Committee shall satisfy the independence, experience and financial expertise requirements of the New York Stock Exchange ("NYSE") and Section 10A of the Securities Exchange Act of 1934, as amended by the Sarbanes-Oxley Act of 2002, and the rules promulgated thereunder. All members of the Audit Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined under the rules of the SEC. Fees for work as a director are the only compensation that an Audit Committee member may receive from the Company.

The Board shall appoint the members of the Audit Committee (including the chair) annually, considering the recommendation of the Compensation/Nominating/ Governance Committee, and further considering the views of the Chairman of the Board and the Chief Executive Officer, as appropriate. The members of the Audit Committee shall serve until their successors are appointed and qualify. If the Committee Chair is not designated or present, the Committee members may designate a Chair by majority vote of the Committee membership. The Board shall have the power at any time to change the membership of the Audit Committee and to fill vacancies in it subject to such new member(s) satisfying the independence, experience, and financial expertise requirements referred to above. Except as expressly provided in this Charter or the by-laws of the Company or Corporate Governance Guidelines of the Company, or as otherwise provided by law or the rules of the NYSE, the Audit Committee shall fix its own rules of procedure.

At least annually, obtain and review a report by the independent auditor describing (i) the audit firm's internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review, or peer review or any governmental or professional investigation of independent audits by the firm; and (iii) all relationships between the independent auditor and Pactiv.

The Audit Committee shall hold meetings as often as it deems appropriate, but at least four times per year.

D. Committee Authority and Responsibilities

The Audit Committee shall have the sole authority to appoint or replace the independent public accountants (subject, if applicable, to shareholder ratification), and shall approve all audit engagement

fees and terms and all non-audit engagements with the independent public accountants as well as the audit plan, including its scope, approach, staffing and locations to be visited. The Audit Committee shall consult with management but shall not delegate these responsibilities, except that pre-approvals of non-audit services may be delegated to a single member of the Audit Committee. In its capacity as a committee of the Board, the Audit Committee shall be directly responsible for the oversight of the work of the independent public accounting firm for the purpose of preparing or issuing an audit report or related work, and the independent public accounting firm shall report directly to the Audit Committee.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain at the expense of the Company special legal, accounting or other consultants to advise the committee and carry out its duties and to conduct or authorize investigations into any matters within its scope of responsibilities. The Audit Committee shall meet periodically with management, the internal auditors and the independent public accountants in separate executive sessions in furtherance of its purposes.

The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent public accountants to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit Committee's own performance.

In performing its functions the Audit Committee shall undertake those tasks and responsibilities that, in its judgment, would most effectively contribute and implement the purposes of the Audit Committee. The following functions are some of the common recurring activities of the Audit Committee in carrying out its oversight responsibility:

- Review and discuss with management and the independent public accountants the Company's annual audited financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations" or similar disclosures, and the matters required to be discussed pursuant to Statement on Auditing Standards No. 61, as amended, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
- Review and discuss with management and the independent public accountants the Company's quarterly financial statements, including disclosures made under "Management's Discussion and Analysis of Financial Condition and Results of Operations" or similar disclosures, and the matters required to be discussed pursuant to Statement on Auditing Standards No. 61, as amended, prior to the filing of its Form 10-Q, including the results of the independent public accountants' reviews of the quarterly financial statements to the extent applicable.
- Review and discuss with management, the internal auditors and the independent public accountants, as applicable, (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal and disclosure controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management or the independent public accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (c) any management letter provided by the independent public accountants and the Company's response to that letter; (d) any problems, difficulties or differences encountered in the course of the audit work, including any disagreements with management or restrictions on the scope of the independent public accountants' activities or on access to requested information and management's response thereto; (e) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and (f) earnings press releases.

- Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- Evaluate the qualifications, performance and independence of the public accountants, including a review and evaluation of the lead partner of the independent public accountant taking into account the opinions of management and the Company's internal auditors.
- Ensure that the lead audit partner of the independent public accountants and the audit partner responsible for reviewing the audit are rotated at least every five years as required by the Sarbanes-Oxley Act of 2002.
- Approve the hiring of employees or former employees of the independent public accountants who were engaged on the Company's account.
- Discuss with management and the independent public accountants any accounting adjustments that were noted or proposed by the independent public accountants but were passed (as immaterial or otherwise).
- Ensure that the Company maintains an internal audit function.
- Review the annual internal audit plan, any changes to such plan, the organizational structure and qualification of the internal audit staff.
- Discuss with the independent public accountants the internal audit department, its audit plan, responsibilities, budget and staffing.
- Review significant reports prepared by the internal audit staff together with management's response.
- Review and concur in the appointment or dismissal of the internal audit staff and any third party internal audit firm.
- At least twice annually, review with the Company's General Counsel the Company's compliance with laws and regulations, material inquiries, if any, from regulatory or government agencies, and any other legal matters that could have a significant impact on the Company's financial statements.
- Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Review disclosures made by the Company's principal executive officer or officers and principal financial officer or officers regarding compliance with their certification obligations as required under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, including the Company's disclosure controls and procedures and internal controls for financial reporting and evaluations thereof.
- Review any reports of the registered independent public accountants mandated by Section 10A of the Securities Exchange Act of 1934, as amended, and obtain from the registered independent public accountants any information with respect to illegal acts in accordance with Section 10A.

E. Limitations of Audit Committee's Roles

While the Audit Committee has the responsibilities and powers set forth in its Charter, it is not the duty of the Audit Committee to prepare financial statements, plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.