

# PACTIV CORPORATION

## Corporate Governance Guidelines

The following guidelines have been approved by the Board of Directors (the “Board”) of Pactiv Corporation (the “Company”), and, along with the Company’s By-Laws, its Codes of Conduct, and the Charters of the Board Committees, provide the framework for the Company’s corporate governance. The Board recognizes that corporate governance is a dynamic issue, which will evolve and be shaped by practice, legal and regulatory requirements, and other factors, and therefore the Board will review these guidelines and other aspects of the Company’s corporate governance structure annually or more often if deemed necessary. At all times the Board shall adopt and follow corporate governance guidelines that comply with applicable law, the requirements of the Securities and Exchange Commission (the “SEC”) and the New York Stock Exchange (the “NYSE”), and that the Board considers to be in the best interests of the Company and its shareholders.

### 1. Director Qualification Standards

- *General.* Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the Company’s shareholders. Directors should have an inquisitive and objective perspective, practical wisdom and mature judgment. The Company shall endeavor to have a board representing diverse experience at policy-making levels in business and in areas that are relevant to the Company’s activities.
- *Independence.* A majority of the members of the Board must qualify as “independent” in accordance with the applicable provisions of the Securities Exchange Act of 1934, and the rules promulgated thereunder, and the applicable rules of the NYSE. Generally, no director qualifies as “independent” unless the Board of Directors affirmatively determines that the director has no material relationship with the Company, and the Company must disclose each such determination. In making such determination, the Board will consider all relevant facts and circumstances, including the director’s affiliation with organizations that have relationships with the Company. Material relationships can be commercial, industrial, banking, consulting, legal, accounting, charitable and familial, among others. The Board may adopt and must disclose any categorical standards it employs to assist it in making such determination of independence. The C/N/G Committee will review each nominee’s qualifications and independence, and make a recommendation to the Board for its final determination.
- *Other Directorships.* Directors are encouraged to restrict the number of public company boards on which they serve. Directors shall advise the Chairman of the

Compensation/Nominating/Governance Committee (the “C/N/G Committee”) and the Company’s General Counsel promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee (or any committees performing similar functions) of the Board of Directors of any public company of which such director is a member. If a director serves on the audit committee of more than three public companies, the Board must determine whether or not such simultaneous service impairs such director’s ability to effectively serve on the Company’s Audit Committee, and the Board’s decision shall be disclosed in the Company’s annual proxy statement.

- *Affiliates with Competitors.* No director shall serve as a director, officer or employee of a competitor of the Company.
- *Change in Status.* Upon a change in the employment status of a director, such director shall be deemed to have tendered his or her resignation from the Board to the C/N/G Committee for its consideration. That committee shall consider the circumstances and consequences of such change and make an appropriate recommendation to the Board for its consideration. Any director who is an officer or employee of the Company shall be deemed to have tendered his or her resignation from the Board to the C/N/G Committee when such individual ceases to be an officer or employee of the Company.
- *Additional Qualifications.* No person who shall have attained the age of 72 shall be eligible for election or re-election, as the case may be, as a director of the Company. The C/N/G Committee shall be responsible for reviewing with the Board additional qualifications for directors, taking into account the composition and skills of the entire Board.

## 2. **Director Responsibilities**

- *General.* Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders in a manner consistent with their fiduciary duties. In considering the best long-term and short-term interests of the Company, directors may consider the needs of employees, suppliers and customers of the Company and its subsidiaries, communities in which the Company and its subsidiaries conduct business and other pertinent factors in addition to fulfilling its obligations for increased shareholder value.
- *Confidentiality.* Directors shall preserve the confidentiality of confidential material given or presented to the Board; they shall not use it for any personal advantage.
- *Conflicts of Interest.* A director must disclose to other directors and to the Company’s General Counsel any potential conflicts of interest he or she may have with respect to any matter under discussion and, if appropriate, refrain from voting on such matter.

- *Meetings.* Directors must attend meetings of the Board and of all Board committees upon which they serve. Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings and be prepared to discuss such materials at the meeting in an open and objective manner.
- *Executive Sessions.* The Board will schedule regular executive sessions where non-management directors meet without management participation. The non-management directors shall either select a non-management director to preside at each executive session or shall establish a procedure by which the presiding director for each executive session shall be selected. The Board will establish methods by which interested parties may communicate directly with the presiding director or with the non-management directors of the Board as a group and cause such methods to be disclosed.
- *Committees.* The Board shall at all times maintain an Audit Committee and a C/N/G Committee, which shall operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the SEC and the NYSE. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's by-laws as the Board sees fit. All members of the Audit Committee and the C/N/G Committee must be independent (as discussed above).
- *Public Communications.* Except in unusual circumstances or as required by committee charters or as requested by senior management, directors are expected to follow the principle that the designated senior management provides the public voice of the Company. Directors receiving inquiries from institutional investors, the press or others should refer them to the Chief Executive Officer or other appropriate officer of the Company.

### **3. Director Access to Management and Independent Advisors**

The Company shall provide each director with complete access to the management of the Company. The Board and Board committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

### **4. Director Compensation**

- *Board Compensation.* The Board, or an authorized committee thereof, will determine and review the form and amount of director compensation, including cash, equity-based awards and other director compensation. In connection with such director

compensation, the Board will be aware that questions may be raised when directors' fees and benefits exceed what is customary, and will be aware that the independence of directors could be questioned if substantial charitable contributions are made to organizations in which a director is affiliated or if the Company enters into consulting contracts with, or provides other indirect compensation to, a director or an affiliate of a director. The Board will critically evaluate each of these matters when determining the form and amount of director compensation, and the independence of a director.

- *Audit Committee and C/N/G Committee Members.* No member of the Audit Committee or the C/N/G Committee shall receive any compensation from the Company except directors' fees (including meeting fees and chairmanship fees).

#### **5. Director Orientation and Continuing Education**

The Board, with the assistance of the Company's Chief Financial Officer, General Counsel, and Chief Human Resource Officer, will provide access to appropriate orientation programs, sessions or materials for newly elected directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a director.

#### **6. Management Succession/CEO Evaluation**

The CEO shall provide an annual report on succession planning and related development recommendations to the Board including a short-term succession plan delineating temporary delegation of authority in the event that the CEO or any other executive officer is unexpectedly unable to perform his or her duties. The C/N/G Committee, either as a committee or together with the other independent directors (as directed by the Board), shall evaluate the CEO's performance in light of the Corporate goals and objectives established for the CEO's performance and approve the CEO's compensation level based on this evaluation.

#### **7. Annual Performance Evaluation of the Board**

The Board will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively. The Board will discuss the evaluation report to determine what, if any, action could improve Board and Board committee performance. Such evaluation shall be conducted in accordance with procedures, from time to time adopted, by the Board and such committees. The Board, with the assistance of the C/N/G Committee and the Company's General Counsel, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

#### **8. Amendment, Modification and Waiver**

These Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the C/N/G Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the NYSE.