

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

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: 001-39205

REYNOLDS CONSUMER PRODUCTS INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

45-3464426
(I.R.S. Employer
Identification Number)

**1900 W. Field Court
Lake Forest, Illinois 60045**
(Address of principal executive offices) (Zip Code)

Telephone: (800) 879-5067
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, \$0.001 par value	REYN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 31, 2024, the registrant had 210,138,321 shares of common stock, \$0.001 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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,” “intends,” “outlook,” “forecast,” “position,” “committed,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “model,” “assumes,” “confident,” “look forward,” “potential,” “on track,” or “continue,” or 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 and anticipated trends in 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 risks and uncertainties discussed in Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and as updated in our Quarterly Reports on Form 10-Q. You should specifically consider the numerous risks outlined in the “Risk Factors” sections. These risks and uncertainties include factors related to:

- changes in consumer preferences, lifestyle, economic circumstances and environmental concerns;
- relationships with our major customers, consolidation of our customer bases and loss of a significant customer;
- competition and pricing pressures;
- loss of, or disruption at, any of our key manufacturing facilities;
- our suppliers of raw materials and any interruption in our supply of raw materials;
- loss due to an accident, labor issues, weather conditions, natural disaster, or disease outbreak, including epidemics, pandemics or similar widespread public health concerns;
- costs of raw materials, energy, labor and freight, including the impact of tariffs, trade sanctions and similar matters affecting our importation of certain raw materials;
- labor shortages and increased labor costs;
- our ability to develop and maintain brands that are critical to our success;
- economic downturns in our target markets;
- our ability to acquire businesses;
- impacts from inflationary trends;
- difficulty meeting our sales growth objectives and innovation goals; and
- changes in market interest rates and the availability of capital.

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. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. We are under no duty to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q to conform our prior statements to actual results or revised expectations.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed on February 7, 2024, under Part I, Item 1A. “Risk Factors” and as updated in our Quarterly Reports on Form 10-Q.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Reynolds Consumer Products Inc.
Condensed Consolidated Statements of Income
(in millions, except for per share data)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Net revenues	\$ 914	\$ 922	\$ 1,726	\$ 1,774
Related party net revenues	16	18	38	40
Total net revenues	930	940	1,764	1,814
Cost of sales	(674)	(712)	(1,306)	(1,430)
Gross profit	256	228	458	384
Selling, general and administrative expenses	(116)	(107)	(227)	(212)
Other income (expense), net	—	(1)	—	(1)
Income from operations	140	120	231	171
Interest expense, net	(25)	(31)	(51)	(60)
Income before income taxes	115	89	180	111
Income tax expense	(18)	(23)	(35)	(28)
Net income	\$ 97	\$ 66	\$ 145	\$ 83
Earnings per share:				
Basic	\$ 0.46	\$ 0.32	\$ 0.69	\$ 0.40
Diluted	\$ 0.46	\$ 0.32	\$ 0.69	\$ 0.40
Weighted average shares outstanding:				
Basic	210.1	210.0	210.1	210.0
Effect of dilutive securities	0.1	—	0.1	—
Diluted	210.2	210.0	210.2	210.0

See accompanying notes to the condensed consolidated financial statements.

Reynolds Consumer Products Inc.
Condensed Consolidated Statements of Comprehensive Income
(in millions)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 97	\$ 66	\$ 145	\$ 83
Other comprehensive (loss) income, net of income taxes:				
Currency translation adjustment	—	—	(1)	—
Employee benefit plans	(2)	(1)	(3)	(2)
Derivative instruments	—	14	5	2
Other comprehensive (loss) income, net of income taxes	(2)	13	1	—
Comprehensive income	\$ 95	\$ 79	\$ 146	\$ 83

See accompanying notes to the condensed consolidated financial statements.

Reynolds Consumer Products Inc.
Condensed Consolidated Balance Sheets
(in millions, except for per share data)

	(Unaudited) As of June 30, 2024	As of December 31, 2023
Assets		
Cash and cash equivalents	\$ 101	\$ 115
Accounts receivable (net of allowance for doubtful accounts of \$1 and \$1)	371	347
Other receivables	5	7
Related party receivables	7	7
Inventories	584	524
Other current assets	45	41
Total current assets	1,113	1,041
Property, plant and equipment (net of accumulated depreciation of \$938 and \$897)	729	732
Operating lease right-of-use assets, net	79	56
Goodwill	1,895	1,895
Intangible assets, net	987	1,001
Other assets	62	55
Total assets	\$ 4,865	\$ 4,780
Liabilities		
Accounts payable	\$ 310	\$ 219
Related party payables	29	34
Current operating lease liabilities	19	16
Income taxes payable	1	22
Accrued and other current liabilities	164	187
Total current liabilities	523	478
Long-term debt	1,784	1,832
Long-term operating lease liabilities	63	42
Deferred income taxes	359	357
Long-term postretirement benefit obligation	16	16
Other liabilities	80	72
Total liabilities	\$ 2,825	\$ 2,797
Commitments and contingencies (Note 7)		
Stockholders' equity		
Common stock, \$0.001 par value; 2,000 shares authorized; 210.1 shares issued and outstanding	—	—
Additional paid-in capital	1,404	1,396
Accumulated other comprehensive income	51	50
Retained earnings	585	537
Total stockholders' equity	2,040	1,983
Total liabilities and stockholders' equity	\$ 4,865	\$ 4,780

See accompanying notes to the condensed consolidated financial statements.

Reynolds Consumer Products Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in millions, except for per share data)
(Unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Equity
Balance as of December 31, 2022	\$ —	\$ 1,385	\$ 431	\$ 52	\$ 1,868
Net income	—	—	17	—	17
Other comprehensive loss, net of income taxes	—	—	—	(13)	(13)
Dividends (\$0.23 per share declared and paid)	—	—	(48)	—	(48)
Other	—	1	—	—	1
Balance as of March 31, 2023	\$ —	\$ 1,386	\$ 400	\$ 39	\$ 1,825
Net income	—	—	66	—	66
Other comprehensive income, net of income taxes	—	—	—	13	13
Dividends (\$0.23 per share declared and paid)	—	—	(48)	—	(48)
Other	—	3	—	—	3
Balance as of June 30, 2023	\$ —	\$ 1,389	\$ 418	\$ 52	\$ 1,859
Balance as of December 31, 2023	\$ —	\$ 1,396	\$ 537	\$ 50	\$ 1,983
Net income	—	—	49	—	49
Other comprehensive income, net of income taxes	—	—	—	3	3
Dividends (\$0.23 per share declared and paid)	—	—	(48)	—	(48)
Other	—	3	(1)	—	2
Balance as of March 31, 2024	\$ —	\$ 1,399	\$ 537	\$ 53	\$ 1,989
Net income	—	—	97	—	97
Other comprehensive loss, net of income taxes	—	—	—	(2)	(2)
Dividends (\$0.23 per share declared and paid)	—	—	(48)	—	(48)
Other	—	5	(1)	—	4
Balance as of June 30, 2024	\$ —	\$ 1,404	\$ 585	\$ 51	\$ 2,040

See accompanying notes to the condensed consolidated financial statements.

Reynolds Consumer Products Inc.
Condensed Consolidated Statements of Cash Flows
(in millions)
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash provided by operating activities		
Net income	\$ 145	\$ 83
Adjustments to reconcile net income to operating cash flows:		
Depreciation and amortization	63	61
Deferred income taxes	—	2
Stock compensation expense	9	6
Change in assets and liabilities:		
Accounts receivable, net	(23)	(38)
Other receivables	2	11
Related party receivables	—	—
Inventories	(60)	108
Accounts payable	92	(15)
Related party payables	(5)	(12)
Income taxes payable / receivable	(22)	(11)
Accrued and other current liabilities	(21)	19
Other assets and liabilities	3	(7)
Net cash provided by operating activities	183	207
Cash used in investing activities		
Acquisition of property, plant and equipment	(48)	(51)
Net cash used in investing activities	(48)	(51)
Cash used in financing activities		
Repayment of long-term debt	(50)	(12)
Dividends paid	(96)	(96)
Other financing activities	(3)	(3)
Net cash used in financing activities	(149)	(111)
Net (decrease) increase in cash and cash equivalents	(14)	45
Cash and cash equivalents at beginning of period	115	38
Cash and cash equivalents at end of period	\$ 101	\$ 83
Cash paid:		
Interest - long-term debt, net of interest rate swaps	51	58
Income taxes	56	36

See accompanying notes to the condensed consolidated financial statements.

Note 1 – Description of Business and Basis of Presentation

Description of Business:

Reynolds Consumer Products Inc. and its subsidiaries (“we”, “us” or “our”) produce and sell products across three broad categories: cooking products, waste and storage products and tableware. We sell our products under brands such as Reynolds and Hefty, and also under store brands. Our product portfolio includes aluminum foil, wraps, disposable bakeware, trash bags, food storage bags and disposable tableware. We report four business segments: Reynolds Cooking & Baking; Hefty Waste & Storage; Hefty Tableware; and Presto Products.

Basis of Presentation:

We have prepared the accompanying unaudited condensed consolidated financial statements in accordance with United States generally accepted accounting principles (“GAAP”) for interim financial information and the instructions to the Quarterly Report on Form 10-Q and Article 10 of Regulation S-X issued by the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and notes required by GAAP for comprehensive annual financial statements.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2023, and should be read in conjunction with the disclosures therein. In our opinion, these interim condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to state fairly the financial condition, results of operations and cash flows for the periods presented. Operating results for interim periods are not necessarily indicative of annual operating results.

Non-Cash Lease Transactions:

We recorded \$32 million in new operating lease right-of-use assets obtained in exchange for lease liabilities during the six months ended June 30, 2024. New operating lease right-of-use assets obtained in exchange for lease liabilities during the six months ended June 30, 2023, were not material.

New finance lease right-of-use assets obtained in exchange for lease liabilities for the six months ended June 30, 2024 and 2023, were not material.

Supply Chain Financing:

In March 2023, we initiated a voluntary Supply Chain Finance program (the “SCF”) with a global financial institution (the “SCF Bank”). Under the SCF, qualifying suppliers may elect to sell their receivables from us to the SCF Bank. These participating suppliers negotiate their receivables sales arrangements directly with the SCF Bank. We are not party to those agreements, nor do we provide any security or other forms of guarantees to the SCF Bank. The participation in the program is at the sole discretion of the supplier, we have no economic interest in a supplier’s decision to enter into the agreement and have no direct financial relationship with the SCF Bank, as it relates to the SCF. Once a qualifying supplier elects to participate in the SCF and reaches an agreement with the SCF Bank, they elect which individual invoices they sell to the SCF Bank.

The terms of our payment obligations are not impacted by a supplier’s participation in the SCF and as such, the SCF has no impact on our balance sheets, cash flows, or liquidity. Our payment terms with our suppliers for similar services and materials within individual markets are consistent between suppliers that elect to participate in the SCF and those that do not participate.

All outstanding amounts related to suppliers participating in the SCF are recorded within accounts payable in our condensed consolidated balance sheet and associated payments are included as an operating cash flow in the condensed consolidated statement of cash flows. As of June 30, 2024, the amount of obligations outstanding that we have confirmed as valid under the SCF was \$9 million. As of December 31, 2023, the amount of obligations outstanding that we had confirmed as valid under the SCF was \$19 million.

Note 2 – New Accounting Standards

Recently Adopted Accounting Guidance:

In September 2022, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*. These amendments require disclosure of the key terms of outstanding supplier finance programs and a rollforward of the related obligations. These amendments were effective for fiscal years beginning after December 31, 2022, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 31, 2023. We adopted the standard as of January 1, 2023, other than the amendment on rollforward information, which will be adopted prospectively in our Annual Report on Form 10-K for the year ending December 31, 2024 as required. The adoption relates to disclosure only, and does not have an impact on our condensed consolidated financial statements.

Accounting Guidance Issued But Not Yet Adopted:

In November 2023, FASB issued ASU 2023-07, *Segment Reporting (Topic 280)*, which enhances disclosures about significant segment expenses by requiring disclosure of incremental segment information on an annual and interim basis. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently assessing the impact of this standard on our consolidated financial statements.

In December 2023, FASB issued ASU 2023-09, *Income Taxes (Topic 740)*, which enhances disclosures within the income tax rate reconciliation and information disclosed related to income taxes paid, and requires disaggregation of certain financial statement captions between domestic, foreign, federal and state. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently assessing the impact of this standard on our consolidated financial statements.

In March 2024, the SEC adopted final rules under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which will require public companies to include climate-related disclosures in their annual reports and registration statements. The final rules will require, among other matters, information about climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, a registrant, including on its strategy, results of operations, or financial condition. In addition, under the final rules, certain disclosures related to severe weather events and other natural conditions will be required in the audited financial statements. The disclosure requirements related to financial statements are expected to be effective for our Annual Report on Form 10-K for the fiscal year ended December 31, 2025. We are currently assessing the impact of these rules on our consolidated financial statements and related disclosures.

Note 3 – Inventories

Inventories consisted of the following:

	June 30, 2024	December 31, 2023
	(in millions)	
Raw materials	\$ 142	\$ 153
Work in progress	58	60
Finished goods	327	260
Spare parts	57	51
Inventories	\$ 584	\$ 524

Note 4 – Debt

Long-term debt consisted of the following:

	June 30, 2024	December 31, 2023
	(in millions)	
Term loan facility	\$ 1,795	\$ 1,845
Deferred financing transaction costs	(10)	(12)
Original issue discounts	(1)	(1)
	1,784	1,832
Less: current portion	—	—
Long-term debt	\$ 1,784	\$ 1,832

External Debt Facilities

In February 2020, we entered into new external debt facilities (“External Debt Facilities”), which consist of (i) a \$2,475 million senior secured term loan facility (“Term Loan Facility”); and (ii) a \$250 million senior secured revolving credit facility (“Revolving Facility”). In February 2023, we amended the External Debt Facilities (“Amendment No.1”) which replaced the interest rate benchmark from the London Interbank Offered Rate (“LIBOR”) to the Secured Overnight Financing Rate (“SOFR”). Additionally, in November 2023, we further amended the External Debt Facilities (“Amendment No. 2”) to extend the maturity of the Revolving Facility by one year. Other than the foregoing, the material terms of the External Debt Facilities, as amended by Amendment No. 1 and Amendment No. 2 (“Amended External Debt Facilities”) remain unchanged, and our election to use practical expedients under ASU 2020-04 and ASU 2021-01 resulted in no material impacts on our condensed consolidated financial statements.

Borrowings under the Amended External Debt Facilities bear interest at a rate per annum equal to, at our option, either a base rate plus an applicable margin of 0.75% or a SOFR plus an applicable margin of 1.75%. We have entered into a series of interest rate swaps to hedge a portion of the interest rate exposure resulting from these borrowings. Refer to Note 5 – Financial Instruments for further details.

The Amended External Debt Facilities contain a springing financial covenant requiring compliance with a ratio of first lien net indebtedness to consolidated EBITDA, applicable solely to the Revolving Facility. The financial covenant is tested on the last day of any fiscal quarter only if the aggregate principal amount of borrowings under the Revolving Facility and drawn but unreimbursed letters of credit exceed 35% of the total amount of commitments under the Revolving Facility on such day. We are currently in compliance with the covenants contained in our Amended External Debt Facilities.

If an event of default occurs, the lenders under the Amended External Debt Facilities are entitled to take various actions, including the acceleration of amounts due under the Amended External Debt Facilities and all actions permitted to be taken by secured creditors.

Term Loan Facility

The Term Loan Facility matures in February 2027. The Term Loan Facility amortizes in equal quarterly installments of \$6 million, which commenced in June 2020, with the balance payable on maturity. During the year ended December 31, 2023, we made voluntary principal payments of \$250 million related to our Term Loan Facility, which were first applied to pay the remaining quarterly amortization payments in full, with the residual balance applied to the outstanding principal balance due at maturity. During the three months ended June 30, 2024, we made a voluntary principal payment of \$50 million related to our Term Loan Facility, which was applied to the outstanding principal balance due at maturity.

Revolving Facility

In November 2023, we amended the External Debt Facilities to extend the maturity date of the Revolving Facility by one year. The Revolving Facility matures in February 2026 and includes a sub-facility for letters of credit. As of June 30, 2024, we had no outstanding borrowings under the Revolving Facility, and we had \$6 million of letters of credit outstanding, which reduces the borrowing capacity under the Revolving Facility.

Fair Value of Our Long-Term Debt

The fair value of our long-term debt as of June 30, 2024, which is a Level 2 fair value measurement, approximates the carrying value due to the variable market interest rate and the stability of our credit profile.

Note 5 - Financial Instruments

Interest Rate Derivatives

During 2020 and 2022, we entered into a series of interest rate swaps to fix the LIBOR of our External Debt Facilities. In February 2023, we amended our interest rate swaps to replace the interest rate benchmark from the LIBOR to SOFR. Other than the foregoing, the material terms of the interest rate swap agreements remained unchanged, and our election to use practical expedients under ASUs 2020-04 and 2021-01, resulted in no material impacts on our condensed consolidated financial statements. The aggregate notional amount of the interest rate swaps still in effect as of June 30, 2024 was \$1,150 million, and the SOFR is fixed at an annual rate of 0.40% to 3.40% (for an annual effective interest rate of 2.15% to 5.15%, including margin).

The interest rate swaps outstanding as of June 30, 2024 hedge a portion of the interest rate exposure resulting from our Term Loan Facility for a period of approximately one to two years. We classified these instruments as cash flow hedges. The effective portion of the gain or loss on the open hedging instrument is recorded in accumulated other comprehensive income and is reclassified into earnings as interest expense, net when settled. The associated asset or liability on the open hedges is recorded at its fair value in other assets or other liabilities, as applicable. The fair value of the interest rate swaps was determined using a discounted cash flow method based on market-based swap yield curves, taking into account current interest rates, and is classified as Level 2 within the fair value hierarchy.

The following table provides the notional amounts, the annual rates, the weighted average annual effective rates, and the fair value of our interest rate derivatives:

<i>(In millions)</i>	<i>Notional Amount</i>	<i>Annual Rate</i>	<i>Weighted Average Annual Effective Rate</i>	<i>Fair Value - Other Current Assets</i>	<i>Fair Value - Other Assets</i>
As of June 30, 2024	\$ 1,150	2.15% to 5.15%	4.38 %	\$ 26	\$ 8
As of December 31, 2023	\$ 1,150	2.15% to 5.15%	4.38 %	\$ 23	\$ 7

Note 6 – Stock-based Compensation

Our equity incentive plan was established in 2020, for purposes of granting stock-based compensation awards to certain members of our senior management, our non-executive directors and to certain employees, to incentivize their performance and align their interests with ours. We have granted restricted stock units (“RSUs”) to certain employees and non-employee directors that have a service-based vesting condition. In addition, we have granted performance stock units (“PSUs”) to certain members of management that have a performance-based vesting condition. We account for forfeitures of outstanding but unvested grants in the period they occur. A maximum of 10.5 million shares of common stock were initially available for issuance under equity incentive awards granted pursuant to the plan. In the three and six months ended June 30, 2024, zero and 0.3 million RSUs and zero and 0.3 million PSUs were granted, respectively.

As of June 30, 2024, there were stock-based compensation awards representing 1.4 million shares outstanding compared to 0.8 million shares outstanding as of December 31, 2023. Stock-based compensation expense was \$5 million and \$9 million for the three and six months ended June 30, 2024, respectively, compared to \$3 million and \$6 million in the comparable prior year periods.

Note 7 – Commitments and Contingencies

Legal Proceedings:

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, consumer complaints, advertising/labelling claims, 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 as of June 30, 2024, we do not believe any of these matters, individually or in the aggregate, will have a material adverse effect on our financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on our financial position, results of operations or cash flows in a future period.

Note 8 – Accumulated Other Comprehensive Income

The following table summarizes the changes in our balances of each component of accumulated other comprehensive income.

(In millions)	Currency Translation Adjustments	Employee Benefit Plans	Derivative Instruments	Accumulated Other Comprehensive Income
Balance as of December 31, 2022	\$ (7)	\$ 23	\$ 36	\$ 52
Loss arising during the period	—	—	(10)	(10)
Reclassification to earnings	—	(1)	(6)	(7)
Effect of deferred taxes	—	—	4	4
Balance as of March 31, 2023	\$ (7)	\$ 22	\$ 24	\$ 39
Gain arising during the period	—	—	25	25
Reclassification to earnings	—	(1)	(7)	(8)
Effect of deferred taxes	—	—	(4)	(4)
Balance as of June 30, 2023	\$ (7)	\$ 21	\$ 38	\$ 52
Balance as of December 31, 2023	\$ (7)	\$ 34	\$ 23	\$ 50
Gain (loss) arising during the period	(1)	—	15	14
Reclassification to earnings	—	(1)	(8)	(9)
Effect of deferred taxes	—	—	(2)	(2)
Balance as of March 31, 2024	\$ (8)	\$ 33	\$ 28	\$ 53
Gain arising during the period	—	—	8	8
Reclassification to earnings	—	(2)	(8)	(10)
Effect of deferred taxes	—	—	—	—
Balance as of June 30, 2024	\$ (8)	\$ 31	\$ 28	\$ 51

Note 9 - Income Taxes

For the three months ended June 30, 2024, we recorded income tax expense of \$18 million on income before income taxes of \$115 million, or an effective tax rate of 16.0%, compared to income tax expense of \$23 million on income before income taxes of \$89 million, or an effective tax rate of 25.4%, for the three months ended June 30, 2023.

For the six months ended June 30, 2024, we recorded income tax expense of \$35 million on income before income taxes of \$180 million, or an effective tax rate of 19.2%, compared to income tax expense of \$28 million on income before income taxes of \$111 million, or an effective tax rate of 25.3% for the six months ended June 30, 2023.

For the three and six months ended June 30, 2024, our income tax expense included a discrete tax benefit for the remeasurement of deferred tax liabilities due to a change in our state tax rates after apportionment.

Note 10 – Segment Information

Our Chief Executive Officer, who has been identified as our Chief Operating Decision Maker (“CODM”), has evaluated how he views and measures our performance. In applying the criteria set forth in the standards for reporting information about segments in financial statements, we have determined that we have four reportable segments - Reynolds Cooking & Baking, Hefty Waste & Storage, Hefty Tableware and Presto Products. 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 segments are described as follows:

Reynolds Cooking & Baking

Our Reynolds Cooking & Baking segment produces branded and store brand aluminum foil, disposable aluminum pans, parchment paper, freezer paper, wax paper, butcher paper, plastic wrap, baking cups, oven bags and slow cooker liners. Our branded products are sold under the Reynolds Wrap, Reynolds KITCHENS and EZ Foil brands in the United States and selected international markets, under the ALCAN brand in Canada and under the Diamond brand outside of North America.

Hefty Waste & Storage

Our Hefty Waste & Storage segment produces both branded and store brand trash and food storage bags. Our branded products are sold under the Hefty Ultra Strong and Hefty Strong brands for trash bags, and as the Hefty and Baggies brands for our food storage bags.

Hefty Tableware

Our Hefty Tableware segment sells both branded and store brand disposable and compostable plates, bowls, platters, cups and cutlery. Our Hefty branded products include dishes and party cups.

Presto Products

Our Presto Products segment primarily sells store brand products in four main categories: food storage bags, trash bags, reusable storage containers and plastic wrap. Our Presto Products segment also includes our specialty business, which serves other consumer products companies by providing Fresh-Lock and Slide-Rite resealable closure systems.

Information by Segment

We present 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 may be further adjusted to exclude certain non-recurring costs, if applicable.

Total assets by segment are those assets directly associated with the respective operating activities, comprising inventory, property, plant and equipment and operating lease right-of-use assets. Other assets, such as cash, accounts receivable and intangible assets, are monitored on an entity-wide basis and not included in segment information that is regularly reviewed by our CODM.

Transactions between segments are at negotiated prices.

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment Total	Unallocated ⁽¹⁾	Total
Three Months Ended June 30, 2024							
(in millions)							
Net revenues	\$ 304	\$ 236	\$ 245	\$ 147	\$ 932	\$ (2)	\$ 930
Intersegment revenues	—	2	—	3	5	(5)	—
Total segment net revenues	<u>\$ 304</u>	<u>\$ 238</u>	<u>\$ 245</u>	<u>\$ 150</u>	<u>\$ 937</u>	<u>\$ (7)</u>	<u>\$ 930</u>
Adjusted EBITDA	56	69	39	37	201		
Depreciation and amortization	8	5	4	5	22	10	32

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment Total	Unallocated ⁽¹⁾	Total
Three Months Ended June 30, 2023							
(in millions)							
Net revenues	\$ 321	\$ 227	\$ 251	\$ 144	\$ 943	\$ (3)	\$ 940
Intersegment revenues	—	2	—	1	3	(3)	—
Total segment net revenues	<u>\$ 321</u>	<u>\$ 229</u>	<u>\$ 251</u>	<u>\$ 145</u>	<u>\$ 946</u>	<u>\$ (6)</u>	<u>\$ 940</u>
Adjusted EBITDA	40	62	45	28	175		
Depreciation and amortization	7	5	4	5	21	9	30

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment Total	Unallocated ⁽¹⁾	Total
Six Months Ended June 30, 2024							
(in millions)							
Net revenues	\$ 568	\$ 462	\$ 450	\$ 287	\$ 1,767	\$ (3)	\$ 1,764
Intersegment revenues	—	6	—	6	12	(12)	—
Total segment net revenues	<u>\$ 568</u>	<u>\$ 468</u>	<u>\$ 450</u>	<u>\$ 293</u>	<u>\$ 1,779</u>	<u>\$ (15)</u>	<u>\$ 1,764</u>
Adjusted EBITDA	89	134	70	66	359		
Depreciation and amortization	16	9	8	11	44	19	63

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment Total	Unallocated ⁽¹⁾	Total
Six Months Ended June 30, 2023							
(in millions)							
Net revenues	\$ 604	\$ 457	\$ 475	\$ 285	\$ 1,821	\$ (7)	\$ 1,814
Intersegment revenues	—	6	—	3	9	(9)	—
Total segment net revenues	<u>\$ 604</u>	<u>\$ 463</u>	<u>\$ 475</u>	<u>\$ 288</u>	<u>\$ 1,830</u>	<u>\$ (16)</u>	<u>\$ 1,814</u>
Adjusted EBITDA	43	117	76	47	283		
Depreciation and amortization	14	10	8	11	43	18	61

Segment assets consisted of the following:

	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Segment Total	Unallocated ⁽¹⁾	Total
	(in millions)						
As of June 30, 2024	\$ 584	\$ 274	\$ 234	\$ 242	\$ 1,334	\$ 3,531	\$ 4,865
As of December 31, 2023	556	267	216	239	1,278	3,502	4,780

(1) Unallocated includes the elimination of intersegment revenues, other revenue adjustments and certain corporate costs, depreciation and amortization and assets not allocated to segments. Unallocated assets are comprised of cash, accounts receivable, other receivables, entity-wide property, plant and equipment, entity-wide operating lease right-of-use assets, goodwill, intangible assets, related party receivables and other assets.

The following table presents a reconciliation of segment Adjusted EBITDA to GAAP income before income taxes:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
Segment Adjusted EBITDA	\$ 201	\$ 175	\$ 359	\$ 283
Corporate / unallocated expenses	(29)	(25)	(65)	(51)
	172	150	294	232
<i>Adjustments to reconcile to GAAP income before income taxes</i>				
Depreciation and amortization	(32)	(30)	(63)	(61)
Interest expense, net	(25)	(31)	(51)	(60)
Consolidated GAAP income before income taxes	\$ 115	\$ 89	\$ 180	\$ 111

Information in Relation to Products

Net revenues by product line are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
Waste and storage products ⁽¹⁾	\$ 388	\$ 374	\$ 761	\$ 751
Cooking products	304	321	568	604
Tableware	245	251	450	475
Unallocated	(7)	(6)	(15)	(16)
Net revenues	\$ 930	\$ 940	\$ 1,764	\$ 1,814

(1) Waste and storage products are comprised of our Hefty Waste & Storage and Presto Products segments.

Our different product lines are generally sold to a common group of customers. For all product lines, there is a relatively short time period between the receipt of the order and the transfer of control over the goods to the customer.

Note 11 – Related Party Transactions

Packaging Finance Limited (“PFL”) owns the majority of our outstanding common stock and owns the majority of the outstanding common stock of Pactiv Evergreen Inc. and its subsidiaries (“PEI Group”). We sell and purchase various goods and services with PEI Group under contractual arrangements that expire over a variety of periods through December 31, 2027. During the year ended December 31, 2023 and the six months ended June 30, 2024, we amended these contractual arrangements with PEI Group, which, among other things, extended the expiration date for certain arrangements. Transactions between us and PEI Group are described below.

For each of the three and six months ended June 30, 2024, revenues from products sold to PEI Group were \$16 million and \$38 million, respectively, compared to \$18 million and \$40 million in the comparable prior year periods. For the three and six months ended June 30, 2024, products purchased from PEI Group were \$83 million and \$163 million, respectively, compared to \$93 million and \$199 million in the comparable prior year periods. For the three and six months ended June 30, 2024, PEI Group charged us freight and warehousing costs of \$7 million and \$15 million, respectively, compared to \$9 million and \$18 million in the comparable prior year periods, which were included in cost of sales. The resulting related party receivables and payables are settled regularly in the normal course of business.

Furthermore, \$36 million of the dividends paid during each of the three months ended June 30, 2024 and June 30, 2023, and \$72 million of the dividends paid during each of the six months ended June 30, 2024 and June 30, 2023, were paid to PFL.

Note 12 – Subsequent Events*Quarterly Cash Dividend*

On July 25, 2024, our Board of Directors approved a cash dividend of \$0.23 per common share to be paid on August 30, 2024 to shareholders of record on August 16, 2024.

Term Loan Facility

Subsequent to June 30, 2024, we made a voluntary principal payment of \$50 million related to our Term Loan Facility.

Except as described above, there have been no events subsequent to June 30, 2024 which would require accrual or disclosure in these condensed consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our management's discussion and analysis is intended to help the reader understand our results of operations and financial condition and is provided as an addition to, and should be read in connection with, our condensed consolidated financial statements and the accompanying notes included elsewhere in this Quarterly Report on Form 10-Q and our consolidated financial statements and the accompanying notes contained in our Annual Report on Form 10-K for the year ended December 31, 2023.

Description of the Company and its Business Segments

We are a market-leading consumer products company with a presence in 95% of households across the United States. We produce and sell products across three broad categories: cooking products, waste and storage products and tableware. We sell our products under iconic brands such as Reynolds and Hefty and also under store brands that are strategically important to our retail partners. Overall, across both our branded and store brand offerings, we hold the #1 or #2 U.S. market share position in the majority of product categories in which we participate. Over 65% of our revenue comes from products that are #1 in their respective categories. We have developed our market-leading position by investing in our product categories and consistently developing innovative products that meet the evolving needs and preferences of the modern consumer.

Our mix of branded and store brand products is a key competitive advantage that aligns our goal of growing the overall product categories where we have offerings. Our retail partners also measure their success in category growth, which positions us as a trusted strategic partner.

We manage our operations in four operating and reportable segments: Reynolds Cooking & Baking, Hefty Waste & Storage, Hefty Tableware and Presto Products:

- **Reynolds Cooking & Baking:** Through our Reynolds Cooking & Baking segment, we sell both branded and store brand aluminum foil, disposable aluminum pans, parchment paper, freezer paper, wax paper, butcher paper, plastic wrap, baking cups, oven bags and slow cooker liners. Our branded products are sold under the Reynolds Wrap, Reynolds KITCHENS and EZ Foil brands in the United States and selected international markets, under the ALCAN brand in Canada and under the Diamond brand outside of North America. With our flagship Reynolds Wrap products, we hold the #1 market position in the U.S. consumer foil market measured by retail sales and volume. We also hold the #1 market position in the Canadian branded foil market under the ALCAN brand. We have no significant branded competitor in this market. Reynolds is one of the most recognized household brands in the United States and has been the top trusted brand in the consumer foil market for over 75 years, with greater than 50% market share in most of its categories.
- **Hefty Waste & Storage:** Through our Hefty Waste & Storage segment, we produce both branded and store brand trash and food storage bags. Hefty is a well-recognized leader in the trash bag and food storage bag categories and our private label products offer value to our retail partners. Our branded products are sold under the Hefty Ultra Strong and Hefty Strong brands for trash bags, and as the Hefty and Baggies brands for our food storage bags. We have the #1 branded market share in the U.S. large black trash bag and slider bag segments, and the #2 branded market share in the tall kitchen trash bag segment. Our robust product portfolio in this segment includes a full suite of products, including sustainable solutions such as blue and clear recycling bags, compostable bags, bags made from recycled materials and orange bags through the Hefty ReNew™ Program.
- **Hefty Tableware:** Through our Hefty Tableware segment, we sell both branded and store brand disposable and compostable plates, bowls, platters, cups and cutlery. Our Hefty branded products include dishes and party cups. Hefty branded party cups are the #1 party cup in America measured by market share. Our branded products use our Hefty brand to represent both quality and great value, and we bring this same quality and value promise to all of our store brands as well. We sell across a broad range of materials and price points in all retail channels, allowing our consumers to select the product that best suits their price, function and aesthetic needs. These materials include sustainable solutions, such as Hefty ECOSAVE™ and Hefty Compostable Printed Paper Plates.
- **Presto Products:** Through our Presto Products segment, we primarily sell store brand products in four main categories: food storage bags, trash bags, reusable storage containers and plastic wrap. Presto Products is a market leader in food storage bags and differentiates itself by providing access to category management, consumer insights, marketing, merchandising and research and development ("R&D") resources. Presto Products was the first in the U.S. market to offer a store branded sandwich bag made with an approximately 20% proprietary blend of plant and ocean, renewable materials. Our Presto Products segment also includes our specialty business, which serves other consumer products companies by providing Fresh-Lock and Slide-Rite resealable closure systems.

Overview

Total net revenues decreased 1% in the three months ended June 30, 2024 compared to the same period in 2023. The revenue decrease was due to lower volume in our non-retail business. Our retail net revenue grew by \$6 million, in contrast to a \$16 million decline in our lower-margin non-retail net revenue.

Total net revenues decreased 3% in the six months ended June 30, 2024 compared to the same period in 2023. The revenue decrease was primarily due to lower volume, 2% of which was in our lower-margin non-retail business and 1% of which was in our retail business.

During the three months ended June 30, 2024, our net income increased by 47%, driven by lower material and manufacturing costs, as well as a reduction in interest expense as a result of a lower outstanding principal balance due to repayments made on our term loan facility and lower income tax expense primarily due to a discrete tax benefit in the quarter. These were partially offset by higher selling, general and administrative expenses.

During the six months ended June 30, 2024, our net income increased by 75%, primarily driven by declines in material and manufacturing costs, as well as a reduction in interest expense as a result of a lower outstanding principal balance due to repayments made on our term loan facility. These were partially offset by higher selling, general and administrative expenses.

Non-GAAP Measures

In this Quarterly Report on Form 10-Q we use the non-GAAP financial measure “Adjusted EBITDA”, which is a non- GAAP measure.

We define Adjusted EBITDA as net income calculated in accordance with GAAP, plus the sum of income tax expense, net interest expense, depreciation and amortization and as may be further adjusted to exclude certain non-recurring items, if applicable.

We present Adjusted EBITDA because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions. In addition, our chief operating decision maker uses Adjusted EBITDA of each reportable segment to evaluate the operating performance of such segments. Accordingly, we believe presenting this measure 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.

Non-GAAP information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, our non-GAAP financial measures may not be the same as or comparable to similar non-GAAP financial measures presented by other companies.

The following table presents a reconciliation of our net income, the most directly comparable GAAP financial measure, to Adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
Net income – GAAP	\$ 97	\$ 66	\$ 145	\$ 83
Income tax expense	18	23	35	28
Interest expense, net	25	31	51	60
Depreciation and amortization	32	30	63	61
Adjusted EBITDA (Non-GAAP)	\$ 172	\$ 150	\$ 294	\$ 232

Results of Operations – Three Months Ended June 30, 2024

The following discussion should be read in conjunction with our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Detailed comparisons of revenue and results are presented in the discussions of the operating segments, which follow our consolidated results discussion.

Certain discussions in this section provide a breakdown of net revenues between our retail and non-retail businesses. Our retail business net revenues consist of sales to grocery stores, mass merchants, warehouse clubs, discount chains, dollar stores, drug stores, home improvement stores, military outlets and eCommerce retailers. Our non-retail business net revenues consist of aluminum sales to food service customers, which are classified as related party revenues, and industrial customers.

Aggregation of Segment Revenue and Adjusted EBITDA

(in millions)	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Unallocated ⁽¹⁾	Total Reynolds Consumer Products
Net revenues for the three months ended June 30:						
2024	\$ 304	\$ 238	\$ 245	\$ 150	\$ (7)	\$ 930
2023	321	229	251	145	(6)	940
Adjusted EBITDA ⁽²⁾ for the three months ended June 30:						
2024	\$ 56	\$ 69	\$ 39	\$ 37	\$ (29)	\$ 172
2023	40	62	45	28	(25)	150

- (1) The unallocated net revenues include elimination of intersegment revenues and other revenue adjustments. The unallocated Adjusted EBITDA represents the combination of corporate expenses which are not allocated to our segments and other unallocated revenue adjustments.
- (2) Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Measures” for details, including a reconciliation between net income and Adjusted EBITDA.

Three Months Ended June 30, 2024 Compared with the Three Months Ended June 30, 2023

Total Reynolds Consumer Products

(in millions, except for %)	For the Three Months Ended June 30,					
	2024	% of Revenue	2023	% of Revenue	Change	% Change
Net revenues	\$ 914	98 %	\$ 922	98 %	\$ (8)	(1) %
Related party net revenues	16	2 %	18	2 %	(2)	(11) %
Total net revenues	930	100 %	940	100 %	(10)	(1) %
Cost of sales	(674)	(72) %	(712)	(76) %	38	5 %
Gross profit	256	28 %	228	24 %	28	12 %
Selling, general and administrative expenses	(116)	(12) %	(107)	(11) %	(9)	(8) %
Other expense, net	—	— %	(1)	— %	1	NM
Income from operations	140	15 %	120	13 %	20	17 %
Interest expense, net	(25)	(3) %	(31)	(3) %	6	19 %
Income before income taxes	115	12 %	89	9 %	26	29 %
Income tax expense	(18)	(2) %	(23)	(2) %	5	22 %
Net income	\$ 97	10 %	\$ 66	7 %	\$ 31	47 %
Adjusted EBITDA ⁽¹⁾	\$ 172	18 %	\$ 150	16 %	\$ 22	15 %

NM - Percentage change is not meaningful.

- (1) Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Measures” for details, including a reconciliation between net income and Adjusted EBITDA.

Components of Change in Net Revenues for the Three Months Ended June 30, 2024 vs. the Three Months Ended June 30, 2023

	Price	Volume/Mix		Total
		Retail	Non-Retail	
Reynolds Cooking & Baking	— %	— %	(5) %	(5) %
Hefty Waste & Storage	2 %	2 %	— %	4 %
Hefty Tableware	(1) %	(1) %	— %	(2) %
Presto Products	1 %	2 %	— %	3 %
Total RCP	— %	— %	(1) %	(1) %

Total Net Revenues. Total net revenues decreased by \$10 million, or 1%, to \$930 million. The decrease was driven by lower volume in our non-retail business. Our retail net revenue increased by \$6 million, in contrast to a \$16 million decline in our lower-margin non-retail net revenue.

Cost of Sales. Cost of sales decreased by \$38 million, or 5%, to \$674 million. The decrease was primarily driven by lower material and manufacturing costs and lower volume.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$9 million, or 8%, to \$116 million, primarily due to higher personnel and advertising costs.

Other Expense, Net. Other expense, net was zero in the three months ended June 30, 2024 compared to \$1 million in the three months ended June 30, 2023.

Interest Expense, Net. Interest expense, net decreased by \$6 million, or 19%, to \$25 million. The decrease was primarily due to a lower outstanding principal balance as a result of voluntary principal payments made on our term loan facility.

Income Tax Expense. Our effective tax rate declined by 9.4%, from 25.4% for the three months ended June 30, 2023 to 16.0% for the three months ended June 30, 2024. The decrease was primarily due to the recognition of a discrete tax benefit for the remeasurement of deferred tax liabilities.

Adjusted EBITDA. Adjusted EBITDA increased by \$22 million, or 15%, to \$172 million. The increase in Adjusted EBITDA was primarily due to lower material and manufacturing costs, partially offset by higher selling, general and administrative expenses.

Segment Information

Reynolds Cooking & Baking

(in millions, except for %)	For the Three Months Ended June 30,			
	2024	2023	Change	% Change
Retail net revenues	\$ 265	\$ 266	(1)	—
Non-retail net revenues	\$ 39	\$ 55	(16)	(29)
Total segment net revenues	\$ 304	\$ 321	\$ (17)	(5) %
Segment Adjusted EBITDA	56	40	16	40 %
Segment Adjusted EBITDA Margin	18 %	12 %		

Total Segment Net Revenues. Reynolds Cooking & Baking total segment net revenues decreased by \$17 million, or 5%, to \$304 million. The decrease in net revenues was primarily due to a \$16 million decline in our non-retail business.

Adjusted EBITDA. Reynolds Cooking & Baking Adjusted EBITDA increased by \$16 million, or 40%, to \$56 million. The increase in Adjusted EBITDA was primarily driven by lower material and manufacturing costs.

Hefty Waste & Storage

(in millions, except for %)	For the Three Months Ended June 30,			
	2024	2023	Change	% Change
Total segment net revenues	\$ 238	\$ 229	\$ 9	4 %
Segment Adjusted EBITDA	69	62	7	11 %
Segment Adjusted EBITDA Margin	29 %	27 %		

Total Segment Net Revenues. Hefty Waste & Storage total segment net revenues increased \$9 million, or 4%, to \$238 million. The increase in net revenues was primarily due to higher pricing due to timing of promotional spend and increased volume.

Adjusted EBITDA. Hefty Waste & Storage Adjusted EBITDA increased by \$7 million, or 11%, to \$69 million. The increase in Adjusted EBITDA was primarily driven by lower material and manufacturing costs and the benefit from increased revenue, partially offset by higher advertising costs.

Hefty Tableware

(in millions, except for %)	For the Three Months Ended June 30,			
	2024	2023	Change	% Change
Total segment net revenues	\$ 245	\$ 251	\$ (6)	(2) %
Segment Adjusted EBITDA	39	45	(6)	(13) %
Segment Adjusted EBITDA Margin	16 %	18 %		

Total Segment Net Revenues. Hefty Tableware total segment net revenues decreased by \$6 million, or 2%, to \$245 million. The decrease in net revenues was primarily due to lower pricing and volume.

Adjusted EBITDA. Hefty Tableware Adjusted EBITDA decreased by \$6 million, or 13%, to \$39 million. The decrease in Adjusted EBITDA was primarily driven by higher material and manufacturing costs and the impact of lower revenue.

Presto Products

(in millions, except for %)	For the Three Months Ended June 30,			
	2024	2023	Change	% Change
Total segment net revenues	\$ 150	\$ 145	\$ 5	3 %
Segment Adjusted EBITDA	37	28	9	32 %
Segment Adjusted EBITDA Margin	25 %	19 %		

Total Segment Net Revenues. Presto Products total segment net revenues increased by \$5 million, or 3%, to \$150 million. The increase in net revenues was primarily due to higher volume and higher pricing associated with the contractual pass through of commodity costs.

Adjusted EBITDA. Presto Products Adjusted EBITDA increased by \$9 million, or 32%, to \$37 million. The increase in Adjusted EBITDA was primarily driven by lower material and manufacturing costs and the benefit from increased revenue.

Results of Operations – Six Months Ended June 30, 2024

The following discussion should be read in conjunction with our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Detailed comparisons of revenue and results are presented in the discussions of the operating segments, which follow our consolidated results discussion.

Aggregation of Segment Revenue and Adjusted EBITDA

(in millions)	Reynolds Cooking & Baking	Hefty Waste & Storage	Hefty Tableware	Presto Products	Unallocated ⁽¹⁾	Total Reynolds Consumer Products
Net revenues for the six months ended June 30:						
2024	\$ 568	\$ 468	\$ 450	\$ 293	\$ (15)	\$ 1,764
2023	604	463	475	288	(16)	1,814
Adjusted EBITDA ⁽²⁾ for the six months ended June 30:						
2024	\$ 89	\$ 134	\$ 70	\$ 66	\$ (65)	\$ 294
2023	43	117	76	47	(51)	232

(1) The unallocated net revenues include elimination of intersegment revenues and other revenue adjustments. The unallocated Adjusted EBITDA represents the combination of corporate expenses which are not allocated to our segments and other unallocated revenue adjustments.

(2) Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Measures” for details, including a reconciliation between net income and Adjusted EBITDA.

Six Months Ended June 30, 2024 Compared with the Six Months Ended June 30, 2023

Total Reynolds Consumer Products

(in millions, except for %)	For the Six Months Ended June 30,					
	2024	% of Revenue	2023	% of Revenue	Change	% Change
Net revenues	\$ 1,726	98 %	\$ 1,774	98 %	\$ (48)	(3) %
Related party net revenues	38	2 %	40	2 %	(2)	(5) %
Total net revenues	1,764	100 %	1,814	100 %	(50)	(3) %
Cost of sales	(1,306)	(74) %	(1,430)	(79) %	124	9 %
Gross profit	458	26 %	384	21 %	74	19 %
Selling, general and administrative expenses	(227)	(13) %	(212)	(12) %	(15)	(7) %
Other expense, net	—	— %	(1)	— %	1	NM %
Income from operations	231	13 %	171	9 %	60	35 %
Interest expense, net	(51)	(3) %	(60)	(3) %	9	15 %
Income before income taxes	180	10 %	111	6 %	69	62 %
Income tax expense	(35)	(2) %	(28)	(2) %	(7)	(25) %
Net income	\$ 145	8 %	\$ 83	5 %	\$ 62	75 %
Adjusted EBITDA ⁽¹⁾	\$ 294	17 %	\$ 232	13 %	\$ 62	27 %

NM - Percentage change is not meaningful.

(1) Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Measures” for details, including a reconciliation between net income and Adjusted EBITDA.

Components of Change in Net Revenues for the Six Months Ended June 30, 2024 vs. the Six Months Ended June 30, 2023

	Price	Volume/Mix		Total
		Retail	Non-Retail	
Reynolds Cooking & Baking	— %	(1) %	(5) %	(6) %
Hefty Waste & Storage	1 %	— %	— %	1 %
Hefty Tableware	(2) %	(3) %	— %	(5) %
Presto Products	1 %	1 %	— %	2 %
Total RCP	— %	(1) %	(2) %	(3) %

Total Net Revenues. Total net revenues decreased by \$50 million, or 3%, to \$1,764 million. The decrease was driven by a \$35 million decline in our lower-margin non-retail net revenue as well as a \$15 million decline in our retail net revenue.

Cost of Sales. Cost of sales decreased by \$124 million, or 9%, to \$1,306 million. The decrease was driven by lower material and manufacturing costs, as well as lower volume.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$15 million, or 7%, to \$227 million primarily due to higher personnel and advertising costs.

Other Expense, Net. Other expense, net was zero in the six months ended June 30, 2024 compared to \$1 million in the six months ended June 30, 2023.

Interest Expense, Net. Interest expense, net decreased by \$9 million, or 15%, to \$51 million. The decrease was primarily due to a lower outstanding principal balance as a result of voluntary principal payments made on our term loan facility.

Income Tax Expense. Our effective tax rate declined by 6.1%, from 25.3% for the six months ended June 30, 2023 to 19.2% for the six months ended June 30, 2024. The decrease was primarily due to the recognition of a discrete tax benefit for the remeasurement of deferred tax liabilities.

Adjusted EBITDA. Adjusted EBITDA increased by \$62 million, or 27%, to \$294 million. The increase in Adjusted EBITDA was primarily attributable to lower material and manufacturing costs, partially offset by higher selling, general and administrative expenses.

Segment Information

Reynolds Cooking & Baking

(in millions, except for %)	For the Six Months Ended June 30,			
	2024	2023	Change	% Change
Retail net revenues	\$ 491	\$ 492	\$ (1)	— %
Non-retail net revenues	77	112	(35)	(31) %
Total segment net revenues	\$ 568	\$ 604	\$ (36)	(6) %
Segment Adjusted EBITDA	89	43	46	107 %
Segment Adjusted EBITDA Margin	16 %	7 %		

Total Segment Net Revenues. Reynolds Cooking & Baking total segment net revenues decreased by \$36 million, or 6%, to \$568 million. The decrease in net revenues was primarily due to a \$35 million decline in our lower-margin non-retail net revenues driven by lower volume.

Adjusted EBITDA. Reynolds Cooking & Baking Adjusted EBITDA increased by \$46 million, or 107%, to \$89 million. The increase in Adjusted EBITDA was primarily driven by lower material and manufacturing costs.

Hefty Waste & Storage

(in millions, except for %)	For the Six Months Ended June 30,			
	2024	2023	Change	% Change
Total segment net revenues	\$ 468	\$ 463	\$ 5	1 %
Segment Adjusted EBITDA	134	117	17	15 %
Segment Adjusted EBITDA Margin	29 %	25 %		

Total Segment Net Revenues. Hefty Waste & Storage total segment net revenues increased by \$5 million, or 1%, to \$468 million. The increase in net revenues was primarily driven by higher pricing due to timing of promotional spend.

Adjusted EBITDA. Hefty Waste & Storage Adjusted EBITDA increased by \$17 million, or 15%, to \$134 million. The increase in Adjusted EBITDA was primarily driven by lower material and manufacturing costs and the benefit of higher revenue, partially offset by higher advertising costs.

Hefty Tableware

(in millions, except for %)	For the Six Months Ended June 30,			
	2024	2023	Change	% Change
Total segment net revenues	\$ 450	\$ 475	\$ (25)	(5) %
Segment Adjusted EBITDA	70	76	(6)	(8) %
Segment Adjusted EBITDA Margin	16 %	16 %		

Total Segment Net Revenues. Hefty Tableware total segment net revenues decreased by \$25 million, or 5%, to \$450 million. The decrease in net revenues was primarily driven by lower volume and lower pricing.

Adjusted EBITDA. Hefty Tableware Adjusted EBITDA decreased by \$6 million, or 8%, to \$70 million. The decrease in Adjusted EBITDA was primarily driven by the impact of lower revenue, partially offset by lower material and manufacturing costs.

Presto Products

(in millions, except for %)	For the Six Months Ended June 30,			
	2024	2023	Change	% Change
Total segment net revenues	\$ 293	\$ 288	\$ 5	2 %
Segment Adjusted EBITDA	66	47	19	40 %
Segment Adjusted EBITDA Margin	23 %	16 %		

Total Segment Net Revenues. Presto Products total segment net revenues increased by \$5 million, or 2%, to \$293 million. The increase in net revenues was primarily driven by higher volume and higher pricing associated with the contractual pass through of commodity costs.

Adjusted EBITDA. Presto Products Adjusted EBITDA increased by \$19 million, or 40%, to \$66 million. The increase in Adjusted EBITDA was primarily driven by lower material and manufacturing costs and the benefit of increased revenue.

Liquidity and Capital Resources

Our principal sources of liquidity are existing cash and cash equivalents, cash generated from operating activities and available borrowings under the Revolving Facility.

The following table discloses our cash flows for the periods presented:

(in millions)	For the Six Months Ended June 30,	
	2024	2023
Net cash provided by operating activities	\$ 183	\$ 207
Net cash used in investing activities	(48)	(51)
Net cash used in financing activities	(149)	(111)
(Decrease) increase in cash and cash equivalents	\$ (14)	\$ 45

Cash provided by operating activities

Net cash from operating activities decreased by \$24 million to \$183 million in the six months ended June 30, 2024. The decrease was primarily driven by higher net investment in inventory during the current period and higher income tax payments due to higher taxable income, partially offset by higher net income and higher accounts payable due to working capital initiatives.

Cash used in investing activities

Net cash used in investing activities decreased by \$3 million to \$48 million. The decrease was driven by a decrease in cash outlays for capital expenditures.

Cash used in financing activities

Net cash used in financing activities increased by \$38 million to \$149 million. The increase was primarily attributable to a voluntary principal payment of \$50 million related to our Term Loan Facility made during the second quarter of 2024, compared to the scheduled amortization payments in the same prior year period.

External Debt Facilities

In February 2020, we entered into the External Debt Facilities which consist of a \$2,475 million Term Loan Facility and a Revolving Facility that provides for additional borrowing capacity of up to \$250 million, reduced by amounts used for letters of credit. In February 2023, we amended the External Debt Facilities (“Amendment No.1”) which replaced the interest rate benchmark from LIBOR to the SOFR. Additionally, in November 2023, we further amended the External Debt Facilities (“Amendment No. 2”) to extend the maturity of the Revolving Facility by one year. Other than the foregoing, the material terms of the agreement remained unchanged.

As of June 30, 2024, the outstanding balance under the Term Loan Facility was \$1,795 million. As of June 30, 2024, we had no outstanding borrowings under the Revolving Facility, and we had \$6 million of letters of credit outstanding, which reduces the borrowing capacity under the Revolving Facility.

The borrower under the Amended External Debt Facilities is Reynolds Consumer Products LLC (the “Borrower”). The Revolving Facility includes a sub-facility for letters of credit. In addition, the Amended External Debt Facilities provide that the Borrower has the right at any time, subject to customary conditions, to request incremental term loans or incremental revolving credit commitments in amounts and on terms set forth therein. The lenders under the Amended External Debt Facilities are not under any obligation to provide any such incremental loans or commitments, and any such addition of or increase in loans is subject to certain customary conditions precedent and other provisions.

Interest rate

Borrowings under the Amended External Debt Facilities bear interest at a rate per annum equal to, at our option, either a base rate plus an applicable margin of 0.75% or SOFR plus an applicable margin of 1.75%.

During 2020 and 2022, we entered into a series of interest rate swaps to fix the LIBOR of our External Debt Facilities. In February 2023, we amended our interest rate swaps to replace the interest rate benchmark from LIBOR to SOFR. Other than the foregoing, the material terms of the interest rate swap agreements remained unchanged, and our election to use practical expedients under ASUs 2020-04 and 2021-01 resulted in no material impacts on the condensed consolidated financial statements. The aggregate notional amount of the interest rate swaps still in effect as of June 30, 2024 was \$1,150 million, and the SOFR is fixed at an annual rate of 0.40% to 3.40% (for an annual effective interest rate of 2.15% to 5.15%, including margin). These interest rate swaps hedge a portion of the interest rate exposure resulting from our Term Loan Facility for periods ranging from one to two years.

Prepayments

The Term Loan Facility contains customary mandatory prepayments, including with respect to excess cash flow, asset sale proceeds and proceeds from certain incurrences of indebtedness.

The Borrower may voluntarily repay outstanding loans under the Term Loan Facility at any time without premium or penalty, other than customary breakage costs with respect to SOFR based loans.

During the three months ended June 30, 2024, we made a voluntary principal payment of \$50 million related to our Term Loan Facility, which was applied to the outstanding principal balance due at maturity. Subsequent to June 30, 2024, we made an additional voluntary principal payment of \$50 million related to the Term Loan Facility.

Amortization and maturity

The Term Loan Facility matures in February 2027. The Term Loan Facility amortizes in equal quarterly installments of \$6 million, which commenced in June 2020, with the balance payable on maturity. During the year ended December 31, 2023, we made voluntary principal payments of \$250 million related to our Term Loan Facility, which were first applied to pay the remaining quarterly amortization payments in full, with the residual balance applied to the outstanding principal balance due at maturity.

As amended, the Revolving Facility matures in February 2026.

Guarantee and security

All obligations under the Amended External Debt Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the Amended External Debt Facilities or any of its affiliates and certain other persons are unconditionally guaranteed by Reynolds Consumer Products Inc. ("RCPI"), the Borrower (with respect to hedge agreements and cash management arrangements not entered into by the Borrower) and certain of RCPI's existing and subsequently acquired or organized direct or indirect material wholly-owned U.S. restricted subsidiaries, with customary exceptions including, among other things, where providing such guarantees is not permitted by law, regulation or contract or would result in material adverse tax consequences.

All obligations under the Amended External Debt Facilities and certain hedge agreements and cash management arrangements provided by any lender party to the Amended External Debt Facilities or any of its affiliates and certain other persons, and the guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by: (i) a perfected first-priority pledge of all the equity interests of each wholly-owned material restricted subsidiary of RCPI, the Borrower or a subsidiary guarantor, including the equity interests of the Borrower (limited to 65% of voting stock in the case of first-tier non-U.S. subsidiaries of RCPI, the Borrower or any subsidiary guarantor) and (ii) perfected first-priority security interests in substantially all tangible and intangible personal property of RCPI, the Borrower and the subsidiary guarantors (subject to certain other exclusions).

Certain covenants and events of default

The Amended External Debt Facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, our ability and the ability of the restricted subsidiaries of RCPI to:

- incur additional indebtedness and guarantee indebtedness;
- create or incur liens;
- engage in mergers or consolidations;
- sell, transfer or otherwise dispose of assets;
- pay dividends and distributions or repurchase capital stock;
- prepay, redeem or repurchase certain indebtedness;
- make investments, loans and advances;
- enter into certain transactions with affiliates;
- enter into agreements which limit the ability of our restricted subsidiaries to incur restrictions on their ability to make distributions; and
- enter into amendments to certain indebtedness in a manner materially adverse to the lenders.

The Amended External Debt Facilities contain a springing financial covenant requiring compliance with a ratio of first lien net indebtedness to consolidated EBITDA, applicable solely to the Revolving Facility. The financial covenant is tested on the last day of any fiscal quarter only if the aggregate principal amount of borrowings under the Revolving Facility and drawn but unreimbursed letters of credit exceed 35% of the total amount of commitments under the Revolving Facility on such day.

If an event of default occurs, the lenders under the Amended External Debt Facilities are entitled to take various actions, including the acceleration of amounts due under the Amended External Debt Facilities and all actions permitted to be taken by secured creditors.

We are currently in compliance with the covenants contained in our Amended External Debt Facilities.

Accounts Receivable Factoring

We are party to a factoring agreement with JP Morgan Chase Bank, N.A. to sell certain accounts receivable up to \$95 million. We had no outstanding balance owed under the factoring arrangement as of June 30, 2024. Transactions under this agreement are accounted for as sales of accounts receivable, and the receivables sold are removed from the condensed consolidated balance sheet at the time of the sales transaction. We classify the proceeds received from the sales of accounts receivable as an operating cash flow in the condensed consolidated statement of cash flows. We record the discount as other expense, net in the condensed consolidated statement of income.

Supply Chain Financing

In March 2023, we initiated a voluntary Supply Chain Finance program (the “SCF”) with a global financial institution (the “SCF Bank”). Under the SCF, qualifying suppliers may elect to sell their receivables from us to the SCF Bank. These participating suppliers negotiate their receivables sales arrangements directly with the SCF Bank. We are not party to those agreements, nor do we provide any security or other forms of guarantees to the SCF Bank. The participation in the program is at the sole discretion of the supplier, we have no economic interest in a supplier’s decision to enter into the agreement and have no direct financial relationship with the SCF Bank, as it relates to the SCF. Once a qualifying supplier elects to participate in the SCF and reaches an agreement with the SCF Bank, they elect which individual invoices they sell to the SCF Bank.

The terms of our payment obligations are not impacted by a supplier’s participation in the SCF and as such, the SCF has no direct impact on our balance sheets, cash flows, or liquidity. Our payment terms with our suppliers for similar services and materials within individual markets are consistent between suppliers that elect to participate in the SCF and those that do not participate.

All outstanding amounts related to suppliers participating in the SCF are recorded within accounts payable in our condensed consolidated balance sheet and associated payments are included as an operating cash flow in the condensed consolidated statement of cash flows. As of June 30, 2024, the amount of obligations outstanding that we have confirmed as valid under the SCF was \$9 million. As of December 31, 2023, the amount of obligations outstanding that we had confirmed as valid under the SCF was \$19 million.

Dividends

During the three and six months ended June 30, 2024, cash dividends of \$0.23 and \$0.46 per share, respectively, were declared and paid. On July 25, 2024, a quarterly cash dividend of \$0.23 per share was declared and is to be paid on August 30, 2024. We expect to continue paying cash dividends on a quarterly basis; however, future dividends are at the discretion of our Board of Directors and will depend upon our earnings, capital requirements, financial condition, contractual limitations (including under the Amended External Debt Facilities) and other factors.

We believe that our projected cash position, cash flows from operations, including proceeds from factored receivables, and available borrowings under the Revolving Facility are sufficient to meet debt service, capital expenditures and working capital needs for the foreseeable future. However, we cannot ensure that our business will generate sufficient cash flow from operations or that future borrowings will be available under our borrowing agreements in amounts sufficient to pay indebtedness or fund other liquidity needs. Actual results of operations will depend on numerous factors, many of which are beyond our control as further discussed in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Critical Accounting Policies and Estimates

Accounting policies and estimates are considered critical when they require management to make subjective and complex judgments, estimates and assumptions about matters that have a material impact on the presentation of our financial statements and accompanying notes. For a description of our critical accounting policies and estimates, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

See “Item 7A: Quantitative and Qualitative Disclosures About Market Risk” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. During the six months ended June 30, 2024, there have been no material changes in our exposure to market risk.

Item 4. Controls and Procedures.

a) Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the 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 June 30, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2024, our disclosure controls and procedures were effective.

b) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information required to be set forth under this heading is incorporated by reference from Note 7 - Commitments and Contingencies, to the condensed consolidated financial statements included in Part I, Item 1.

Item 1A. Risk Factors.

There have been no material changes from the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three months ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as identified in Item 408(c) of Regulation S-K).

Item 6. Exhibits.

Exhibit Number	Description
3.1	<u>Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2020)</u>
3.2	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation of Reynolds Consumer Products Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 25, 2024)</u>
3.3*	<u>Amended and Restated Certificate of Incorporation, conformed version that includes all amendments through April 25, 2024</u>
3.4	<u>Amended and Restated By-Laws (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on February 4, 2020)</u>
4.1	<u>Form of Indenture (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 filed with the SEC on May 8, 2024)</u>
4.2	<u>Form of Debt Security (included in Exhibit 4.1 above)</u>
10.1*	<u>Amendment No. 1, dated November 16, 2021, Amendment No. 2, dated May 12, 2022, and Amendment No. 3, dated April 18, 2024, to the Warehousing and Freight Services Agreement between Pactiv LLC and Reynolds Consumer Products LLC</u>
31.1*	<u>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.</u>
31.2*	<u>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.</u>
32.1*	<u>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.</u>
32.2*	<u>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.</u>
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 (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REYNOLDS CONSUMER PRODUCTS INC.

(Registrant)

By: /s/ Chris Mayrhofer

Chris Mayrhofer

Senior Vice President and Controller

(Principal Accounting Officer)

August 7, 2024

Conformed for Certificate of Amendment filed with the Delaware Secretary of State on April 24, 2024

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

REYNOLDS CONSUMER PRODUCTS INC.

Reynolds Consumer Products Inc. (the “**Corporation**”) is a corporation organized and existing under the laws of the State of Delaware. The Corporation was incorporated under the name “RenPac Holdings Inc.” pursuant to the certificate of incorporation (the “**Certificate of Incorporation**”) filed with the Secretary of State of the State of Delaware on September 29, 2011, which was amended on June 26, 2019 to change the name of the Corporation to Reynolds Consumer Products Inc. This amended and restated certificate of incorporation (“**Amended and Restated Certificate of Incorporation**”), which restates, integrates and further amends the provisions of the Certificate of Incorporation (as the same was amended from time to time) in its entirety, was duly adopted by the board of directors of the Corporation (the “**Board of Directors**”) and the stockholders of the Corporation in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

ARTICLE 1.

NAME

The name of the corporation is Reynolds Consumer Products Inc.

ARTICLE 2.

REGISTERED OFFICE AND AGENT

The address of the Corporation’s registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE 3.

PURPOSE AND POWERS

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (“**Delaware Law**”).

ARTICLE 4

CAPITAL STOCK

(A) Authorized Shares

1. **Classes of Stock.** The total number of shares of stock that the Corporation shall have authority to issue is 2,200,000,000, consisting of 2,000,000,000 shares of Common Stock, par value \$0.001 per share (the “**Common Stock**”), and 200,000,000 shares of Preferred Stock, par value \$0.001 per share (the “**Preferred Stock**”). Upon the effectiveness of this Amended and Restated Certificate of Incorporation dated February 4, 2020, (the “**Effective Time**”), every share of the Corporation’s Common Stock issued and outstanding immediately prior to the

Effective Time (“**Old Common Stock**”) will be automatically reclassified as, and converted into, 155,455 shares of Common Stock (the “**Stock Split**”). Any stock certificate that, immediately prior to the Effective Time, represented shares of Old Common Stock will, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent the number of shares of Common Stock as equals the product obtained by multiplying the number of shares of Old Common Stock represented by such certificate immediately prior to the Effective Time by 155,455; provided that each person holding of record a stock certificate or certificates that represented shares of Old Common Stock shall receive, upon surrender of such certificate or certificates, a new certificate or certificates evidencing and representing the number of shares of Common Stock to which such person is entitled pursuant to the Stock Split.

2. Preferred Stock. The Board of Directors is hereby empowered, without any action or vote by the Corporation’s stockholders (except as may otherwise be provided by the terms of any class or series of Preferred Stock then outstanding), to authorize by resolution or resolutions from time to time the issuance of one or more classes or series of Preferred Stock and to fix the designations, powers, preferences and relative, participating, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, if any, with respect to each such class or series of Preferred Stock and the number of shares constituting each such class or series, and to increase or decrease the number of shares of any such class or series to the extent permitted by Delaware Law.

(B) Voting Rights

Each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; *provided, however*, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any class or series of Preferred Stock) that relates solely to the terms of one or more outstanding classes or series of Preferred Stock if the holders of such affected class or series are entitled, either separately or together with the holders of one or more other such classes or series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any class or series of Preferred Stock) or pursuant to Delaware Law.

**ARTICLE 5.
BYLAWS**

The Board of Directors shall have the power to adopt, amend or repeal the bylaws of the Corporation (the “**Bylaws**”). So long as the Stockholders’ Agreement, among the Corporation and certain of its shareholders, dated as of February 4, 2020 (the “**Stockholders’ Agreement**”) remains in effect, the Board of Directors shall not approve any amendment, alteration or repeal of any provision of these Bylaws, or the adoption of any new Bylaw, that would be contrary to or inconsistent with the then-applicable terms of the Stockholders’ Agreement.

From and after the first date on which Packaging Finance Limited (“**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**”) no longer beneficially own more than 50% of the outstanding shares of Common Stock of the Corporation, the stockholders may adopt, amend or repeal the Bylaws only with the affirmative vote of the holders of not less than 66²/₃% of the voting power of all outstanding securities of the Corporation generally entitled to vote in the election of directors, voting together as a single class.

Until the first date on which the Hart Entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of Common Stock of the Corporation, the stockholders may adopt, amend or repeal the

Bylaws only with the affirmative vote of the holders of not less than a majority of the total voting power of all outstanding securities of the Corporation.

ARTICLE 6.
BOARD OF DIRECTORS

(A) Power of the Board of Directors. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors.

(B) Number of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of directors which shall constitute the Board of Directors shall, as of the date this Amended and Restated Certificate of Incorporation becomes effective, be six and, thereafter, shall be fixed exclusively by one or more resolutions adopted from time to time solely by the affirmative vote of a majority of the Board of Directors.

(C) Election of Directors.

(1) The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be practicable, of one-third of the total number of directors constituting the entire Board of Directors. Each director shall serve for a term ending on the date of the third annual meeting of stockholders next following the annual meeting at which such director was elected; *provided* that directors initially designated as Class I directors shall serve for a term ending on the date of the first annual meeting, directors initially designated as Class II directors shall serve for a term ending on the second annual meeting, and directors initially designated as Class III directors shall serve for a term ending on the date of the third annual meeting. Notwithstanding the foregoing, each director shall hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal, and, subject to the then-applicable terms of the Stockholders' Agreement. In the event of any change in the number of directors, the Board of Directors shall apportion any newly created directorships among, or reduce the number of directorships in, such class or classes as shall equalize, as nearly as possible, the number of directors in each class. In no event will a decrease in the number of directors shorten the term of any incumbent director.

(2) The names and mailing addresses of the persons who are to serve initially as directors of each Class are:

	Name	Mailing Address
Class I	Thomas Degnan Helen Golding	c/o 1900 W. Field Court, Lake Forest, Illinois, 60045
Class II	Gregory Cole	c/o 1900 W. Field Court, Lake Forest, Illinois, 60045
Class III	Lance Mitchell Marla Gottschalk Richard Noll	c/o 1900 W. Field Court, Lake Forest, Illinois, 60045

(3) There shall be no cumulative voting in the election of directors. Election of directors need not be by written ballot unless the Bylaws so provide.

(D) Vacancies. Vacancies on the Board of Directors resulting from death, resignation, removal or otherwise and newly created directorships resulting from any increase in the number of directors shall, except as otherwise required by law, be filled solely by a majority vote of the directors then in office and entitled to vote thereon

(although less than a quorum) or by the sole remaining director entitled to vote thereon, and each director so elected shall hold office for a term that shall coincide with the term of the Class to which such director shall have been elected.

(E) Removal. Subject to the rights of the holders of any series of Preferred Stock then outstanding and the then-applicable terms of the Stockholders' Agreement, no director may be removed from office by the stockholders except for cause with the affirmative vote of the holders of not less than a majority of the total voting power of all outstanding securities of the Corporation generally entitled to vote in the election of directors, voting together as a single class.

(F) Preferred Stock Directors. Notwithstanding anything else contained herein, whenever the holders of one or more classes or series of Preferred Stock shall have the right, voting separately as a class or series, to elect directors, the election, term of office, filling of vacancies, removal and other features of such directorships shall be governed by the terms of such class or series of Preferred Stock adopted by resolution or resolutions adopted by the Board of Directors pursuant to Article 4(A) hereto, and such directors so elected shall not be subject to the provisions of this Article 6 unless otherwise provided therein.

ARTICLE 7. MEETINGS OF STOCKHOLDERS

(A) Annual Meetings. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting shall be held at such place, on such date, and at such time as the Board of Directors shall determine.

(B) Special Meetings. Special meetings of the stockholders may be called only by:

(1) the Chief Executive Officer of the Corporation or the Chairman;

(2) the Board of Directors acting pursuant to a resolution adopted by a majority of the Board of Directors; or

(3) until the first date on which the Hart Entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of Common Stock of the Corporation, special meetings of the stockholders may also be called by the Secretary of the Corporation at the request of the holders of a majority of the outstanding shares of Common Stock.

Notwithstanding the foregoing, whenever holders of one or more classes or series of Preferred Stock shall have the right, voting separately as a class or series, to elect directors, such holders may call, pursuant to the terms of such class or series of Preferred Stock adopted by resolution or resolutions of the Board of Directors pursuant to Article 4(A) hereto, special meetings of holders of such Preferred Stock.

(C) Action by Written Consent. Subject to the rights of the holders of any class or series of Preferred Stock then outstanding, as may be set forth in the resolution or resolutions adopted by the Board of Directors pursuant to Article 4(A) hereto for such class or series of Preferred Stock, any action required or permitted to be taken at any annual or special meeting of stockholders may be taken:

(1) until the first date on which the Hart entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of Common Stock, by written consent of the stockholders without a meeting; and

(2) from and after the first date on which the Hart Entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of Common Stock, only upon the vote of stockholders at an annual or special meeting duly noticed and called in accordance with Delaware Law, as amended from time to time, and this Article 7 and may not be taken by written consent of stockholders without a meeting.

**ARTICLE 8.
INDEMNIFICATION**

(A) Limited Liability. A director or an officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or an officer, to the fullest extent permitted by Delaware Law as the same exists or as may hereafter be amended from time to time.

(B) Right to Indemnification.

(1) Each person (and the heirs, executors or administrators of such person) who was or is a party or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware Law. The right to indemnification conferred in this Article 8 shall also include the right to be paid by the Corporation the expenses incurred in connection with any such proceeding in advance of its final disposition to the fullest extent authorized by Delaware Law. The right to indemnification conferred in this Article 8 shall be a contract right.

(2) The Corporation may, by action of its Board of Directors, provide indemnification to such of the employees and agents of the Corporation to such extent and to such effect as the Board of Directors shall determine to be appropriate and authorized by Delaware Law.

(C) Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under Delaware Law.

(D) Nonexclusivity of Rights. The rights and authority conferred in this Article 8 shall not be exclusive of any other right that any person may otherwise have or hereafter acquire.

(E) Preservation of Rights. Neither the amendment nor repeal of this Article 8, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation or the Bylaws, nor, to the fullest extent permitted by Delaware Law, any modification of law, shall adversely affect any right or protection of any person granted pursuant hereto existing at, or arising out of or related to any event, act or omission that occurred prior to, the time of such amendment, repeal, adoption or modification (regardless of when any proceeding (or part thereof) relating to such event, act or omission arises or is first threatened, commenced or completed).

**ARTICLE 9.
AMENDMENTS**

The Corporation reserves the right to amend this Amended and Restated Certificate of Incorporation, provided such amendment is approved by:

(1) until the first date on which the Hart entities or Permitted Assigns no longer beneficially own more than 50% of the outstanding shares of Common Stock of the Corporation, the affirmative vote of the holders of not less than a majority of the total voting power of all outstanding securities of the Corporation, generally entitled to vote in the election of directors, voting together as a single class and all rights and powers conferred upon stockholders, directors and officers herein are granted subject to this reservation; or

(2) 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 Common Stock, the affirmative vote of the holders of not less than 66 ^{2/3}% of

the total voting power of all outstanding securities of the Corporation generally entitled to vote in the election of directors, voting together as a single class and all rights and powers conferred upon stockholders, directors and officers herein are granted subject to this reservation.

ARTICLE 10 CORPORATE OPPORTUNITY

To the fullest extent permitted by the laws of the State of Delaware, (a) the Corporation hereby renounces all interest and expectancy that it otherwise would be entitled to have in, and all rights to be offered an opportunity to participate in, any business opportunity that from time to time may be presented to (i) the Board of Directors or any Director, (ii) any stockholder, officer or agent of the Corporation, or (iii) any affiliate of any person or entity identified in the preceding clause (i) or (ii), but in each case excluding any such person in its capacity as an employee of the Corporation or its subsidiaries; (b) no holder of Common Stock or Preferred Stock (collectively, "Capital Stock") and no Director that is not an employee of the Corporation or its subsidiaries will have any duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which the Corporation or its subsidiaries from time to time is engaged or proposes to engage or (ii) otherwise competing, directly or indirectly, with the Corporation or any of its subsidiaries; and (c) if any holder of Capital Stock or any Director that is not an employee of the Corporation or its subsidiaries acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity both for such holder of Capital Stock or such Director or any of their respective affiliates, on the one hand, and for the Corporation or its subsidiaries, on the other hand, such holder of Capital Stock or Director shall have no duty to communicate or offer such transaction or business opportunity to the Corporation or its subsidiaries and such holder of Capital Stock or Director may take any and all such transactions or opportunities for itself or offer such transactions or opportunities to any other person or entity. The preceding sentence of this Article 10 shall not apply to any potential transaction or business opportunity that is expressly offered to a Director, who is not an employee of the Corporation or its subsidiaries, solely in his or her capacity as a Director.

To the fullest extent permitted by the laws of the State of Delaware, no potential transaction or business opportunity may be deemed to be a potential corporate opportunity of the Corporation or its subsidiaries unless (a) the Corporation and its subsidiaries would be permitted to undertake such transaction or opportunity in accordance with this Amended and Restated Certificate of Incorporation, (b) the Corporation and its subsidiaries at such time have sufficient financial resources to undertake such transaction or opportunity and (c) such transaction or opportunity would be in the same or similar line of business in which the Corporation and its subsidiaries are then engaged or a line of business that is reasonably related to, or a reasonable extension of, such line of business.

No holder of Capital Stock and no Director will be liable to the Corporation or its subsidiaries or stockholders for breach of any duty (contractual or otherwise) by reason of any activities or omissions of the types referred to in this Article 10, except to the extent such actions or omissions are in breach of this Certificate of Incorporation.

ARTICLE 11 FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (the "**Court of Chancery**") shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, any director or the Corporation's officers or employees arising pursuant to any provision of Delaware Law or this Amended and Restated Certificate of Incorporation or the Bylaws, or (iv) any action asserting a claim

against the Corporation, any Director or the Corporation's officers or employees governed by the internal affairs doctrine, except, as to each of clauses (i) through (iv) above, for any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten (10) days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article 11.

The foregoing exclusive forum provision of this Article 11 shall not apply to any action brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, the Securities Act of 1933, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

ARTICLE 12

The Corporation expressly elects not to be governed by Section 203 of the Delaware Law.

ARTICLE 13 MISCELLANEOUS

As used in this Certificate of Incorporation, the following terms have the following meanings:

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For the purpose of this definition, the term “**control**” (including, with correlative meanings, the terms “**controlling**”, “**controlled by**” and “**under common control with**”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“**Person**” means an individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Certificate of Incorporation this 3rd day of February, 2020.

/s/ David Watson

Name: David Watson

Title: Secretary

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

WAREHOUSING AND FREIGHT SERVICES AGREEMENT

This Warehousing and Freight Services Agreement (referred to herein as the “Agreement”) is made as of November 1, 2019 (“Effective Date”) by and between Reynolds Consumer Products LLC, a Delaware limited liability company with its principal place of business at 1900 West Field Court, Lake Forest, IL 60045 (referred to at times as “Reynolds”) and Pactiv LLC, a Delaware limited liability company with offices at 1900 West Field Court, Lake Forest, IL 60045 (referred to at times as “Pactiv”). Reynolds and Pactiv are each referred at times in this Agreement individually as a “Party” and collectively as the “Parties”.

RECITALS:

1. The Parties have entered into a Master Supply Agreement dated November 1, 2019 (the “MSA”) under which Pactiv has agreed to manufacture and sell to Reynolds, and Reynolds has agreed to purchase from Pactiv, certain food packaging and foodservice products (the “Pactiv Products”).
2. Reynolds desires that Pactiv receive, store and handle food packaging and foodservice goods manufactured by Reynolds and its Affiliates (the “Reynolds Products”), and (after mixing them with Pactiv Products purchased by Reynolds under the MSA, if applicable) load them for delivery to Reynolds’ third party customers, or directly to Reynolds; on common carrier trucks or hold them for pick up by Reynolds or its third-party customers on the business campuses in the cities, states and provinces listed in attached Schedule 1-A of this Agreement that are owned or leased by Pactiv or its Affiliates (such campuses are referred to herein as the “Warehouses”) and to obtain these storage and related warehouse services from Pactiv as more fully described in the attached Schedule 1-B of this Agreement (the “Warehouse Services”) on the terms and conditions in this Agreement. Pactiv desires to perform such Services for Reynolds on the terms and conditions in this Agreement. By way of clarification, Pactiv Canada, Inc. will perform the Warehouse Services on behalf of Pactiv at the Warehouse located in Bolton, Ontario, Canada.
3. Reynolds further desires Pactiv to arrange on behalf of Reynolds and its Affiliates for third-party common carriers to pick-up orders of Pactiv Products, Reynolds Products or both from the Warehouses and certain other manufacturing and warehouse facilities of Reynolds and its Affiliates located in the United States, Canada and Mexico and to transport and deliver them to third-party customers of Reynolds all as more fully described in Schedule 2 of this Agreement (the “Freight Services”) on the terms and conditions in this Agreement. Pactiv desires to perform the Freight Services for Reynolds on the terms and conditions of this Agreement. The Warehouse Services and the Freight Services will be collectively referred to as the “Services” in this Agreement.
4. Pactiv has been providing the Services to Reynolds for a number of years prior to the Effective Date. In connection with Pactiv providing such Services to Reynolds, the Parties have developed and follow certain standard operating procedures (the “SOPs”). The Parties will be updating their respective business systems over the next six months, and, since the updates to these business systems will require the Parties to modify the SOPs, the Parties intend to negotiate and agree in writing to a document containing the updated SOPs. Until the business systems have been updated and the updated SOPs have been agreed upon, the current SOPs will apply. The SOPs supplement and may amend the provisions in this Agreement and the MSA. In the event of any conflict or inconsistency between this Agreement and the SOPs, the SOPs will govern and control but only with respect to the provision in the SOPs that specifically apply to the performance or delivery of the Services under this Agreement.
5. It is the intention of the Parties to continue operate in substantially the same manner with respect to the practices, procedures, volumes and cost allocations used by the Parties prior to the Effective Date in Pactiv’s providing and Reynolds’ purchasing and using the Services. Therefore, the phrase “commercially reasonable” when used herein means in accordance with the methodology or practices that the Parties used with respect to such action or issue, substantially the same volume with respect to the amount of Services, the same turnaround time with respect to orders and acceptances, or the same protocol for communication that was used by the Parties during the trailing twelve (12) month period immediately prior to the Effective Date.

NOW, THEREFORE, the Parties agree as follows:

I. Term and Warehouse and Freight Service Periods

1. The “Term” of this Agreement will commence on the Effective Date and will end on the earlier of: (i) May 31, 2024 (the “Termination Date”); (ii) a termination date elected by a Party in a written notice delivered to the other Party in the event Pactiv has ceased performing Warehouse and Freight Services for Reynolds at all Pactiv and Reynolds facilities prior to the Termination Date; or (iii) an earlier termination date that occurs in accordance with the Dispute Resolution Section of this Agreement. The rights and obligations of the Parties under this Agreement will survive the expiration or earlier termination of this Agreement with respect to any: (1) Reynolds Products being stored in a Warehouse at the end of the Term; (2) Confidential Information (as defined later in this Agreement) disclosed or received by a Party during the Term; (3) consequences of a breach of this Agreement by a Party; (4) any other statement, decision, act or omission of a Party during the Term concerning or related to this Agreement; (5) reconciliation of any third-party carrier freight charges that were not available for billing prior to the end of the Term; (6) any Dispute (as defined later in this Agreement) between the Parties concerning or related to this Agreement; and (7) any provision that expressly states that it will survive the expiration or earlier termination of this Agreement.
2. Pactiv will only be required to store Reynolds Products in a Warehouse and perform the other Warehouse Services at each Warehouse from the Effective Date through the Service Expiration Date of the Warehouse listed in Schedule 1-A (the “Warehouse Service Period”). Reynolds must remove all Reynolds Products in a Warehouse on or before its Service Expiration Date or any earlier termination of services at any Warehouse in accordance with other provisions of this Agreement. A Warehouse will be deemed excluded from the scope of this Agreement after its Service Expiration Date.
3. Reynolds is not obligated to store any quantity of Reynolds Products in a Warehouse under this Agreement. The Parties acknowledge and agree that Reynolds will be executing a regional exit strategy from the Warehouses which will include exiting certain Warehouses prior to the scheduled Service Expiration Dates, and Pactiv will cooperate with Reynolds in executing the strategy to the extent that Pactiv has reasonable advance notice of Reynolds desired exit plan. Therefore, if Reynolds at any time wishes to terminate its right to use Pactiv’s Services at any Warehouse under this Agreement prior to the applicable Warehouse Service Expiration Date, Reynolds may request such early termination to Pactiv in writing identifying a new proposed service expiration date (the “Early Service Expiration Date”) on not less than one hundred and eighty (180) days advance written notice. Unless there are extenuating circumstances that would impair Pactiv’s ability to release Reynolds from the applicable Warehouse on the proposed Early Service Expiration Date, including, without limitation, that Pactiv has no use for the Base Storage Capacity and does not wish to have to solely absorb the cost for such space, Pactiv will promptly consent to the Early Service Expiration Date proposed by Reynolds. If Pactiv reasonably believes there are extenuating circumstances that would impair Pactiv’s ability to release Reynolds from the applicable Warehouse on the proposed Early Service Expiration Date, Pactiv will promptly respond to Reynolds’ request for an Early Service Expiration Date in writing with an explanation of the extenuating circumstances and the Parties will cooperate in seeking a solution to the extenuating circumstances and try to identify a new Early Service Termination Date that is acceptable to both Parties. On or before the agreed Early Service Termination Date, Reynolds must remove all Reynolds Products from the applicable Warehouse and, from and after any Early Service Termination Date, Pactiv will be released of any obligation under this Agreement to perform any Services for Reynolds at the identified Warehouse and Reynolds will be released from its obligation to pay the Base Storage Fee (as defined in Section II.1. and Schedule 1-A of this Agreement) for the Warehouse under this Agreement.

4. Reynolds is not obligated under this Agreement to purchase any Freight Services from Pactiv; provided, however, that all outbound shipments from the Warehouses during the Term will be arranged by Pactiv and will be provided to Reynolds as part of the Freight Services. Unless the Parties otherwise agree in a signed writing, Reynolds will not be able to order nor will Pactiv be obligated to provide Freight Services after the Termination Date.
5. Notwithstanding anything in the contrary in this Agreement, nothing in this Agreement will require Pactiv to operate its warehousing and transportation functions in a materially different manner than it did in the trailing twelve (12) month period prior to the Effective Date. To the extent that Reynolds anticipates any significant change in its sales or supply chain operations (“Operations Change”), such as (i) commencing sales of a materially different new Reynolds Product that will require different handling procedures, (ii) adding new manufacturing or sourcing locations for production of Reynolds Products to be shipped to the Warehouses or transported using the Freight Services, or (iii) commencing sales to a new customer that has different or unique requirements that will cause a material change in the order fulfillment process or timeframes; then, Reynolds will provide Pactiv as much prior notice of such Operations Change as possible but in no case less than thirty (30) days prior notice. Upon notification of an Operations Change, Pactiv will have not less than ten (10) days to assess whether the Operations Change is likely to cause a material change in its performance of the Warehousing and/or Freight Services hereunder and will have an impact on Pactiv’s ability to provide the Warehousing and/or Freight Services to Reynolds (“Material Impact”). If Pactiv determines that there will be a Material Impact, it will notify Reynolds and the Parties will meet to adjust the Services, pricing or any related matter under this Agreement in a fair and equitable manner given the Operations Change; provided, however, that Pactiv will not be penalized or absorb any additional liabilities, costs or expenses due any Operations Change of Reynolds and an Operations Change will not be implemented unless and until the Parties reach a mutually acceptable signed written agreement on the Operations Change.

II. Warehouse Services

Pactiv will provide Reynolds with the Warehouse Services at the Warehouses listed on Schedule 1-A. The amount of Warehouse storage in cubic feet available to Reynolds at each Warehouse on the terms and conditions of this Agreement and the Service Expiration Date for each Warehouse are listed on Schedule 1-A. The terms and conditions of providing, using and paying for the Warehouse Services are set forth in Schedule 1-B. Notwithstanding anything in this Agreement to the contrary, Pactiv may, but will not be required to, perform Services at a Warehouse that would require, involve or result in Pactiv having to perform Services at a Warehouse or otherwise operate its business in a materially different manner than how Pactiv performed Services at the Warehouses for Reynolds, and Pactiv operated its business, during the trailing twelve (12) month period immediately preceding the Effective Date. By way of example, Pactiv will not be required to perform Services at a Warehouse or otherwise operate its business in compliance with a new standard or other requirement adopted by Reynolds or any of its customers unless Pactiv has expressly agreed to do so in the SOPs or in a signed written amendment to this Agreement

1. **Pricing, Invoice and Payment Terms.** During the Term, Reynolds will pay Pactiv fees for each Warehouse that is included in the Agreement as set forth on Schedule 1-A. The “Base Storage Fee,” which is the fee for the fixed cubic feet of warehouse space made available by Pactiv to Reynolds for each Warehouse under this Agreement, and “Additional Storage Fee,” which is the fee per cubic foot of space above the Base Storage Space that Reynolds may access at the Warehouses on the terms and conditions in this Agreement, will increase by one and one-half percent (1.5%) on January 1st of each calendar year of the Term starting on January 1, 2021. Reynolds will pay Pactiv the Base Storage Fee of a Warehouse on or before the first day of each calendar month during its Warehouse Service Period without notice by Pactiv and regardless of the quantity of Reynolds Products actually stored in a Warehouse. If Pactiv has used Additional Storage Capacity of a Warehouse to store Reynolds Products in a calendar month of its Warehouse Service Period, Pactiv will invoice Reynolds for the amount and duration of Additional Storage Capacity used to store Reynolds Products in the calendar month. Reynolds will pay Pactiv the amount owed for the Additional Storage Capacity used to store Reynolds Products in a calendar month within thirty (30) days of invoice. Further details on pricing, invoicing and payment terms may be provided in the SOPs.

4. **Title and Risk of Loss.** Title to, and risk of loss of, all Reynolds Products delivered to and accepted by Pactiv at a Warehouse will be and remain with Reynolds at all times. Notwithstanding the foregoing, Pactiv will be liable to Reynolds for any damage to or loss of Reynolds Goods caused by the breach, negligence or intentional misconduct of Pactiv or its employees, agents or suppliers except for Excluded Loss and Damage. The phrase “Excluded Loss or Damage” means loss or damage of Reynolds Products occurring in the Warehouses or otherwise while in the custody of Pactiv: (a) required to be covered by the insurance of Reynolds under Schedule 3 or actually covered by the insurance of Reynolds, or (b) in a calendar year of the Term, an amount of Reynolds Products that represents less than three-tenths of one percent (0.30%) of the total quantity of cases of Reynolds Products stored in the Warehouses in the calendar year.

5. **Protection of Reynolds' Ownership of the Reynolds Products.** Pactiv will identify Reynolds Products received, stored and delivered at the Warehouses as being owned by Reynolds in Pactiv's records. Reynolds may file a UCC-1 financing statement or other public or private notices required or permitted under Applicable Laws to inform third-parties of the ownership interest of Reynolds in Reynolds Products received, stored and delivered at the Warehouses and to otherwise protect such ownership interest. For the purposes of this Agreement, "Applicable Laws" means the laws of the United States of America, its states and territories, their respective districts, municipalities and other political subdivisions, and the branches, departments, administrative agencies, commissions, courts and other tribunals of the foregoing. For Reynolds Products received, stored and delivered at the Warehouse in Bolton, Ontario, the phrase "Applicable Laws" will also mean the laws of the Canada, its provinces and territories, their respective districts, municipalities and other political subdivisions, and the branches, departments, administrative agencies, commissions, courts and other tribunals of the foregoing. Reynolds will promptly provide Pactiv with copies of any financing statements or other public or private notices filed or sent by Reynolds to protect its ownership interest in Reynolds Products stored in a Warehouse. After all Reynolds Products have been removed from a Warehouse and the Warehouse Services Period of a Warehouse has ended or the Warehouse has otherwise been excluded from this Agreement, Reynolds will promptly cancel any financing statement and other public or private notice previously filed or sent by Reynolds to protect its ownership interest in Reynolds Products stored in a Warehouses. Pactiv will cooperate in good faith with the lawful actions of Reynolds to protect its ownership rights in Reynolds Products received, stored and delivered at the Warehouses, but Pactiv will not have to incur any expense, risk or liability in extending its cooperation unless the action is required as a result of a breach of this Agreement by Pactiv. Pactiv will not: (a) permit, or cause to be created, any interest, pledge, mortgage, encumbrance or other lien or restriction of any kind or nature arising by, through or under Pactiv in Reynolds Products received, stored or delivered at the Warehouse; (b) permit the removal of Reynolds Products from the Warehouse other than as expressly authorized by Reynolds under this Agreement or as required by an order of a court or other governmental entity that Pactiv believes in good faith has been issued in accordance with Applicable Laws; (c) knowingly and intentionally do anything to impair the value of any of Reynolds Products received, stored or delivered at the Warehouse or ownership interest of Reynolds in such goods; or (d) endeavor in good faith to avoid commingling Reynolds Products and Pactiv Products except in connection with filling an outbound delivery. Pactiv irrevocably waives any right it may now have or which it may acquire to claim or file any liens against Reynolds Products while in Pactiv's possession at a Warehouse. Pactiv agrees to furnish Reynolds promptly with written notice of the seizure by any third party, under Applicable Laws or otherwise, of any of Reynolds Products stored at any Warehouse.
6. **Warehouse Records.** Pactiv will create and keep for not less than three (3) years after the date of creation records (whether in printed, electronic or other reproducible format) of: (i) the quantity and type of Reynolds Products received at, stored in and delivered from each Warehouse, (ii) damage to or loss of a Reynolds Products prior to or while in the custody of Pactiv at a Warehouse and (iii) amounts invoiced to and paid by Reynolds under this Agreement. Pactiv will provide Reynolds with copies of these Warehouse records within five (5) business days after Reynolds' written request made during and for a period of three (3) years after the Term.

III. Freight Services

1. **General Description of Freight Services.** From the Effective Date until the Freight Services Expiration Date, Reynolds may order shipping of Reynolds' goods (Reynolds' goods for which Pactiv arranges shipping on behalf of Reynolds may be referred to herein as "Freight") from Pactiv. Pactiv will arrange for, manage and pay the third-party carriers ("Carriers"), brokers, freight payment agent and other third parties involved in the transportation of Reynolds Freight. Reynolds will be the designated shipper of record on all shipments of Freight managed by Pactiv on Reynolds behalf. Pactiv will also manage all cargo loss claims against carriers and brokers. A more detailed description of the Freight Services is set forth in Schedule 2 of this Agreement.

2. **Disclaimer of Cargo Liability.** Pactiv is not a carrier and Pactiv's sole obligation under this Agreement is the management of certain of Reynolds' transportation requirements for the efficient shipment of Reynolds's Freight. Reynolds therefore releases and agrees to hold harmless and defend Pactiv from any and all liability for cargo loss, damage or destruction claims arising out of the shipment of Reynolds's Freight.
3. **Pricing and Payment Terms for Freight Services.** Pactiv will invoice Reynolds for the actual shipping costs and its service fees for Freight Services as set forth in Schedule 2. All invoices issued for Freight Services hereunder shall be payable within thirty (30) days of receipt.

IV. Taxes

1. **Reynolds Taxes.** Reynolds will bear all government taxes, levies, fees and other impositions on the Reynolds Products, their storage in the Warehouses and otherwise required to be paid by recipients of the Services under Applicable Laws (collectively "Reynolds Taxes"). If required or permitted under Applicable Laws, Reynolds will prepare and file any required reports or returns for such Reynolds Taxes directly with, and pay the Reynolds Taxes owed directly to, the appropriate governmental authorities. If Pactiv is required under Applicable Laws to prepare and file any required reports or returns for such Reynolds Taxes directly with, and to collect and remit the Reynolds Taxes owed directly to, the appropriate governmental authorities, Pactiv will do so and invoice and collect the amount of such Reynolds Taxes from Reynolds.
2. **Pactiv Taxes.** Pactiv will bear all government taxes, levies, fees and other impositions on the ownership, lease and operation of the Warehouses and otherwise required to be paid by providers of the Services under Applicable Laws (collectively "Pactiv Taxes"). Pactiv will prepare and file any required reports or returns for such Pactiv Taxes directly with, and pay the Pactiv Taxes owed directly to, the appropriate governmental authorities.

V. Representations and Warranties

1. **General Representations, Warranties and Covenants.** Each Party represents, warrants and covenants on the Effective Date and at all times during the Term that:
 - a. The Party is formed, registered, licensed and operating its business in compliance with Applicable Laws.
 - b. The Party is operating its business in compliance with a commercially reasonable code of ethics adopted by such Party.
 - c. The Party may enter into and perform its obligations under this Agreement without being in conflict with, or in breach of, any other agreement of the Party.
 - d. The Party is solvent, is capable of paying its debts as and when they become due and is paying its debts as and when due.
 - e. The Party is not the subject of a criminal investigation nor a defendant in any criminal indictment, petition, complaint or proceeding that carries a potential sentence involving incarceration in excess of one year for any director or executive officer of the Party involved in the alleged criminal misconduct or a fine in excess of \$100,000 USD.

A Party will promptly notify the other Party of any change in circumstance during the Term in which the Party is no longer in compliance with the foregoing general representations, warranties and covenants. An incident of actual, alleged or suspected non-compliance by a Party with a warranty under this Section being investigated, contested or corrected in good faith by the Party *and* which, regardless of outcome, will have no material adverse effect on the Party or its performance under this Agreement or on the other Party, will not be considered a breach of this clause. An incident of actual, alleged or suspected non-compliance by a Party of this Section or any other Section of this Agreement will be grounds for the other Party to demand adequate assurances of performance as provided by Section 2-609 of the Illinois Uniform Commercial Code. A Party will have ten (10) days to provide adequate assurances of performance to the other Party in a form acceptable to the other Party in its good faith discretion.

2. **Reynolds Specific Representations, Warranties and Covenants.** Reynolds represents, warrants and covenants to Pactiv that each Reynolds Product delivered to and stored with Pactiv or delivered to a Carrier under this Agreement:
- a. Is delivered to the Carrier or to the Warehouse in new and undamaged condition.
 - b. Has been delivered to Pactiv or the Carrier in compliance with Applicable Laws, including without limitation with food safety regulations issued by the United States Food and Drug Administration that are applicable to the Reynolds Product.
 - c. Is inbound delivered in a properly blocked and braced condition to prevent shifting or toppling of the Reynolds Products upon opening and unloading of a truck trailer at the loading dock of the Warehouse.
 - d. Is packaged and delivered on appropriate pallets for storage in the Warehouses in accordance with the customary and usual practices of the Parties. Reynolds may use non-standard pallets for customer requests for promotions, shippers and so forth but Reynolds must notify Pactiv of any non-standard pallets prior to delivering the Reynolds Products to any Warehouse and the amount of any non-standard pallets must be commercially reasonable. Reynolds acknowledges and agrees that the use of any special pallets may require an adjustment in the cube allocation resulting in fewer pallets fitting into the Base or Additional Storage Capacity. Any Reynolds Product delivered to a Warehouse that is not capable of being stacked four pallets high will be allotted cubic feet of storage as if it were occupying four pallets high of storage space. Calculation of cubic feet for storage will be set out in the SOP's.
 - e. Is, and will remain at all times while in the custody of Pactiv, owned solely Reynolds free and clear of all liens, encumbrances and claims (other than those arising by, under or through Pactiv for which Pactiv will be responsible under this Agreement).
 - f. Does not infringe on any patent, trademark, copyright, trade secret or other the intellectual property of any third-party registered or otherwise recognized and enforceable under Applicable Laws.
 - g. Does not represent nor create a material risk of injury, damage or other harm to Pactiv or any third-party being received, storage and delivered at the Warehouses.

If Pactiv receives a Reynolds Product that fails to conform to these representations, warranties and covenants, the sole remedy of Pactiv for the breach will be to: (1) notify Reynolds within seven (7) business days of receipt that the Reynolds Product is non-conforming and handle or dispose of the non-conforming Reynolds Product at Reynolds' expense as instructed in writing by Reynolds or, if not so instructed, in accordance with commercially reasonable business practices at Reynolds' expense; and (2) obtain indemnification from Reynolds for any Indemnified Claim arising from or related to the breach as provided in Section VI.

3. **Pactiv Specific Representations, Warranties and Covenants.** Pactiv represents, warrants and covenants to Reynolds that:
- a. Reynolds Products will be received, stored and delivered at the Warehouse using the same or a greater standard of care that Pactiv uses in receiving, storing and delivering Pactiv Products at the Warehouse.
 - b. Reynolds Products will be delivered at the Warehouse in the same condition and packaging as received at the Warehouse except for ordinary wear and tear, damage or loss caused by an event of Force Majeure and Excluded Loss and Damage.
 - c. Warehouses will be operated and maintained, and Services will otherwise be performed, in a commercially reasonable condition and manner in compliance with Applicable Laws, including without limitation with food safety regulations issued by the United States Food and Drug Administration that are applicable to the storage of Reynolds Products.
 - d. Reynolds Products will remain at all times free and clear of all liens, encumbrances and claims arising by, through or under Pactiv.
 - e. Services will be performed in a manner which do not infringe on any patent, trademark, copyright, trade secret or other the intellectual property of any third-party registered or otherwise recognized and enforceable under Applicable Laws.

If Pactiv receives without rejecting a Reynolds Product but fails to deliver it to Reynolds or a party shipping products for Reynolds, a Reynolds customer, or a Carrier in conformance with these representations, warranties and covenants, the sole remedy of Reynolds for the breach of this Agreement will be to: (1) obtain reimbursement from Pactiv for the actual out of pocket cost to Reynolds of the non-conforming Reynolds Product, except for Excluded Loss or Damage, by notifying Pactiv within thirty (30) days from when Reynolds had or reasonably should have had actual knowledge of the loss, but in no event more than one year after the loss; and (2) obtain indemnification from Pactiv for any Indemnified Claim arising from or related to the breach as provided in the next Section.

VI. Indemnification

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

2. Pactiv will defend and indemnify Reynolds against: (1) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged breach of this Agreement by Pactiv in receiving, storing or delivering Reynolds Products at a Warehouse under this Agreement or in the performance of any other obligation of Pactiv under this Agreement; (2) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged negligence or other legally culpable misconduct of Pactiv in receiving, storing or delivering Reynolds Products at a Warehouse or in the performance of any other obligation of Pactiv under this Agreement; (3) any third-party claim for actual or alleged infringement by Pactiv in performing the Services under this Agreement (except to the extent that the infringement relates to a Reynolds Product or its packaging or is based on intellectual property that that Reynolds has represented and warranted to Pactiv that Reynolds owns and that Reynolds has licensed to Pactiv and that Pactiv has used in compliance with the license terms in performing the Services under this Agreement); (4) the threat or imposition of any fine, penalty or other sanction by a governmental authority on Reynolds to the extent caused by any actual or alleged violation by Pactiv of Applicable Laws; or (5) any actual or alleged claim for compensation or other payment of a Pactiv employee, agent or vendor for goods and services furnished in connection with Pactiv receiving, storing or delivering Reynolds Products at a Warehouse under this Agreement.
3. Reynolds will defend and indemnify Pactiv against: (1) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged breach of this Agreement by Reynolds in receiving, storing or delivering Reynolds Products at a Warehouse under this Agreement or in the performance of any other obligation of Reynolds under this Agreement; (2) any third-party claim for personal injury, damage to tangible property or other loss to the extent caused by any actual or alleged negligence or other legally culpable misconduct of Reynolds in receiving, storing or delivering Reynolds Products at a Warehouse under this Agreement or in the performance of any other obligation of Reynolds under this Agreement; (3) any third-party claim for personal injury, damage to tangible property, or other loss to the extent related the design, manufacture, storage, sale, delivery or use of a Reynolds Product by any person; (4) any third-party claim for actual or alleged infringement by Pactiv in performing the Services under this Agreement (except to the extent that the infringement relates to a Reynolds Product or its packaging or is based on intellectual property that that Reynolds has represented and warranted to Pactiv that Reynolds owns and that Reynolds has licensed to Pactiv and that Pactiv has used in compliance with the license terms in performing the Services under this Agreement); or delivery by Pactiv under this Agreement or in the performance of any other obligation of Pactiv under this Agreement to the extent based on intellectual property that Reynolds has represented and warranted to Pactiv that Reynolds owns and that Reynolds has licensed to Pactiv and that Pactiv has used in compliance with the license term in supplying the product; (4) the threat or imposition of any fine, penalty or other sanction by governmental authority on Pactiv to the extent caused by any actual or alleged violation by Reynolds of Applicable Laws; or (5) any actual or alleged claim or ownership, custody or compensation or other payment by a Reynolds employee, agent, customer, supplier or creditor or any unrelated third-party for Reynolds Products received, stored and delivered at a Warehouse under this Agreement.
4. As a condition of receiving defense and indemnification under this Section for an Indemnified Claim, the Indemnified Party must:
 - (1) notify and tender the defense of an Indemnified Claim to the Indemnifying Party promptly after the Indemnified Party learns of the Indemnified Claim; and
 - (2) provide information and cooperation reasonably requested by the Indemnifying Party in the investigation, defense, settlement and satisfaction of the Indemnified Claim. An Indemnifying Party will reimburse the Indemnified Party of any reasonable, actual, substantiated out-of-pocket expense incurred in providing the requested information or cooperation.
5. If the Indemnifying Party accepts the tender of defense of an Indemnified Claim, with or without reservation, the Indemnifying Party will:
 - (1) promptly notify the Indemnified Party of the acceptance of the tender of defense of the Indemnified Claim.

- (2) control the investigation, defense, settlement and satisfaction of the Indemnified Claim, including, without limitation, the selection of licensed, qualified and reputable attorneys, expert witnesses and other consultants and all decisions over settlement and litigation strategy. The Indemnifying Party must act in good faith in exercising control over the investigation, defense, settlement and satisfaction of the Indemnified Claim.
 - (3) Provide information reasonably requested by the Indemnified Party regarding the investigation, defense, settlement and satisfaction of the Indemnified Claim
6. An Indemnifying Party, acting in good faith, may elect to settle an Indemnified Claim for which it is responsible under this Agreement involving infringement on the intellectual property of a third-party by: (1) obtaining a license from the third-party allowing the required use of its intellectual property; (2) modifying a product, equipment or process in a manner which avoids infringing on the intellectual property of the third-party; or (3) voluntarily withdrawing the infringing product from the market and either refunding the amount paid by the Indemnified Party for the infringing product or replacing the infringing product with a non-infringing product.
7. The Parties may disagree on whether a claim is an Indemnified Claim under this Agreement, which Party should be considered the Indemnifying Party and Indemnified Party for an Indemnified Claim or whether each Party is solely or partially liable for an Indemnified Claim and whether and how liability for an Indemnified Claim should be allocated between them. In these and other circumstances in which an actual or potential conflict of interest exists or arises between the Parties with regards to an alleged or agreed upon Indemnified Claim that would preclude their joint representation by a single defense counsel, the Parties will endeavor in good faith to attempt to resolve the conflict. If the Parties are able to resolve the actual or potential conflict of interest, the Parties will memorialize the agreed upon resolution in a written joint defense agreement signed by officers of each Party and their joint defense counsel. If the Parties are unable to resolve the actual or potential conflict of interest, each Party will independently and separately investigate, defend, settle and satisfy the claim subject to their right to pursue payment or reimbursement for costs incurred in doing so from the other Party as provided in this Agreement.

VII. Insurance

During the Term of this Agreement, each Party will maintain the minimum types and amounts of insurance set forth in the schedule appended as Schedule 3 of this Agreement. By way of confirmation, Reynolds, at its expense, will maintain the “all risk” property insurance required under Schedule 3 on all Reynolds Products received, stored and delivered at the Warehouses,

VIII. Limitations on Liability

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

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

3. ***Force Majeure.*** A Party will not be considered in breach of this Agreement or liable to the other Party for any interruption or delay in performance under this Agreement to the extent caused by an event outside of the ability of the performing Party to foresee and avoid with the exercise of commercially reasonable efforts (such an event is referred to at times as an event of “Force Majeure”). Examples of events of Force Majeure include, without limitation: natural disasters; war; acts of terrorism; government action; accident; strikes, slowdowns and other labor disputes; shortages in, or inability to obtain, transportation in required quantities or at commercially reasonable prices or rates; any breach, negligence, criminal misconduct or other act or omission of any third-party; or fire or other insured or uninsured casualty. A Party whose performance is interrupted or delayed by an event of Force Majeure will be excused from the interruption or delay in performance during the event of Force Majeure and for a commercially reasonable period of additional time after the event of Force Majeure that the Party needs to recover from the event of Force Majeure and restore performance. Notwithstanding the foregoing, a Party will only be excused for an interruption or delay in performance under this Subsection for an event of Force Majeure only if the Party: (1) promptly notifies the other Party of the event of Force Majeure and provides information regarding the event of Force Majeure, including its extent and likely duration, and the efforts undertaken by the Party to foresee and avoid interruption or delay in its performance before the occurrence of the event, to mitigate interruption or delay in performance during the event, and to recover from and restore performance following the event; and (2) the Party exercises commercially reasonable efforts to mitigate, recover from and restore performance following the event of Force Majeure. During, and while recovering from and restoring performance following, an event of Force Majeure, Pactiv will act in good faith in allocating its available storage capacity at a Warehouse to store Reynolds Products under this Agreement and any products of Pactiv and its other customers. If an event of Force Majeure interrupts or delays Pactiv from receiving, storing and delivering a Reynolds Product to Reynolds under this Agreement in the quantities and timetable required by Reynolds, Reynolds may cancel any unfilled service orders for the Reynolds Products and procure the required storage capacity for Reynolds Products from one or more other sources until Pactiv has recovered from and restored its ability to perform following the event of Force Majeure. If Pactiv is not able to provide the Base Storage Capacity or Additional Storage Capacity or other Services at a Warehouse because of an event of Force Majeure, Reynolds may enter into warehouse services agreements or make other arrangements to procure the required quantities of storage capacity for the Reynolds Products from one or more other sources for a duration and on terms acceptable to Reynolds in its good faith discretion. In such a circumstance, Reynolds may, but will not be obligated to, resume storing Reynolds Products at Warehouses under this Agreement after Pactiv has recovered from and restored its ability to perform following the event of Force Majeure. If the interruption or delay in the storage of a Reynolds Product at a Warehouse under this Agreement because of an event of Force Majeure has exceeded, or is reasonably likely to exceed, one hundred eighty (180) days, either Party may exclude the Warehouse from this Agreement by delivering written notice to the other Party in which event the Service Expiration Date of the Warehouse will be the date specified in the written notice. The temporary interruption in Service at a Warehouse, or the exclusion of a Warehouse from this Agreement, as a result of an event of Force Majeure will not reduce nor release Reynolds of its obligation to pay the Base Storage Fee on the Warehouse through the date of the Force Majeure event. For example, if a leased Warehouse is destroyed by fire or other casualty and the lessor elects to exercise a right to terminate the lease before its Service Expiration Date and releases Pactiv of its rights and obligations to operate the Warehouse and pay rent and expenses on the Warehouse, Reynolds will be released from its obligation to pay the Base Storage Fee on the Warehouse from and after the Force Majeure date. This Subsection will not excuse nor extend a deadline by which a Party must pay an amount owed under this Agreement or Applicable Laws or by which a Party must exercise any right or remedy under this Agreement or Applicable Laws.

IX. Confidential Information and Other Intellectual Property

1. The Parties anticipate exchanging Confidential Information (as defined in in the next Subsection) over the Term of this Agreement for the purpose of negotiating and entering into Purchase Schedules and amendments to this Agreement, transacting business with one another in accordance with this Agreement and exercising their rights and performing their obligations under this Agreement and Applicable Laws, accounting standards and securities exchange requirements (collectively referred to as the “Authorized Purposes”).
2. The phrase “Confidential Information” means information meeting all of the following criteria:
 - (1) The information is a trade secret or other non-public, proprietary information owned by a Party or its direct and indirect subsidiaries under Applicable Laws (this Party is referred to at times in this Section as the “Disclosing Party”); and
 - (2) The other Party (referred to at times in this Section as the “Receiving Party”) requests such information from the Disclosing Party for the Authorized Purposes during the Term (i.e., neither Party wants *unsolicited* Confidential Information from the other Party); and
 - (3) The Disclosing Party discloses such requested information to the Receiving Party during the Term either labelled as “Confidential” or words of similar intent, or describes the disclosed information in reasonable detail in a written notice to the Receiving Party delivered, either at the time of disclosure or within five (5) days of disclosure. If a Disclosing Party neglects to label or deliver timely written notice to the Receiving Party identifying the disclosed information as confidential in nature, the disclosed information will only be treated as Confidential Information under this Agreement if the Disclosing Party is able to demonstrate by clear and convincing evidence that the Receiving Party knew that the disclosed information was a trade secret or other non-public, proprietary information of the Disclosing Party at the time of disclosure.

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

3. The phrase “Confidential Information” also means the Know-How of a Disclosing Party and its direct and indirect subsidiaries that a Receiving Party and its direct and indirect subsidiaries learned of, acquired or otherwise used prior to the Effective Date. The phrase “Know-How” means trade secret and other confidential, proprietary information of a Party or its Affiliate concerning the manufacture, storage, packaging, marketing, sale and delivery of its products. Examples of Know-How may be in the form of drawings, equipment specifications, formulae, formulations, guidelines, manuals, methods, plans, policies, procedures, processes, properties and applications of raw materials and products, tools, dies and molds. A Receiving Party and its direct and indirect subsidiaries may continue to use the Know-How of the Disclosing Party and its direct and indirect subsidiaries in the possession of the Receiving Party and its direct and indirect subsidiaries as of the Effective Date for the Authorized Purposes and in connection with the operation of the business of the Receiving Party and its direct and indirect subsidiaries. Nothing in this Subsection or any other provisions of this Agreement will obligate a Party to disclose or license the use of its Know-How of any kind and in any form arising, discovered, acquired or developed after the Effective Date to the other Party.
4. The phrase “Confidential Information” does *not* include, and there will not be any duties of confidentiality or other restrictions under this Agreement for, the following types of information:

- (4) Information which is or becomes available as part of the public domain through any means other than as a result of a breach of this Agreement by the Receiving Party; or
 - (5) Information, other than Know-How received prior the Effective Date, which is known to the Receiving Party before the disclosure of the same information by the Disclosing Party; or
 - (6) Information which is or becomes available to the Receiving Party from a third-party who is not under any duty to preserve the confidentiality of such information; or
 - (7) Information which is furnished by the Disclosing Party to a third-party without imposing any duty on the third-party to preserve the confidentiality of such information; or
 - (8) Information which is independently developed by the Receiving Party without the use of or reliance on any trade secret or other non-public, proprietary information provided by the Disclosing Party as Confidential Information under this Agreement or under any prior agreement between the Parties; or
 - (9) Information that ceases to be a trade secret or other non-public, proprietary information of the Disclosing Party under Applicable Laws through any means other than those enumerated above and that does not involve nor result from a breach of this Agreement by the Receiving Party.
5. A Party may request and disclose Confidential Information in any form or medium. Confidential Information may include, without limitation, information concerning the assets, liabilities, financing, financial statements, ownership, goods, services, customers, suppliers, marketing, manufacturing, equipment, software, technology, supply chain, business strategies, plans, models, policies, methods, processes, formulae, specifications, drawings, schematics, software and technical know-how of a Disclosing Party. A Receiving Party will take all commercially reasonable actions required to safeguard the Confidential Information of a Disclosing Party in the possession of such Receiving Party against the unauthorized disclosure or use of the Confidential Information by other persons. A Receiving Party will promptly notify the Disclosing Party if the Receiving Party learns of any unauthorized disclosure or use of the Confidential Information of the Disclosing Party by any person. A Receiving Party will cooperate in good faith with the Disclosing Party to prevent any unauthorized disclosure or use of the Confidential Information of the Disclosing Party by any person. A Receiving Party will not be obligated to incur any liability, expense or risk in extending such cooperation to a Disclosing Party, however.
6. A Receiving Party will not disclose nor use the Confidential Information of a Disclosing Party except as follows:
- (1) A Receiving Party and its Representatives may use the Confidential Information of a Disclosing Party for the Authorized Purposes. A “Representative” means the Affiliates of a Party and the directors, officers, managers, employees, accountants, attorneys, auditors and other agents and consultants of a Party and its Affiliates. An “Affiliate” of a Party means a legal entity that owns and controls, or is owned and controlled by, or is under common ownership and control with, a Party (other than the other Party or any of its direct and indirect subsidiaries), with ownership and control of a legal entity being determined by the ownership of the majority voting interest in the legal entity. A Receiving Party may disclose Confidential Information of a Disclosing Party on a “*need to know*” basis to only those Representatives of the Receiving Party who require such information for the Authorized Purposes. Before making such a disclosure, the Receiving Party will advise the Representatives of the confidential nature of the information being shared and ensure that duties and restrictions are, or have been, imposed on the Representatives receiving the Confidential Information similar to those imposed on the Receiving Party under this Agreement. A Receiving Party will be liable for any breach of this Agreement by its Representatives.

- (2) A Receiving Party may disclose Confidential Information of a Disclosing Party to a court, governmental entity or any other person in order for the Receiving Party and its Affiliates to comply with Applicable Laws, accounting standards and securities exchange requirements. If legally permissible and reasonably possible, a Receiving Party will notify the Disclosing Party prior to disclosing its Confidential Information pursuant to this Section and cooperate in good faith with any lawful efforts by the Disclosing Party to avoid or limit the disclosure of its Confidential Information. A Receiving Party will not be obligated to incur any liability, expense or risk in extending such cooperation to a Disclosing Party. Based on legal advice of its attorney, a Receiving Party may disclose the Confidential Information of the Disclosing Party by any deadline established under an Applicable Laws, accounting standard and securities exchange requirement.
- (3) A Receiving Party may disclose and use the Confidential Information of a Disclosing Party to enforce or interpret this Agreement or any other agreement with the Disclosing Party in any arbitration, court or other legal proceeding. A Receiving Party may disclose and use this Confidential Information of a Disclosing Party to defend the Receiving Party or its Affiliates or their respective Representatives in any arbitration, court or other legal proceeding. In either circumstance, the Receiving Party will ensure that a protective order, agreement or other mechanism is in place to preserve the confidentiality of the Confidential Information.
- (4) A Receiving Party and its Representatives may disclose and use the Confidential Information for any other purpose consented to by a Disclosing Party in a written notice signed by an officer of the Disclosing Party delivered to the Receiving Party. The other purpose described in the written notice will become one of the "Authorized Purposes" from and after the date of such written notice.

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

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

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

8. For Confidential Information that is *not* a trade secret of a Disclosing Party under Applicable Laws, the rights and obligations of the Parties under this Section will continue until the earlier of (i) sixty (60) months from the date of disclosure to a Receiving Party or (ii) the date such information ceases to be considered Confidential Information under this Agreement. For Confidential Information that is a trade secret of a Disclosing Party under Applicable Laws, the rights and obligations of the Parties under this Section will continue until such information ceases to be a trade secret of the Disclosing Party under Applicable Laws.

9. A Receiving Party will return or destroy all forms of Confidential Information of the Disclosing Party in the custody of the Receiving Party and its Representatives within ten (10) days of receipt of a written request from the Disclosing Party and after the expiration or earlier termination of this Agreement. This will include, without limitation, all copies, records, documents and other information representing, comprising, containing, referencing or created based on Confidential Information of the Disclosing Party. Notwithstanding the foregoing, a Receiving Party and its Representatives may retain copies of Confidential Information of the Disclosing Party which (x) the Receiving Party and its Representatives are required to retain to comply with Applicable Laws, accounting standards and securities exchange requirements (but only for the duration and in the manner so required for these limited purposes); or (y) have been archived in electronic form by the Receiving Party and its Representatives and which would be unduly burdensome for the Receiving Party and its Representatives to have to search for and delete the Confidential Information of the Disclosing Party.
10. Except for the limited right to disclose and use Confidential Information of a Disclosing Party for the Authorized Purposes provided in the this Section and except for any license of intellectual property granted by a Disclosing Party to the Receiving Party in a Purchase Schedule, this Agreement does not grant a Receiving Party or its Representatives any right, title, interest or ownership in the Confidential Information of the Disclosing Party nor in any patent, trademark, copyright or other intellectual property of the Disclosing Party. As between the Parties during the Term, to be effective, the grant of any right, title, interest and ownership in and to any Confidential Information of Party or in an patents, trademarks, copyrights and other intellectual property of the Party must be in writing and signed by the chief executive officers of the Parties. During the Term, a Party will not develop intellectual property for, on behalf of, or in collaboration with, the other Party unless the Parties have entered into a Purchase Schedule or other separate written agreement signed by an officer of each Party.

X. Dispute Resolution

1. ***Negotiation.*** If a Party believes that the other Party has breached this Agreement or if there is a dispute between the Parties over the interpretation of this Agreement (a "Dispute"), the Parties will endeavor to resolve the Dispute through good faith negotiation for a period of thirty (30) days after a Party notifies the other Party of the Dispute and before either Party requests mediation or files litigation to resolve the Dispute.
2. ***Mediation.*** If the Parties have been unable to resolve a Dispute through good faith negotiation as provided in the prior Subsection, a Party may request that the Parties attempt to resolve the Dispute through mediation by notifying the other Party with a copy to JAMS. The Parties will attempt to select a mutually acceptable JAMS mediator, and a mediation location in Lake County, Illinois or Cook County, Illinois, within ten (10) days of the notice requesting mediation. If the Parties are unable to agree on a JAMS mediator or mediation location, JAMS will appoint the mediator and a mediation location in Lake County, Illinois or Cook County, Illinois. The mediation will be held at the selected mediation location within thirty (30) days of the notice requesting mediation before a JAMS mediator and in compliance with JAMS mediation guidelines. Each party will bear its own costs in preparing for and participating in the mediation and one-half of the fees and expenses charged by JAMS for conducting the mediation.

3. **Litigation.** If the Parties are unable to resolve a Dispute through negotiation or mediation as provided in the prior Subsections, a Party may file litigation against the other Party in a court of competent jurisdiction in the United States of America. With respect to litigation involving only the Parties or their Affiliates, the Parties irrevocably consent to the exclusive personal jurisdiction and venue of the U.S. federal and Illinois state courts of competent subject matter jurisdiction located in Lake County, Illinois or Cook County, Illinois and their respective higher courts of appeal for the limited purpose of resolving a Dispute, and the Parties waive, to the fullest extent permitted by Applicable Laws, any defense of inconvenient forum. The Parties waive any right to trial by jury as to any Disputes resolved through litigation. Notwithstanding the foregoing, a Party may file litigation to resolve a Dispute without undergoing either negotiation or mediation as provided in the prior Subsections for any Dispute involving: (i) infringement on intellectual property; (ii) the unauthorized use or disclosure of Confidential Information; or (iii) a request for a temporary restraining order, a preliminary or permanent injunction or any similar types of equitable relief.
4. **Remedies.** Except as expressly limited in the preceding Subsections and the other provisions in this Agreement, a Party may immediately exercise any rights and remedies available to the Party under Applicable Laws upon a breach of this Agreement by the other Party. A Party will *not* suspend performance under nor terminate this Agreement or any accepted purchase order for a product being purchased and sold under this Agreement unless: (1) the other Party is in material breach of this Agreement and has either refused to cure the material breach or has failed to cure the material breach within thirty (30) day of its receipt of written notice of the failure; and (2) the Parties have been unable to resolve the Dispute related to the material breach through negotiation or mediation, or the breaching Party has refused or failed to attempt to resolve the Dispute through negotiation or mediation, as provided in this Section. Notwithstanding the foregoing, a Party may suspend performance or terminate this Agreement or any accepted purchase order for Services being purchased and sold under this Agreement immediately on written notice to the other Party, and without providing the other Party an opportunity to cure the material breach or attempting to resolve a Dispute over the material breach by negotiation or mediation as provided in this Section, for a material breach by the other Party involving substantial harm to the reputation, goodwill and business of the non-breaching Party that cannot reasonably be avoided or fully redressed by providing the other Party an opportunity to cure the material breach.
5. **Late Fees and Collection Costs.** If a Party (the “Payor”) fails to pay the other Party (the “Payee”) an amount owed under this Agreement by the payment due date, then the Payor will owe the Payee: (i) the delinquent amount; and (ii) a late payment fee equal to two percent (2%) of the delinquent amount for each full or partial calendar month past the due date that the delinquent amount remains unpaid. In addition, if the Payee has to file litigation to collect the amount owed and the Payee prevails in the litigation, Payor will reimburse Payee for actual, reasonable, substantiated out-of-pocket expenses incurred by Payee in collecting the delinquent amount and accrued late payment fees on the delinquent amount. Under no circumstance will the late payment fee payable to Payee exceed the amount that a creditor may lawfully impose on a debtor on a delinquent amount under Applicable Law.

XI. Miscellaneous

1. **Entire Agreement.** This Agreement, including its appended Exhibits and Purchase Schedules entered into during the Term, constitutes the entire agreement between the Parties with respect to the receipt, storage and delivery of Reynolds Products at the Warehouses. This Agreement supersedes all prior and simultaneous representations, discussions, negotiations, letters, proposals, agreements and understandings, whether written or oral, with respect to this subject matter. This Agreement will not be binding on either Party unless and until signed by the chief executive officers of each Party. No handwritten or other addition, deletion or other modification to the printed portions of this Agreement will be binding upon either Party to this Agreement.

2. **Amendments.** A Party may not amend this Agreement nor supplement the terms and conditions in this Agreement through the inclusion of additional or different terms and conditions in any quotation, purchase order, invoice, bill of lading, letter, email or other document or communication. This Section does not prevent the reliance on the descriptive information in transaction documents identifying the ordered Products (e.g., the type and quantity of ordered products and scheduled date and location for delivery). No amendment of this Agreement will be valid or effective unless made in writing and signed and exchanged by officers of the Parties. A Party may approve or reject a request for an amendment in its sole and absolute discretion.
3. **Waiver.** The failure of either party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights shall not operate as a continuing waiver of such rights. No right or obligation under this Agreement will be considered to have been waived by a Party unless such waiver is in writing and is signed by an officer of the waiving Party and delivered to the other Party. No consent to or waiver of a breach by either Party will constitute a consent to, waiver of, or excuse for any other, different, or subsequent breach by such Party.
4. **Governing Law.** This Agreement and all claims or causes of action arising out of or related to this Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the State of Illinois and the United States of America, without giving effect to its principles or rules of conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods will not govern nor otherwise be applicable to this Agreement.
5. **Severability.** If any term or provision of this Agreement, or the application thereof shall be found invalid, void or unenforceable by any government or governmental organization having jurisdiction over the subject matter, the remaining provisions, and any application thereof, shall nevertheless continue in full force and effect.
6. **Assignment.** This Agreement, its rights and obligations, is not assignable nor otherwise transferable by either Party, in whole or in part, except with the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement in its entirety to any of its Affiliates or to a successor-in-interest in connection with any merger, consolidation, sale of assets or equity interests or other forms of strategic transaction written notice to, but without the prior written of, the other Party provided that: (i) the assignee assumes all rights, obligations and liabilities of the assignor under this Agreement; and (ii) the assignee is not a competitor of the other Party. An assignment of this Agreement, in whole or in part, will not release the assigning Party of its obligations and liabilities under this Agreement, whether arising before or after the effective date of the assignment, unless the other Party approves the release in a written notice to the assigning Party. The assigning Party will provide the other Party with written notice of such assignment prior to or promptly following the effective date of such assignment. A change of majority ownership of a Party will be deemed an assignment of this Agreement unless the assignment is the result of Reynolds Group Holdings Limited ceasing to control the majority ownership of a Party. The restrictions in this Section will not preclude a Party for authorizing one or more of its Affiliates to manufacture, store, purchase, sell or deliver a product, or exercise any other right or perform any other obligation, on behalf of the Party under this Agreement. Subject to the foregoing, all of the terms, conditions and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assignees of the respective Parties.
7. **Third Party Beneficiaries.** There are no intended third-party beneficiaries of this Agreement.

8. **Good Faith and Cooperation.** Except where this Agreement states that a Party may expressly exercise a right or render a decision in its “sole and absolute discretion”, a Party will exercise its rights under this Agreement in its good faith business judgment. A Party will perform its obligations under this Agreement in a commercially reasonable manner consistent with industry practices and in compliance with Applicable Laws. A Party will promptly take such actions, provide such information and sign such documents as the other Party may reasonably request to obtain the benefits and exercise the rights granted, and to perform the obligations imposed, under this Agreement.
9. **Notices.** Any notice required or permitted to be provided by a Party under this Agreement will be made to the notice address of the receiving Party set forth below or to an alternate notice address later designated by the receiving Party in accordance with this Subsection. Notices will be effective upon actual receipt by the receiving Party. An emailed notice will be effective against a receiving Party only if the Receiving Party acknowledge receipt of the emailed notice in a return notice to the notifying Party. A receiving Party agrees to acknowledge receipt of an email notice in good faith promptly following receipt. A Party may change its address for notice by giving notice to the other party Pursuant to this Subsection.

Address for notice to Pactiv:

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

For any notice concerning an Operations Change, breach or termination, with a copy to:

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

Address for notices to RCP:

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

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

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

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

11. ***Non-Exclusive Supply Relationship.*** This Agreement is not evidence of, nor does it create, any form of exclusive supply relationship between the Parties concerning the receipt, storage or delivery of Reynolds Products at any Warehouse. Nothing in the Agreement obligates Reynolds to store any Reynolds Products at a Warehouse during the Term.
12. ***Construction.*** Unless the context otherwise requires, the following rules of construction will be applied to in the interpretation of the agreement: (1) headings are for convenience only and do not affect interpretation; (2) singular includes the plural and vice-versa; (3) gender includes all genders; (4) if a word or phrase is defined, its other grammatical forms have a corresponding meaning; (5) the meaning of general words is not limited by specific examples introduced by “includes”, “including” or “for example” or similar expressions; (6) the word “person” includes an individual, corporation, company, trust, partnership, limited partnership, unincorporated body, joint venture, consortium or other legal entity; (7) a reference in any Purchase Schedule or Exhibit to an section, subsection or clause is a reference to a section, subsection or clause in that Purchase Schedule or Exhibit unless otherwise identified; (8) reference to an Exhibit is a reference to an Exhibit described, appended or otherwise identified in this Agreement; (9) a reference to conduct includes, without limitation, an omission, statement or undertaking, whether or not in writing; (10) a reference to a third-party is a reference to a person who is not a Party to this agreement; (11) where a period of time is specified for the performance of any act and dates from a given day or the day of an act or event, the period shall be exclusive of that date; and (12) the Parties agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were or have been given the opportunity to be represented by counsel, and each of whom had an opportunity to participate in, and did participate in, negotiation of the terms hereof; accordingly, the Parties acknowledge and agree that the Agreement is not a contract of adhesion and that ambiguities in the Agreement, if any, shall not be construed strictly or in favor of or against either Party, but rather shall be given a fair and reasonable construction.
13. ***Execution.*** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against the Party whose signature appears thereon, but all of which taken together shall constitute but one and the same instrument. Acceptance of this Agreement may be made by e-mail, mail or other commercially reasonable means showing the signatures of the chief executive officers of the Parties.

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SIGNATURE PAGE AND EXHIBITS FOLLOW

IN WITNESS WHEREOF, the Parties have executed this Warehouse and Freight Services Supply Agreement effective as of the Effective Date.

PACTIV LLC

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

REYNOLDS CONSUMER PRODUCTS LLC

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

List of Schedules

Schedule 1-A – Warehouses, Storage Capacities, Warehouse Service Expiration Dates, Warehousing Fees

Schedule 1-B – Warehousing Services Terms and Conditions

Schedule 2 – Freight Services Terms and Conditions

Schedule 3 – Insurance Requirements

SCHEDULE 1-A
WAREHOUSES

Warehouse Location	Hours of Operation	Owned or Leased by Pactiv	Service Expiration Date	Base Storage Capacity in Cubic Feet	Base Storage Fee per Month in USD	Additional Storage Capacity in Cubic Feet	Additional Storage Fee per Cubic Foot after SAP Separation	Additional Storage Fee per Cubic Foot prior to SAP Separation
Bolton, ON*	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Canandaigua, NY	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Covington, GA	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Frankfort, IL	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
San Bernardino, CA	[*]	[*]	[*]**	[*]	[*]	[*]	[*]	[*]
Temple, TX	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Woodridge, IL	[*]	[*]	[*]**	[*]	[*]	[*]	[*]	[*]
Bakersfield, CA	[*]	[*]	[*]**	[*]	[*]	[*]	[*]	[*]

*This Warehouse is owned and operated by Pactiv Canada, Inc., a wholly owned subsidiary of Pactiv. As such, Pactiv itself will not be performing Services at this Warehouse. Pactiv will arrange for Pactiv Canada, Inc. to perform the Services at this Warehouse in compliance with this Agreement. Pactiv waives any right to consent to Reynolds exercising its right to designate an Early Service Expiration Date for this Warehouse under Subsection 1.3 of this Agreement (i.e., Reynolds may end Warehouse Service at this Warehouse at any time on at least one hundred eighty (180) days advance written notice to Pactiv and without the consent of Pactiv).

** If Pactiv's lease for this Warehouse ends earlier than the listed Service Expiration Date for any reason, The Service Expiration Date for this Warehouse will be automatically amended to be the earlier termination date of the lease. Notwithstanding the preceding sentence, if Pactiv's lease for this Warehouse ended earlier than the listed Service Expiration Date because of a breach on the part of Pactiv, Pactiv will remain liable to Reynolds for any direct damages incurred as a result of Services ending at the Warehouse prior to the listed Service Expiration Date.

SCHEDULE 1-B
DESCRIPTION OF WAREHOUSE SERVICES
AND SPECIFIC TERMS AND CONDITIONS

1. Storage Capacity. Pactiv will make available the Base Storage Capacity of each Warehouse for storage of Reynolds Products during its Warehouse Service Period as listed in Schedule 1-A. Pactiv agrees to make available up to the Additional Storage Capacity of a Warehouse listed in Schedule 1-A for storage of Reynolds Products during its Warehouse Service Period, but only (a) if the Base Storage Capacity at the Warehouse is being fully utilized, and (b) Pactiv has determined based on Reynolds' customer order forecast that Reynolds will require Additional Storage Capacity in a Warehouse, and Reynolds uses such Additional Storage Capacity. If Reynolds seeks Additional Storage Capacity with less than thirty days' notice or seeks storage capacity in excess of the Base Storage Capacity and the Additional Storage Capacity, Pactiv will use commercially reasonable efforts to accommodate Reynolds needs in the Warehouse, but if there are costs above the standard warehousing costs to secure such additional space, Pactiv will notify Reynolds of such costs and if Reynolds agrees to use such additional storage in the Warehouse, Reynolds will bear such additional costs and Pactiv will identify such additional costs on its monthly invoice. During any period that the total storage capacity of a Warehouse is reduced or unavailable because of an event of Force Majeure Pactiv may reduce the Base Storage Capacity and Additional Storage Capacity of the Warehouse available for storage of Reynolds Products under this Agreement by a proportional amount without being considered in breach of this Agreement. For example, if ten percent (10%) of the total storage capacity of a Warehouse is unavailable because of an event of Force Majeure, Pactiv may reduce the Base Storage Capacity and Additional Storage Capacity at the Warehouse by ten percent (10%). In such event Reynolds' payment to Pactiv for the impacted time shall be reduced by the same percentage.

2. Forecasting and Planning for Storage of Reynolds Products in Warehouses. On or about the first day of each week of the Term, Reynolds will provide Pactiv with a rolling twelve (12) week forecast in the form of the following files electronically: 1) Monthly customer shipment forecast by Item/Location of outbound customer shipments 2) Weekly inbound shipment forecast by Item/Shipping Location/Destination Location (the later will begin to be available at the time that Pactiv's and Reynolds' SAP platforms become fully separated ("SAP Separation"). If a forecast suggests capacity exceeds the Additional Storage Capacity level and/or the maximum number of deliveries per business day (i.e. days on which the applicable Warehouse is operating according to Schedule 1-A) for any Warehouse, Pactiv will promptly notify Reynolds of the extent to which Pactiv is unable to accommodate the forecasted inbound delivery, outbound delivery or required storage quantity of Reynolds Products. Further details on forecasting and planning for storage of Reynolds Products in the Warehouses may be provided in the SOPs.

3. Inbound Orders Process.

- a. Reynolds will submit an electronic purchase requisition to Pactiv for inbound delivery of Reynolds Products to a Pactiv Warehouse. The purchase requisition will be provided at least one (1) business day prior to shipment from the Reynolds location by 12:00 Noon CST.
- b. Pactiv will acknowledge the requisition for inbound delivery that day and convert to a purchase order.
- c. Pactiv will accept the requisition unless the inbound order would cause the amount of Reynolds Products stored at the Warehouse to exceed the Base Storage Capacity and Additional Storage Capacity level.
- d. When the Reynolds Product bound for a Warehouse leaves its point of origin, Reynolds will perform a Post Goods Issue ("PGI") upon truck departure. The PGI will include transmittal of an Advance Shipment Notice ("ASN") to Pactiv at the license plate level.
- e. Reynolds can cancel without penalty a proposed inbound shipment up to the point of the PGI and issuance of the ASN to the Warehouse.

f. Reynolds shall have the right to add additional source locations (i.e. shipping sites) upon thirty (30) days prior notice to Pactiv and such sites will be accepted by Pactiv provided that there is not a Material Impact to the operations of the affected Warehouse(s).

g. Pactiv will receive, store, handle and service existing and new Reynolds commercialization/ products provided that any new business is commercially reasonable and within the volume and shipment limitations of this Agreement and, provided further, that Reynolds has notified Pactiv of any Operations Change in accordance with the Agreement and there is no Material Impact or the Parties have met and addressed the same.

4. Inbound Delivery of Reynolds Products. For an inbound delivery of Reynolds Products, Reynolds or its common carrier will deliver the Reynolds Products, either by “dropping” off a loaded truck trailer in the yard of the Warehouse or by “live” unloading of a truck trailer at the loading dock of the Warehouse, on the scheduled inbound delivery date within the delivery window approved by Pactiv in its electronic purchase order accepting Reynolds inbound shipment requisition. The significant majority of inbound deliveries are by dropping a loaded truck trailer in the yard of the Warehouse, and Reynolds will exercise good faith and commercially reasonable efforts to minimize the need for “live” unloading of a truck trailer at the loading dock of the Warehouse for inbound deliveries. Reynolds or its common carrier will be required to comply with the security, environmental, health, safety and other rules adopted and communicated to Reynolds by Pactiv for common carriers delivering inbound goods to the Warehouse. Pactiv will issue a confirmation of shipment receipt electronically to Reynolds within 1 hour of truck receipt at the Warehouse (referred to as the “Post Goods Receipt” or “PGR”). Prior to accepting custody of an inbound delivery, Pactiv will inspect the cases of Reynolds Products and pallets used to deliver such cases received for damage. Pactiv may, but will not be obligated to, disassemble pallets, or open cases, of Reynolds Products to inspect for damage to the cases and pallets. Pactiv will maintain an active Overages, Shortages & Damages (“OS&D”) log for any Reynolds Products received into each Warehouse; and report any such OS&D to Reynolds originating shipping facility within seven (7) business days of receipt. Pactiv will store any damaged property separate from other Reynolds Products until such damaged property is delivered as part of an outbound delivery to Reynolds or otherwise disposed of in accordance with Reynolds’ instructions and at its expense. Pactiv will notify Reynolds within such seven (7) business day period of any damaged cases of Reynolds Products or damaged pallets used to deliver Reynolds Products that occurred or that Pactiv believes in good faith to have occurred, prior to Pactiv accepting custody of such property at a Warehouse and any types and quantities of overages and shortages of Reynolds Products in the inbound delivery. If Pactiv fails to notify Reynolds of damaged cases of Reynolds Products or damaged pallets used to deliver such products as part of an inbound delivery, and/or any types and quantities of overages and shortages of Reynolds Products in the inbound delivery, within 7 business days of the inbound delivery, Pactiv will be deemed to have received the types and quantities of Reynolds Products specified in the purchase order accepting Reynolds inbound shipping requisition and the pallets used to deliver such Reynolds Products, in undamaged condition (other than damage, overage or shortages that could not reasonably have been detected through an inspection of the exterior of the cases and pallets). Additionally, Reynolds customers may return Reynolds or Pactiv Products to the point of origin/shipment. Pactiv will accept Reynolds customer returns, place within a quality hold, inspect and notify Reynolds within seven (7) business days upon receipt of whether the goods are merchantable. Reynolds customer service will coordinate with Pactiv on making an appointment for receipt of the return. Upon passing a quality inspection, Pactiv will return merchantable product to active/available inventory. If the product is damaged or obsolete, Pactiv will follow standard protocol or Reynolds instructions for disposal/destruction at Reynolds expense.

5. Storage of Reynolds Products. Pactiv will store Reynolds Products received into the Warehouse and not rejected within seven (7) business days in an appropriate area of the Warehouse. Pactiv will utilize the same storage and handling methods for Reynolds products as it uses for its own products stored in the Warehouse. If Pactiv identifies damaged, slow-moving or obsolete Reynolds Products and/or pallets being stored in a Warehouse, Pactiv will notify Reynolds and Pactiv will return such Reynolds Products and/or pallets to Reynolds or dispose of them as instructed in writing by Reynolds. A return of damaged, slow-moving or obsolete Reynolds Products to Reynolds will be treated as part of an outbound delivery. Reynolds will pay or reimburse Pactiv for actual, reasonable, substantiated out-of-pocket expenses incurred by Pactiv in returning or disposing of such products.

6. Inventory Reporting. Pactiv will provide Reynolds with the following reports on Reynolds Products stored in each Warehouse:

1. Not less than once per month, a report of the types and quantities of Reynolds Products in storage at each Warehouse and any damage or loss to those products while in the custody of Pact at the Warehouses.
2. Not less than once per month, cycle counts and reconciliations of Reynolds Products following Pactiv's standard inventory management process for the Warehouses.
3. Not less than once per calendar quarter, cycle counts of every Warehouse bin containing Reynolds Products (expected accuracy of 99%).

7. Outbound Orders Process.

a. Reynolds will submit an electronic purchase order to Pactiv for outbound delivery of Reynolds Products to a Reynolds customer from a Warehouse. Reynolds will use commercially reasonable efforts to submit its electronic purchase orders for outbound shipments with as much lead time as possible but in no event with materially shorter lead times than provided during the trailing twelve month period prior to the Effective Date of this Agreement. For most shipments, Reynolds will submit such orders at least four (4) days in advance of the shipment date (i.e., if the shipment date of an order is Friday, Reynolds will submit the order to Pactiv on Monday). In the case of outbound shipments to Walmart High Velocity distribution centers, Reynolds will submit such order orders at least three (3) days in advance of the shipment date (i.e., if the shipment date of an order is Friday, Reynolds will submit the order to Pactiv on Tuesday). In either case, Reynolds may request that Pactiv fill and ship orders with less than the standard order lead time, and Pactiv will exercise good faith and commercially reasonable efforts to do so, as provided in Subsection 7(g) of this Schedule. SAP Separation will result in an Operational Change in standard order lead times on for outbound deliveries from Warehouses and the Parties will cooperate in good faith to resolve any Material Impact arising from this Operational Change as provided in the Agreement.

b. Reynolds will provide the outbound purchase order to the applicable Warehouse within 12 hours of its receipt from the customer. The order must have passed an ATP check and the inventory ordered must be confirmed available at the Warehouse.

c. Pactiv will provide Reynolds a firm "delivery window" for all orders for outbound deliveries to Reynolds customers. This should coincide/align with standard delivery requirements established by Reynolds' customers in the form of a consumer packaging good ("CPG") industry recognized protocol which includes but is not limited to a Requested Arrival date ("RAD") or a Requested Delivery Date ("ROD").

d. Pactiv will schedule an "appointment window" for an outbound delivery in which a Reynold's customer will pickup of Reynolds' goods at a Warehouse (a "CPU") as provided in Section 10 of this Schedule.

e. Reynolds shall have the right to cancel an order without penalty up *until the earlier of* (i) 24-hours prior to the scheduled time of the outbound shipment or (ii) Pactiv starts to assemble the order for shipment.

f. Pactiv will provide Freight Services for outbound orders from the Warehouses to both existing and new Reynolds customers provided that the volume of shipments and nature of the business is commercially reasonable. If there is a change in the volume of the shipments or the nature of the business and such change has a Material Impact on Pactiv's costs or ability to perform the Warehousing Services, the Parties will address the change as an Operational Change.

g. If Reynolds submits an electronic purchase order for an outbound shipment with less than the standard order lead times outlined in Subsection 7(a) above, Pactiv will use commercially reasonable efforts to accommodate such shipment orders, but failure to meet such shipment orders will not be a default by Pactiv and will not be counted in any performance standard measurement. Pactiv undertakes to communicate to Reynolds in a commercially reasonable manner any failure or inability to meet any such shipment request.

8. Shipment Requirements.

- a. Pactiv will accept purchase orders from Reynolds for shipments from the Warehouses to Reynolds customers in full truckload quantities (“FTL”). Pactiv will also accept orders from Reynolds for shipments from the Warehouses to Reynolds customers for less than full truckload quantities (“LTL”) and parcel post deliveries in amounts matching historical norms (LTL and parcel post deliveries representing between 15% to 20% of total volume of monthly shipments). If Reynolds orders to ship LTL or parcel deliveries exceed historical percentages, Pactiv may charge Reynolds any additional costs for such LTL and parcel shipment requests. If such requests become excessive, the Parties will address the issue as an Operational Change.
- b. Orders can include a combination of full pallet, mixed pallets and partial pallets.
- c. Pactiv will not have to accept an order containing less than a full case of Reynolds Products at any Warehouse nor ship less than a full case of goods from any Warehouse.
- d. Pactiv will do the following for any outbound truck shipments:
- Inspect trailers prior to loading outbound deliveries of Reynolds Products on them.
 - Apply current UCC 128 stickers to shipments to satisfy any Reynolds customer requirements.
 - Load trailers with outbound deliveries of Reynolds Products.
 - Utilize dunnage for blocking and bracing outbound deliveries of Reynolds Products.
 - Notify Reynolds of outbound delivery delays or carrier performance problems.
 - Prepare load tallies, ASNs and bills of lading for each outbound shipment of goods identified to Reynolds that contains Reynolds Products, detailing the order number, goods description, piece count and weight and the pallets used to transport the goods (collectively “Shipping Documents”).
- e. Pactiv will perform the PGI upon truck departure from the Warehouse.
- f. Pactiv shall follow all mutually agreed transportation guides (used by Pactiv during the trailing twelve month period prior to the Effective Date) on outbound shipments.
- g. Pactiv shall process ASN’s to Reynolds customers (and send Reynolds a copy) within 1 hour of PGI/Truck Departure.

9. Outbound Shipments.

- a. For an outbound shipment of Reynolds Products from a Warehouse in FTL or LTL quantities, other than CPUs requiring a “live load” at the loading dock of the Warehouse as provided in Section 10 of this Schedule, Pactiv will load and deliver the Reynolds Products in a truck trailer in the yard of the Warehouse on the scheduled outbound delivery date within the delivery window approved by Pactiv in its electronic purchase order accepting Reynolds’ outbound shipment requisition. The truck trailer will be provided by Pactiv on behalf of Reynolds as part of the Freight Services (other than for CPUs). Reynolds, its customer and their respective common carriers (including Carriers) (collectively, the “Reynolds Shipping Agents”) will be required to comply with the security, environmental, health, safety and other rules adopted and communicated by Pactiv for common carriers receiving outbound goods at the Warehouse. Prior to accepting custody of an outbound delivery, the Reynolds Shipping Agent will inspect the cases of Reynolds Products and pallets used to deliver such cases received as part of an outbound delivery for damage. The Reynolds Shipping Agent may, but will not be obligated to, disassemble pallets, or open cases, of the outbound goods to inspect for damage to the cases and pallets. The Reynolds Shipping Agent may

reject and decline to accept custody of damaged cases of outbound goods or any damaged pallets. Reynolds will promptly notify Pactiv of any damaged cases of outbound goods or damaged pallets used to deliver such products occurring, or that Reynolds believes in good faith to have occurred, prior to the Reynolds Shipping Agent accepting custody of such property as part of an outbound delivery at a Warehouse and any types and quantities of overages and shortages of Reynolds and/or Pactiv Products in the outbound delivery.

b. For an outbound parcel delivery, Pactiv will deliver conforming goods to the parcel delivery agent at the Warehouse on the designated shipping date and will electronically confirm the shipment to Reynolds.

c. If Reynolds fails to notify Pactiv of damaged cases of goods or damaged pallets (if a reusable pallet) used to deliver such products as part of an outbound delivery, or any types and quantities of overages and shortages of Reynolds or Pactiv Products in the outbound delivery, within thirty (30) days of the outbound delivery, Reynolds will be deemed to have received the types and quantities of Reynolds and Pactiv Products specified in the purchase order and the Shipping Documents, and the pallets (if a reusable pallet) used to deliver such products, in undamaged condition.

10. Customer Pick Up. Reynolds' customer service will coordinate with Pactiv Warehousing Operations for all Reynolds' CPU requirements. Pactiv will accommodate Reynolds' customer requested "live load" CPUs at the loading dock of the Warehouse in the amounts and at the times as agreed by the Parties and in accordance with historical norms, provided all such "live load" CPUs must be scheduled in advance. For CPUs that are not live loads, the Reynolds customer or its common carrier must drop off an empty truck trailers in the yard of the Warehouse for loading no less than one full business day in advance of the scheduled CPU time. Reynolds should make reasonable efforts to enforce drop trailer requirements for any new CPU lanes.

11. Reynolds Exit Strategy. Reynolds and Pactiv acknowledge that during the Term of the Agreement Reynolds will be exiting some or all of the Warehouses, and agree to work together in good faith to develop an exit strategy that minimizes disruption and damage to either Party, which may include mutually agreed extensions to or shortening of deadlines on certain warehouses.

12. Additional Warehouse Space.

a. Pactiv and Reynolds recognize that the Parties plan to grow their businesses over the Term, and the growth of their businesses may require additional warehouse space in a U.S. market. The Parties will work together collaboratively and in good faith during the Term to find mutually beneficial solutions for additional warehouse space in the U.S. market.

b. In the event that Reynolds' growth creates the need for additional warehouse space in a U.S. market beyond its current Base Storage capacity and Additional Storage Capacity in the Warehouse supporting Reynolds in that U.S. market under this Agreement, Pactiv will evaluate whether it has unused additional warehouse space within the Warehouse to offer Reynolds. If Pactiv does not have unused additional warehouse space available to offer Reynolds in a Warehouse in a U.S. market, after taking into account Pactiv's own current operating needs and anticipated growth, Pactiv will assist Reynolds upon request in identifying options for additional warehouse space in the U.S. market. To the extent Pactiv identifies additional warehouse space in the U.S. market that would meet Reynolds' needs, whether within or outside of the Warehouse serving that U.S. market, Pactiv will provide Reynolds with a proposal to provide and operate the additional warehouse space under this Agreement. Pactiv's proposal for additional warehouse space will include a disclosure of cost estimates that Pactiv will incur to provide and operate the additional warehouse space for Reynolds and the mark-up to be passed to Reynolds for Pactiv performing these Warehouse Services. Reynolds will then determine whether to accept Pactiv's proposal. If Reynolds accepts Pactiv's proposal, the Parties will sign an amendment to this Agreement incorporating the agreed upon terms of the accepted proposal. If Reynolds' rejects Pactiv's proposal, Reynolds will have the right to seek alternative arrangements in the U.S. market to secure the additional warehouse space. These arrangements may include Reynolds leasing its own additional warehouse space or setting up its own mixing center(s) to serve the needs of Reynolds' customers in the U.S. market, which may necessitate Reynolds' early termination of Warehouse Services at one or more Warehouses in this Schedule in whole or in part. Reynolds will exercise early termination for all Base Storage Capacity of a Warehouse in a U.S. market only if Reynolds is unable to procure and operate the required

additional warehouse space in the U.S. market in a commercially reasonable manner without consolidating Base Storage Capacity and Additional Storage Capacity with the additional warehouse space in a single facility. In all other circumstances, Reynolds will exercise early termination for only the portion of Base Storage Capacity of a Warehouse in a U.S. market that is reasonably necessary to procure, consolidate and operate the additional warehouse space in a commercially reasonable manner. In these events, Reynolds will give Pactiv not less than one hundred eighty (180) days written notice identifying the affected Warehouse(s), the cubic square feet of Basic Storage Capacity in the affected Warehouse(s) and the early termination date(s), and Reynolds and Pactiv will work together in good faith to minimize cost to both companies. Pactiv reserves the right to contest Reynolds' exercise of its early termination right in a manner beyond what is reasonably necessary under this Section. If Pactiv does so, the Parties will follow the Dispute Resolution process in the Agreement to resolve the Dispute. By way of clarification, if Reynolds exercises its early termination right for a portion of the Base Storage Capacity in a Warehouse, the Additional Storage Capacity available for Reynolds in that Warehouse will be eliminated on the early termination date.

c. Pactiv and Reynolds will meet not less than quarterly to review their respective current and anticipated needs for warehouse space in U.S. markets.

SCHEDULE 2
DESCRIPTION OF FREIGHT SERVICES
SPECIFIC TERMS AND CONDITIONS

- 1. General Description of Freight Services.** The Freight Services will include the following: (i) on Reynolds' behalf, Pactiv will arrange for, manage and pay for shipping of FTL, inter-modal, LTL and parcel shipments of Reynolds goods ("Freight") to, from and between locations operated by Reynolds, Pactiv and Reynolds' customers; (ii) Pactiv will manage the Carriers (as hereinafter defined) performing the shipping for Reynolds, (iii) Pactiv will file and manage certain claims against Carriers in the event of losses to the extent such claims are warranted, (iv) Pactiv will reasonably cooperate with Reynolds in transitioning Reynolds to perform its own shipping and freight services. As used in this Agreement, and notwithstanding anything in the Agreement to the contrary, the phrase "Freight Services Expiration Date" will mean: (a) December 31, 2024 (with the Term of this Agreement being extended accordingly) for Freight Services on the transportation of Pactiv Products purchased by Reynolds under the MSA and delivered directly from a Pactiv manufacturing or warehouse facility to Reynolds customer; and (b) October 31, 2022 for Freight Services for all other Freight and locations.
- 2. Shipping Services.** Pactiv will identify the loads to be shipped in accordance with the procedures set forth in the SOPs, or as otherwise agreed between the parties from time to time in a separate signed written agreement, and in accordance with the commercially reasonable shipping procedures the Parties followed in the trailing twelve month period prior to the Effective Date. Reynolds will be the shipper designated on all loads of Freight that Pactiv manages for Reynolds under this Agreement.
- 3. Carrier Management Services.** Pactiv will contract for and manage the over the road and other transportation companies (the "Carriers") that transport Reynolds's Freight to and from locations identified by Reynolds (including the Warehouses) to Reynolds customers and between those locations. Such shipments may include shipments to and from locations in the continental United States, Canada and Mexico. Pactiv will use its routing guides for the shipment of Reynolds's Freight under this Agreement. Pactiv's carrier management services consist of: (i) Carrier identification, (ii) Carrier selection (including any bidding process to select the ultimate Carriers), and (v) Carrier qualification. Pactiv will have no liability to Reynolds or any other person for the acts and omission of the Carriers.
- 4. Carrier Agreements.** Pactiv will identify Carriers (including brokers) who are qualified as set forth in Section 5 and who manage the routes Pactiv has reason to know are used for shipments by Reynolds. If Reynolds adds any new routes, it will provide reasonable advance notice to Pactiv of not less than thirty (30) days to allow Pactiv to identify an appropriate Carrier for such new route. Pactiv will enter into written agreements with all identified Carriers (including brokers) on Reynolds behalf. Pactiv will provide Reynolds with access to all Carrier agreements and insurance certificates as updated from time to time. At any time during the Term of this Agreement, Reynolds may, with or without cause, disqualify a Carrier from performing the transportation and related services for the shipment of Reynolds's Freight by providing Pactiv written notice thereof. Pactiv will honor Reynolds's disqualification of a Carrier, but will not be required to manage shipment of Reynolds' Freight on the routes previously serviced by such Carrier unless Pactiv has qualified other Carriers for such routes. Reynolds's failure to disqualify a Carrier shall be deemed Reynolds's acceptance of the Carriers for the shipment of Reynolds's Freight until Pactiv is notified in writing of Reynolds's disqualification of a Carrier. Reynolds's sole and exclusive remedy against Pactiv for the use of a Carrier shall be the disqualification of the Carrier as set forth above.
- 5. Carrier Qualification.** Pactiv shall require that each carrier identified as Carrier hereunder shall be contractually obligated to maintain specific requirements in the following areas:

 - 1. Insurance.** Pactiv shall maintain a current copy of the Carrier's Certificate of Insurance as hereinafter described. As Carriers' insurance policies expire, Pactiv will seek a current copy of the Certificate of Insurance to confirm that the Carrier has maintained the minimum acceptable insurance levels as outlined below.

2. Safety. Pactiv will require that Carriers maintain a safety rating that does not require DOT supervision or intervention.
3. Operating Authority. Pactiv will mandate that the Carrier maintain appropriate operating authority for the Carrier's area of service.
4. Financial Stability. Pactiv will require that the Carrier's insurance provider have a minimum of Best's A-rating.
5. Performance. Pactiv may conduct reference checks and/or monitor performance to ensure that Carriers are meeting expected service requirements.
6. Equipment. Pactiv will require Carrier equipment to be in roadworthy condition, and suitable for the carriage of Reynolds' Freight.
6. **Carrier Insurance**. Pactiv will require Carriers that are engaged in the transportation of Reynolds' Freight hereunder to maintain the following minimum insurance coverage (which coverage will be evidenced by a certificate of insurance naming Reynolds as a certificate holder along with Pactiv) for shipments within the continental United States:
 1. Commercial general and automobile liability insurance for bodily injury and property damage in the minimum amount of one million U.S. dollars (\$1,000,000) per occurrence;
 2. Cargo liability insurance in the minimum amount of one hundred thousand U.S. dollars (\$100,000) per occurrence;
 3. Workers' compensation insurance in the minimum statutory amount; and
 4. Employers Liability Insurance with a limit of not less than \$1,000,000 per accident.
7. **Carrier Rates**. Pactiv will establish the rates and charges for the Carrier's transportation and related services for the movement of Reynolds's Freight, and shall provide information on such rates to Reynolds upon request. Pactiv will verify that all standard shipments are billed at the correct rates and Reynolds shall have the right to perform an audit of the standard freight charges not more than once annually. In the general course of business, Pactiv may also be required to spot quote shipments for Reynolds. Reynolds agrees to remain solely responsible for the all increased freight charges related to such spot quote shipments.
8. **Other Charges**. Pactiv shall be authorized to pay and bill Reynolds back for any applicable accessorial, storage or demurrage charges or other costs incurred in the shipping of Reynolds products hereunder. In the event that demurrage, detention and other accessorial charges materially exceed historical norms for any month during the Term, Pactiv will reasonably cooperate with Reynolds in attempting to determine the reason for such excess and take commercially reasonable steps to reduce such charges.
9. **Carrier Payment**. Pactiv will pay all Carrier charges on behalf of Reynolds through Pactiv's third party freight payment agent. Such charges include shipping costs, accessorial costs and any other direct costs of performing the shipping of Reynolds' Freight hereunder.
10. **Service Fees and Freight Costs**.
 - a. **Service Fees**. Pactiv will earn a Service Fee on each shipment scheduled by Pactiv on behalf of Reynolds under this Agreement. The phrase "Service Fee" will initially be [*] U.S. dollars (\$[*]) per shipment. The Service Fee will increase by [*] percent ([*]%) on January 1 of each calendar year of the Term starting on January 1, 2021.

b. *Freight Costs.* Pactiv will be entitled to reimbursement by Reynolds for the Freight Cost incurred by Pactiv on each shipment scheduled by Pactiv on behalf of Reynolds under this Agreement. The phrase “Freight Cost” will mean the actual amount charged Pactiv by the Carrier on a shipment to transport the goods from the point of origin to the point of destination, including, without limitation, all custom duties, taxes, fuel, detention and other surcharges, lumper fees and other expenses.

c. *Invoicing.* Pactiv will invoice Reynolds for Service Fees and Freight Costs as follows:

- 1) For shipments scheduled by Pactiv on behalf of Reynolds under this Agreement prior to the SAP Separation date as identified in an updated SOP document agreed to by the Parties, Pactiv will invoice Reynolds for the Freight Services on a monthly basis within fifteen (15) days after each calendar month. The monthly invoice will include the Service Fees earned by Pactiv on all of the Reynolds shipments in a calendar month and the Freight Costs payable by Pactiv based on the Carrier invoices received by Pactiv or its freight payment agent in that calendar month for Reynolds shipments.
- 2) The process for invoicing a shipment scheduled by Pactiv on behalf of Reynolds under this Agreement after the SAP Separation will be identified in an updated SOP document agreed to by the Parties.

Payment of invoices will be per the SOPs.

11. Freight Loss Claims.

a. Pactiv will file claims against Carriers with respect to loss of Reynolds’ Freight due to damage or destruction of such Freight caused by a Carrier in excess of [*] dollars (\$[*]) (each, a “Freight Claim”) to the extent that Pactiv becomes aware of such loss in a timely manner whether it is raised with Pactiv by Reynolds or otherwise. Pactiv will notify Reynolds of any Freight Claim filed against a Carrier for loss of Reynolds’ Freight. In order to file any Freight Claim, Pactiv must have: (i) a bill of lading or other shipping document noting the product damage and/or shortage, (ii) an inspection report describing the damage or inspection waiver by Carrier, (iii) an invoice or other documentation which establishes the value of the Freight Claim, and (iv) any other documentation which Pactiv reasonably requests. Reynolds hereby appoints Pactiv as its limited agent solely for the purposes set out in this Section 11. By way of clarification, Pactiv will not have to manage Freight Claims on Freight arranged by Reynolds or any of its Affiliates after October 31, 2020.

b. Reynolds authorizes Pactiv to settle any Freight Claim for eighty percent (80%) or more of the value of the Freight Claim. In the event that the offer is less than 80%, Pactiv will confer with Reynolds as to whether Reynolds wants to manage the Freight Claim or permit Pactiv to complete the settlement on Reynolds’ behalf.

c. All payments resulting from a Freight Claim filed by Pactiv will be made payable to Pactiv.

d. On a monthly basis, Pactiv will calculate Freight Claim payments received by Pactiv on behalf of Reynolds for the prior month (if any), and Pactiv will credit Reynolds monthly invoice for the amount of Freight Claim payments collected. Each month that there is any Freight Claims activity, at Reynolds request, Pactiv will prepare a monthly report of such activity, which report will show: (i) outstanding Freight Claims, (ii) Freight Claims filed that month, and (iii) Freight Claims closed that month and the reason therefore.

e. Pactiv will make a recommendation to Reynolds for the disposition of Freight Claims that are not voluntarily paid by the Carrier, but will not be obligated to take any action on behalf of Reynolds beyond filing the initial Freight Claim.

f. Pactiv is not authorized to allow any Carrier or insurance adjuster to salvage Reynolds’ goods without Reynolds’ written consent. A salvage allowance may be issued to Carriers in the event the Carrier is not permitted to keep the damaged goods. Pactiv may advise Reynolds on the percentage of salvage allowance to be given to the Carriers based on the product type and industry standard. Salvage allowance discounts must be reasonable and according to industry standard. Reynolds will make a final determination of the salvage allowance for each damage

Freight Claim. In the event of any dispute over salvage allowances, Reynolds will manage such dispute with reasonable assistance from Pactiv.

g. After the Freight Services Expiration Date (or sooner if Reynolds notifies Pactiv), Pactiv will stop filing Freight Claims on behalf of Reynolds but will continue to cooperate with Reynolds in providing Reynolds with any relevant information required by Reynolds to pursue its own Freight Claims against Carriers engaged by Pactiv on Reynolds behalf.

h. Reynolds shall be an express third party beneficiary of all commitments, representations, promises, covenants, indemnities, and obligations provided to Pactiv by Carriers under the agreements Pactiv enters into with Carriers pursuant to this Agreement, and Reynolds shall have the right to present Freight Claims arising from such commitments directly to Carrier as though Carrier had made such commitments directly to Reynolds.

SCHEDULE 3
INSURANCE REQUIREMENTS

Each Party will maintain the following minimum types and amounts of insurance coverage during the Term:

- 1. Commercial General Liability Insurance.** Occurrence based coverage with a combined single limit of at least \$10,000,000 per occurrence and in the aggregate for premises and operations; products and completed operations; contractual liability coverage for indemnities of a Party contained within this Agreement; broad form property damage (including completed operations); explosion, collapse and underground hazards; and personal injury. *Requires additional insured endorsement and waiver of subrogation endorsement.*
- 2. Automobile Liability Insurance.** Occurrence based coverage with a combined single limit of at least \$10,000,000 per occurrence and in the aggregate for owned, non-owned, and hired automotive equipment of the Party. *Requires additional insured endorsement and waiver of subrogation endorsement.*
- 3. Workers' Compensation Liability Insurance.** Occurrence based coverage providing benefits in the minimal amount required by Applicable Laws for workplace and work related injuries and illnesses to the employees of a Party, including, without limitation, Workers Compensation Acts of applicable U.S. States. *Requires alternate employer endorsement and waiver of subrogation endorsement.*
- 4. Employers' Liability Insurance.** Occurrence based coverage with a limit of at least \$10,000,000 per occurrence or any greater limits set by Applicable Laws workplace and work related injuries and illnesses to the employees of a Party. *Requires waiver of alternate employer endorsement.*
- 5. Property Insurance.** Coverage providing "all risk" property insurance at the replacement value of the machinery, equipment, fixtures, tools, materials and other property of the Party. "All risk" coverage will include, by way of example and not limitation, loss or damage resulting from earthquakes, floods, wind, fire or other natural or weather-related phenomenon. *Requires waiver of subrogation endorsement.*

All insurers of a Party on such policies must have at all times an A.M. Best financial rating of at least "A-Minus VII". An insuring Party may satisfy the required minimum amounts of insurance through a primary policy and one or more excess policies. All insurance of an insuring Party must be "primary and non-contributory" with respect to any insurance that the other Party may maintain, but only with respect to the negligence or other legal liability of the insuring Party. An insuring Party must deliver the following written evidence of the required insurance coverage to the other Party (Attention: Risk Management), or its designated insurance monitoring service, within ten (10) of written request and at least thirty (30) days in advance of the expiration of a then current policy term (if a declaration or endorsement is not available from an insurer at the time requested or required, an insuring Party will provide them as soon as they are available from the insurer):

- a. Certificate of insurance confirming that the required insurance coverage and minimal limits are met for policy term.
- b. Declaration pages of insurance policy (or a copy of the binder until the declaration pages are available) confirming that the required insurance coverage and minimal limits are met for the extended, renewed or replacement policy term.
- c. Copies of additional insured endorsements required for applicable policies in the name and for the benefit of: "[NAME OF OTHER PARTY], its parent, subsidiaries and affiliates; any lessors of the foregoing and any mortgagees, deed of trust beneficiaries and secured creditors of such lessors; and any successors and assignees of all of the foregoing."
- d. Copies of alternate employer endorsements and waiver of subrogation endorsements required for applicable policies in the name and for the benefit of: "[NAME OF OTHER PARTY], its parent, subsidiaries and affiliates;

any lessors of the foregoing and any mortgagees, deed of trust beneficiaries and secured creditors of such lessors; and any successors and assignees of all of the foregoing.”

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

**AMENDMENT NO. 1 TO THE
WAREHOUSING AND FREIGHT SERVICES AGREEMENT**

THIS AMENDMENT TO THE **WAREHOUSING AND FREIGHT SERVICES AGREEMENT** (the “Amendment”) is made and entered into as of November 16, 2021, by and between **PACTIV LLC**, a Delaware limited liability company (“Pactiv”), and **REYNOLDS CONSUMER PRODUCTS, LLC**, a Delaware limited liability company, (“Reynolds”) (collectively referred to as the “Parties”)

WITNESSETH

WHEREAS, Pactiv and Reynolds entered into the Warehousing and Freight Services Agreement dated November 1, 2019 (the “Agreement”), relating to the provision of warehousing and freight services at certain locations that are owned or leased by Pactiv or its Affiliates (herein after “Warehouse(s)”).

WHEREAS, Pactiv and Reynolds desire to amend the lease terms and make other modifications as set forth herein; and,

WHEREAS, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

NOW, THEREFORE, the parties hereto agree to amend the Agreement as follows:

1. Schedule 1-A of the Agreement will be amended to remove the San Bernardino, California Warehouse location. The warehouse services for that location will be terminated effective [*].
2. Notwithstanding the termination of the warehouse services for the Warehouse above, Pactiv will continue to supply Reynolds certain good packaging and foodservice products (“Pactiv Products”) under the Master Supply Agreement dated November 1, 2019, and provide freight services to arrange for the shipment of Pactiv Products at the aforementioned Warehouse location.
3. The Term of the Service Expiration Date as listed in Exhibit 1-A, for the Bakersfield, California warehouse location shall be extended beginning on [*] through and including, [*].
4. All other terms and conditions of said Agreement as supplemented, shall remain in full force and effect. To the extent of any conflict between the terms and conditions of said Agreement and this Amendment, the terms and conditions of this Amendment shall supersede and control.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

[signature page follows]

Reynolds Consumer Products, LLC

Pactiv, LLC

By /s/ Lance Mitchell

By /s/ Chandra Mitchell

Printed Name: Lance Mitchell

Printed Name: Chandra Mitchell

Title: President and CEO

Title: Chief Legal Officer & Corporate Secretary

Date: 11/24/2021

Date: 16 November 2021

**AMENDMENT NO. 2 TO THE
WAREHOUSING AND FREIGHT SERVICES AGREEMENT**

THIS AMENDMENT TO THE **WAREHOUSING AND FREIGHT SERVICES AGREEMENT** (the “Amendment”) is made and entered into as of May 12, 2022, by and between **PACTIV LLC**, a Delaware limited liability company (“Pactiv”), and **REYNOLDS CONSUMER PRODUCTS LLC**, a Delaware limited liability company, (“Reynolds”) (collectively referred to as the “Parties”).

WITNESSETH

WHEREAS, Pactiv and Reynolds entered into the Warehousing and Freight Services Agreement dated November 1, 2019, as amended by that certain Amendment No. 1 to the Warehousing and Freight Services Agreement, (the “Agreement”), relating to the provision of warehousing and freight services at certain locations that are owned or leased by Pactiv or its Affiliates (herein after “Warehouse(s)”).

WHEREAS, Pactiv and Reynolds desire to amend the terms and make other modifications as set forth herein; and,

WHEREAS, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

NOW, THEREFORE, the parties hereto agree to amend the Agreement as follows:

1. The Term of the Agreement and the Warehouse Service Period shall be extended through and including December 31, 2024.
2. The Warehouse locations as listed in Schedule 1-A – Warehouse Service Period shall be amended as follows and replaced with an updated Schedule 1-A attached hereto:
 1. The warehouse services for the Covington, GA and Frankfort, IL Warehouse locations shall roll off Schedule 1-A on their respective Service Expiration Date.
 2. The Term of the Service Expiration Date for the Canandaigua, NY warehouse location shall be extended beginning on [*] through and including, [*].
 3. The Term of the Service Expiration Date for the Temple, TX warehouse location shall be extended beginning on [*] through and including, [*].
 4. The Term of the Service Expiration Date for the Bakersfield, CA warehouse location (previously extended in Amendment No. 1) shall be further extended through and including, [*].
3. Notwithstanding the termination of the warehouse services for the Warehouse locations, Pactiv will continue to provide freight services to arrange for the shipment of Pactiv Products, and supply Reynolds certain food packaging and foodservice products (“Pactiv Products”) under the Master Supply Agreement dated November 1, 2019 for all Warehouse locations in Schedule 1-A and the San Bernardino, CA location as provided in Amendment No. 1 to the Agreement.
4. The effectiveness of this Amendment is conditioned upon the approval of its terms by the Audit Committees of the Parties.
5. All other terms and conditions of said Agreement as supplemented, shall remain in full force and effect. To the extent of any conflict between the terms and conditions of said Agreement and this Amendment, the terms and conditions of this Amendment shall supersede and control.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

Reynolds Consumer Products, LLC **Pactiv, LLC**

By /s/ Lance Mitchell By /s/ Chandra Mitchell
Printed Name: Lance Mitchell Printed Name: Chandra Mitchell
Title: President and CEO Title: VP, General Counsel & Secretary
Date: 5/12/2022 Date: 6/7/2023

SCHEDULE 1-A WAREHOUSES

Warehouse Location	Hours of Operation	Owned or Leased by Pactiv	Service Expiration Date	Base Storage Capacity in Cubic Feet	Base Storage Fee per Month in USD	Additional Storage Capacity in Cubic Feet	Additional Storage Fee per Cubic Foot after SAP Separation	Additional Storage Fee per Cubic Foot prior to SAP Separation
Canandaigua, NY	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Covington, GA	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Frankfort, IL	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Temple, TX	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Woodridge, IL	[*]	[*]	[*]*	[*]	[*]	[*]	[*]	[*]
Bakersfield, CA	[*]	[*]	[*]*	[*]	[*]	[*]	[*]	[*]

* If Pactiv's lease for this Warehouse ends earlier than the listed Service Expiration Date for any reason, the Service Expiration Date for this Warehouse will be automatically amended to be the earlier termination date of the lease. Notwithstanding the preceding sentence, if Pactiv's lease for this Warehouse ended earlier than the listed Service Expiration Date because of a breach on the part of Pactiv, Pactiv will remain liable to Reynolds for any direct damages incurred as a result of Services ending at the Warehouse prior to the listed Service Expiration Date.

**AMENDMENT NO. 3
TO THE
WAREHOUSING AND FREIGHT SERVICES AGREEMENT**

THIS **AMENDMENT NO. 3 TO THE WAREHOUSING AND FREIGHT SERVICES AGREEMENT** (the “Amendment”) is made and entered into as of April 18, 2024 by and between **PACTIV LLC**, a Delaware limited liability company (“Pactiv”) and **REYNOLDS CONSUMER PRODUCTS LLC**, a Delaware limited liability company (“Reynolds”) (collectively referred to as the “Parties”).

RECITALS

WHEREAS, The Parties entered into the Warehousing and Freight Services Agreement dated November 1, 2019, as amended by Amendment No. 1 dated November 16, 2021, and Amendment No. 2 dated May 12, 2022 (collectively, the “Agreement”) relating to the provision of Warehousing and Freight services at certain locations that are owned or leased by Pactiv or its Affiliates listed in the attached Schedule 1-A (hereinafter, the “Warehouse(s)”).

WHEREAS, Pactiv and Reynolds desire to modify the Agreement as described in this Amendment; and

WHEREAS, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

NOW, THEREFORE, the Parties hereto agree to amend the Agreement as follows:

1. The warehouse services outlined in Section II of the Agreement for the locations listed in Schedule 1-A shall be terminated effective [*], when Reynolds exits those locations as stipulated in Amendment 1 and Amendment 2 of the Agreement.
2. Notwithstanding the termination date of the warehouse services, Pactiv shall continue to provide freight services as outlined in Section III and Schedule 2 of the Agreement.
3. The Freight Services Expiration Date shall be extended through and including December 31, 2027.
4. Service Fees. The Service Fee rate in Section 10.a. of Schedule 2 shall be amended from \$[*] per shipment to \$[*] per shipment. The Service Fee will increase by [*] percent ([*]%) on January 1 of each calendar year following the execution of this Amendment.
5. All other terms and conditions of said Agreement, as supplemented, shall remain in full force and effect. To the extent of any conflict between the terms and conditions of said Agreement and this Amendment, the terms and conditions of this Amendment shall supersede and control.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment on the date first written above.

PACTIV LLC

REYNOLDS CONSUMER PRODUCTS LLC

By: /s/ Michael King By: /s/ Tom Bogan
Name: Michael King Name: Tom Bogan
Title: Chief Executive Officer Title: SVP Supply Chain
Date: 03 June 2024 Date: 03 June 2024

SCHEDULE 1-A

Warehouse Locations	Termination Date
Canandaigua, NY (2840 Sommers)	[*]
Temple, TX (3000 Pegasus)	[*]
Bakersfield, CA (2024 Norris Road)	[*]
Woodridge, IL (1 Earl Court)	[*]

CERTIFICATION

I, Lance Mitchell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Reynolds Consumer Products 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: August 7, 2024

By: _____ /s/ Lance Mitchell

Lance Mitchell
President and Chief Executive Officer

CERTIFICATION

I, Scott Huckins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Reynolds Consumer Products 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: August 7, 2024

By: _____ /s/ Scott Huckins

Scott Huckins
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Reynolds Consumer Products Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lance Mitchell, President and Chief Executive Officer, 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: August 7, 2024

By: _____ /s/ Lance Mitchell
Lance Mitchell
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Reynolds Consumer Products Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott Huckins, Chief Financial Officer, 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: August 7, 2024

By: _____ /s/ Scott Huckins
Scott Huckins
Chief Financial Officer