

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

ROY COOPER
GOVERNOR

March 16, 2023

Mike King, Chief Executive Officer
Pactiv Evergreen USA
1900 W. Field Court
Lake Forest, IL 60045

Dear Mr. King:

On March 6, Pactiv Evergreen announced plans to shut down the paper mill in Canton, North Carolina. The Canton mill has been in operation for more than a century and has been the lifeblood of that town and region. I am deeply concerned about the impact of the mill's closure, which will have a devastating effect on the livelihoods of thousands of people in Canton and western North Carolina, as well as the region's economy and social fabric.

North Carolina has been a partner to Pactiv Evergreen since it purchased the Canton mill, as demonstrated through a 2015 economic development agreement that provided \$12 million to your company, efforts to rebuild and restore transportation vital to the plant's operation in the wake of flooding caused by Tropical Storm Fred, and many other actions. The state has taken these actions because we recognize the importance of the mill to the people of Canton and the region.

To that end, we urge Pactiv Evergreen to explore all options to keep the Canton mill in operation—whether through sale, repurposing of the mill, or other means. The Governor's Office and the North Carolina Department of Commerce are available to discuss these options with you. Our priority remains to support the people affected by this unexpected closure by providing any available resources to their relief and recovery.

The mill's closure would be a clear violation of a contract that two Pactiv Evergreen subsidiaries signed with the North Carolina Department of Commerce in February 2015. In this Job Maintenance and Capital Development Agreement ("JMAC Agreement"), Pactiv Evergreen promised to maintain operations at the Canton mill and to retain at least 800 full-time employees through December 31, 2024. In exchange, Pactiv Evergreen received \$12 million in grants from the State of North Carolina, the last of which were paid in 2021.

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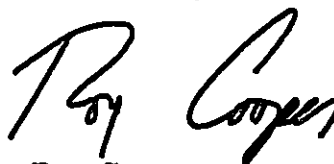
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Closing the paper mill in Canton would be a clear breach of the JMAC Agreement. That breach would require you to repay in full the \$12 million received under the contract. If you follow through your announced plans, we will demand full repayment of those funds.

North Carolina Attorney General Josh Stein and the North Carolina Department of Justice will be following up with more correspondence regarding your legal obligations to Canton and North Carolina. We look forward to talking with you soon.

With kind regards, I am

Very truly yours,

A handwritten signature in black ink that reads "Roy Cooper". The signature is written in a cursive, slightly slanted style.

Roy Cooper

RAC/eff/swh

cc: The Hon. Josh Stein, North Carolina Attorney General
Swain Wood, Special Counsel to the Attorney General, N.C. Department of Justice
Sarah Boyce, Deputy Attorney General & General Counsel, N.C. Department of Justice
Daniel Mosteller, Deputy General Counsel, N.C. Department of Justice
Brian Rabinovitz, Special Deputy Attorney General, N.C. Department of Justice
Secretary Machel Baker Sanders, N.C. Department of Commerce
Mary Elizabeth Wilson, General Counsel, N.C. Department of Commerce
Eric Fletcher, General Counsel to the Governor