

**Memorandum of Understanding dated 11th March 2019 relating to:
The M&H Staff Pension Plan**

1. Background

- 1.1 Berry Global International Holdings Limited (*Bidder*), a newly incorporated company formed on behalf of Berry Global Group, Inc. (*Berry*), has indicated that it intends to make a cash offer to acquire the entire issued and to be issued ordinary share capital of RPC Group plc (*RPC Group*) by means of a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 (or a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006 as the case may be) (the *Transaction*).
- 1.2 Maynard & Harris Plastics (*M&H Plastics*) is a subsidiary of RPC Group and the principal employer and sole statutory employer in relation to the M&H Staff Pension Plan (the *M&H Plan*).
- 1.3 Maynard & Harris Plastics Pension Trustee Limited is the sole trustee of the M&H Plan (the *Trustee*).
- 1.4 This Memorandum of Understanding sets out the understanding and intentions of Berry, the Bidder and the Trustee (the *Parties*) in relation to the Transaction and the M&H Plan in the event that the Bidder is successful in acquiring the entire issued share capital of RPC Group.
- 1.5 Berry currently envisages that the Transaction would be announced on or before 13 March 2019 and that it would close early in the third quarter of 2019, although the precise timing is subject to a number of variables, including regulatory clearances.
- 1.6 With the exception of Clause 10 (*Confidentiality*) and Clause 11 (*Status*), each of which is intended to be legally binding, this Memorandum of Understanding is not intended to, nor shall it, create or reflect any binding contract or other form of legal relations between Berry and the Trustee. However, the Parties acknowledge that each regards this Memorandum of Understanding as a statement of their current intent.

2. Berry's approach to pensions

- 2.1 Berry confirms that it recognises the importance of:
 - (a) the M&H Plan as a stakeholder in M&H Plastics;
 - (b) appropriate governance, funding and financial support for the M&H Plan that ensures the security of members' benefits and enables the M&H Plan to pay such benefits as they fall due; and
 - (c) the employer covenant to the M&H Plan.
- 2.2 Berry understands that the Trustee may need to reflect any change to the covenant from M&H Plastics in the funding and investment strategy of the M&H Plan in accordance with legislation and the Pensions Regulator's Code of Practice on funding defined benefits and related guidance.

2.3 Berry confirms that its intention is that M&H Plastics will continue to be responsible for funding the M&H Plan in the same way as prior to the Transaction.

3. Membership and contributions under the M&H Plan

3.1 The M&H Plan is currently closed to new members but open to on-going accrual of benefits for existing members.

3.2 Berry confirms that it has no current intentions to close the M&H Plan to the future accrual of benefits for existing members.

3.3 Berry confirms that it is aware that regular employer contributions are due to be paid by M&H Plastics to the M&H Plan under the current schedule of contributions dated 29 March 2018 (the *2018 Schedule of Contributions*). Berry confirms that it intends that M&H Plastics shall continue to meet its obligations under the 2018 Schedule of Contributions.

4. Structure and financing of the Transaction

4.1 Berry intends that the acquisition of RPC Group will be carried out by the Bidder. Berry intends to finance the acquisition in whole or in part using third party debt (the *acquisition debt*).

4.2 Berry currently proposes that:

- (a) RPC Group and its subsidiaries (the *Group*) will not be guarantors to the acquisition debt;
- (b) the acquisition debt will not be secured on the assets of the Group; and
- (c) Berry's lenders will take a share pledge over 65% of the Bidder's shares, but will not take security over any Group assets.

4.3 Berry currently proposes that the existing debt facilities of the Group, being:

- (a) an unsecured multi-currency revolving credit facility of up to £870.0m;
- (b) an unsecured multi-currency revolving credit facility agreement of up to EUR 450.0m;
- (c) an unsecured term loan facility of USD 750.0m;
- (d) US private notes of USD 124m; and
- (e) US private notes of EUR 25m,

will be repaid and replaced with financing at Berry level on the same terms as the acquisition debt. For the avoidance of doubt, M&H Plastics will not guarantee this replacement debt.

4.4 Berry confirms that the total amount of cash to be extracted from the Group is not expected to exceed the improvements in the cash flow in the Group resulting from:

- (a) the Group no longer being required to service the existing debt facilities;
 - (b) the Group no longer making external dividend payments to stakeholders or share buybacks; and
 - (c) expected synergies, primarily from procurement savings, across all Group entities.
- 4.5 Berry confirms that it has no current intention to change the manner in which cash in M&H Plastics is swept under existing Group treasury arrangements, under which any cash swept from M&H Plastics is via inter-company debt and not by payment of dividends by M&H Plastics.
- 4.6 Berry undertakes to provide the Trustee with final details of the debt structure for the Transaction, including details of any contractual method of cash extraction from M&H Plastics for debt service and any dividend or group treasury policy to be implemented, within 48 hours of this being finalised by Berry.

5. Trustee confirmation and Take-over Code

- 5.1 On the assumption that the Transaction proceeds substantially on the basis set out in Clause 4 (*Structure and financing of the Transaction*), the Trustee believes, having taken advice, that the Transaction will not weaken the employer covenant supporting the M&H Plan and agrees with Berry's view that the Transaction is not materially detrimental to the likelihood of benefits under the M&H Plan being received. The Trustee acknowledges that, once further details are available, it may be able to confirm (having taken further advice) that the Transaction will strengthen the employer covenant supporting the M&H Plan.
- 5.2 The Trustee further agrees that any opinion published by the Trustee for the purposes of Rule 25.9 of the Takeover Code shall be consistent with this Memorandum of Understanding.
- 5.3 Berry may include a statement in any announcement under Rule 2.7 of the Takeover Code referring to or summarising this Memorandum of Understanding and, so far as practical, shall consult the Trustee in advance about such statement. Berry may choose to publish this Memorandum of Understanding under Rule 26 of the Takeover Code notwithstanding that it is not a material contract of Berry for the purposes of note 6 to Rule 26.
- 5.4 For the avoidance of doubt, the confirmations and agreement provided under Clause 5.1 are provided on the basis that the Transaction proceeds substantially on the basis set out in Clause 4. If the Transaction structure and/or financing changes, the Trustee reserves the right to reconsider its view of whether the Transaction is materially detrimental to the likelihood of benefits under the M&H Plan being received.

6. Existing Legal Mortgage

- 6.1 The Legal Mortgage dated 18 June 2018 made between Maynard & Harris Plastics (UK) Limited and the Trustee remains in full force and effect on and from the date of this Memorandum of Understanding to 30 September 2030 (unless released earlier in accordance with its terms).

7. Valuation and investment

- 7.1 The next triennial actuarial valuation of the M&H Plan is due as at 30 September 2019.
- 7.2 The Trustee agrees that, on the assumption that the Transaction proceeds on the basis substantially set out in Clause 4 (*Structure and financing of the Transaction*), the Trustee does not intend to call forward the triennial actuarial valuation or seek any variation to the current recovery plan and the 2018 Schedule of Contributions prior to 30 September 2019.
- 7.3 Berry confirms its willingness to engage constructively with the Trustee on matters regarding funding and investment for the M&H Plan and to support the Trustee and M&H Plastics in agreeing an appropriate funding and investment strategy and an appropriate recovery plan and schedule of contributions in relation to the forthcoming triennial actuarial valuation as at 30 September 2019.

8. Information sharing

The Parties intend in good faith to agree an information sharing protocol from the closing of the Transaction, at least consistent with past practice and intended to include any changes that would have a material impact on the covenant support to the M&H Plan, to enable the Trustee and its advisers to monitor such covenant support. This includes, without limitation:

- (a) any proposal for M&H Plastics to pay dividends; and
- (b) circumstances in which Berry and/or the Bidder become aware of any transaction which may have a material impact on the covenant supporting the M&H Plan, in which case Berry and/or the Bidder agree that they shall notify the Trustee as soon as reasonably practical of the proposal or transaction.

9. Winding-up

The Trustee confirms that, as at the date of this Memorandum of Understanding, it is not aware of any event which would entitle the Trustee to wind up the M&H Plan (in whole or in part) under the governing documentation of the M&H Plan and confirms that, in any event, it has no current intention to seek to wind-up the M&H Plan.

10. Confidentiality

- 10.1 This Memorandum of Understanding is confidential and may not be disclosed by any Party to any persons other than (i) that Party's advisers, directors and

employees (to the extent reasonably necessary) (ii) in the case of Berry and the Bidder, other Berry group companies and their advisers, directors and employees (to the extent reasonably necessary), (iii) RPC Group and its advisers, directors and (to the extent reasonably necessary) employees or (iv) the Pensions Regulator, except:

- (a) as provided under Clauses 5.2 and 5.3 of this Memorandum of Understanding; or
- (b) with the other Party's consent; or
- (c) where such disclosure is required by any applicable law or by any rule, regulation, direction, order or ruling of any competent judicial, regulatory, self-regulatory governmental administrative or supervisory organisation or body (including, without limitation, the Takeover Panel or any securities exchange); or
- (d) where the relevant information is in the public domain (unless the information is in the public domain as a result of a breach of this paragraph).

10.2 The Trustee confirms that it will update Berry and the Bidder (to the extent appropriate) about any discussions that the Trustee has with the Pensions Regulator in relation to this Memorandum of Understanding.

11. Status

11.1 This Memorandum of Understanding and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be interpreted in accordance with, English law.

11.2 Nothing in this Memorandum of Understanding is or shall be read as constituting a post-offer undertaking by Berry for the purposes of the Takeover Code.

BERRY GLOBAL GROUP, INC.

By: [REDACTED]

Name: Jason Greene

Title: EVP

BERRY GLOBAL INTERNATIONAL HOLDINGS LIMITED

By: [REDACTED]

Name: Jason Greene

Title: EVP

MAYNARD & HARRIS PLASTICS PENSION TRUSTEE LIMITED

By: [REDACTED]

Name: Doug Muffitt

Title: Trustee Director