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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

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**Date of Report (Date of earliest event reported): October 5, 2009**

**PREGIS HOLDING II CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**333-130353-04**  
(Commission File Number)

**20-3321581**  
(I.R.S. Employer  
Identification Number)

**1650 Lake Cook Road**  
**Deerfield, Illinois 60015**  
(Address of principal executive offices)

**Registrant's telephone number, including area code: (847) 597-2200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 1.01. Entry into a Material Definitive Agreement.**

### Notes Offering.

On October 5, 2009, Pregis Corporation (the “Company”), a subsidiary of Pregis Holding II Corporation, issued €125,000,000 aggregate principal amount of Second Priority Senior Secured Floating Rate Notes due 2013 (the “Notes”). The Notes were issued in a transaction pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended (the “Securities Act”). The Company used the net proceeds of the offering of the Notes, together with cash on hand, to repay in full the term loans under the Company’s senior secured credit facilities.

In connection with the sale of the Notes, the Company entered into a supplemental indenture, a registration rights agreement, an amendment to its senior secured credit facilities and amendments to certain of its security agreements, all of which are described below.

### Supplemental Indenture and Description of Notes.

The Notes were issued under an indenture, dated as of October 12, 2005, among the Company, the guarantors named therein, The Bank of New York, as trustee, collateral agent, registrar and paying agent, and RSM Robson Rhodes LLP, as Irish paying agent (the “Base Indenture”), as supplemented by a supplemental indenture, dated as of October 5, 2009, among the Company, the guarantors named therein, The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, The Bank of New York Mellon (Luxembourg) S.A., as successor registrar to The Bank of New York, The Bank of New York Mellon, as paying agent, and Grant Thornton, as Irish paying agent (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”).

The Notes were sold at an issue price of 94% of their aggregate principal amount, together with accrued interest from July 15, 2009 (as if the Notes had been issued and outstanding since July 15, 2009). The Notes bear interest at a floating rate of EURIBOR plus 5.00% per year, payable quarterly on January 15, April 15, July 15 and October 15 of each year, beginning on October 15, 2009. The Notes will mature on April 15, 2013. The Notes are treated as a single class under the Indenture with the Company’s €100,000,000 principal amount of Second Priority Senior Secured Floating Rate Notes (the “Original Notes”), which were issued on October 12, 2005. However, the Notes were issued with more than de minimis original issue discount for United States federal income tax purposes and, as such, are not fungible with the Original Notes and trade under separate ISIN and Common Code numbers.

The Notes are secured on a second priority basis by substantially all of the assets which secure the Company’s senior secured credit facilities, and are guaranteed by Pregis Holding II Corporation and the Company’s domestic subsidiaries.

The description of the Notes above is qualified in its entirety to the applicable terms of the Supplemental Indenture, which is filed as Exhibit 4.1 hereto, and the Base Indenture, which was filed as Exhibit 4.1 to Amendment No. 1 to the Registration Statement on Form S-4 of Pregis Holding II Corporation, filed with the Securities and Exchange Commission (the “SEC”) on February 14, 2006.

### Registration Rights Agreement.

On October 5, 2009, the Company entered into a registration rights agreement (the “Registration Rights Agreement”) pursuant to which the Company agreed to file a registration statement and use commercially reasonable efforts to cause it to be declared effective as promptly as possible after the issuance of the Notes, thereby permitting the Company to offer to exchange the notes for a new issue of

identical debt securities registered under the Securities Act. Under the Registration Rights Agreement, the Company has agreed to complete the exchange offer for the Notes by no later than 270 days after the issuance of the Notes, and has also agreed to provide a shelf registration statement to cover resales of the Notes under certain circumstances. The Registration Rights Agreement also requires the Company to pay additional interest to holders of the Notes under certain circumstances if the Company fails to satisfy certain of its obligations under the Registration Rights Agreement within the time periods specified in the agreement.

#### Amendment to Senior Secured Credit Facilities.

On October 5, 2009, the Company entered into an amendment to its senior secured credit facilities (the "Bank Amendment"). Among other things, the Bank Amendment:

- permits the Company to engage in certain specified sale leaseback transactions expected to yield up to \$37 million in 2009 and up to \$35 million of additional sale leaseback transactions through the maturity of the senior secured credit facilities;
- replaces the maximum leverage ratio covenant of 5.0x under the senior secured credit facilities with a first lien leverage covenant of 2.0x;
- eliminates the minimum cash interest coverage ratio covenant under the senior secured credit facilities;
- increases the accordion feature of the term loan portion of the senior secured credit facilities by \$100.0 million, allowing the Company to borrow up to \$200.0 million under the term loan portion of the senior secured credit facilities, subject to certain conditions including receipt of commitments therefor;
- provides for additional subordinated debt issuances subject to a 2x interest coverage ratio; and
- modifies several other covenants in the senior secured credit facilities to provide the Company with more flexibility.

#### Amendments to Security Agreements.

In connection with the issuance of the Notes, on October 5, 2009, the Company entered into amendments to the following security agreements to provide for perfected security interests securing the Notes: (1) an amendment to the Company's second lien security agreement, (2) an amendment to the Company's second lien intellectual property security agreement and (3) an amendment to the subordinated pledge agreement relating to Pregis (Luxembourg) Holding S,à r.l. a subsidiary of the Company (collectively, the "Security Agreement Amendments").

The descriptions of the Supplemental Indenture, Registration Rights Agreement, Bank Amendment and Security Agreement Amendments are qualified in their entirety by references to the complete agreements, which are filed as Exhibits 4.1, 4.2, 10.1 and 10.2-10.4 hereto, respectively. The description of the Base Indenture is qualified in its entirety by reference to the complete agreement, which was filed as Exhibit 4.1 to Amendment No. 1 to the Registration Statement on Form S-4 of Pregis Holding II Corporation, filed with the SEC on February 14, 2006.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information provided in Item 1.01 “Entry into a Material Definitive Agreement” is incorporated herein by reference.

**Item 8.01. Other Events.**

On October 6, 2009, the Company issued a press release announcing that it had closed the offering of the Notes. The press release has been filed as Exhibit 99.1 to this Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

- 4.1 Supplemental Indenture, dated as of October 5, 2009, among the Company, the guarantors named therein, The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, The Bank of New York Mellon (Luxembourg) S.A., as successor registrar to The Bank of New York, The Bank of New York Mellon, as paying agent, and Grant Thornton, as Irish paying agent.
- 4.2 Registration Rights Agreement, dated as of October 5, 2009, among the Company, the guarantors named therein, Credit Suisse Securities (Europe) Limited, Barclays Bank PLC and Goldman Sachs International.
- 10.1 Amendment No. 3, dated as of October 5, 2009, among the Company, Pregis Holding II Corporation and the other parties signatory thereto, amending the Credit Agreement, dated as of October 12, 2005, among the Company, Pregis Holding II Corporation, Credit Suisse, Cayman Islands Branch, as administrative agent and collateral agent, and the other parties thereto.
- 10.2 Amendment No. 1 to the Second Lien Security Agreement, dated as of October 5, 2009, among the Company, each of the other grantors signatory thereto and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent.
- 10.3 Amended and Restated Second Lien Intellectual Property Security Agreement, dated as of October 5, 2009, among the Company, The Bank of New York Mellon Trust Company, N.A. and the other parties thereto.
- 10.4 Amendment No. 1 to the Subordinated Pledge Agreement, dated as of October 5, 2009, among the Company, The Bank of New York Mellon Trust Company, N.A. and Pregis (Luxembourg) Holding S.à r.l.
- 99.1 Press Release, dated October 6, 2009, regarding the closing of a private placement of debt securities.

## **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 hereunto duly authorized.

Date: October 6, 2009

PREGIS HOLDING II CORPORATION

By: /s/ D. Keith LaVanway

Name: D. Keith LaVanway

Title: Vice President and Chief Financial Officer

## EXHIBIT INDEX

Exhibit No.	Title
4.1	Supplemental Indenture, dated as of October 5, 2009, among the Company, the guarantors named therein, The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, The Bank of New York Mellon (Luxembourg) S.A., as successor registrar to The Bank of New York, The Bank of New York Mellon, as paying agent, and Grant Thornton, as Irish paying agent.
4.2	Registration Rights Agreement, dated as of October 5, 2009, among the Company, the guarantors named therein, Credit Suisse Securities (Europe) Limited, Barclays Bank PLC and Goldman Sachs International.
10.1	Amendment No. 3, dated as of October 5, 2009, among the Company, Pregis Holding II Corporation and the other parties signatory thereto, amending the Credit Agreement, dated as of October 12, 2005, among the Company, Pregis Holding II Corporation, Credit Suisse, Cayman Islands Branch, as administrative agent and collateral agent, and the other parties thereto.
10.2	Amendment No. 1 to the Second Lien Security Agreement, dated as of October 5, 2009, among the Company, each of the other grantors signatory thereto and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent.
10.3	Amended and Restated Second Lien Intellectual Property Security Agreement, dated as of October 5, 2009, among the Company, The Bank of New York Mellon Trust Company, N.A. and the other parties thereto.
10.4	Amendment No. 1 to the Subordinated Pledge Agreement, dated as of October 5, 2009, among the Company, The Bank of New York Mellon Trust Company, N.A. and Pregis (Luxembourg) Holding S.à r.l.
99.1	Press Release, dated October 6, 2009, regarding the closing of a private placement of debt securities.

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**PREGIS CORPORATION,**  
as Issuer,  
and  
**THE GUARANTORS PARTIES HERETO**  
as Guarantors  
**SENIOR SECURED FLOATING RATE NOTES DUE 2013**

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**First Supplemental Indenture**  
Dated as of October 5, 2009  
to  
Indenture  
Dated as of October 12, 2005

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**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,**  
as Trustee and Collateral Agent,  
**THE BANK OF NEW YORK MELLON,**  
as Paying Agent,  
**THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.,**  
as Registrar  
and  
**GRANT THORNTON,**  
as Irish Paying Agent

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**FIRST SUPPLEMENTAL INDENTURE**, dated as of October 5, 2009 (the “**Supplemental Indenture**”), among Pregis Corporation, a Delaware corporation, the Guarantors, The Bank of New York Mellon Trust Company, N.A., as Trustee and Collateral Agent, The Bank of New York Mellon (Luxembourg) S.A. (successor to The Bank of New York) as Registrar, The Bank of New York Mellon as Paying Agent, and Grant Thornton, as Irish Paying Agent, under an Indenture dated as of October 12, 2005 (the “**Indenture**”).

**WITNESSETH:**

WHEREAS, Section 9.01 of the Indenture provides, among other things, that the Company, the Guarantors and the Trustee may amend or supplement the Indenture without the consent of any Holder of a Note to provide for the issuance of Additional Notes in accordance with the Indenture; and

WHEREAS, the Company desires to supplement the Indenture to provide for the issuance of €125,000,000 in aggregate principal amount of Additional Notes that will not be registered under the Securities Act at the time of issuance, but which may be registered under the Securities Act at a later date; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid supplement to the Indenture in accordance with its terms have been done;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Guarantors hereto and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

Section 1. Terms Defined. Capitalized terms used in this Supplemental Indenture and not otherwise defined herein shall have the respective meanings set forth in the Indenture.

Section 2. Additional Notes. On or after the date hereof, the Company shall issue €125,000,000 in aggregate principal amount of Additional Notes which shall be considered Notes for all purposes under the Indenture. The Additional Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A hereto.

Section 3. Ratification. Except as expressly amended by this Supplemental Indenture, each provision of the Indenture shall remain in full force and effect, and the Indenture is in all respects agreed to, ratified and confirmed by each of the Company, the Guarantors, the Trustee, Collateral Agent, Registrar and Paying Agent and the Irish Paying Agent.

Section 4. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 5. Counterpart Originals. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 7. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 8. Submission To Jurisdiction; Waiver of Trial By Jury. THE PARTIES TO THE INDENTURE, AS THE SAME MAY BE MODIFIED OR SUPPLEMENTED FROM TIME TO TIME, AGREE THAT ALL ACTIONS AND PROCEEDINGS ARISING OUT OF THE INDENTURE, AS THE SAME MAY BE MODIFIED OR SUPPLEMENTED FROM TIME TO TIME, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE BROUGHT IN A NEW YORK STATE COURT OR THE UNITED STATES DISTRICT COURT, IN EACH CASE, IN THE COUNTY AND STATE OF NEW YORK AND, IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING SUBMIT TO THE EXCLUSIVE JURISDICTION OF, AND VENUE IN, SUCH COURT. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO ALSO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF THE INDENTURE, AS THE SAME MAY BE MODIFIED OR SUPPLEMENTED FROM TIME TO TIME, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9. Trustee's Acceptance. The Trustee accepts the modifications of the Indenture effected by this Supplemental Indenture, but only upon the terms and conditions set forth in the Indenture. Without limiting the generality of the foregoing, the Trustee does not assume any responsibility for the correctness of the recitals herein contained, which shall be taken as the statements of the Company and the Guarantors. The Trustee does not make any representation and shall not have any responsibility as to the validity and sufficiency of this Supplemental Indenture.

Section 10. TIA Incorporation. If and to the extent that any provision of this Supplemental Indenture limits, qualifies or conflicts with another provision included in this Supplemental Indenture or in the Indenture, in either case that is required to be included or deemed to be included in this Supplemental Indenture or in the Indenture by any of the provisions of Sections 310 to 317, inclusive, of the TIA, such required or deemed provision shall control.

Section 11. Notices. Section 13.02 Notices of the Indenture shall be modified with respect to the Trustee, Paying Agent and Registrar as follows:

If to the Trustee and Collateral Agent:

The Bank of New York Mellon Trust Company, N.A.  
2 North LaSalle Street, Suite 1020  
Chicago, Illinois 60602  
Attention: Global Corporate Trust  
Facsimile: (312) 827-8542

If to the Paying Agent:

The Bank of New York Mellon  
One Canada Square  
London E14 5AL  
Attention: Corporate Trust Administration  
Telephone: +44 20 7964 7031/5683/4288  
Facsimile: +44 20 7964 2536

If to the Registrar:

The Bank of New York Mellon (Luxembourg) S.A.  
Aerogolf Center, 1A, Hoehenhof,  
L-1736 Senningerberg,  
Luxembourg  
Attention: Corporate Trust Administration  
Telephone: +(352) 34 20 90 56 30/56 38/56 39  
Facsimile: +(352) 34 20 90 60 35

Section 12. Additional Definitions. The following additional definitions apply to the Indenture and this Supplemental Indenture:

“Authorised Person” means any person who is designated in writing by the Company from time to time to give instructions to the Registrar and Paying Agent under the terms of the Indenture, as the same may be amended or supplemented from time to time.

“Instructions” means any written notices, directions or instructions received by the Registrar and Paying Agent from an Authorised Person or from a person reasonably believed by the Registrar and Paying Agent to be an Authorised Person.

“Losses” means any and all claims, losses, liabilities, damages, costs, expenses and judgements (including legal fees and expenses) sustained by either party.

Section 13. Communications. In no event shall the Trustee, Registrar and Paying Agent be liable for any Losses arising to the Trustee, Registrar and Paying Agent receiving or transmitting any data from the Company, any Authorised Person or any party to the transaction via any non-secure method of transmission or communication, such as, but without limitation, by facsimile or email. The Company hereto accepts that some methods of communication are not secure and the Trustee, Registrar and Paying Agent shall incur no liability for receiving instructions via any such non-secure method. The Trustee, Registrar and Paying Agent are authorised to comply with and rely upon any such notice, instructions or other communications believed by it to have been sent or given by an Authorised Person or an appropriate party to the transaction (or authorised representative thereof). The Company or authorised officer of the Company shall use all reasonable endeavours to ensure that instructions transmitted to the

Trustee, Registrar and Paying Agent pursuant to the Indenture, as the same may be modified or supplemented from time to time, are complete and correct. Any instructions shall be conclusively deemed to be valid instructions from the Company or authorised officer of the Company to the Trustee, Registrar and Paying Agent for the purposes of the Indenture, as the same may be modified or supplemented from time to time.

Section 14. Consequential Loss or Damage Carve Out. Consequential Loss or Damage: Notwithstanding any provision of the Indenture, as the same may be modified or supplemented from time to time, to the contrary, the Trustee, Registrar and Paying Agent shall not in any event be liable for indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Trustee, Registrar and Paying Agent have been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence or otherwise.

Section 15. Force Majeure. The Trustee, Registrar and Paying Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture, as the same may be modified or supplemented from time to time, arising out of or caused, directly or indirectly, by circumstances beyond its control, including, without limitation, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action.

\* \* \*

IN WITNESS WHEREOF, parties have executed this Supplemental Indenture as of October 5, 2009.

PREGIS CORPORATION

By: /s/ Michael T. McDonnell

Name: Michael T. McDonnell

Title: Chief Executive Officer and President

PREGIS HOLDING II CORPORATION

By: /s/ Michael T. McDonnell

Name: Michael T. McDonnell

Title: Chief Executive Officer and President

PREGIS MANAGEMENT CORPORATION

By: /s/ Michael T. McDonnell

Name: Michael T. McDonnell

Title: Chairman, Chief Executive Officer and President

PREGIS INNOVATIVE PACKAGING INC.

By: /s/ Michael T. McDonnell

Name: Michael T. McDonnell

Title: Chairman and Chief Executive Officer

HEXACOMB CORPORATION

By: /s/ Michael T. McDonnell

Name: Michael T. McDonnell

Title: Chairman, Chief Executive Officer and President

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.,  
as Trustee and Collateral Agent

By: /s/ R. Tarnas

\_\_\_\_\_  
Name: R. Tarnas  
Title: Vice President

THE BANK OF NEW YORK MELLON  
as Paying Agent

By: /s/ Melissa Laidley

\_\_\_\_\_  
Name: Melissa Laidley  
Title: Senior Associate

THE BANK OF NEW YORK MELLON  
(LUXEMBOURG) S.A.,  
as Registrar

By: /s/ Melissa Laidley

\_\_\_\_\_  
Name: Melissa Laidley  
Title: Senior Associate

GRANT THORNTON,  
as Irish Paying Agent

By: /s/ Grant Thornton

\_\_\_\_\_  
Name:  
Title:

[Face of Note]

THIS GLOBAL NOTE IS HELD BY THE COMMON DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE COMMON DEPOSITARY MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.07(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.12 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR COMMON DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER: (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB"), (B) IT HAS ACQUIRED THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT (AN "IAI"), (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO PREGIS CORPORATION OR ANY OF ITS SUBSIDIARIES, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (C) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF THE SECURITIES ACT, (D) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (E) TO AN IAI THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS NOTE (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES LESS THAN \$250,000 (EURO EQUIVALENT), AN OPINION OF COUNSEL ACCEPTABLE TO PREGIS CORPORATION THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (F) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO PREGIS CORPORATION) OR (G) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN

IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING.

THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR PURPOSES OF SECTION 1271 ET SEQ. OF THE INTERNAL REVENUE CODE. A HOLDER MAY OBTAIN THE ORIGINAL ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, CLOSING DATE AND YIELD TO MATURITY FOR SUCH NOTE BY SUBMITTING A REQUEST FOR SUCH INFORMATION TO THE ISSUER AT THE FOLLOWING ADDRESS: PREGIS CORPORATION, 1650 LAKE COOK ROAD, SUITE 400, DEERFIELD, ILLINOIS 60015, ATTENTION: SECRETARY.

Common Code \_\_\_\_\_  
ISIN \_\_\_\_\_  
€ \_\_\_\_\_

PREGIS CORPORATION

SENIOR SECURED FLOATING RATE NOTES DUE 2013

Issue Date: \_\_\_\_\_, 2009

Pregis Corporation, a Delaware corporation (the “**Company**,” which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to THE BANK OF NEW YORK DEPOSITORY (NOMINEES) LIMITED AS NOMINEE FOR THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., LONDON BRANCH AS COMMON DEPOSITORY FOR EUROCLEAR BANK S.A./N.V. AND CLEARSTREAM BANKING SOCIÉTÉ ANONYME, or its registered assigns, the principal amount of €\_\_\_\_ on \_\_\_\_\_, 20\_\_\_\_.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

PREGIS CORPORATION

By: \_\_\_\_\_

Name:

Title:

A-4

(Trustee's Certificate of Authentication)

This is one of the Senior Secured Floating Rate Notes due 2013 described in the within mentioned Indenture.

Dated: \_\_\_\_\_, 20\_\_

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

[Reverse Side of Note]  
PREGIS CORPORATION

Senior Secured Floating Rate Notes due 2013

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. *Interest.* Interest on the Notes will be payable quarterly in arrears on January 15, April 15, July 15 and October 15, commencing on October 15, 2009. The interest rate for each quarterly interest period will be determined on the second Business Day prior to the first day of the interest period (the “**Interest Determination Date**”). The interest rate for such quarterly period will be equal to the EURIBOR rate, as determined at 11:00 a.m. London time, on the Interest Determination Date, for deposits maturing at or around the end of such quarterly interest period, plus 5.00% per year (as reported by the Calculation Agent). The Company will make each interest payment to the Holders of record on the immediately preceding January 1, April 1, July 1 and October 1. Any Additional Interest due will be paid on the same dates as interest on the Notes. Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months.

“**EURIBOR**” means the applicable percentage rate for EURIBOR per annum as determined by the Banking Federation of the European Union for the relevant period as displayed on the appropriate page of the Telerate screen; or, if no screen rate is available for the applicable interest period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Trustee at its request quoted by the reference banks under the Credit Agreement to leading banks in the European interbank market, in each case as of 11:00 a.m., London time, on the rate determination date, for the offering of deposits in euro for a period comparable to the quarterly interest period for which the rate is being set.

2. *Method of Payment.* The Company shall pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the January 1, April 1, July 1 and October 1 next preceding the interest payment date, even if such Notes are canceled after such record date and on or before such interest payment date, except as provided in Section 2.13 of the Indenture with respect to defaulted interest. The Notes shall be payable as to principal, interest and premium and Additional Interest, if any, at the offices or agencies of one or more Paying Agents and Registrars maintained for such purpose in The City of New York, New York and Dublin, Ireland, or, at the option of the Company, payment of interest, may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds shall be required with respect to the principal of, and premium, if any, interest and Additional Interest, if any, on, all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Company or the Paying Agent. Such payment shall be in euro.

3. *Paying Agent and Registrar.* The Trustee under the Indenture shall initially act as Paying Agent and Registrar and Grant Thornton shall initially act as Paying Agent in Ireland. The Company may change any Paying Agent or Registrar without prior notice to the

Holders, and the Company or any of its Subsidiaries or other Affiliates may act as Paying Agent or Registrar.

4. *Indenture.* The Company issued the Notes under an Indenture, dated as of October 12, 2005, as supplemented (the “**Indenture**”), among the Company, the Guarantors parties thereto, the Trustee, the Collateral Agent and Grant Thornton (as Irish Paying Agent). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture pursuant to which this Note is issued provides that an unlimited principal amount of Additional Notes may be issued thereunder.

5. *Optional Redemption.* The Company may redeem (at any time) all or (from time to time) a portion of the Notes upon not less than 30 nor more than 60 days’ notice, at 100.00% of the principal amount plus accrued and unpaid interest and Additional Interest, if any, thereon, to the applicable redemption date.

6. *Selection and Notice of Redemption.* If less than all of the Notes are to be redeemed at any time, the Trustee shall select Notes for redemption as follows: (i) if the Notes are listed on any national securities exchange or automated quotation system, in compliance with the requirements of such national securities exchange or automated quotation system; or (ii) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee deems fair and appropriate. No Notes of €1,000 or less shall be redeemed in part; *provided* that no Notes will be redeemed in part if the resulting Note would have a minimum denomination that is less than €50,000. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. Notices of redemption may not be conditional. If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note shall be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, unless the Company defaults in the payment of the redemption price, Notes or portions thereof called for redemption shall cease to accrue interest.

7. *Repurchase at Option of Holder.* (a) Upon the occurrence of a Change of Control, each Holder of Notes shall have the right to require the Company to repurchase all or any part (equal to €50,000 principal amount or an integral multiple of €1,000 in excess thereof) of that Holder’s Notes pursuant to an offer described below (the “**Change of Control Offer**”) at an offer price in cash equal to 101% of the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest and Additional Interest, if any, thereon, to the date of repurchase (the “**Change of Control Payment Date**”), which date shall be no earlier than the date of such Change of Control. No later than 30 days following any Change of Control (or, at the Company’s option, prior to such Change of Control but after it is publicly announced if a definitive agreement is in effect for such Change of Control at the time of such announcement), the Company shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in such

notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice.

(b) If the aggregate amount of Excess Proceeds equals or exceeds \$20.0 million, the Company shall make an offer to purchase (“**Asset Sale Offer**”), pursuant to Section 4.10 of the Indenture, to all Holders of Notes and all holders of Pari Passu Debt containing provisions similar to those set forth in the Indenture with respect to offers to purchase with the proceeds of sales of assets to purchase the maximum principal amount of Notes and Pari Passu Debt that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer shall be equal to 100% of the aggregate principal amount of the Notes and Pari Passu Debt, plus accrued and unpaid interest and Additional Interest, if any, to the date of purchase, and shall be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and Pari Passu Debt tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and Pari Passu Debt shall be purchased on a pro rata basis based on the aggregate principal amount of Notes and such Pari Passu Debt tendered. Upon completion of each Asset Sale Offer, the Excess Proceeds subject to such Asset Sale shall no longer be deemed to be Excess Proceeds.

8. *Denominations, Transfer, Exchange.* The Notes are in registered form without coupons in denominations of €50,000 principal amount and integral multiples of €1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company is not required to transfer or exchange any Note selected for redemption. Also, the Company is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

9. *Persons Deemed Owners.* The registered Holder of a Note shall be treated as the owner of it for all purposes.

10. *Amendment, Supplement and Waiver.* Subject to certain exceptions, the Indenture, the Note Guarantees, the Notes or the Security Documents may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture, the Notes or the Security Documents may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Without the consent of any Holder of Notes, the Company, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes, the Note Guarantees or the Security Documents, to, among other things, cure any ambiguity, defect or inconsistency, or make any change that does not materially adversely affect the legal rights under the Indenture of any such Holder.

11. *Defaults and Remedies.* In the case of an Event of Default under Sections 6.01(h) and (i) of the Indenture, all unpaid principal of, and premium, if any, and accrued and unpaid interest and Additional Interest, if any, on, all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to the Company specifying the Event of Default.

Holders of the Notes may not enforce the Indenture, the Notes or the Security Documents except as provided in the Indenture and the Security Documents. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any Default or Event of Default (except a Default or Event of Default relating to the payment of principal, premium or interest or Additional Interest, if any) if it determines that withholding notice is in their interest.

In the case of any Event of Default occurring by reason of any willful action or inaction taken or not taken by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to Section 3.07 of the Indenture, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

12. *Collateral.* The obligations of the Company under the Notes and the Guarantors under their respective Note Guarantees are secured by a second priority security interest on all property and assets of the Company and the Guarantors constituting Collateral.

13. *Trustee Dealings with Company.* The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may become a creditor of, or otherwise deal with the Company or any of its Affiliates, with the same rights it would have if it were not Trustee.

14. *No Recourse Against Others.* No director, officer, employee, incorporator, stockholder, member, manager or partner of the Company, the Parent or any of their respective Affiliates, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture or the Note Guarantees or the Security Documents for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. This waiver and release are part of the consideration for issuance of the Notes. This waiver may not be effective to waive liabilities under the federal securities laws.

15. *Authentication.* This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

16. *CUSIP Numbers, ISIN Numbers and Common Codes.* The Company has caused CUSIP numbers, ISIN numbers and/or Common Codes to be printed on the Notes and the Trustee may use CUSIP numbers, ISIN numbers or Common Codes in notices of redemption as a

convenience to Holders. No representation is made as to the accuracy of such numbers or codes either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

17. *Guarantee.* The Company's obligations under the Notes are fully and unconditionally guaranteed, jointly and severally, by the Guarantors.

18. *Copies of Documents.* The Company shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Pregis Corporation  
1650 Lake Cook Road, Suite 400  
Deerfield, IL 60015  
Attention: Chief Financial Officer

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: \_\_\_\_\_  
(INSERT ASSIGNEE'S LEGAL NAME)

\_\_\_\_\_  
(Insert assignee's soc. sec. or tax I.D. no.)

\_\_\_\_\_  
(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_  
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee\*: \_\_\_\_\_

\* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.14 of the Indenture, check the appropriate box below:

Section 4.10

Section 4.14

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased:

\$ \_\_\_\_\_

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: \_\_\_\_\_

Signature Guarantee\*: \_\_\_\_\_

\* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

<u>Date of Exchange</u>	<u>Amount of Decrease in Principal Amount of this Global Note</u>	<u>Amount of Increase in Principal Amount of this Global Note</u>	<u>Principal Amount of this Global Note Following such Decrease (or Increase)</u>	<u>Signature of Authorized Signatory of Common Depositary</u>
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## FORM OF NOTATION OF GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Indenture (as defined below)) jointly and severally, unconditionally guarantees, to the extent set forth in the Indenture, dated as of October 12, 2005, as supplemented (the "Indenture"), among Pregis Corporation (the "Company"), the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York), as trustee (the "Trustee"), collateral agent, registrar and paying agent, and Grant Thornton (as successor to RSM Robson Rhodes LLP), as Irish paying agent, with respect to the Company's Senior Secured Floating Rate Notes due 2013 (the "Notes"), (a) the due and punctual payment of the principal of, premium and Additional Interest, if any, and interest on the Notes, whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal and premium, and, to the extent permitted by law, interest and Additional Interest, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee all in accordance with the terms of the Indenture and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Notes and to the Trustee pursuant to the Note Guarantee and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee. Each Holder of a Note, by accepting the same, (a) agrees to and shall be bound by such provisions and (b) appoints the Trustee attorney-in-fact of such Holder for such purpose. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture.

IN WITNESS HEREOF, the Guarantors have caused this Notation of Guarantee to be executed by a duly authorized officer.

PREGIS HOLDING II CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

PREGIS MANAGEMENT CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

PREGIS INNOVATIVE PACKAGING INC.

By: \_\_\_\_\_  
Name:  
Title:

HEXACOMB CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

**PREGIS CORPORATION**  
**€125,000,000 Second Priority Senior Secured Floating Rate Notes due 2013**

**REGISTRATION RIGHTS AGREEMENT**

October 5, 2009

CREDIT SUISSE SECURITIES (EUROPE) LIMITED  
BARCLAYS BANK PLC  
GOLDMAN SACHS INTERNATIONAL  
c/o Credit Suisse Securities (Europe) Limited,  
One Cabot Square  
London E14 4QJ  
United Kingdom

Dear Sirs:

Pregis Corporation, a Delaware corporation (the “**Issuer**”), proposes to issue and sell, upon the terms set forth in a purchase agreement dated September 24, 2009 (the “**Purchase Agreement**”), to Credit Suisse Securities (Europe) Limited, Barclays Bank PLC and Goldman Sachs International (collectively, the “**Initial Purchasers**”) €125,000,000 aggregate principal amount of its Second Priority Senior Secured Floating Rate Notes due 2013 (the “**Initial Securities**”), to be unconditionally guaranteed (the “**Guarantees**”) by Pregis Holding II Corporation and the subsidiaries of the Issuer named in Schedule B to the Purchase Agreement (the “**Guarantors**” and, together with the Issuer, the “**Company**”). The Initial Securities will be issued pursuant to an Indenture, dated as of October 12, 2005 (the “**Base Indenture**”), among the Issuer, the guarantors named therein, The Bank of New York Trust Company, N.A., as successor registrar and paying agent to The Bank of New York (the “**Trustee**”), and Grant Thornton (as successor to RSM Robson Rhodes LLP) as Irish Paying Agent, as supplemented by a supplemental indenture, dated as of October 5, 2009 (the “**Supplemental Indenture**”, and, together with the Base Indenture, the “**Indenture**”). As an inducement to the Initial Purchasers, the Company agrees with the Initial Purchasers, for the benefit of the holders of the Initial Securities (including, without limitation, the Initial Purchasers), the Exchange Securities (as defined below) and the Private Exchange Securities (as defined below) (collectively, the “**Holder**s”), as follows:

1. *Registered Exchange Offer.* The Company shall, at its own cost, prepare and file with the Securities and Exchange Commission (the “**Commission**”) one or more registration statements (the “**Exchange Offer Registration Statement**”) on an appropriate form under the Securities Act of 1933, as amended (the “**Securities Act**”) with respect to a proposed offer (the “**Registered Exchange Offer**”) to the Holders of Transfer Restricted Securities (as defined in Section 6(d) hereof), who are not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities (the “**Exchange Securities**”) of the Company issued under the Indenture and identical in all material respects to the Initial Securities (except for the transfer restrictions relating to the Initial

Securities and the provisions relating to the matters described in Section 6 hereof) that would be registered under the Securities Act. The Company shall use commercially reasonable efforts to cause such Exchange Offer Registration Statement to become effective under the Securities Act as promptly as possible.

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of the Registered Exchange Offer to enable each Holder of Transfer Restricted Securities electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder's business and has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States.

The Company acknowledges that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an "**Exchanging Dealer**"), is required to deliver a prospectus containing the information set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the "**Exchange Offer Procedures**" section and the "**Purpose of the Exchange Offer**" section, and (c) Annex C hereto in the "**Plan of Distribution**" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) an Initial Purchaser that elects to sell Exchange Securities acquired in exchange for Securities constituting any portion of an unsold allotment is required to deliver a prospectus containing the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company shall use its reasonable best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; *provided, however*, that in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchaser, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchasers have sold all Exchange Securities held by them (unless such period is extended pursuant to Section 3(j) below).

If, upon consummation of any Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to such Registered Exchange Offer, shall issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the "**Private Exchange**") for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities of the Company issued under the Indenture and identical in all material respects (including the existence of restrictions on transfer under the Securities Act and the securities laws of the several states of the United States, but excluding provisions relating to the matters described in Section 6 hereof) to the Initial Securities (the "**Private Exchange Securities**"). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "**Securities**".

In connection with any Registered Exchange Offer, the Company shall:

(a) mail or deliver to each registered Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) with respect to the Registered Exchange Offer, utilize the services of The Bank of New York Depository (Nominees) Limited as Nominee for The Bank of New York Trust Company, N.A., London Branch for the Registered Exchange Offer, which may be the Trustee or an affiliate of the Trustee;

(c) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

(d) otherwise comply with all applicable laws.

As soon as reasonably practicable after the close of each Registered Exchange Offer or the related Private Exchange, as the case may be, the Company shall:

(x) accept for exchange all the Securities validly tendered and not withdrawn pursuant to such Registered Exchange Offer and the Private Exchange;

(y) deliver to the Trustee for cancellation all the relevant Initial Securities so accepted for exchange; and

(z) cause the Trustee to authenticate and deliver promptly to each Holder of the relevant Initial Securities, the relevant Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture provides that the relevant Exchange Securities will not be subject to the transfer restrictions set forth in such Indenture and that all the relevant Securities will vote and consent together on all matters as one class and that none of the relevant Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in a Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of such Registered Exchange Offer (i) any Exchange Securities received by such Holder pursuant to such Registered Exchange Offer will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the relevant Securities or such Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of the Company or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, such Holder is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, such Holder will receive such Exchange Securities for its own account in exchange for the relevant Initial Securities that were acquired as a result of market-making

activities or other trading activities and will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. *Shelf Registration.* If (i) the Company is not permitted to consummate a Registered Exchange Offer with respect to a series of Initial Securities because such Registered Exchange Offer is not permitted by applicable law or Commission policy or (ii) any Holder notifies the Company that (x) it is prohibited by law or Commission policy from participating in a Registered Exchange Offer, (y) it may not resell the Exchange Securities acquired by it in a Registered Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales, or (z) it is a broker-dealer and owns Securities acquired directly from the Company or one of its affiliates, the Company shall take the following actions:

(a) The Company shall, at its cost, as promptly as practicable (but in no event more than 30 days after so required or requested pursuant to this Section 2) file with the Commission and thereafter shall use commercially reasonable efforts to cause to be declared effective as promptly as possible (and in no case later than 120 days after so required or requested pursuant to this Section 2) a registration statement (the “**Shelf Registration Statement**” and, together with the Exchange Offer Registration Statement, a “**Registration Statement**”) with respect to such Initial Securities on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities (as defined in Section 6 hereof) by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (hereinafter, the “**Shelf Registration**”); *provided, however*, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) The Company shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period (the “**Shelf Registration Period**”) of two years (or for such longer period if extended pursuant to Section 3(j) below) from the Issue Date or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof). Notwithstanding the foregoing, the Company may suspend the use of the Shelf Registration Statement for a period not to exceed 30 days in any six-month period or an aggregate of 60 days in any twelve-month period for valid business reasons (not including avoidance of its obligations hereunder) to avoid premature public disclosure of a pending corporate transaction, including pending acquisitions or divestitures of assets, mergers and combinations and similar events; *provided that* (i) the period during which the Registration Statement is required to be effective and usable shall be extended by the number of days during which such Registration Statement

was not effective or usable pursuant to the foregoing provisions and (ii) the Additional Interest (as defined below) shall accrue on the Securities as provided in Section 6 hereof.

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. *Registration Procedures.* In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

(a) The Company shall (i) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the “Exchange Offer Procedures” section and the “Purpose of the Exchange Offer” section and in Annex C hereto in the “Plan of Distribution” section of the prospectus forming a part of the Exchange Offer Registration Statement and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (ii) if requested by an Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; and (iii) in the case of a Shelf Registration Statement, include in the prospectus included in the Shelf Registration Statement (or if permitted by Commission Rule 430B(b), in a prospectus supplement that becomes part thereof pursuant to Commission Rule 430B(f) that is delivered to any Holder pursuant to Section 3(d) and (f)) the names of the Holders, who propose to sell Securities pursuant to the Shelf Registration Statement, as selling securityholders.

(b) The Company shall give written notice to the Initial Purchasers, the Holders of the Securities and any Participating Broker-Dealer from whom the Company has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii)-(v) of this clause (b) shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose, or the issuance by the Commission of a notification of objection to the use of the form on which the Registration Statement has been filed and of the happening of any event that causes the Company to become an “ineligible issuer” as defined in Commission Rule 405;

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Company to make changes in the Registration Statement or the prospectus in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

(c) The Company shall make every reasonable effort to obtain the withdrawal, at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

(d) In the case of any Shelf Registration Statement, the Company shall furnish to each Holder of Securities included within the coverage of the Shelf Registration, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment or supplement thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference). If the Initial Purchasers are Holders of Securities registered on the Shelf Registration Statement, the Company shall not, without the prior written consent of the Initial Purchasers make any offer relating to the Securities that would constitute a “free writing prospectus” as defined in Commission Rule 405.

(e) The Company shall deliver to each Exchanging Dealer and each Initial Purchaser, and to any other Holder who so requests, without charge, to the extent not available on the Commission’s Electronic Data Gathering Analysis and Retrieval (“**EDGAR**”) or any equivalent thereof, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any Initial Purchaser or any such Holder requests, all exhibits thereto (including those incorporated by reference).

(f) In the case of any Shelf Registration Statement, the Company shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by any Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.

(h) Prior to any public offering of the Securities, pursuant to any Registration Statement, the Company shall register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or “blue sky” laws of such states of the United States as any Holder of the Securities reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; *provided, however*, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject.

(i) The Company shall cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders may request a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(j) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company is required to maintain an effective Registration Statement, the Company shall promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide, as appropriate, a Common Code number and an ISIN number for the Exchange Securities or the related Private Exchange Securities, as the case may be. The Company shall provide the applicable trustee (or other custodian) with printed certificates for the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with the Euroclear Bank S.A./N.V. and Clearstream Banking S.A.

(l) The Company shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(m) The Company may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the

distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, and the Company may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(n) The Company shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as a majority of the Holders of the Securities to be included in any Shelf Registration (the “**Majority Holders**”) shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.

(o) In the case of any underwritten offering pursuant to a Shelf Registration, subject to appropriate confidentiality agreements being executed by all parties to review information, the Company shall (i) make available for inspection at reasonable times and in a reasonable manner by a representative of the Majority Holders (the “**Inspector**”), any underwriter participating in any disposition pursuant to the Shelf Registration Statement and any attorney or accountant retained by the Inspector all relevant financial and other records, pertinent corporate documents and properties of the Company and (ii) cause the Company’s officers, directors, employees, accountants and auditors to supply all relevant information reasonably requested by the Inspector or any such underwriter, attorney or accountant in connection with the Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such persons, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; *provided* that only one counsel and only one accounting firm so retained by the Inspector shall be granted such access during the life of the Shelf Registration Statement.

(p) In the case of any underwritten offering pursuant to a Shelf Registration, the Company, if requested by the Majority Holders, shall cause (i) its counsel to deliver an opinion and updates thereof relating to the Securities in customary form addressed to such Holders and the managing underwriters, if any, thereof and dated the effective date of such Shelf Registration Statement covering the matters customarily covered in opinions requested in underwritten offerings of secured notes; (ii) its officers to execute and deliver all customary documents and certificates and updates thereof requested by any underwriters of the applicable Securities and (iii) its independent public accountants and the independent public accountants with respect to any other entity for which financial information is provided in the Shelf Registration Statement to provide to the selling Holders of the applicable Securities and any underwriter therefor a comfort letter in customary form and covering matters of the type customarily covered in comfort letters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(q) If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(r) The Company will use its best efforts to, if the Initial Securities of a series have been rated prior to the initial sale of such Initial Securities, confirm such ratings will apply to the relevant Securities covered by a Registration Statement.

(s) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or “participate in a public offering” (within the meaning of the Conduct Rules (the “**Rules**”) of the Financial Industry Regulatory Authority, Inc.) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will use its reasonable best efforts to assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so require, engaging a “qualified independent underwriter” (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules.

(t) The Company shall use its best efforts to take all other steps reasonably necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. *Registration Expenses.* The Company shall bear all fees and expenses incurred in connection with the performance of its obligations under Sections 1 through 3 hereof, whether or not the Registered Exchange Offer or a Shelf Registration is filed or becomes effective, and, in the event of an underwritten offering pursuant to a Shelf Registration, shall bear or reimburse the Holders of the Securities covered thereby for the reasonable fees and disbursements (up to an aggregate amount not to exceed \$50,000) of one firm of counsel designated by the Majority Holders to act as counsel for the Holders of the Initial Securities in connection therewith.

5. *Indemnification.* (a) The Company agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the “**Indemnified Parties**”) from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus or “issuer free writing prospectus” as defined in Commission Rule 433 (“**Issuer FWP**”) relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; *provided, however*, that (i) the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus or Issuer FWP relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein and (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities

concerned, to the extent that a prospectus relating to such Securities was required to be delivered (including through the satisfaction of the conditions of Commission Rule 172) by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not conveyed to such person, at or prior to the written confirmation of the sale of such Securities to such person, an amended or supplemented prospectus or, if permitted by Section 3(d), an Issuer FWP, correcting such untrue statement or omission if the Company had previously furnished copies thereof to such Holder or Participating Broker-Dealer; *provided further, however*, that this indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party. The Company shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus or Issuer FWP relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; *provided, however*, that the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a

party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the exchange of the Securities, pursuant to the Registered Exchange Offer, or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 5(d), the Holders of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holders from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such Holders have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

(e) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. *Additional Interest Under Certain Circumstances.* (a) Additional interest (the “**Additional Interest**”) with respect to the Initial Securities of a series shall be assessed as follows if any of the following events occurs (each such event in clauses (i) through (iv) below a “**Registration Default**”):

(i) after the obligation to file a Shelf Registration Statement shall have arisen, the Company fails to file such Registration Statement on or before the date specified for such filing in Section 2(a) hereof;

(ii) after the obligation to file a Shelf Registration Statement shall have arisen and following the timely filing of such Registration Statement, such Registration Statement is not

declared effective by the Commission on or prior to 120 days after the date on which such obligation to file shall have arisen;

(iii) the Company fails to consummate a Registered Exchange Offer with respect to such Securities within 270 days of the date of original issuance of such Securities; or

(iv) the Shelf Registration Statement or the Exchange Offer Registration Statement shall have been declared effective but thereafter ceases to be effective or usable in connection with resales or exchanges of Transfer Restricted Securities for more than 30 days.

Additional Interest shall accrue on the Initial Securities over and above the interest set forth in the title of the Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate of 0.25% per annum for the first 90-day period immediately following the occurrence of the first Registration Default. The amount of Additional Interest will increase by an additional 0.25% per annum with respect to each subsequent 90-day period (until all Registration Defaults have been cured), up to a maximum amount of Additional Interest for all Registration Defaults of 1.0% per annum. There can only exist one Registration Default at any one time with respect to the Initial Securities of a series. For purposes of clarification, if Additional Interest accrues on the Initial Securities, it will only accrue on the €125,000,000 of Securities issued on October 5, 2009 and not on the Company's outstanding second priority senior secured floating rate notes due 2013 issued on October 12, 2005.

(b) A Registration Default referred to in Section 6(a)(iv) hereof shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company that would need to be described in such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company is proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events; *provided, however*, that in any case if such Registration Default occurs for a continuous period in excess of 30 days, Additional Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured.

(c) Any amounts of Additional Interest due pursuant to clause (i), (ii), (iii) or (iv) of Section 6(a) above will be payable in cash on the regular interest payment dates with respect to the Initial Securities. The amount of Additional Interest with respect to the Initial Securities of a series will be determined by multiplying the applicable Additional Interest rate for such Securities by the principal amount of such Initial Securities, multiplied by a fraction, the numerator of which is the number of days such Additional Interest rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

(d) “**Transfer Restricted Securities**” means each Initial Security until (i) the date on which such Transfer Restricted Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of an Initial Security for an Exchange Security, the date on which such Exchange Security is sold to a purchaser, (iii) the date on which such Initial Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Initial Securities is distributed to the public pursuant to Rule 144 under the Securities Act or is (a) freely transferable in accordance with Rule 144 by

a person that is not an “affiliate” (as defined in Rule 144) of the Company where no conditions under Rule 144 are then applicable (other than the holding period requirement of paragraph (d) of Rule 144 so long as such holding period requirement is satisfied at such time of determination), (b) does not bear any restrictive legends relating to the Securities Act and (c) does not bear a restrictive Common Code number.

7. *Rules 144 and 144A.* The Company shall use its best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Initial Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Company by the Initial Purchasers upon request. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

8. *Underwritten Registrations.* If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering (“**Managing Underwriters**”) will be selected by the Majority Holders, subject to the Company’s consent (which consent shall not be unreasonably withheld).

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person’s Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. *Miscellaneous.*

(a) *Amendments and Waivers.* The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consents.

(b) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:

(i) if to a Holder of the Securities, at the most current address given by such Holder to the Company;

(ii) if to the Initial Purchasers:

c/o Credit Suisse Securities (USA) LLC  
Eleven Madison Avenue  
New York, NY 10010-3629  
Fax No.: (212) 325-4296  
Attention: Transactions Advisory Group

with a copy to:

David Beveridge, Esq.  
Shearman & Sterling LLP  
599 Lexington Avenue  
New York, NY 10022  
Fax No.: (646) 848-7711

(iii) if to the Company, at its address as follows:

1650 Lake Cook Road, Suite 400  
Deerfield, IL 60015  
Attention: Michael T. McDonnell

with copies to:

AEA Investors LLC  
65 East 55<sup>th</sup> Street  
New York, NY 10022  
Attention: General Counsel's Office

and

Michael Levitt, Esq.  
Fried, Frank, Harris, Shriver & Jacobson LLP  
One New York Plaza  
New York, NY 10004  
Fax No: (212) 859-8589

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(c) *No Inconsistent Agreements.* The Company has not, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(d) *Successors and Assigns.* This Agreement shall be binding upon the Company and its successors and assigns.

(e) *Counterparts.* This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) *Headings.* The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(h) *Severability*. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(i) *Securities Held by the Company*. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

[SIGNATURE PAGE FOLLOWS]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the several Initial Purchasers, the Issuer and the Guarantors in accordance with its terms.

Very truly yours,

PREGIS CORPORATION

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer  
Treasurer and Secretary

PREGIS HOLDING II CORPORATION

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer  
Treasurer and Secretary

PREGIS MANAGEMENT CORPORATION

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer  
Treasurer and Secretary

PREGIS INNOVATIVE PACKAGING INC.

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer  
Treasurer and Secretary

HEXACOMB CORPORATION

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer  
Treasurer and Secretary

The foregoing Registration Rights Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE SECURITIES (EUROPE) LIMITED  
BARCLAYS BANK PLC  
GOLDMAN SACHS INTERNATIONAL

by: CREDIT SUISSE SECURITIES (EUROPE) LIMITED

By: /s/ Mathew Cestar

Name: Mathew Cestar

Title: MD

Each broker-dealer that receives Exchange Securities for its own account pursuant to a Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See “Plan of Distribution.”

Each broker-dealer that receives Exchange Securities for its own account in exchange for Initial Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See “Plan of Distribution.”

## PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to a Registered Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until [•], 200[•], all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.<sup>(1)</sup>

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

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<sup>(1)</sup> In addition, the legend required by Item 502(e) of Regulation S-K will appear on the back cover page of the Exchange Offer prospectus.

CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

## AMENDMENT NO. 3

This AMENDMENT NO. 3 (this "**Amendment**") is entered into as of October 5, 2009, among PREGIS CORPORATION, a Delaware corporation (the "**Borrower**"), PREGIS HOLDING II CORPORATION, a Delaware corporation ("**Parent**") and each of the Lenders signatory hereto.

## PRELIMINARY STATEMENTS:

(1) The Borrower, Parent, the banks, financial institutions and other institutional lenders party thereto from time to time (each a "**Lender**" and collectively the "**Lenders**"), Credit Suisse, Cayman Islands Branch ("**CS**"), as collateral agent and administrative agent (in such capacities, the "**Agent**"), the subsidiary guarantors party thereto and the other agents party thereto have entered into the Credit Agreement, dated as of October 12, 2005 (such Credit Agreement, as modified by the Waiver Letter, dated as of March 30, 2006, amended by "Waiver Letter No. 2 and Amendment No. 1", dated as of May 31, 2006 and "Amendment No. 2" dated as of December 20, 2007, the "**Credit Agreement**"). Capitalized terms not otherwise defined in this Amendment shall have the respective meanings ascribed to such terms in the Credit Agreement (as amended by this Amendment).

(2) The Borrower intends to issue additional floating rate notes under the Floating Rate Indenture in an anticipated principal amount (subject to change on the issue date thereof) of €125,000,000, the proceeds of which shall be used to prepay the Term Advances.

(3) The Borrower and Parent have requested the changes and modifications to the Credit Agreement as hereinafter set forth.

(4) The Required Lenders are, on the terms and conditions stated below, willing to amend the Credit Agreement as hereinafter set forth.

SECTION 1. Amendments and Consents to Permit the Additional Floating Rate Notes. (I) Amendments. The Credit Agreement is, subject to the satisfaction of the conditions precedent set forth in Section 3(a), hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended by:

(i) including the following new defined term in the proper alphabetical order "**Additional Floating Rate Notes**" means the Senior Secured Floating Rate Notes due 2013 issued by the Borrower pursuant to the Offering Circular dated September 24, 2009;

(ii) inserting the words "and the Additional Floating Rate Notes" after the words "Floating Rate Notes" where it appears in the defined term "Cash Equivalents";

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(iii) inserting the words “or the Additional Floating Rate Notes” after the words “Floating Rate Notes” where it appears in the defined term “Exchange Offer”

(iv) inserting the words “and the Additional Floating Rate Notes” after the words “Floating Rate Notes” where it appears in the defined term “Intercreditor Agreement” and

(v) inserting the words “(excluding clause (vii)(A)(2))” after the words “through (x)” in clause (b) of the defined term “Net Cash Proceeds”.

(b) Section 4.01(a) is hereby amended by inserting the words “and the Additional Floating Rate Notes” after the words “Floating Rate Notes” where it appears therein.

(c) Section 4.01(c) is hereby amended by inserting the words “and the Additional Floating Rate Notes” after the words “Floating Rate Notes” where it appears therein.

(d) Section 5.02(a)(viii) is hereby amended by inserting after the words “Floating Rate Notes” therein the words “and Additional Floating Rate Notes”.

(e) Section 5.02(b)(vii) is amended by deleting clause (A) thereof in its entirety and replacing it with “(A)(1) the Floating Rate Notes, not to exceed €100,000,000 at any time outstanding and (2) the Additional Floating Rate Notes issued pursuant to the Offering Circular dated September 24, 2009; *provided* that immediately upon the incurrence of the Debt in respect of the Additional Floating Rate Notes the Term Advances are prepaid in full, in each case with respect to clauses (1) and (2), to the extent such Debt does not constitute “Designated Senior Debt” for purposes of any Subordinated Debt, including the Senior Subordinated Notes”.

(f) Section 5.02(b)(xi) is hereby amended by inserting after the words “Floating Rate Notes” therein the words “and Additional Floating Rate Notes”.

(g) Section 5.02(f)(vii)(E) is hereby amended by inserting after the words “Floating Rate Notes” therein the words “and Additional Floating Rate Notes”.

(h) Section 5.02(l)(ii)(E) is hereby amended by inserting the words “and the Additional Floating Rate Notes on terms substantially identical to those contained in the Floating Rate Notes” after the words “Effective Date” therein.

(i) Section 5.02(p)(iv)(B) is hereby amended by inserting the words “and the Additional Floating Rate Notes on terms substantially identical to those contained in the Floating Rate Notes” after the words “Effective Date” therein.

(II) **Consents.** The Required Lenders hereby consent to (x) Amendment No. 1 to the Second Lien Security Agreement dated as of the date hereof (“**Second Lien Security Agreement Amendment**”) among the Borrower, Parent, the Subsidiary Guarantors and the Bank

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of New York Trust Company N.A., as Trustee under the Floating Rate Indenture attached hereto as Exhibit A, (y) amendments and modifications of certain second lien intellectual property security agreements, pledge agreements, mortgages, and deeds of trust securing Floating Rate Notes, to secure the Additional Floating Rate Notes on a second priority basis, pari passu with the Floating Rate Notes and (z) consent to the execution and delivery by the Agent, in its capacity as Intercreditor Agent (as defined in the Intercreditor Agreement), of the Consent of Intercreditor Agent in substantially the form annexed to the Second Lien Security Agreement Amendment.

SECTION 2. Other Amendments to Credit Agreement. The Credit Agreement is, subject to the satisfaction of the conditions precedent set forth in Section 3, hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended by including the following new defined terms in the proper alphabetical order:

“**Amendment No. 3 Effective Date**” means October 5, 2009.”

“**Attributable Debt**” in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments (excluding, however, any amounts required to be paid by such lessee, whether or not designated as rent or additional rent, on account of maintenance and repairs, insurance, taxes, assessments, water rates or similar charges or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales or similar contingent amounts) during the remaining term of the lease included in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value will be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.”

“**First Lien Leverage Ratio**” means, at any date of determination, the ratio of Total Net Debt of the Borrower and its Subsidiaries at such date (including in any event all Debt outstanding under this Agreement) that is secured by a first priority Lien on any right, title, property or asset of any Loan Party to Consolidated EBITDA of the Borrower and its Subsidiaries for the most recently completed Measurement Period.”

“**Fixed Charge Coverage Ratio**” means, with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. For purposes of this definition, (i) EBITDA shall be determined on a pro forma basis as set forth in the definition thereof, (ii) any Indebtedness incurred, assumed, defeased, redeemed, prepaid or repaid during any Measurement Period shall be deemed to have been incurred, assumed, defeased, redeemed, prepaid or repaid on the first day of such Measurement Period, and (iii) consolidated interest expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate will be computed as if the rate in effect on the last date of the Measurement Period (taking into account any interest rate option, swap, cap or similar agreement applicable to such Indebtedness if such agreement has a remaining term in excess of 12 months

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or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period.

“**Fixed Charges**” means, with respect to any specified Person for any period, the sum, without duplication, of:

(a) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capitalized Leases, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings, and net of the effect of all payments made or received pursuant to Hedge Agreements; *plus*

(b) the consolidated interest of such Person and its Subsidiaries that was capitalized during such period; *plus*

(c) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries, to the extent not included under any other clause of this definition, whether or not such Guarantee or Lien is called upon; *plus*

(d) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Interests (including Redeemable Equity Interests) of such Person or any of its Subsidiaries, other than dividends on Equity Interests payable solely in common Equity Interests of the Borrower or to the Borrower or a Subsidiary of the Borrower, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal; *minus*

(e) interest income,

in each case, on a consolidated basis and in accordance with GAAP; *provided, however*, that Fixed Charges shall not include (x) the amortization or write-off of deferred financing fees or debt issuance costs or any expensing of bridge or any financing fees or (y) any non-cash interest expense attributable to the movement in the mark to market valuation of Hedge Agreements or other derivative instruments pursuant to Financial Accounting Standards Board Statement No. 133 “Accounting for Derivative Instruments and Hedging Activities.” ”

“**Sale and Leaseback Transaction**” has the meaning specified in Section 5.02(s).”

(b) Section 1.01 is hereby further amended by

(i) deleting the defined term “Interest Coverage Ratio” in its entirety;

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(ii) adding the words “, Credit Suisse, Cayman Islands Branch” after the words “Initial Issuing Bank” where it appears in the first line of the defined term “Issuing Bank”; and

(iii) inserting the words “(excluding clause (ix)(B))” after the words “(i) through (xi)” in clause (a) of the defined term “Net Cash Proceeds”.

(c) Section 2.01(g) is hereby amended by replacing the amount “\$10,000,000” where it appears in clause (A) of the proviso thereto with “\$15,000,000”.

(d) Section 2.17(a) is hereby amended by replacing the amount “\$100,000,000” where it appears therein with “\$200,000,000”.

(e) Section 5.01(p) is hereby amended and restated in its entirety to read as follows: “[Reserved]”.

(f) Section 5.02(a) is hereby amended as follows:

(i) Section 5.02(a)(vii) is hereby amended by (A) inserting after the word “Debt” in the first line thereof the words “or other obligation” and (B) replacing the amount “\$2,500,000” therein with “\$7,500,000”;

(ii) Section 5.02(a)(ix) is hereby amended by deleting the word “and” at the end thereof;

(iii) the following new clause (x) is inserted immediately after Section 5.02(a)(ix): “(x) Liens arising under Sale and Leaseback Transactions permitted under Section 5.02(s); *provided* that no such Lien shall extend to or cover any Collateral or assets other than the assets subject to such Sale and Leaseback Transaction; and” and

(iv) Section 5.02(a)(x) is hereby amended by (A) designating such Section as 5.02(a)(xi) and (B) inserting after the reference “(viii)” where it appears therein the words “and clause (x)”.

(g) Section 5.02(b) is hereby amended as follows:

(i) Section 5.02(b)(xi) is replaced in its entirety with the following:

“(xi) so long as no Default has occurred and is continuing or would result from the incurrence thereof, additional Subordinated Debt so long as the Fixed Charge Coverage Ratio for Borrower’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Subordinated Debt is incurred would have been at least 2.00:1.00 on a *pro forma* basis (including a *pro forma* application of the Net Cash Proceeds therefrom), as

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if the additional Subordinated Debt had been incurred at the beginning of such four-quarter Period”;

(ii) Section 5.02(b)(xiv) is amended by deleting the word “and” at the end thereof;

(iii) Section 5.02(b)(xv) is amended by adding the following in place of the period at the end thereof “; and”; and

(iv) The following new clause (xvi) is added to Section 5.02(b) “(xvi) Debt incurred in connection with Sale and Leaseback Transactions permitted by Section 5.02(s).”

(h) Section 5.02(e)(ix) is hereby amended by replacing it in its entirety with “transactions permitted by (A) Section 5.02(d) or (B) Section 5.02(s);”.

(i) Section 5.02(f) is hereby amended as follows:

(i) Section 5.02(f)(i) is amended by replacing the amount “\$10,000,000” with “\$20,000,000”;

(ii) Section 5.02(f)(vii)(D) is amended by (A) deleting clauses (1) through (3) therein in their entirety and substituting therefor the words “\$200,000,000 in the aggregate from and after the Amendment No. 3 Effective Date”; (B) deleting the first proviso therein in its entirety; and (C) inserting after the words “owned by such Loan Party” at the end thereof the following “unless all or substantially all of the assets of such entity or subject to such acquisition are in the U.S. and become Collateral on terms reasonably acceptable to the Administrative Agent within 60 days after the acquisition thereof or such longer period as the Administrative Agent may agree in its discretion”;

(iii) Section 5.02(f)(vii)(E) is amended by deleting the proviso in parentheses in clause (2) thereof;

(iv) Section 5.02(f)(viii) is amended by replacing the amount “\$5,000,000” therein with “\$10,000,000”; and

(v) Section 5.02(f)(ix) is amended by replacing the amount “\$15,000,000” therein with “\$30,000,000”.

(j) Section 5.02(o) is hereby amended by replacing the amount “\$35,000,000” wherever it appears therein with “\$40,000,000”

(k) Section 5.02 is hereby amended by inserting a new subsection 5.02(s) as follows:

“(s) Sale and Leaseback Transactions. Enter into any transaction (other than a transaction among the Borrower and its Subsidiaries that would have otherwise

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been permitted by Section 5.02(e)(xi)) involving any of the assets or properties of the Borrower or any of its Subsidiaries whether now owned or hereafter acquired, whereby the Borrower or such Subsidiary sells or otherwise transfers such assets or properties and then or thereafter leases such assets or properties or any part thereof or any other assets or properties which the Borrower or any of its Subsidiaries intends to use for substantially the same purpose or purposes as the assets or properties sold or transferred (a “**Sale and Leaseback Transaction**”); *provided* that the Borrower and its Subsidiaries may enter into (x) the Sale and Leaseback Transactions set forth on Schedule 5.02(s) for fair value (and promptly after the consummation of each such Sale and Leaseback Transaction, advise the Agent in writing (who may provide such information to the Lenders) of the amount received by the Borrower or the applicable Subsidiary in connection with such Sale and Leaseback Transaction) and (y) additional Sale and Leaseback Transactions for fair value in an aggregate amount not to exceed \$35,000,000.

(l) Section 5.04(a) is hereby amended by deleting it in its entirety and replacing it with “(a) First Lien Leverage Ratio. Maintain at all times a First Lien Leverage Ratio of not more than 2.00:1.00.”

(m) Section 5.04(b) is hereby deleted in its entirety.

(n) Schedule I is hereby supplemented to include the information set forth on Schedule A to this Amendment.

(o) Schedule 5.02(s) to this Amendment is hereby added as Schedule 5.02(s) to the Credit Agreement.”

SECTION 3. Conditions to Effectiveness. (a) Section 1 of this Amendment shall become effective on and as of the first date (the “**Amendment No. 3 Effective Date**”) on which the following conditions precedent have been satisfied:

(i) The Agent shall have received counterparts of this Amendment, executed by the Borrower, the Parent and each of the Required Lenders, in accordance with the provisions of Section 9.01 of the Credit Agreement;

(ii) The Agent shall have received a consent to this Amendment (in the form attached hereto) from each Subsidiary Guarantor, executed by each such Subsidiary Guarantor;

(iii) The fees, costs and expenses owing to the Agent and the Lenders pursuant to the Credit Agreement or in connection with this Amendment or the Credit Agreement, or any of the transactions contemplated hereby or thereby, shall have been paid by the Borrower;

(iv) Before and after giving effect to the issuance of the Additional Floating Rate Notes and the application of the proceeds therefrom, the representations and warranties contained in each Loan Document shall be correct

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in all material respects and no Default or Event of Default shall have occurred and be continuing;

(v) The Agent shall have received a certificate of an officer of the Borrower certifying that the statements set forth in clause (iv) above are true and correct as of the Amendment No. 3 Effective Date; and

(vi) The Agent shall have received such other documents and instruments as it shall reasonably request.

(b) Section 2 of this Amendment shall become effective on and as of the first date on which the following conditions precedent have been satisfied:

(i) The Amendment No. 3 Effective Date shall have occurred;

(ii) The Additional Floating Rate Notes shall have been issued and the aggregate principal amount of all then outstanding Term Advances shall have been prepaid in full, including any amounts owing pursuant to Section 9.04(c);

(iii) Solely with respect to clause (c) of Section 2, the Agent shall have received the consent of the applicable Issuing Bank thereto; and

(iv) No Default or Event of Default shall have occurred and be continuing and the Agent shall have received a certificate from an officer of the Borrower certifying to the foregoing.

**SECTION 4. Representations and Warranties of the Borrower and Parent.** Each of the Borrower and Parent hereby represents and warrants as follows:

(a) The execution, delivery and performance by the Borrower and Parent of this Amendment, the execution and delivery by each Subsidiary Guarantor of its consent to this Amendment (in the form attached hereto), and the performance by the Borrower and Parent of the Credit Agreement, as amended hereby, have been duly authorized by all necessary corporate action.

(b) This Amendment has been duly executed and delivered by the Borrower and Parent. This Amendment and the Credit Agreement, as amended hereby, constitute the legal, valid and binding obligations of the Borrower and Parent, enforceable against the Borrower and Parent in accordance with their respective terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and subject to the effects of general principles of equity (regardless whether considered in a proceeding in equity or at law).

**SECTION 5. Reference to and Effect on the Loan Documents.** (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in each of the other Transaction Documents to "the Credit Agreement",

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“thereunder”, “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

SECTION 6. Costs, Expenses. The Borrower hereby agrees to pay on demand all costs and expenses incurred by the Administrative Agent pursuant to the Credit Agreement or in connection with this Amendment or the Credit Agreement, or any of the transactions contemplated hereby or thereby (including, without limitation, the reasonable fees and expenses of counsel for the Agent) in accordance with the terms of Section 9.04 of the Credit Agreement.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or other electronic communication shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 8. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 9. Waiver of Jury Trial. EACH PARTY SIGNATORY HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE ACTIONS OF ANY AGENT OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**PREGIS CORPORATION,**  
as Borrower

By /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

[Signature Page]

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**PREGIS HOLDING II CORPORATION,**  
as Parent

By /s/ D. Keith LaVanway

Name: D. Keith LaVanway

Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

[Signature Page]

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**CREDIT SUISSE, CAYMAN ISLANDS BRANCH,**  
as Issuing Bank

By /s/ Shaheen Malik

Name: Shaheen Malik

Title: Vice President

By /s/ Ilya Ivashkov

Name: Ilya Ivashkov

Title: Associate

[Signature Page]

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**AMENDMENT NO. 1 TO THE SECOND LIEN SECURITY AGREEMENT**

This AMENDMENT NO. 1 (this "**Amendment**") is entered into as of October 5, 2009, among PREGIS CORPORATION, a Delaware corporation (the "**Company**"), each of the other Grantors (as hereinafter defined) signatory hereto and THE BANK OF NEW YORK MELLON TRUST COMPANY N.A., as Trustee (the "**Trustee**") and as collateral agent (in such capacity, the "**Collateral Agent**") for the Holders (as hereinafter defined).

PRELIMINARY STATEMENTS:

(1) The Company, the other Grantors and the Collateral Agent have entered into the Second Lien Security Agreement, dated as of October 12, 2005 (such Second Lien Security Agreement, the "**Security Agreement**"). Capitalized terms not otherwise defined in this Amendment shall have the respective meaning ascribed to such terms in the Security Agreement (as amended by this Amendment).

(2) The Company has issued certain senior secured floating rate notes (the "**Original Notes**") to the Holders and pursuant to the Security Agreement has granted to the Collateral Agent for the benefit of the Trustee and the ratable benefit of the Holders a second priority security interest in the Collateral.

(3) The Company intends to issue additional senior secured floating rate notes under the Indenture in an aggregate principal amount of Euros which as of the date hereof is approximately equivalent to €125,000,000 (the "**Additional Floating Rate Notes**"), which Additional Floating Rate Notes shall be secured by the Collateral on a second priority basis on the same terms and conditions set forth in the Security Agreement and the other Note Documents as the Original Notes.

(4) The Company, the other Grantors and the Collateral Agent are, on the terms and conditions stated below, willing to amend the Security Agreement as hereinafter set forth.

SECTION 1. **Amendments to Security Agreement.** The Security Agreement is, effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 2, hereby amended by:

- (a) Deleting the word "Second" before the words "Secured Floating Rate Notes" in Preliminary Statement (1) therein; and
- (b) Substituting the first parenthetical in Preliminary Statement (1) therein with the following parenthetical:

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“(together with any additional notes from time to time issued under the Indenture, including, without limitation, the Senior Secured Floating Rate Notes due 2013 issued on October 5, 2009, the “Notes”)

(c) Adding a new clause (d) in Section 9 to read as follows:

“(d) Pursuant to Section 12.06(b) of the Indenture, the Collateral Agent has requested and each Grantor hereby agrees to take the following actions promptly after the issue date of the Senior Secured Floating Rate Notes due 2013 issued on October 5, 2009, to provide a perfected security interest securing such notes: (w) amend the Subordinated Pledge Agreement, dated as of October 12, 2005, between the Company, and the Collateral Agent, (x) amend the existing mortgages and deeds of trust and provide local counsel opinions in connection with the same, such amendments and opinions to be in form and substance reasonably satisfactory to the Collateral Agent, (y) (i) with respect to the property located in Queensbury, New York, amend the mortgage to increase the capped secured amount thereunder to \$3,500,000 and (ii) with respect to the properties located outside of the State of New York, obtain (through an endorsement to the applicable existing title insurance policy) increased title insurance coverage in an amount equal to 10% of the applicable existing insured amount and a date-down endorsement for the applicable existing title insurance policy which modifies the effective date of the title insurance policy to a current date and (z) amend the intellectual property security agreements, the parties hereto hereby agreeing that for purposes of Section 12.06(b) and 12.06(d) of the Indenture, given the number, extent and complexity of the filings in connection with the foregoing clauses (w) through (z), completion of such filings and delivery of perfected security interests and the items identified in such clauses within 120 days from the issue date of the Senior Secured Floating Rate Notes due 2013 issued on October 5, 2009 shall constitute prompt delivery for the purposes thereof; *provided that*, in the event any of the properties subject to a mortgage or deed of trust is sold or transferred within such 120 day period, clauses (x) and (y) shall no longer apply to such property as and from the date of the sale or transfer.”

SECTION 2. Conditions to Effectiveness. This Amendment shall become effective on and as of the first date on which the Collateral Agent shall have received counterparts of this Amendment, executed by the Company and each of the other Grantors and the consent of the Intercreditor Agent (as defined in the Intercreditor Agreement) of the execution and delivery by the Grantors of this Amendment.

SECTION 3. Representations and Warranties of the Grantors. Each of the Grantors hereby represents and warrants as follows:

(a) The execution, delivery and performance by each Grantor of this Amendment, and the performance by each such Grantor of the Security Agreement, as amended hereby, have been duly authorized by all necessary corporate action.

(b) This Amendment has been duly executed and delivered by each Grantor. This Amendment and the Security Agreement, as amended hereby, constitute the legal, valid and binding obligations of each Grantor, enforceable against each such Grantor in

*Pregis – 2<sup>nd</sup> Lien Security Agreement Amendment*

accordance with their respective terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and subject to the effects of general principles of equity (regardless whether considered in a proceeding in equity or at law).

**SECTION 4. Affirmation of Grantors.** (a) Each Grantor in its capacity as a Guarantor hereby specifically consents to this Amendment and hereby confirms and agrees that, notwithstanding the effectiveness of this Amendment, the obligations of such Guarantor contained in the Note Guarantee (as defined in the Indenture), or in any other Note Document to which it is a party are, and shall remain, in full force and effect and are hereby ratified and confirmed in all respects, in each case as amended by this Amendment.

(b) Each Grantor hereby confirms and agrees that the Additional Notes constitute "Secured Obligations" under, and as defined in, the Security Agreement.

(c) By its execution of this Amendment, each Grantor hereby (i) authorizes and agrees that the financing statements on form UCC-1 (stamped copies of which are attached as Schedule 1 to this Amendment) naming such Grantor as debtor and the Collateral Agent as secured party, which were filed in connection with its initial execution and delivery of the Security Agreement cover the Additional Notes and (ii) acknowledges and agrees that this Amendment constitutes a request from the Collateral Agent for purposes of Section 12.06(b) of the Indenture.

**SECTION 5. Reference to and Effect on the Note Documents.**

(a) On and after the effectiveness of this Amendment, each reference in the Security Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Security Agreement, and each reference in each of the other Note Documents to "the Security Agreement", "thereunder", "thereof" or words of like import referring to the Security Agreement, shall mean and be a reference to the Security Agreement, as amended by this Amendment.

(b) The Security Agreement and each of the other Note Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Holder or the Collateral Agent under the Security Agreement, nor constitute a waiver of any provision of the Security Agreement or any other Note Document.

**SECTION 6. Costs. Expenses.** The Company hereby agrees to pay on demand all costs and expenses incurred by the Collateral Agent pursuant to the Security Agreement or in connection with this Amendment or the Security Agreement, or any of the transactions contemplated hereby or thereby (including, without limitation, the reasonable fees and expenses of counsel for the Collateral Agent) in accordance with the terms of Section 23 of the Security Agreement.

*Pregis – 2<sup>nd</sup> Lien Security Agreement Amendment*

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or other electronic communication shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 8. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 9. Waiver of Jury Trial. EACH PARTY SIGNATORY HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE ACTIONS OF THE COLLATERAL AGENT, TRUSTEE OR ANY HOLDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

*[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]*

*Pregis – 2<sup>nd</sup> Lien Security Agreement Amendment*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**PREGIS CORPORATION**

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

**PREGIS HOLDING II CORPORATION**

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

**PREGIS INNOVATIVE PACKAGING INC.**

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

**HEXACOMB CORPORATION**

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

**PREGIS MANAGEMENT CORPORATION**

By: /s/ D. Keith LaVanway  
Name: D. Keith LaVanway  
Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

*Pregis – 2<sup>nd</sup> Lien Security Agreement Amendment*

[Signature Page]

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY N.A.,**  
as Collateral Agent

By: /s/ R. Tarnas  
Name: R. Tarnas  
Title: Vice President

*Pregis – 2<sup>nd</sup> Lien Security Agreement Amendment*

[Signature Page]

**CONSENT OF INTERCREDITOR AGENT**

Dated as of October 5, 2009

Reference is made to (a) the Credit Agreement dated as of October 12, 2005 (as amended, restated, supplemented and otherwise modified to the date hereof, the "**Credit Agreement**"; capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement) among Pregis Corporation, a Delaware corporation (the "**Borrower**"), Pregis Holding II Corporation, a Delaware corporation ("**Parent**"), various subsidiaries of the Borrower as Subsidiary Guarantors, various agents party thereto, the banks, financial institutions and other institutional lenders party thereto from time to time (each a "**Lender**" and collectively the "**Lenders**") and Credit Suisse, Cayman Islands Branch, as collateral agent and administrative agent ("**Agent**"), (b) the Intercreditor Agreement dated as of October 12, 2005, among the Agent and the Trustee for the holders of the Floating Rate Notes, acknowledged and agreed to by the Borrower, Parent and each Subsidiary Guarantor and (c) Amendment no. 1 to the Second Lien Security Agreement, dated as of 5, 2009, (the "**Second Lien Security Agreement Amendment**") among the Borrower, Parent and the Subsidiary Guarantors. The Agent, in its capacity as Intercreditor Agent (as defined in the Intercreditor Agreement) under the Intercreditor Agreement, hereby consents to the execution and delivery by the Borrower, Parent and the Subsidiary Guarantors party thereto of the Second Lien Security Agreement Amendment and any amendment to any of the other Second-Priority Collateral Documents necessary or desirable to grant a perfected security interest in the property, rights and assets of the Loan Parties that are required to secure the Additional Notes.

**CREDIT SUISSE, CAYMAN ISLANDS BRANCH,**  
as Intercreditor Agent

By: /s/ Shaheen Malik                      /s/ Ilya Ivashkov  
Name: Shaheen Malik                      Ilya Ivashkov  
Title: Vice President                      Associate

*Pregis – 2<sup>nd</sup> Lien Security Agreement Amendment*

[Signature Page]

**AMENDED AND RESTATED SECOND LIEN INTELLECTUAL PROPERTY  
SECURITY AGREEMENT**

This AMENDED AND RESTATED SECOND LIEN INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the “*Amended and Restated IP Security Agreement*”) dated October 5, 2009, is made by Pregis Corporation (the “*Company*”) and the Persons listed on the signature pages hereof (collectively, the “*Grantors*”) in favor of The Bank of New York Mellon Trust Company N.A. (as successor to The Bank of New York), as collateral agent (the “*Collateral Agent*”) for the Trustee and Holders (each as defined in the Indenture referred to below).

WHEREAS, the Company has issued certain senior secured floating rate notes (the “*Original Notes*”) pursuant to the Indenture dated October 12, 2005 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “*Indenture*”) among the Company, the other grantors, the guarantors party thereto, the Collateral Agent, and Grant Thornton, as successor to RSM Robson Rhodes LLP, as Irish Paying Agent.

WHEREAS, as a condition precedent to the issuance of notes under the Indenture, each Grantor has executed and delivered that certain Second Lien Security Agreement dated October 12, 2005 made by the Grantors to the Collateral Agent (as amended by that certain Amendment No. 1 dated as of the date hereof, and as further amended, amended and restated, supplemented or otherwise modified from time to time, the “*Security Agreement*”; terms defined in the Security Agreement and not otherwise defined herein are used herein as defined in the Security Agreement), under the terms of which the Grantors have granted to the Collateral Agent for the benefit of the Trustee and the ratable benefit of the Holders, a security interest in, among other property, certain intellectual property of the Grantors;

WHEREAS, as a condition of the Security Agreement, the Grantors have executed that certain Second Lien Intellectual Property Security Agreement (the “*IP Security Agreement*”) for recording with the U.S. Patent and Trademark Office, the United States Copyright Office and other governmental authorities;

WHEREAS, the Company now intends to issue additional senior secured floating rate notes under the Indenture in an aggregate principal amount of Euros which as of the date hereof is approximately equivalent to €125,000,000 (the “*Additional Floating Rate Notes*”), which Additional Floating Rate Notes shall be secured by the Collateral (as defined below) on a second priority basis on the same terms and conditions set forth in the Security Agreement and the other Note Documents as the Original Notes.

WHEREAS, the IP Security Agreement was recorded with the United States Patent and Trademark Office on reel 016700 frame 0007 and on reel 03183 frame 0450 on October 28, 2005;

WHEREAS, the Grantors and the Collateral Agent have now agreed to amend and restate the IP Security Agreement so that the Grantors may grant the Collateral Agent a security interest in, to and under all of the Grantors’ right, title and interest in and to the

Pregis Amended and Restated Intellectual Property Security Agreement

Collateral (as defined below) solely in connection with the security interest granted pursuant to the Security Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned agrees that the IP Security Agreement is amended and restated as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Collateral Agent for the benefit of the Trustee and the ratable benefit of the Holders a security interest in all of such Grantor's right, title and interest in and to the following (the "**Collateral**"):

(i) the patents and patent applications set forth in Schedule A hereto (the "**Patents**");

(ii) the trademark and service mark registrations and applications set forth in Schedule B hereto (provided that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law), together with the goodwill symbolized thereby (the "**Trademarks**");

(iii) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including, without limitation, the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto (the "**Copyrights**");

(iv) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral of or arising from any of the foregoing.

SECTION 2. Security for Obligations. This Amended and Restated IP Security Agreement secures, in the case of each Grantor, the payment of all Obligations of such Grantor now or hereafter existing under the Note Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise (all such Obligations being the "**Secured Obligations**"). Without limiting the generality of the foregoing, this Amended and Restated IP Security Agreement secures, as to each Grantor, the payment of all amounts that constitute part of the Secured Obligations and would be owed by such Grantor to any Holder under the Note Documents but for the fact that they are unenforceable or not

allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Grantor.

SECTION 3. Recordation. Each Grantor authorizes and requests that the Register of Copyrights, the Commissioner for Patents and the Commissioner for Trademarks and any other applicable government officer record this Amended and Restated IP Security Agreement.

SECTION 4. Execution in Counterparts. This Amended and Restated IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 5. Grants, Rights and Remedies. This Amended and Restated IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. Each Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Collateral Agent with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 6. Governing Law. This Amended and Restated IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Pregis Amended and Restated Intellectual Property Security Agreement

IN WITNESS WHEREOF, each Grantor has caused this Amended and Restated IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

PREGIS CORPORATION

By: /s/ D. Keith LaVanway

Name: D. Keith LaVanway

Title: Vice President, Chief Financial  
Officer, Treasurer and Secretary

Address for Notices:

1650 Lake Cook Road, Suite 400  
Deerfield, Illinois 60015

PREGIS HOLDING II CORPORATION

By: /s/ D. Keith LaVanway

Name: D. Keith LaVanway

Title: Vice President, Chief Financial  
Officer, Treasurer and Secretary

Address for Notices:

1650 Lake Cook Road, Suite 400  
Deerfield, Illinois 60015

Pregis Amended and Restated Intellectual Property Security Agreement

PREGIS MANAGEMENT CORPORATION

By: /s/ D. Keith LaVanway

Name: D. Keith LaVanway

Title: Vice President, Chief Financial  
Officer, Treasurer and Secretary

Address for Notices:

1650 Lake Cook Road, Suite 400  
Deerfield, Illinois 60015

PREGIS INNOVATIVE PACKAGING INC.

By: /s/ D. Keith LaVanway

Name: D. Keith LaVanway

Title: Vice President, Chief Financial  
Officer, Treasurer and Secretary

Address for Notices:

1650 Lake Cook Road, Suite 400  
Deerfield, Illinois 60015

HEXACOMB CORPORATION

By: /s/ D. Keith LaVanway

Name: D. Keith LaVanway

Title: Vice President, Chief Financial  
Officer, Treasurer and Secretary

Address for Notices:

1650 Lake Cook Road, Suite 400  
Deerfield, Illinois 60015

Pregis Amended and Restated Intellectual Property Security Agreement

THE BANK OF NEW YORK MELLON  
TRUST COMPANY N.A.,  
as Collateral Agent

By: /s/ R. Tarnas \_\_\_\_\_

Name: R. Tarnas

Title: Vice President

Pregis Amended and Restated Intellectual Property Security Agreement

**5 OCTOBER 2009**

**AMENDMENT AGREEMENT  
To a  
SUBORDINATED PLEDGE AGREEMENT DATED 12 OCTOBER 2005**

Between

**PREGIS CORPORATION  
AS THE PLEDGOR**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.  
AS THE SECURITY AGENT**



**THIS AMENDMENT AGREEMENT** (the “**Subordinated Pledge Amendment Agreement**”) is made on the date stated on the front-page hereof to a subordinated pledge agreement dated 12 October 2005 (the “**Base Subordinated Pledge Agreement**”)

**BETWEEN:**

1) **PREGIS CORPORATION**, a corporation incorporated in the State of Delaware, with registered office at Trust Center, 1209 Orange Street, 19801 Wilmington, Delaware, United States of America, registered under the U.S federal tax id number 20-3103585, hereinafter referred to as the “**Pledgor**”;

**AND**

2) **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, with registered office at 2 North LaSalle Street, Suite 1020, Chicago, Illinois 60602, United States of America, as successor trustee to The Bank of New York, hereinafter referred to as the “**Security Agent**”;

**IN THE PRESENCE OF**

3) **Pregis (Luxembourg) Holding S.à r.l.**, a *société à responsabilité limitée* incorporated under Luxembourg law, with registered office at 20, rue de la Poste, L-2346 Luxembourg (Grand Duchy of Luxembourg), having a share capital of EUR 822,500 and registered with the Luxembourg trade and companies register under number B 110 438, hereinafter referred to as the “**Company**”.

The Pledgor, the Security Agent, and the Company hereafter referred to as the “**Parties**” and individually the “**Party**”.

Unless otherwise defined in this Subordinated Pledge Amendment Agreement, words and expressions defined in the Subordinated Pledge Agreement shall bear the same meanings when used in this Subordinated Pledge Amendment Agreement.

**WHEREAS**

A. The Parties concluded on 12 October 2005 the Subordinated Pledge Agreement, pursuant to an indenture (the “**Base Indenture**”) relating to the issuance by the Pledgor of senior secured floating rate notes (the “**Original Notes**”) for an amount of EUR 100,000,000 to the Holders (as defined in the Base Indenture);

- B. The Pledgor intends to issue additional senior secured floating rate notes, to be issued under the Base Indenture as supplemented by a supplemental indenture on 5 October 2009 (the “**Supplemental Indenture**”), in an aggregate principal amount of approximately EUR 125,000,000 (the “**Additional Floating Rate Notes**”), which Additional Floating Rate Notes shall be secured on the same terms and conditions set forth in the security agreement and the other note documents as the Original Notes;
- C. The Parties agreed to amend the subordinated pledge agreement concluded on 12 October 2005 (the “**Base Subordinated Pledge Agreement**”) to include as security for the Secured Liabilities, among others, the Additional Floating Rate Notes and any other possible notes issuing that may occur from time to time in the future.
- D. The Parties agreed to secure payment and discharge of the Secured Liabilities as defined in the Base Subordinated Pledge Agreement, as amended by the Subordinated Pledge Amendment Agreement.
- E. In consideration of the above, the Parties are, on the terms and conditions stated below, willing to amend the Base Subordinated Pledge Agreement and to enter into and execute this Subordinated Pledge Amendment Agreement on the following terms:

#### **1. AMENDMENTS TO THE BASE SUBORDINATED PLEDGE AGREEMENT**

- 1.1 The Parties have declared their willingness to amend the definition of “Note Documents” of Article 1.2 of the Base Subordinated Pledge Agreement in a manner set out hereinafter:

“**Note Documents**” means the Indenture, the Notes, the Additional Notes, any additional notes to be issued from time to time in the future pursuant to the Indenture and any other related document or instrument executed and delivered pursuant thereto evidencing or governing any Obligations thereunder.
- 1.2 The Parties have declared their willingness to add a new definition under Article 1.2 of the Base Subordinated Pledge Agreement in a manner set out hereinafter:

“**Additional Notes**” means the additional senior secured floating rate notes issued by the Pledgor under the Indenture on about 5 October 2009 in an aggregate principal amount of approximately the equivalent of EUR 125,000,000.
- 1.3 The Parties have declared their willingness to amend the definition of “Indenture” of Article 1.2 of the Base Subordinated Pledge Agreement in a manner set out hereinafter:

“**Indenture**” means the indenture in the agreed terms, entered into on 12 October 2005, as amended by the Supplemental Indenture, and as amended, supplemented or otherwise modified from time to time, between the following parties or their respective successors: Pregis Corporation as Issuer, the Guarantors named therein, the Bank of New York as Trustee and Collateral Agent and RSM Robson Rhodes LLP as Irish Paying Agent.
- 1.4 The Parties have declared their willingness to add the definition of “Supplemental Indentures” to Article 1.2 of the Base Subordinated Pledge Agreement in a manner set out hereinafter:

“**Supplemental Indentures**” means any indenture modifying the Indenture entered between the parties to the Indenture from time to time and for the first time on 5 October 2009.

- 1.5 The Parties have declared their willingness to amend the definition of “Promissory Notes” of Article 1.2 of the Base Subordinated Pledge Agreement in a manner set out hereinafter:

“**Promissory Notes**” means the promissory notes, in the agreed terms, entered into by Pregis (Luxembourg) Holding S.à r.l. as Maker and in favour of Pregis Corporation as Payee.

- 1.6 The Parties have declared their willingness to amend the “Implementation of the dispossession” of Article 3.4 of the Base Subordinated Pledge Agreement in a manner set out hereinafter:

### **3.4 Implementation of the dispossession**

The Parties grant all powers to any lawyer of Wildgen attorneys-at-law, to (i) record the pledge of the shares issued by the Company as provided for in this Pledge Agreement in the Company’s shareholders register, (ii) record the pledge of the CPECs as provided for in this Pledge Agreement in the CPECs register and (iii) endorse the pledge of the rights of the Pledgor under the Promissory Notes as provided for in this Pledge Agreement.

## **2. GENERAL PROVISIONS**

- 2.1. The Parties adhere to the terms and conditions stated in the Base Subordinated Pledge Agreement.
- 2.2. The terms and conditions stated in the Base Subordinated Pledge Agreement are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed by the Parties in this Subordinated Pledge Amendment Agreement.
- 2.3. The execution, delivery and effectiveness of this Subordinated Pledge Amendment Agreement shall not operate as a waiver of any right, power or remedy of any Party under the Base Subordinated Pledge Agreement.
- 2.4. This Subordinated Pledge Amendment Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or other electronic communication shall be effective as delivery of a manually executed counterpart of this Amendment.
- 2.5. If any term or provision of this Subordinated Pledge Amendment Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Subordinated Pledge Amendment Agreement and any other application of such term or provision shall not be affected thereby.
- 2.6. This Subordinated Pledge Amendment Agreement (and any dispute, controversy, proceedings or claims of whatever nature arising out of or in any way relating to this Subordinated Pledge Amendment Agreement) shall be exclusively governed by and construed in all respects in accordance with Luxembourg law.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Subordinated Pledge Amendment Agreement by their respective officers thereunto duly authorized, as of the date and year first written above.

**PREGIS CORPORATION**

By: /s/ D. Keith LaVanway  
Title: Vice President, Chief Financial Officer,  
Treasurer and Secretary

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.**

By: /s/ R. Tarnas  
Title: Vice President

By signing hereunder for acceptance, the Company acknowledges and accepts the existence of this Subordinated Pledge Amendment Agreement and the security interest created thereunder over the Shares, the Receivables and the CPEC for the purposes of Article 114 (3) of the Luxembourg Code of Commerce, take notice of the terms thereof, and undertake to duly register forthwith this Pledge in the Registers.

**Pregis (Luxembourg) Holding S.à r.l.**

By: /s/ D. Heemskirk      F. Gaspar  
Title: Director              Director



**For Immediate Release**

**Contacts:**

Keith LaVanway  
847-597-9353

[klavanway@pregis.com](mailto:klavanway@pregis.com)

Brent Zachary

847-597-9330

[bzachary@pregis.com](mailto:bzachary@pregis.com)

**PREGIS CORPORATION ANNOUNCES CLOSING OF €125,000,000 DEBT PRIVATE PLACEMENT**

Deerfield, IL, October 5, 2009 — Pregis Corporation, a leading international manufacturer, marketer, and supplier of protective packaging products and specialty packaging solutions, today announced that it has closed on the offering of €125,000,000 aggregate principal amount of additional second priority senior secured floating rate notes due 2013. These notes were issued in a transaction pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended. The Company used the net proceeds from this offering to repay outstanding term loan indebtedness under its senior secured credit facilities, which have also been amended as part of the transaction.

Commenting on the closing of the private placement and credit facility amendment, Mike McDonnell, President and Chief Executive Officer, stated, “We are very pleased that we were able to successfully complete the note offering and refinancing of our capital structure. The success of this transaction demonstrates the confidence that investors have in the strength of Pregis and its future.”

Mr. McDonnell continued, “This transaction significantly enhances our financial flexibility and extends the maturity of all of our debt with the exception of our revolving credit facility until 2013. This enhanced capital structure, coupled with the Company’s strong cash position, enables Pregis to make prudent investments to accelerate our strategic growth initiatives and drive our earnings as economic conditions improve. Our leadership team is excited about building upon our past successes to further strengthen the value proposition Pregis offers to our customers, employees and investors.”

**About Pregis:**

Pregis Corporation is a leading global provider of innovative protective, flexible, and foodservice packaging and hospital supply products. The specialty-packaging leader currently operates 46 facilities in 18 countries around the world. Pregis Corporation is a wholly owned subsidiary of Pregis Holding II Corporation. For more information about Pregis, visit the Company’s web site at [www.pregis.com](http://www.pregis.com).

**Safe Harbor Statement:**

*This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. You can generally identify forward-looking statements by the Company's use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "should," or "will," or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. For a discussion of key risk factors, please see the risk factors disclosed in the Company's annual report, which is available on its website, [www.pregis.com](http://www.pregis.com). These risks may cause actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Given these risk and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this press release are made only as of the date hereof. The Company undertakes no duty to update its forward-looking statements.*