

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): **April 16, 2009**

**SEALED AIR CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other  
Jurisdiction of Incorporation)

**1-12139**  
(Commission  
File Number)

**65-0654331**  
(IRS Employer  
Identification No.)

**200 Riverfront Boulevard  
Elmwood Park, New Jersey**  
(Address of Principal Executive Offices)

**07407**  
(Zip Code)

Registrant's telephone number, including area code: **201-791-7600**

**Not Applicable**

(Former Name or Former Address, If Changed Since Last Report)

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:

- 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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Forms of Agreement relating to 2009 Performance Share Units Awards

As set forth in the proxy statement of Sealed Air Corporation (the "Company") for its upcoming 2009 annual meeting of stockholders, the Organization and Compensation Committee (the "Compensation Committee") of the Company's Board of Directors decided to make awards of performance share units under the 2005 Contingent Stock Plan of Sealed Air Corporation (the "Contingent Stock Plan") for the two-year and three-year performance periods beginning January 1, 2009.

On April 16, 2009, the Compensation Committee approved the following forms of agreement in connection with those awards: (i) Form of Sealed Air Corporation Performance Share Units Award Grant 2009-2010 (attached hereto as Exhibit 10.1 and incorporated herein by reference); (ii) Form of Sealed Air Corporation Performance Share Units Award Grant 2009-2011 (attached hereto as Exhibit 10.2 and incorporated herein by reference); and (iii) Form of Waiver and Release of Sealed Air Corporation Performance Share Units 2008 Two Year Award and 2008 Three Year Award (attached hereto as Exhibit 10.3 and incorporated herein by reference). The forms of award grants specify the recipient, target award, performance goals, and other information regarding the performance share unit awards. The performance goals and their relative weightings are attached as Appendix B to each of the forms of award grants. The forms of award grants contain two-year and three-year vesting periods, respectively. During the vesting periods, the awards granted under these agreements shall be forfeited on termination of employment with the Company, other than as a result of the employee's death, disability or retirement. Other special rules apply in case of termination of employment following a change in control. The purpose of the form of waiver and release was described in the Company's Current Report on Form 8-K, Date of Report March 24, 2009, under the caption "Two-Year Long Term Incentive Awards," which information is incorporated herein by reference.

The Company's principal executive officer, principal financial officer and other individuals included in the Summary Compensation Table of the Company's 2009 proxy statement, referred to as "named executive officers," as well as other key employees of the Company, are eligible to receive performance share units awards under the Contingent Stock Plan.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Sealed Air Corporation Performance Share Units Award Grant 2009-2010.
10.2	Form of Sealed Air Corporation Performance Share Units Award Grant 2009-2011.
10.3	Form of Waiver and Release of Sealed Air Corporation Performance Share Units 2008 Two Year Award and 2008 Three Year Award.

2

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**SIGNATURE**

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.

SEALED AIR CORPORATION

By: /s/ H. Katherine White  
Name: H. Katherine White  
Title: Vice President, General Counsel and Secretary

Dated: April 22, 2009

3

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**EXHIBIT INDEX**

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10.1	Form of Sealed Air Corporation Performance Share Units Award Grant 2009-2010.
10.2	Form of Sealed Air Corporation Performance Share Units Award Grant 2009-2011.
10.3	Form of Waiver and Release of Sealed Air Corporation Performance Share Units 2008 Two Year Award and 2008 Three Year Award.

4

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- There is no automatic vesting of your Units upon a “Change in Control” (as defined in the 2005 Contingent Stock Plan). However, the 2005 Contingent Stock Plan provides for pro rata vesting of your Units if within two years following the Change in Control your employment is terminated either by the Company without Cause or by you for “Good Reason” (also as defined in the 2005 Contingent Stock Plan).
- The Organization and Compensation Committee retains the right in its sole discretion to reduce any award which would otherwise be payable, unless there has been a Change in Control, as defined in the 2005 Contingent Stock Plan.
- This award is subject to the Company’s Policy on Recoupment of Incentive Compensation, a current copy of which is attached as Appendix C.
- Payments will be taken into account for purposes of the Company’s employee benefit plans and programs only to the extent provided under the terms of such plans and programs.

**FOR MORE INFORMATION.**

If you have any questions about your award or Units or need additional information, contact H. Katherine White at 201-703-4145.

IN WITNESS WHEREOF, the Company has caused this Award Grant to be executed by its duly authorized officer, and you have hereunto set your hand, effective as of the Grant Date stated above.

SEALED AIR CORPORATION

EMPLOYEE

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

**APPENDIX A**

**SEALED AIR CORPORATION  
 PERFORMANCE SHARE UNITS PROGRAM**

**PURPOSE**

The Sealed Air Corporation Performance Share Units Program (the “Program”) has been established effective as of January 1, 2008 (the “Effective Date”) to provide long-term incentive compensation to key employees who are in a position to influence the performance of Sealed Air Corporation and its subsidiaries (the “Company”), and thereby enhance shareholder value over time. The Program provides a significant additional financial opportunity and complements other parts of the Company’s total compensation program for key employees (base salary, annual performance plan, and benefits).

**ELIGIBILITY AND PERFORMANCE PERIODS**

The Committee (as defined in the “Program Administration” section of the Program) will determine which employees of the Company are eligible to participate in the Program from time to time. Participants will be selected within 90 days after the beginning of each multi-year performance cycle (“Performance Period”). Each Performance Period will be of two or more years duration as determined by the Committee and will commence on January 1 of the first year of the Performance Period. A new Performance Period will commence each year unless the Committee determines otherwise.

**TARGET AWARDS**

At the time a Participant is selected for participation in the Program for a Performance Period, the Committee will assign the Participant a Performance Share Units Target Award to be earned if the Company’s target performance levels are met for the Performance Period (the “Target Award”). The Target Award will be expressed as a number of Performance Share Units under the Company’s 2005 Contingent Stock Plan and will be evidenced by a Performance Share Units award grant consistent with the provisions of the 2005 Contingent Stock Plan.

**MAXIMUM AND THRESHOLD AWARDS**

At the time a Participant is selected for participation in the Program for a Performance Period, the Participant will be assigned maximum and threshold award levels, expressed as a percentage of the Target Award. Maximum award level represents the maximum percentage of the Target Award that may be paid to a Participant for a Performance Period based on performance above target performance levels. Threshold award level represents the minimum percentage of the Target Award that may be paid to a Participant for a Performance Period based on performance below target performance levels. Performance below the threshold performance award level will earn no incentive payments.

Any award of Performance Shares hereunder shall be subject to the individual award limit applicable under the 2005 Contingent Stock Plan.

**PERFORMANCE MEASURES**

Performance measures that may be used under the Program will be those “Performance Measures” defined in the 2005 Contingent Stock Plan.

## PERFORMANCE GOALS

The Committee will designate, within 90 days of the beginning of each Performance Period:

- The performance measures and calculation methods to be used for the Performance Period;
- A schedule for each performance measure relating achievement levels for the performance measure to incentive award levels as a percentage of Participants' Target Awards; and
- The relative weightings of the performance measures for the Performance Period.

The performance goals established by the Committee for a Performance Period are intended to satisfy the "objective compensation formula" requirements of Treasury Regulations Section 1.162-27(e)(2).

## PERFORMANCE CERTIFICATION

As soon as practicable following the end of each Performance Period and prior to any award payments for the Performance Period, the Committee will certify the Company's performance with respect to each performance measure used for that Performance Period.

## AWARD CALCULATION AND PAYMENT

For each Performance Period, individual incentive awards will be calculated and paid to each Participant who is still employed with the Company (subject to the special provisions below for employees who terminate employment due to death, disability or retirement) as soon as practicable following the Committee's certification of performance for the Performance Period. The amount of a Participant's incentive award to be paid based on each individual performance measure will be calculated based on the following formula:

$$\begin{array}{rcccl} \text{Participant's Target} & & \text{Percentage of target} & & \text{Relative} & & \text{Amount of incentive award based} \\ \text{Award} & & \text{award to be paid based} & & \text{weighting of} & & \text{on performance measure results} \\ & \text{X} & \text{on performance} & \text{X} & \text{performance} & = & \\ & & \text{measure results} & & \text{measure} & & \end{array}$$

5

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The incentive amounts to be paid to the Participant based on each performance measure will be summed to arrive at the Participant's total incentive award payment for the Performance Period.

Payments from the Program to a Participant, if any, will be made in the form of one share of the Company's common stock for each Unit earned (rounded up to the nearest whole share if such calculation otherwise would result in issuance of a fractional share). A Participant receiving an award under the Program will also receive a cash payment equal to the dividends that would have been paid during the Performance Period on the Units earned by the Participant had the Units been actual shares of Company common stock.

## TERMINATION OF EMPLOYMENT DUE TO DEATH, DISABILITY, RETIREMENT

If a Participant's employment terminates due to the Participant's death or disability (as defined in the 2005 Contingent Stock Plan) or retirement (as defined below) during the Performance Period, the Participant (or the Participant's estate, in the event of the Participant's death) will receive a pro rata payout following the end of the Performance Period, based upon the portion of the Performance Period during which the Participant was employed. The actual payout will not occur until after the end of the Performance Period, at which time the performance and achievements during the Performance Period will be used to determine the number of Units that the Participant would have earned if the Participant had remained employed for the entire Performance Period prior to applying the pro rata factor. Payouts to Participants whose employment terminates during the Performance Period due to death, disability or retirement will be made at approximately the same time as payouts are made to Participants who are still employed by the Company. A Participant is considered to have retired if the Participant's employment with the Company terminates when the Participant has at least 5 years of service and the Participant's combined age and years of service equals at least 70, but excluding termination of employment due to the Participant's death or disability or termination of employment by the Company for cause. "Cause" for this purpose means any of the following as determined by the Company: (i) an act of gross negligence or willful misconduct significantly injurious to the Company or any subsidiary, (ii) gross dereliction of duties after notice to the Participant and failure to correct the deficiencies within a thirty (30) day period thereafter, or (iii) fraud in the Participant's capacity as an employee.

## OTHER TERMINATION OF EMPLOYMENT

If a Participant's employment terminates prior to the end of a Performance Period for any reason (whether voluntary or involuntary) other than death, disability or retirement, the Participant will forfeit all rights to compensation under the Program, except for any special provisions under the 2005 Contingent Stock Plan in connection with certain terminations of employment following a Change in Control or unless the Committee determines otherwise.

## NEW HIRES OR PROMOTIONS INTO ELIGIBLE POSITIONS

Participants will become eligible for participation in the Program at their new position level beginning with the Performance Period which begins on the January 1 immediately

6

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following their hire or promotion date. No new performance awards or adjustments to awards for Performance Periods that commenced prior to a Participant's hire or promotion date will be made.

## IMPACT OF A CHANGE IN CONTROL

Any special vesting or payment rules with respect to awards under the Program in connection with a Change in Control will be determined under the provisions of the 2005 Contingent Stock Plan.

## PROGRAM ADMINISTRATION

The Program will be administered by the Organization and Compensation Committee of the Company's Board of Directors in accordance with the terms of the 2005 Contingent Stock Plan.

## MISCELLANEOUS

(i) Amendment and Termination. The Committee may amend, modify, or terminate the Program at any time, provided that no amendment, modification or termination of the Program shall reduce the amount payable to a Participant under the Program as of the date of such amendment, modification or termination.

(ii) Incorporation of 2005 Contingent Stock Plan. The terms and provisions of the 2005 Contingent Stock Plan are incorporated herein by reference. In case of any conflict between this Program and the 2005 Contingent Stock Plan, the 2005 Contingent Stock Plan will control.

(iii) Coordination With Other Company Benefit Plans. Payments under the Program will be taken into account for purposes of the Company's employee benefit plans and programs only to the extent provided under the terms of such plans and programs.

(iv) Participant's Rights. A Participant's rights and interests under the Program may not be assigned or transferred by the Participant. To the extent the Participant acquires a right to receive payments from the Company under the Program, such right shall be no greater than the right of any unsecured general creditor of the Company. Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship between the Company and the Participant. Designation as a Participant in the Program for a Performance Period shall not entitle or be deemed to entitle the Participant to be designated as a Participant for any subsequent Performance Periods or to continued employment with the Company.

7

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## APPENDIX B

**Name:**

**Performance Period:** January 1, 2009 through December 31, 2010

**Target Award:** Performance Share Units

**Threshold Award Level:** 50% of Target Award

**Maximum Award Level:** 200% of Target Award

**Primary Performance Goal:** The percentage of the Target Award that will be earned will be based on cumulative operating income for the performance period, subject to the exclusions set forth below, as follows:

	(Millions)	
	Under \$880	0%
Threshold:	\$880	50%
Target:	\$955	100%
	\$970	150%
Maximum:	\$985 and above	200%

Award levels based on cumulative operating income between any two of these levels would be based on a pro-rata calculation of the number of shares earned, except that no shares will be earned for cumulative operating income below \$880 million. Fractional shares earned will be rounded up to the nearest whole share.

**Alternative Performance Goal:** If the Company does not achieve the threshold cumulative operating income of \$880 million but achieves cumulative operating income greater than \$500 million, then the Organization and Compensation Committee may use the following alternative method for determining the percentage of the Target Award that is earned under the Plan.

The measure for earning an award under the alternative performance goal will be based on the percentage growth of cumulative operating income of the Company during the performance period over the operating income for 2008 relative to the percentage growth of cumulative operating income for the Company's peer group companies (excluding the Company) during the performance period over the operating income for 2008 for the peer group companies (excluding the Company). The Company's performance relative to its peer group must be at least at the median (which shall be the threshold level for the Alternative Goal) for any shares to be earned. Earned award levels will be based on Company performance relative to its peer group as follows:

8

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Performance Relative to Peer Group	Payout as % of Target
Below median	0%
From median to 90 <sup>th</sup> percentile	Percentage equal to percentile ranking in peer group
Above 90 <sup>th</sup> percentile	100%

The peer group companies shall be those currently approved by the Organization and Compensation Committee for executive compensation purposes, provided that if any of such peer group companies shall cease to publicly report its operating results throughout the entire performance period (for example, by being acquired), then that peer group company shall be dropped from the calculation.

If the Company's performance relative to its peer group is above the 90<sup>th</sup> percentile, then the payout can be increased by an additional 40% of the target award if the percentage increase in the Company's stock price during this period is consistent with (i.e., meets or exceeds) 100% of the percentage increase in the Standard & Poor's 500 Stock Index over the same period.

**Additional Goals:** If the above threshold level is achieved under either the Primary Goal or the Alternative Goal, then the number of shares earned for each participant can be increased or decreased by up to 10% at the discretion of the Organization and Compensation Committee depending on whether either (or both) of the following additional performance goals is achieved:

- a. Inventory days-on-hand averaged over the period from December 31, 2008 to December 31, 2010 calculated using the days-on-hand metric at December 31, 2008 and each successive quarter end through December 31, 2010 is less than 78 days (the average days on hand for 2008); and
- b. 2010 safety result (TRIR) of 1.30, excluding facilities acquired during the performance period.

**Exclusions for calculation of cumulative operating income:**

The performance goals above shall exclude the effect of the following:

- a. All restructuring charges reported or accounted for in the 2009 through 2010 consolidated financial statements as "restructuring charges," and restructuring programs (including all unbudgeted charges, all restructuring related expense such as equipment relocation and all non-recurring expenses related to the company's global manufacturing strategy) and all non-operating charges associated with mergers and acquisitions, both if approved by the Board of Directors no later than December 31, 2010. This exclusion shall include all restructuring charges approved by the Board of Directors before 2009 that are recorded during 2009 through 2010. For any restructuring programs approved during 2009 through 2010 for which charges have been excluded, any expense credits related to such programs will also be excluded;

9

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- b. All charges related to goodwill amortization or impairment in the calculation of operating expense or operating profit;
  - c. All expenses (including litigation-related costs and expenses), liabilities and accruals related to or arising from: (i) any liabilities that W.R. Grace & Co. or any of its subsidiaries had agreed to assume or as to which any of them indemnified the Corporation or any of its subsidiaries under any of the agreements entered into in connection with the Cryovac Transaction (as defined in the Corporation's Financial Statements included in the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002); (ii) any claim or lawsuit alleging that the Corporation or any of its subsidiaries is or may be liable for any liabilities of W. R. Grace & Co., Fresenius Medical Care Holdings, Inc., or any of their respective affiliates under any legal theory, including without limitation any claim based on fraudulent transfer, fraudulent conveyance, successor liability, or contractual obligation; (iii) any securities class action litigation brought against the Corporation or any of its officers or directors, including without limitation the case of MPERS/Senn v. Hickey, et al.; (iv) any costs incurred to settle the aforementioned liabilities, claims and lawsuits; or (v) any payment that the Corporation or any of its subsidiaries may be required to make to any trust fund established under federal law providing for the resolution of claims for bodily injury caused by asbestos exposure.
  - d. All expenses related to capital markets transactions authorized by the Board of Directors. Such transactions will include the repurchase of bonds and stock.
  - e. The effect (including related expenses) of any acquisition or disposition transactions, whether or not closed during 2009 through 2010, provided that, as to transactions closed during 2009 through 2010 that were large enough to require Board of Director approval, the Board of Directors has approved such transactions. However, the effect of any acquisition or disposition that closed prior to 2009 shall not be excluded.
  - f. The effect of any accounting changes implemented during 2009 through 2010, such as IFRS or the discontinuance of the Last-in, First-out (LIFO) method for calculating the value of inventory in the United States.

Discretion retained: The Organization and Compensation Committee retains the right in its sole discretion to reduce any award that would otherwise be payable, except in the event of certain terminations following a Change in Control as provided in the 2005 Contingent Stock Plan.

10

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**APPENDIX C**

**SEALED AIR CORPORATION**

**POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION  
FROM EXECUTIVES IN THE EVENT OF CERTAIN RESTATEMENTS**

The Organization and Compensation Committee of the Board of Directors has approved the policy that the Company will, to the extent permitted by governing law, require reimbursement to the Company of all or a portion of any annual incentive compensation (whether payable in cash or by an award

under the 2005 Contingent Stock Plan) and any Performance Share Units awards under the 2005 Contingent Stock Plan awarded to any executive officer of the Company or to the leader of any business unit or function of the Company for performance periods beginning on or after January 1, 2008, where:

- (a) the payment or award was predicated upon the achievement of certain financial results that were subsequently the subject of a substantial restatement,
- (b) in the view of the Board, the officer or leader engaged in fraud or misconduct, or recklessly or negligently failed to prevent the fraud or misconduct, that caused or significantly contributed to the need for the substantial restatement, and
- (c) either no payment or award, or a lower payment or award, would have been made to the officer or leader based upon the restated results.

In each case, the Company will, to the extent practicable, seek to recover the amount by which the officer's or leader's annual incentive compensation and/or Performance Share Units award for the relevant period exceeded the lower amount that would have been paid or awarded (or the entire amount, if nothing would have been paid or awarded). This may include the cancellation of all or a portion of unvested awards or unpaid awards (or a delay in payment of any such awards while financial results are under review by the Company).

In addition, any person who is subject to forfeiture of compensation or profits from the sale of the Company's securities under Section 304 of the Sarbanes-Oxley Act of 2002 shall reimburse the Company the amount of such compensation and profits.

In addition to these reimbursements, the Company may take any other actions that it deems appropriate to remedy the fraud or misconduct based on a consideration of the relevant facts and circumstances.

3/24/2008

## FORM OF

**SEALED AIR CORPORATION PERFORMANCE SHARE UNITS  
AWARD GRANT  
2009-2011**

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING  
SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.**

**Name:**

**Performance Period:**

January 1, 2009 through December 31, 2011

**Grant Date:** March 24, 2009

**TARGET AWARD**

You have been granted by Sealed Air Corporation (the "Company") a target Performance Share Units award under the Company's 2005 Contingent Stock Plan for the three-year performance period 2009 through 2011, comprised of the following:

Target Performance Share Units:                      units

Each Performance Share Unit (a "Unit") will be equivalent to one share of Sealed Air Corporation common stock.

Your award is subject to the terms and conditions of the Performance Share Units Program and the Company's 2005 Contingent Stock Plan (collectively, the "Plan Documents"). If this award agreement varies from the terms of the Plan Documents, the Plan Documents will control. A copy of the Performance Share Units Program is attached as Appendix A. The 2005 Contingent Stock Plan is included as an attachment to "Information for Recipients of Performance Share Unit Awards Under the 2005 Contingent Stock Plan of Sealed Air Corporation."

**PERFORMANCE GOALS**

The number of Units you earn will depend on the performance of the Company relative to certain performance goals for the three-year performance cycle from January 1, 2009 through December 31, 2011 (the "Performance Period"). The performance goals and their relative weightings are attached as Appendix B hereto.

The determination of whether the performance goals have been met will be made by the Organization and Compensation Committee of the Company's Board of Directors following the end of the Performance Period.

**OTHER IMPORTANT INFORMATION**

- Units earned will receive dividend equivalents paid in cash (without interest) based on the dividend rates in effect during the Performance Period applied to the number of Units you earn, which will be subject to the performance goals and vesting provisions described above.
- You will not earn any Units if the Company's performance during the Performance Period is below threshold performance as set forth on Appendix B.
- If actual performance equals or exceeds threshold performance, the number of Units earned will range from 50% to 200% of your Target Performance Share Units award based on attainment against the performance goals as set forth on Appendix B.
- In order to receive any Units, you must remain employed with the Company through December 31, 2011, except in the case of death, disability or retirement as discussed below. If you terminate employment prior to December 31, 2011 for reasons other than death, disability or retirement, you will forfeit all Units. Other special rules apply in case of termination of employment following a Change in Control, as described below.
- Units earned at the end of the Performance Period, if any, will be paid in actual shares of Company common stock, less the number of shares that may be withheld to satisfy applicable withholding taxes. Shares in settlement for any Units earned will be issued on or before March 15, 2012. Cash dividend equivalents accrued on the earned Units will be paid in cash on or about the same time.
- If your employment terminates due to your death or Disability (as defined in the 2005 Contingent Stock Plan) or you retire (as defined below) during the Performance Period, you (or your estate, in the event of your death) will receive a pro rata payout following the end of the Performance Period, based upon the portion of the Performance Period during which you were employed. The actual payout will not occur until after the end of the Performance Period, at which time the performance and achievements during the Performance Period will be used to determine the number of Units that you would have earned if you had remained employed for the entire Performance Period prior to applying the pro rata factor. Any payout to you in case of termination of employment during the Performance Period due to death, Disability or retirement will be made at approximately the same time as payouts are made to Participants who are still employed by the Company. You are considered to have retired if your employment with the Company terminates when you have at least 5 years of service and your combined age and years of service equal at least 70, but excluding termination of employment due to your death or Disability or termination of employment by the Company for cause. "Cause" for this purpose means any of the following as determined by the Company: (i) an act of gross negligence or willful misconduct significantly injurious to the Company or any subsidiary, (ii) gross dereliction of duties after notice to you and failure to correct the deficiencies within a thirty (30) day period thereafter, or (iii) fraud in your capacity as an employee.
- There is no automatic vesting of your Units upon a "Change in Control" (as defined in the 2005 Contingent Stock Plan). However, the 2005 Contingent Stock Plan provides for pro

rata vesting of your Units if within two years following the Change in Control your employment is terminated either by the Company without Cause or by you for "Good Reason" (also as defined in the 2005 Contingent Stock Plan).

- The Organization and Compensation Committee retains the right in its sole discretion to reduce any award which would otherwise be payable, unless there has been a Change in Control, as defined in the 2005 Contingent Stock Plan.
- This award is subject to the Company's Policy on Recoupment of Incentive Compensation, a current copy of which is attached as Appendix C.
- Payments will be taken into account for purposes of the Company's employee benefit plans and programs only to the extent provided under the terms of such plans and programs.

**FOR MORE INFORMATION.**

If you have any questions about your award or Units or need additional information, contact H. Katherine White at 201-703-4145.

IN WITNESS WHEREOF, the Company has caused this Award Grant to be executed by its duly authorized officer, and you have hereunto set your hand, effective as of the Grant Date stated above.

SEALED AIR CORPORATION

EMPLOYEE

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

\_\_\_\_\_

**APPENDIX A**

**SEALED AIR CORPORATION  
 PERFORMANCE SHARE UNITS PROGRAM**

**PURPOSE**

The Sealed Air Corporation Performance Share Units Program (the "Program") has been established effective as of January 1, 2008 (the "Effective Date") to provide long-term incentive compensation to key employees who are in a position to influence the performance of Sealed Air Corporation and its subsidiaries (the "Company"), and thereby enhance shareholder value over time. The Program provides a significant additional financial opportunity and complements other parts of the Company's total compensation program for key employees (base salary, annual performance plan, and benefits).

**ELIGIBILITY AND PERFORMANCE PERIODS**

The Committee (as defined in the "Program Administration" section of the Program) will determine which employees of the Company are eligible to participate in the Program from time to time. Participants will be selected within 90 days after the beginning of each multi-year performance cycle ("Performance Period"). Each Performance Period will be of two or more years duration as determined by the Committee and will commence on January 1 of the first year of the Performance Period. A new Performance Period will commence each year unless the Committee determines otherwise.

**TARGET AWARDS**

At the time a Participant is selected for participation in the Program for a Performance Period, the Committee will assign the Participant a Performance Share Units Target Award to be earned if the Company's target performance levels are met for the Performance Period (the "Target Award"). The Target Award will be expressed as a number of Performance Share Units under the Company's 2005 Contingent Stock Plan and will be evidenced by a Performance Share Units award grant consistent with the provisions of the 2005 Contingent Stock Plan.

**MAXIMUM AND THRESHOLD AWARDS**

At the time a Participant is selected for participation in the Program for a Performance Period, the Participant will be assigned maximum and threshold award levels, expressed as a percentage of the Target Award. Maximum award level represents the maximum percentage of the Target Award that may be paid to a Participant for a Performance Period based on performance above target performance levels. Threshold award level represents the minimum percentage of the Target Award that may be paid to a Participant for a Performance Period based on performance below target performance levels. Performance below the threshold performance award level will earn no incentive payments.

Any award of Performance Shares hereunder shall be subject to the individual award limit applicable under the 2005 Contingent Stock Plan.

**PERFORMANCE MEASURES**

Performance measures that may be used under the Program will be those "Performance Measures" defined in the 2005 Contingent Stock Plan.

## PERFORMANCE GOALS

The Committee will designate, within 90 days of the beginning of each Performance Period:

- The performance measures and calculation methods to be used for the Performance Period;
- A schedule for each performance measure relating achievement levels for the performance measure to incentive award levels as a percentage of Participants' Target Awards; and
- The relative weightings of the performance measures for the Performance Period.

The performance goals established by the Committee for a Performance Period are intended to satisfy the "objective compensation formula" requirements of Treasury Regulations Section 1.162-27(e)(2).

## PERFORMANCE CERTIFICATION

As soon as practicable following the end of each Performance Period and prior to any award payments for the Performance Period, the Committee will certify the Company's performance with respect to each performance measure used for that Performance Period.

## AWARD CALCULATION AND PAYMENT

For each Performance Period, individual incentive awards will be calculated and paid to each Participant who is still employed with the Company (subject to the special provisions below for employees who terminate employment due to death, disability or retirement) as soon as practicable following the Committee's certification of performance for the Performance Period. The amount of a Participant's incentive award to be paid based on each individual performance measure will be calculated based on the following formula:

Participant's Target Award	X	Percentage of target award to be paid based on performance measure results	X	Relative weighting of performance measure	=	Amount of incentive award based on performance measure results
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The incentive amounts to be paid to the Participant based on each performance measure will be summed to arrive at the Participant's total incentive award payment for the Performance Period.

5

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Payments from the Program to a Participant, if any, will be made in the form of one share of the Company's common stock for each Unit earned (rounded up to the nearest whole share if such calculation otherwise would result in issuance of a fractional share). A Participant receiving an award under the Program will also receive a cash payment equal to the dividends that would have been paid during the Performance Period on the Units earned by the Participant had the Units been actual shares of Company common stock.

## TERMINATION OF EMPLOYMENT DUE TO DEATH, DISABILITY, RETIREMENT

If a Participant's employment terminates due to the Participant's death or disability (as defined in the 2005 Contingent Stock Plan) or retirement (as defined below) during the Performance Period, the Participant (or the Participant's estate, in the event of the Participant's death) will receive a pro rata payout following the end of the Performance Period, based upon the portion of the Performance Period during which the Participant was employed. The actual payout will not occur until after the end of the Performance Period, at which time the performance and achievements during the Performance Period will be used to determine the number of Units that the Participant would have earned if the Participant had remained employed for the entire Performance Period prior to applying the pro rata factor. Payouts to Participants whose employment terminates during the Performance Period due to death, disability or retirement will be made at approximately the same time as payouts are made to Participants who are still employed by the Company. A Participant is considered to have retired if the Participant's employment with the Company terminates when the Participant has at least 5 years of service and the Participant's combined age and years of service equals at least 70, but excluding termination of employment due to the Participant's death or disability or termination of employment by the Company for cause. "Cause" for this purpose means any of the following as determined by the Company: (i) an act of gross negligence or willful misconduct significantly injurious to the Company or any subsidiary, (ii) gross dereliction of duties after notice to the Participant and failure to correct the deficiencies within a thirty (30) day period thereafter, or (iii) fraud in the Participant's capacity as an employee.

## OTHER TERMINATION OF EMPLOYMENT

If a Participant's employment terminates prior to the end of a Performance Period for any reason (whether voluntary or involuntary) other than death, disability or retirement, the Participant will forfeit all rights to compensation under the Program, except for any special provisions under the 2005 Contingent Stock Plan in connection with certain terminations of employment following a Change in Control or unless the Committee determines otherwise.

## NEW HIRES OR PROMOTIONS INTO ELIGIBLE POSITIONS

Participants will become eligible for participation in the Program at their new position level beginning with the Performance Period which begins on the January 1 immediately following their hire or promotion date. No new performance awards or adjustments to awards for Performance Periods that commenced prior to a Participant's hire or promotion date will be made.

6

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## IMPACT OF A CHANGE IN CONTROL

Any special vesting or payment rules with respect to awards under the Program in connection with a Change in Control will be determined under the provisions of the 2005 Contingent Stock Plan.

## PROGRAM ADMINISTRATION

The Program will be administered by the Organization and Compensation Committee of the Company's Board of Directors in accordance with the terms of the 2005 Contingent Stock Plan.

## MISCELLANEOUS

(i) Amendment and Termination. The Committee may amend, modify, or terminate the Program at any time, provided that no amendment, modification or termination of the Program shall reduce the amount payable to a Participant under the Program as of the date of such amendment, modification or termination.

(ii) Incorporation of 2005 Contingent Stock Plan. The terms and provisions of the 2005 Contingent Stock Plan are incorporated herein by reference. In case of any conflict between this Program and the 2005 Contingent Stock Plan, the 2005 Contingent Stock Plan will control.

(iii) Coordination With Other Company Benefit Plans. Payments under the Program will be taken into account for purposes of the Company's employee benefit plans and programs only to the extent provided under the terms of such plans and programs.

(iv) Participant's Rights. A Participant's rights and interests under the Program may not be assigned or transferred by the Participant. To the extent the Participant acquires a right to receive payments from the Company under the Program, such right shall be no greater than the right of any unsecured general creditor of the Company. Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship between the Company and the Participant. Designation as a Participant in the Program for a Performance Period shall not entitle or be deemed to entitle the Participant to be designated as a Participant for any subsequent Performance Periods or to continued employment with the Company.

7

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## APPENDIX B

**Name:**

**Target Award:** Performance Share Units

**Threshold Award Level:** 50% of Target Award

**Maximum Award Level:** 200% of Target Award

**Primary Performance Goal:** The percentage of the Target Award that will be earned will be based on cumulative operating income for the performance period, subject to the exclusions set forth below, as follows:

	(Millions)	
	Under \$1,320	0%
Threshold:	\$1,320	50%
Target:	\$1,440	100%
	\$1,485	150%
Maximum:	\$1,540 and above	200%

Award levels based on cumulative operating income between any two of these levels would be based on a pro-rata calculation of the number of shares earned, except that no shares will be earned for cumulative operating income below \$1,320 million. Fractional shares earned will be rounded up to the nearest whole share.

**Alternative Performance Goal:** If the Company does not achieve the threshold cumulative operating income of \$1,320 million but achieves cumulative operating income greater than \$750 million, then the Organization and Compensation Committee may use the following alternative method for determining the percentage of the Target Award that is earned under the Plan.

The measure for earning an award under the alternative performance goal will be based on the percentage growth of cumulative operating income of the Company during the performance period over the operating income for 2008 relative to the percentage growth of cumulative operating income for the Company's peer group companies (excluding the Company) during the performance period over the operating income for 2008 for the peer group companies (excluding the Company). The Company's performance relative to its peer group must be at least at the median (which shall be the threshold level for the Alternative Goal) for any shares to be earned. Earned award levels will be based on Company performance relative to its peer group as follows:

8

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Performance Relative to Peer Group	Payout as % of Target
Below median	0%
From median to 90 <sup>th</sup> percentile	Percentage equal to percentile ranking in peer group
Above 90 <sup>th</sup> percentile	100%

The peer group companies shall be those currently approved by the Organization and Compensation Committee for executive compensation purposes, provided that if any of such peer group companies shall cease to publicly report its operating results throughout the entire performance period (for example, by being acquired), then that peer group company shall be dropped from the calculation.

If the Company's performance relative to its peer group is above the 90<sup>th</sup> percentile, then the payout can be increased by an additional 40% of the target award if the percentage increase in the Company's stock price during this period is consistent with (i.e., meets or exceeds) 100% of the percentage increase in the Standard & Poor's 500 Stock Index over the same period.

**Additional Goals:** If the above threshold level is achieved under either the Primary Goal or the Alternative Goal, then the number of shares earned for each participant can be increased or decreased by up to 10% at the discretion of the Organization and Compensation Committee depending on whether either (or both) of the following additional performance goals is achieved:

- a. Inventory days-on-hand averaged over the period from December 31, 2008 to December 31, 2011 calculated using the days-on-hand metric at December 31, 2008 and each successive quarter end through December 31, 2011 is less than 78 days (the average days on hand for 2008); and
- b. 2011 safety result (TRIR) of 1.30, excluding facilities acquired during the performance period.

**Exclusions for calculation of cumulative operating income:**

The performance goals above shall exclude the effect of the following:

- a. All restructuring charges reported or accounted for in the 2009 through 2011 consolidated financial statements as "restructuring charges," and restructuring programs (including all unbudgeted charges, all restructuring related expense such as equipment relocation and all non-recurring expenses related to the company's global manufacturing strategy) and all non-operating charges associated with mergers and acquisitions, both if approved by the Board of Directors no later than December 31, 2011. This exclusion shall include all restructuring charges approved by the Board of Directors before 2008 that are recorded during 2009 through 2011. For any restructuring programs approved during 2009 through 2011 for which charges have been excluded, any expense credits related to such programs will also be excluded;
- b. All charges related to goodwill amortization or impairment in the calculation of operating expense or operating profit;

9

- c. All expenses (including litigation-related costs and expenses), liabilities and accruals related to or arising from: (i) any liabilities that W.R. Grace & Co. or any of its subsidiaries had agreed to assume or as to which any of them indemnified the Corporation or any of its subsidiaries under any of the agreements entered into in connection with the Cryovac Transaction (as defined in the Corporation's Financial Statements included in the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002); (ii) any claim or lawsuit alleging that the Corporation or any of its subsidiaries is or may be liable for any liabilities of W. R. Grace & Co., Fresenius Medical Care Holdings, Inc., or any of their respective affiliates under any legal theory, including without limitation any claim based on fraudulent transfer, fraudulent conveyance, successor liability, or contractual obligation; (iii) any securities class action litigation brought against the Corporation or any of its officers or directors, including without limitation the case of MPERS/Senn v. Hickey, et al.; (iv) any costs incurred to settle the aforementioned liabilities, claims and lawsuits; or (v) any payment that the Corporation or any of its subsidiaries may be required to make to any trust fund established under federal law providing for the resolution of claims for bodily injury caused by asbestos exposure.
- d. All expenses related to capital markets transactions authorized by the Board of Directors. Such transactions will include the repurchase of bonds and stock.
- e. The effect (including related expenses) of any acquisition or disposition transactions, whether or not closed during 2009 through 2011, provided that, as to transactions closed during 2009 through 2011 that were large enough to require Board of Director approval, the Board of Directors has approved such transactions. However, the effect of any acquisition or disposition that closed prior to 2009 shall not be excluded.
- f. The effect of any accounting changes implemented during 2009 through 2011, such as IFRS or the discontinuance of the Last-in, First-out (LIFO) method for calculating the value of inventory in the United States.

Discretion retained: The Organization and Compensation Committee retains the right in its sole discretion to reduce any award that would otherwise be payable, except in the event of certain terminations following a Change in Control as provided in the 2005 Contingent Stock Plan.

10

APPENDIX C

SEALED AIR CORPORATION

POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION  
FROM EXECUTIVES IN THE EVENT OF CERTAIN RESTATEMENTS

The Organization and Compensation Committee of the Board of Directors has approved the policy that the Company will, to the extent permitted by governing law, require reimbursement to the Company of all or a portion of any annual incentive compensation (whether payable in cash or by an award under the 2005 Contingent Stock Plan) and any Performance Share Units awards under the 2005 Contingent Stock Plan awarded to any executive officer of the Company or to the leader of any business unit or function of the Company for performance periods beginning on or after January 1, 2008, where:

- (a) the payment or award was predicated upon the achievement of certain financial results that were subsequently the subject of a substantial restatement,
- (b) in the view of the Board, the officer or leader engaged in fraud or misconduct, or recklessly or negligently failed to prevent the fraud or misconduct, that caused or significantly contributed to the need for the substantial restatement, and
- (c) either no payment or award, or a lower payment or award, would have been made to the officer or leader based upon the restated results.

In each case, the Company will, to the extent practicable, seek to recover the amount by which the officer's or leader's annual incentive compensation and/or Performance Share Units award for the relevant period exceeded the lower amount that would have been paid or awarded (or the entire amount, if nothing would have been paid or awarded). This may include the cancellation of all or a portion of unvested awards or unpaid awards (or a delay in payment of any such awards while financial results are under review by the Company).

In addition, any person who is subject to forfeiture of compensation or profits from the sale of the Company's securities under Section 304 of the Sarbanes-Oxley Act of 2002 shall reimburse the Company the amount of such compensation and profits.

In addition to these reimbursements, the Company may take any other actions that it deems appropriate to remedy the fraud or misconduct based on a consideration of the relevant facts and circumstances.

3/24/2008

FORM OF  
WAIVER AND RELEASE

From:

To: Sealed Air Corporation

During the first quarter of 2008, the Organization and Compensation Committee of the Board of Directors of Sealed Air Corporation (the Company) granted me a performance share unit award for \_\_\_\_\_ units for the two-year performance period beginning January 1, 2008 (2008 Two Year Award) and a performance share unit award for \_\_\_\_\_ units for the three-year performance period beginning January 1, 2008 (2008 Three Year Award). Copies of the Award Grants for the 2008 Two Year Award and the 2008 Three Year Award are enclosed.

During the first quarter of 2009, the Organization and Compensation Committee granted me a performance share unit award for \_\_\_\_\_ units for the two-year performance period beginning January 1, 2009 (2009 Two Year Award) on the condition that I waive and release all rights to the 2008 Two Year Award and the 2008 Three Year Award. The waiver and release of the 2008 Two Year Award and 2008 Three Year Award in exchange for the 2009 Two Year Award is referred to as the Performance Share Unit Exchange. I have received a copy of the Award Grant for the 2009 Two Year Award Grant.

I have been advised that, given the Company's financial performance during 2008, the Company's management believes that it is not probable that the threshold level performance goals and measures applicable to the 2008 Two Year Award and the 2008 Three Year Award will be achieved.

I make the following representations to the Company:

a. I am a sophisticated individual with sufficient knowledge and experience regarding the Company and both the 2008 Two Year Award and 2008 Three Year Award and the 2009 Two Year Award to make an informed decision regarding the Performance Share Unit Exchange.

b. I meet at least one of the following qualifications as an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933: (i) I am an executive officer of the Company, (ii) I have an individual net worth, or joint net worth with my spouse, in excess of \$1 million, and/or (iii) my individual income exceeded \$200,000 in 2007 and 2008, or my joint income with my spouse exceeded \$300,000 in 2007 and 2008, and I have a reasonable expectation of reaching the same income level in 2009.

c. I have been furnished all requested materials relating to the Company and both the 2008 Two Year Award and 2008 Three Year Award and the 2009 Two Year Award.

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d. I have been afforded an opportunity to ask questions of, and receive answers from, management of the Company in connection with the Performance Share Unit Exchange.

e. I have obtained, in my judgment, sufficient information to evaluate the merits and risks of the Performance Share Unit Exchange.

I hereby waive and release all rights in and to the 2008 Two Year Award and the 2008 Three Year Award, and as a result such awards are hereby canceled and terminated in their entirety.

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

\_\_\_\_\_  
Date

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