UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2022

or

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

For the transition period from _____ to _____
Commission file number 001-36479

VERITIV CORPORATION

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**46-3234977** **(I.R.S. Employer Identification Number)**
1000 Abernathy Road NE **Building 400, Suite 1700** **Atlanta, Georgia** **(Address of principal executive offices)**	**30328** **(Zip Code)**

(770) 391-8200
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value	VRTV	New York Stock Exchange

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock as of May 3, 2022 was 14,686,739.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

VERITIV CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data, unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net sales	$ 1,858.1	$ 1,559.3
Cost of products sold (exclusive of depreciation and amortization shown separately below)	1,455.4	1,238.1
Distribution expenses	112.2	101.5
Selling and administrative expenses	187.9	166.4
Depreciation and amortization	12.7	14.5
Restructuring charges, net	2.7	4.3
Operating income (loss)	87.2	34.5
Interest expense, net	3.5	5.1
Other (income) expense, net	(0.6)	(1.0)
Income (loss) before income taxes	84.3	30.4
Income tax expense (benefit)	5.8	9.1
Net income (loss)	$ 78.5	$ 21.3
Earnings (loss) per share:		
Basic	$ 5.31	$ 1.34
Diluted	$ 5.12	$ 1.28
Weighted-average shares outstanding:		
Basic	14.77	15.88
Diluted	15.32	16.66

See accompanying Notes to Condensed Consolidated Financial Statements.

VERITIV CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions, unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net income (loss)	$ 78.5	$ 21.3
Other comprehensive income (loss):		
Foreign currency translation adjustments	2.6	(0.3)
Other comprehensive income (loss)	2.6	(0.3)
Total comprehensive income (loss)	$ 81.1	$ 21.0

See accompanying Notes to Condensed Consolidated Financial Statements.

VERITIV CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in millions, except par value, unaudited)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 33.8	$ 49.3
Accounts receivable, less allowances of $30.2 and $34.4, respectively	944.3	1,011.2
Inventories	407.7	484.5
Other current assets	118.9	131.5
Assets-held-for-sale	300.5	1.2
Total current assets	1,805.2	1,677.7
Property and equipment (net of accumulated depreciation and amortization of $313.9 and $332.4, respectively)	137.1	162.9
Goodwill	96.3	99.6
Other intangibles, net	38.9	42.7
Deferred income tax assets	59.8	47.1
Other non-current assets	369.9	408.4
Total assets	$ 2,507.2	$ 2,438.4
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 512.4	$ 561.9
Accrued payroll and benefits	54.9	110.0
Other accrued liabilities	165.8	185.7
Liabilities-held-for-sale	172.9	—
Current portion of debt	15.0	16.0
Total current liabilities	921.0	873.6
Long-term debt, net of current portion	511.5	499.7
Defined benefit pension obligations	3.5	7.2
Other non-current liabilities	391.4	422.1
Total liabilities	1,827.4	1,802.6
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Preferred stock, $0.01 par value, 10.0 million shares authorized, none issued	—	—
Common stock, $0.01 par value, 100.0 million shares authorized; shares issued - 17.5 million and 17.0 million, respectively; shares outstanding - 15.0 million and 14.6 million, respectively	0.2	0.2
Additional paid-in capital	607.1	633.8
Accumulated earnings (deficit)	221.7	143.2
Accumulated other comprehensive loss	(21.7)	(24.3)
Treasury stock at cost - 2.5 million and 2.4 million shares, respectively	(127.5)	(117.1)
Total shareholders' equity	679.8	635.8
Total liabilities and shareholders' equity	$ 2,507.2	$ 2,438.4

See accompanying Notes to Condensed Consolidated Financial Statements.

VERITIV CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions, unaudited)

	Three Months Ended March 31,	
	2022	2021
Operating activities		
Net income (loss)	$ 78.5	$ 21.3
Depreciation and amortization	12.7	14.5
Amortization and write-off of deferred financing fees	0.4	0.3
Net losses (gains) on disposition of assets and sale of a business	(2.3)	(2.2)
Provision for expected credit losses	(0.6)	0.9
Deferred income tax provision (benefit)	(12.7)	3.1
Stock-based compensation	2.8	1.2
Other non-cash items, net	0.5	0.8
Changes in operating assets and liabilities		
Accounts receivable	(25.8)	(10.3)
Inventories	(8.8)	(30.7)
Other current assets	(1.1)	1.7
Accounts payable	4.5	54.3
Accrued payroll and benefits	(50.6)	(29.8)
Other accrued liabilities	1.0	(10.9)
Other	(4.4)	(1.0)
Net cash provided by (used for) operating activities	(5.9)	13.2
Investing activities		
Property and equipment additions	(9.4)	(6.3)
Proceeds from asset sales and sale of a business	0.2	8.0
Proceeds from insurance related to property and equipment	2.1	—
Net cash provided by (used for) investing activities	(7.1)	1.7
Financing activities		
Change in book overdrafts	20.3	(9.2)
Borrowings of long-term debt	1,515.2	1,392.8
Repayments of long-term debt	(1,481.8)	(1,378.9)
Payments under right-of-use finance leases	(3.4)	(3.3)
Payments under vendor-based financing arrangements	(3.2)	—
Purchase of treasury stock	(10.4)	(24.6)
Impact of tax withholding on share-based compensation	(29.5)	(3.3)
Other	0.2	0.4
Net cash provided by (used for) financing activities	7.4	(26.1)
Effect of exchange rate changes on cash	0.0	(0.4)
Net change in cash and cash equivalents, including cash classified within assets-held-for-sale	(5.6)	(11.6)
Less: cash included in assets-held-for-sale, end of period	(9.9)	—
Net change in cash and cash equivalents	(15.5)	(11.6)
Cash and cash equivalents at beginning of period	49.3	120.6
Cash and cash equivalents at end of period	$ 33.8	$ 109.0
Supplemental cash flow information		
Cash paid for income taxes, net of refunds	$ 15.1	$ 11.2
Cash paid for interest	2.9	4.6
Non-cash investing and financing activities		
Non-cash additions to property and equipment for right-of-use finance leases and vendor-based financing arrangements	$ 15.6	$ 0.2
Non-cash additions to other non-current assets for right-of-use operating leases	31.2	11.3

See accompanying Notes to Condensed Consolidated Financial Statements.

VERITIV CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions, unaudited)

	2022							
	Common Stock Issued		Additional Paid-in Capital	Accumulated Earnings (Deficit)	AOCL [1]	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 31, 2021	17.0	$ 0.2	$ 633.8	$ 143.2	$ (24.3)	(2.4)	$ (117.1)	$ 635.8
Net income (loss)				78.5				78.5
Other comprehensive income (loss)					2.6			2.6
Stock-based compensation			2.8					2.8
Issuance of common stock, net of stock received for minimum tax withholdings	0.5	0.0	(29.5)					(29.5)
Treasury stock purchases						(0.1)	(10.4)	(10.4)
Balance at March 31, 2022	17.5	$ 0.2	$ 607.1	$ 221.7	$ (21.7)	(2.5)	$ (127.5)	$ 679.8

[1] Accumulated other comprehensive loss.

	2021							
	Common Stock Issued		Additional Paid-in Capital	Accumulated Earnings (Deficit)	AOCL [1]	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 31, 2020	16.6	$ 0.2	$ 634.9	$ (1.4)	$ (33.5)	(0.7)	$ (17.1)	$ 583.1
Net income (loss)				21.3				21.3
Other comprehensive income (loss)					(0.3)			(0.3)
Stock-based compensation			1.2					1.2
Issuance of common stock, net of stock received for minimum tax withholdings	0.2	0.0	(3.3)					(3.3)
Treasury stock purchases						(0.6)	(24.6)	(24.6)
Balance at March 31, 2021	16.8	$ 0.2	$ 632.8	$ 19.9	$ (33.8)	(1.3)	$ (41.7)	$ 577.4

[1] Accumulated other comprehensive loss.

See accompanying Notes to Condensed Consolidated Financial Statements.

VERITIV CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Veritiv Corporation ("Veritiv" or the "Company") is a North American business-to-business full-service provider of value-added packaging products and services, as well as facility solutions and print-based products and services. Additionally, Veritiv provides logistics and supply chain management solutions to its customers. Veritiv was established in 2014, following the merger of International Paper Company's xpedx distribution solutions business and UWW Holdings, Inc., the parent company of Unisource Worldwide, Inc. ("Unisource"). Veritiv operates primarily throughout the United States ("U.S."), Canada and Mexico.

In March 2022, the Company signed a definitive agreement to sell its Veritiv Canada, Inc. business to Imperial Dade Canada Inc. for a purchase price of CAD $240 million (approximately U.S. $190 million) in cash payable at closing, subject to certain customary adjustments. The sale includes substantially all of the Company's facility solutions and print operations in Canada, and a majority of the Company's Canada-based packaging business, which primarily serves food service customers. The Company maintains the ability to supply packaging solutions to the Canadian locations of certain U.S.-based customers. The sale does not represent a strategic shift that will have a major effect on the Company's operations or financial results and it did not meet the requirements to be classified as a discontinued operation. See Note 13, Divestitures and Note 14, Subsequent Event, for additional information regarding the sale of Veritiv Canada, Inc.

As the print and publishing industries continue to evolve, the Company continues to focus on ways to share costs and leverage combined resources where possible. In order to better align the resources of the Company's print and publishing organizations with the needs of the changing marketplaces, during the first quarter of 2022 the Company reevaluated the way in which it would service its customers, manage its product offerings and allocate resources to support these areas of its business. This resulted in a decision to combine the print and publishing operations, resulting in a new reportable segment known as Print Solutions. Prior period results have been revised to align with the new presentation. See Note 2, Revenue Recognition and Credit Losses, for additional information regarding the Company's product offerings and reportable segments.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for a complete set of annual audited financial statements. The accompanying unaudited financial information should be read in conjunction with the Consolidated Financial Statements and Notes contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") for the year ended December 31, 2021. In the opinion of management, all adjustments, including normal recurring accruals and other adjustments, considered necessary for a fair presentation of the interim financial information have been included. The operating results for the interim periods are not necessarily indicative of results for the full year, particularly in light of the divestiture of Veritiv Canada, Inc. and the ongoing impacts of the COVID-19 pandemic and its effects on the domestic and global economies. These financial statements include all of the Company's subsidiaries. All significant intercompany transactions between Veritiv's businesses have been eliminated.

Use of Estimates

The preparation of unaudited financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and certain financial statement disclosures. Estimates and assumptions are used for, but not limited to, revenue recognition, right-of-use ("ROU") asset and liability valuations, accounts and notes receivable valuations, inventory valuation, employee benefit plans, long-term incentive plans, income tax contingency accruals and valuation allowances, multi-employer pension plan ("MEPP") withdrawal liabilities, contingency accruals, goodwill and other intangible asset valuations and the determination of assets and liabilities that are held-for-sale. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, actual results may ultimately differ from these estimates and assumptions.

Primarily beginning in April 2020, the COVID-19 pandemic has affected Veritiv's operational and financial performance to varying degrees. As a result of the COVID-19 pandemic, the Company could continue to experience impacts including, but not limited to, charges from potential adjustments of the carrying amount of accounts and notes receivables and inventory, asset impairment charges and deferred tax valuation allowances. The extent to which the COVID-19 pandemic continues to impact the Company's business, results of operations, access to sources of liquidity and financial condition will depend on future developments. These developments, which are uncertain and difficult to predict, include, but are not limited to, the duration, spread and severity of the COVID-19 pandemic including new variants, the effects of the COVID-19 pandemic on the Company's employees, customers, suppliers and vendors, measures adopted or recommended by local and federal governments or health authorities in response to the pandemic, the availability, adoption and effectiveness of vaccines and vaccine boosters and to what extent normal economic and operating conditions can resume and be sustained. Even after the COVID-19 pandemic has subsided, the Company may experience an impact to its business as a result of any economic recession, downturn or volatility or long-term changes in customer behavior. Estimates are revised as additional information becomes available.

Accounting Pronouncements

Recently Adopted Accounting Standards

Effective January 1, 2022, the Company adopted Accounting Standards Update ("ASU") 2021-10, *Government Assistance (Topic 832*) on a prospective basis. This standard increases the transparency of government assistance provided to entities by including disclosure of (1) the types of assistance, (2) an entity's accounting for the assistance and (3) the effect of the assistance on an entity's financial statements. The amendments in this update are effective for annual periods beginning after December 15, 2021. An entity should apply the amendments in this update either (1) prospectively to all transactions within the scope of the amendments that are reflected in financial statements at the date of initial application and new transactions that are entered into after the date of initial application or (2) retrospectively to those transactions. The adoption did not materially impact the Company's consolidated financial statements and disclosures.

Recently Issued Accounting Standards Not Yet Adopted

ASU 2020-04*, Reference Rate Reform (Topic 848)*. This standard provides temporary optional expedients and exceptions to accounting guidance for certain contract modifications and hedging arrangements to ease financial reporting burdens as the market transitions from the London Interbank Offered Rate ("LIBOR") and other interbank reference rates to alternative reference rates. The guidance is available for prospective application upon its issuance and can generally be applied to contract modifications and hedging relationships entered into March 12, 2020 through December 31, 2022. The Company has long-term debt for which existing payments are based on LIBOR. The Company's ABL Facility includes certain provisions, which are not yet in effect, to facilitate the transition from LIBOR to a new replacement benchmark rate. Currently, the Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

2. REVENUE RECOGNITION AND CREDIT LOSSES

Veritiv applies the five-step model to assess its contracts with customers. The Company's revenue is reported as net sales and is measured as the determinable transaction price, net of any variable consideration (e.g., sales incentives and rights to return product) and any taxes collected from customers and remitted to governmental authorities. Certain revenues are derived from shipments which are made directly from a manufacturer to a Veritiv customer. The Company is considered to be a principal to these transactions. Revenues from these sales are reported on a gross basis on the Condensed Consolidated Statements of Operations and have historically represented approximately 35% of Veritiv's total net sales. As a normal business practice, Veritiv does not enter into contracts that require more than one year to complete or that contain significant financing components. The Company considers handling and delivery as activities to fulfill its performance obligations. Billings for third-party freight are accounted for as net sales and handling and delivery costs are accounted for as distribution expenses. Veritiv enters into incentive programs with certain of its customers, which are generally based on sales to those same customers. Veritiv follows the expected value method when estimating its retrospective incentives and records the estimated amount as a reduction to gross sales when revenue is recognized. Estimates of the variable consideration are based primarily on contract terms, current customer forecasts as well as historical experience. The Company has established credit and collection processes whereby collection assessments are performed and expected credit losses are recognized.

Customer product returns are estimated based on historical experience and the identification of specific events necessitating an adjustment. The estimated return value is recognized as a reduction of gross sales and related cost of products

sold. The estimated inventory returns value is recognized as part of inventories, while the estimated customer refund liability is recognized as part of other accrued liabilities on the Condensed Consolidated Balance Sheets. As of March 31, 2022 and December 31, 2021, estimated inventory returns were not significant.

A customer contract liability will arise when Veritiv has received payment for goods and services but has not yet transferred the items to a customer and satisfied its performance obligations. Veritiv records a customer contract liability for performance obligations outstanding related to payments received in advance for customer deposits on equipment sales and other sale arrangements requiring prepayment, which are included in accounts payable and other accrued liabilities on the Condensed Consolidated Balance Sheets. Veritiv expects to satisfy these remaining performance obligations and recognize the related revenues upon delivery of the goods and services to the customer's designated location within 12 months following receipt of the payment. Most equipment sales deposits are held for approximately 90 days and other sale arrangements requiring prepayment initially cover a 60 - 90 day period but can be renewed by the customer.

See the table below for a year-to-date summary of the changes to the customer contract liabilities balance:

	Customer Contract Liabilities	
(in millions)	**2022**	**2021**
Balance at January 1,	$ 21.8	$ 12.2
Payments received	15.3	14.2
Revenue recognized from beginning balance	(11.4)	(7.3)
Revenue recognized from current year receipts	(5.1)	(7.1)
Reclassified to liabilities-held-for-sale [1]	(1.1)	—
Balance at March 31,	$ 19.5	$ 12.0

[1] See Note 13, Divestitures, for information on the sale of Veritiv Canada, Inc.

Historically, the Company's ten largest customers have generated approximately 10% - 15% of its consolidated annual net sales. Veritiv's principal markets are concentrated primarily across North America with first quarter 2022 net sales in the U.S., Canada and Mexico of approximately 86%, 11% and 2%, respectively. Veritiv evaluated the nature of the products and services provided to its customers as well as the nature of the customer and the geographical distribution of its customer base and determined that the best representative level of disaggregated revenue is the product category basis. The following is a brief description of the Company's three reportable segments, organized by major product category. This segment structure is consistent with the way the Chief Operating Decision Maker, who is Veritiv's Chief Executive Officer, makes operating decisions and manages the growth and profitability of the Company's business. The Company also has a Corporate & Other category, which includes certain assets and costs not primarily attributable to any of the reportable segments, as well as the Veritiv logistics solutions business which provides transportation and warehousing solutions.

- ***Packaging*** – The Packaging segment provides custom and standard packaging solutions for customers based in North America and in key global markets. This segment services its customers with a full spectrum of packaging product materials within flexible, corrugated and fiber, ancillary packaging, rigid and equipment categories. The business is strategically focused on higher growth industry sectors including manufacturing, food and beverage, wholesale and retail, healthcare and transportation, as well as specialty sectors based on industry and product expertise. This segment also provides supply chain solutions, structural and graphic packaging design and engineering, automation, workflow and equipment services and kitting.

- ***Facility Solutions*** – The Facility Solutions segment sources and sells cleaning, break-room and other supplies in product categories that include towels and tissues, food service, personal protective equipment, cleaning chemicals and skincare, primarily in North America. Additionally, the Company offers total cost of ownership solutions with re-merchandising, budgeting and compliance reporting and inventory management.

- ***Print Solutions*** – The Print Solutions segment sells and distributes commercial printing, writing and copying products and services primarily in North America. Veritiv's broad geographic platform of operations and services, coupled with the breadth of paper and graphics products, including exclusive private brand offerings, provides a comprehensive suite of solutions in paper procurement, print management, supply chain and distribution.

See Note 12, Segment and Other Information, for the disaggregation of revenue and other information related to the Company's reportable segments and Corporate & Other.

Allowance for Credit Losses

The components of the accounts receivable allowances were as follows:

(in millions)	March 31, 2022	December 31, 2021
Allowance for credit losses	$ 21.5	$ 23.7
Other allowances[1]	8.7	10.7
Total accounts receivable allowances	$ 30.2	$ 34.4

[1] Includes amounts reserved for credit memos, customer discounts, customer short pays and other miscellaneous items. The current period amount is shown net of $1.2 million related to Veritiv Canada, Inc., which was reclassified from the allowance to assets-held-for-sale.

Below is a year-to-date rollforward of the Company's allowance for credit losses:

	Packaging and Facility Solutions		Print Solutions - High Risk		Print Solutions - Medium/Low Risk				
(in millions)	U.S.	Canada	U.S.	Canada	U.S.[1]	Canada	Rest of world	Corporate & Other[2]	Total
Balance at December 31, 2021	$ 12.6	$ 1.0	$ 6.2	$ 0.5	$ 1.7	$ 0.0	$ 1.0	$ 0.7	$ 23.7
Add / (Deduct):									
Provision for expected credit losses	0.0	0.1	(0.2)	0.0	(0.2)	0.0	0.1	0.1	(0.1)
Write-offs charged against the allowance	(0.4)	—	(0.3)	—	0.0	—	—	(0.1)	(0.8)
Recoveries of amounts previously written off	0.0	—	0.1	—	0.0	—	—	0.0	0.1
Other adjustments[3]	—	(1.1)	0.2	(0.5)	—	0.0	0.0	—	(1.4)
Balance at March 31, 2022	$ 12.2	$ —	$ 6.0	$ —	$ 1.5	$ —	$ 1.1	$ 0.7	$ 21.5

[1] Reflects the combined results for print and publishing operations.
[2] Corporate & Other have only U.S. operations.
[3] Other adjustments represent amounts reserved for foreign currency translation adjustments and reserves for certain customer accounts where revenue is not recognized because collectability is not probable. These adjustments may also include accounts receivable allowances recorded in connection with acquisitions and divestitures, including reclassifications from the allowance to assets-held-for-sale.

The Company, under certain circumstances, enters into note receivable agreements with customers. Expected credit losses are recognized when collectability is uncertain; these losses are included in selling and administrative expenses on the Condensed Consolidated Statements of Operations. For the three months ended March 31, 2022 and 2021, the Company recognized $(0.5) million and $0.0 million, respectively, in the provision for expected credit losses related to these notes receivable. During the first quarter of 2022, the Company received higher than expected payments, resulting in a favorable reduction to the required provision. At March 31, 2022 and December 31, 2021, the Company held $0.1 million and $0.5 million, respectively, in notes receivable, which is reflected within other current assets on the Condensed Consolidated Balance Sheets.

3. LEASES

The Company leases certain property and equipment used for operations to limit its exposure to risks related to ownership. The major leased asset categories include: real estate, delivery equipment, material handling equipment and computer and office equipment. As of March 31, 2022, the Company operated from approximately 115 distribution centers of which approximately 110 were leased; of the leased facilities, 12 are located in Canada. These facilities are strategically located throughout the U.S., Canada and Mexico in order to efficiently serve the customer base in the surrounding areas while also facilitating expedited delivery services for special orders. The Company also leases various office spaces for corporate and sales functions.

The components of lease expense were as follows:

(in millions)		Three Months Ended March 31,	
Lease Classification	**Financial Statement Classification**	**2022**	**2021**
Short-term lease expense[1]	Operating expenses	$ 0.8	$ 1.0
Operating lease expense[2]	Operating expenses	$ 25.1	$ 25.6
Finance lease expense:			
Amortization of right-of-use assets	Depreciation and amortization	$ 3.7	$ 3.7
Interest expense	Interest expense, net	0.7	0.7
Total finance lease expense		$ 4.4	$ 4.4
Total Lease Cost		$ 30.3	$ 31.0

[1] Short-term lease expense is comprised of expenses related to leases with a term of twelve months or less, which includes expenses related to month-to-month leases.
[2] Sublease income and variable lease expense are not included in the above table as the amounts were not significant for the periods presented.

Supplemental balance sheets and other information were as follows (the current period amounts do not include Veritiv Canada, Inc. See Note 13, Divestitures, for information on the sale of this business):

(in millions, except weighted-average data)

Lease Classification	**Financial Statement Classification**	**March 31, 2022**	**December 31, 2021**
Operating Leases:			
Operating lease right-of-use assets	Other non-current assets	$ 344.6	$ 375.6
Operating lease obligations - current	Other accrued liabilities	$ 73.5	$ 80.2
Operating lease obligations - non-current	Other non-current liabilities	304.3	329.3
Total operating lease obligations		$ 377.8	$ 409.5
Weighted-average remaining lease term in years		6.3	6.2
Weighted-average discount rate		4.4 %	4.5 %
Finance Leases:			
Finance lease right-of-use assets	Property and equipment	$ 32.7	$ 66.3
Finance lease obligations - current	Current portion of debt	$ 9.8	$ 13.9
Finance lease obligations - non-current	Long-term debt, net of current portion	26.1	58.9
Total finance lease obligations		$ 35.9	$ 72.8
Weighted-average remaining lease term in years		4.0	6.4
Weighted-average discount rate		3.7 %	3.7 %

Cash paid for amounts included in the measurement of lease liabilities was as follows:

(in millions)		Three Months Ended March 31,	
Lease Classification	**Financial Statement Classification**	**2022**	**2021**
Operating Leases:			
Operating cash flows from operating leases	Operating activities	$ 25.0	$ 26.5
Finance Leases:			
Operating cash flows from finance leases	Operating activities	$ 0.7	$ 0.7
Financing cash flows from finance leases	Financing activities	3.4	3.3

Lease Commitments

Future minimum lease payments at March 31, 2022 were as follows:

(in millions)	**Finance Leases[1]**	**Operating Leases [1][2]**
2022 (excluding the three months ended March 31, 2022)	$ 8.9	$ 67.6
2023	8.9	79.1
2024	7.3	65.7
2025	6.7	54.4
2026	4.0	50.1
2027	2.0	43.6
Thereafter	1.3	75.0
Total future minimum lease payments	39.1	435.5
Amount representing interest	(3.2)	(57.7)
Total future minimum lease payments, net of interest	$ 35.9	$ 377.8

[1] The table does not include total future minimum lease payments of $35.7 million for finance leases and $43.2 million for operating leases that are classified as liabilities-held-for sale on the Condensed Consolidated Balance Sheets. See Note 13, Divestitures, for information on the sale of Veritiv Canada, Inc.
[2] Future sublease income of $2.7 million is excluded from the operating leases amount in the table above.

Total future minimum lease payments at March 31, 2022 for finance and operating leases, including the amount representing interest, are comprised of $429.0 million for real estate leases and $45.6 million for non-real estate leases.

At March 31, 2022, the Company had committed to additional future obligations of approximately $1.4 million for delivery equipment finance leases that have not yet commenced and therefore are not included in the table above. These leases will commence within the next three months with an average lease term of approximately seven years.

4. RESTRUCTURING CHARGES

2020 Restructuring Plan

During 2020, the Company initiated a restructuring plan (the "2020 Restructuring Plan") to (1) respond to the impact of the COVID-19 pandemic on its business operations, (2) address the ongoing secular changes in its print and publishing operations and (3) further align its cost structure with ongoing business needs as the Company executes on its stated corporate strategy. The 2020 Restructuring Plan was substantially complete as of December 31, 2021, with remaining charges of approximately $4 million expected to be incurred through the end of 2022.

Other direct costs reported in the tables below include facility closing costs and other incidental costs associated with the development, communication, administration and implementation of these initiatives; costs incurred exclude any non-cash portion of restructuring gains or losses on asset disposals.

The following table presents a summary of restructuring charges, net, related to restructuring initiatives that were incurred during the three months ended March 31, 2022 and the cumulative amounts since the initiatives began:

(in millions)	Severance and Related Costs	Other Direct Costs	(Gain) Loss on Sale of Assets and Other (non-cash portion)	Total
2022	$ 0.4	$ 2.3	$ 0.0	$ 2.7
Cumulative	41.2	33.0	(3.9)	70.3

The following is a summary of the Company's 2020 Restructuring Plan liability activity for the current year:

(in millions)	Severance and Related Costs	Other Direct Costs	Total
Balance at December 31, 2021	$ 4.7	$ 3.7	$ 8.4
Costs incurred	0.4	1.4	1.8
Payments	(2.3)	(2.1)	(4.4)
Balance at March 31, 2022	$ 2.8	$ 3.0	$ 5.8

In addition to the costs incurred in the table above, during the three months ended March 31, 2022, the Company expensed $0.9 million of Other Direct Costs, which was prepaid at December 31, 2021.

The following is a summary of the Company's 2020 Restructuring Plan liability activity for the prior year comparable period:

(in millions)	Severance and Related Costs	Other Direct Costs	Total
Balance at December 31, 2020	$ 15.4	$ 6.9	$ 22.3
Costs incurred	(0.3)	2.7	2.4
Payments	(5.2)	(1.6)	(6.8)
Balance at March 31, 2021	$ 9.9	$ 8.0	$ 17.9

In addition to the costs incurred in the table above, during the three months ended March 31, 2021, the Company expensed $1.9 million of Other Direct Costs, which was prepaid at December 31, 2020.

In addition to the 2020 Restructuring Plan, the Company has recorded other restructuring liabilities related to the previous restructuring plans that as of March 31, 2022, totaled $21.9 million, of which $18.5 million was related to MEPP withdrawal obligations that will be paid-out over an approximate 20-year period. These other liabilities as of December 31, 2021, totaled $22.2 million, of which $18.8 million was related to MEPP withdrawal obligations.

See Note 12, Segment and Other Information, for the impact that charges from these restructuring plans had on the Company's reportable segments.

5. DEBT

The Company's debt obligations were as follows (the current period amounts do not include Veritiv Canada, Inc. See Note 13, Divestitures, for information on the sale of this business):

(in millions)	March 31, 2022	December 31, 2021
Asset-Based Lending Facility (the "ABL Facility")	$ 474.2	$ 440.8
Commercial card program	2.3	2.1
Vendor-based financing arrangements	14.1	—
Finance leases	35.9	72.8
Total debt	526.5	515.7
Less: current portion of debt	(15.0)	(16.0)
Long-term debt, net of current portion	$ 511.5	$ 499.7

ABL Facility

In 2021, the Company amended its ABL Facility to extend the maturity date to May 20, 2026, adjust the pricing grid for applicable interest rates and update certain provisions to facilitate the transition from LIBOR to a new replacement benchmark rate. All other significant terms remained substantially the same. The Company incurred and deferred certain financing costs associated with the transaction, reflected in other non-current assets on the Condensed Consolidated Balance Sheets, which are being amortized to interest expense on a straight-line basis over the amended term of the ABL Facility.

Availability under the ABL Facility is determined based upon a monthly borrowing base calculation which includes eligible customer receivables and inventory, less outstanding borrowings, letters of credit and certain designated reserves. As of March 31, 2022, the available additional borrowing capacity under the ABL Facility was approximately $576.6 million. As of March 31, 2022, the Company held $11.0 million in outstanding letters of credit.

The ABL Facility has a springing minimum fixed charge coverage ratio of at least 1.00 to 1.00 on a trailing four-quarter basis, which will be tested only when specified availability is less than the limits outlined under the ABL Facility. At March 31, 2022, the above test was not applicable and based on information available as of the date of this report it is not expected to be applicable in the next 12 months.

Commercial Card Program

The Company has a commercial purchasing card program that is used for business purpose purchasing and must be paid in-full monthly. At March 31, 2022, the card carried a maximum credit limit of $37.5 million. At March 31, 2022 and December 31, 2021, $2.3 million and $2.1 million, respectively, was outstanding on the commercial card. The net change in the outstanding balance is included in other financing activities on the Condensed Consolidated Statements of Cash Flows.

Vendor-Based Financing Arrangements

On occasion, the Company enters into long-term vendor-based financing arrangements with suppliers to obtain products, services or property in exchange for extended payment terms. During the three months ended March 31, 2022, the Company entered into a vendor-based financing agreement with a principal amount of $18.5 million to finance the acquisition of certain internal use software licenses to be paid over a five-year term. At March 31, 2022, the vendor-based financing arrangement had an outstanding balance of $14.1 million. In order to determine the present value of the commitments, the Company used an imputed interest rate of 3.17%. The payments associated with this arrangement are classified as financing activities on the Condensed Consolidated Statements of Cash Flows.

6. INCOME TAXES

The Company calculated the expense or benefit for income taxes during the three months ended March 31, 2022 and 2021, by applying an estimate of the annual effective tax rate for the full fiscal year to "ordinary" income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) for the reporting periods.

The following table presents the Company's expense (benefit) for income taxes and the effective tax rates:

(in millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Income (loss) before income taxes	$ 84.3	$ 30.4
Income tax expense (benefit)	5.8	9.1
Effective tax rate	6.9 %	29.9 %

The difference between the Company's effective tax rates for the three months ended March 31, 2022 and 2021 and the U.S. statutory tax rate of 21.0% primarily relates to vesting of stock compensation, non-deductible expenses, state income taxes (net of federal income tax benefit), tax credits and the Company's pre-tax book income (loss) by jurisdiction. Additionally, the effective tax rate for the three months ended March 31, 2022 includes recognition of a deferred tax asset on the Company's investment in a foreign subsidiary.

7. DEFINED BENEFIT PLANS

Veritiv does not maintain any open defined benefit plans for its non-union employees. Veritiv maintains an open defined benefit pension plan in the U.S. for employees covered by certain collectively bargained agreements. Veritiv also assumed responsibility for Unisource's defined benefit plans, which include frozen cash balance accounts for certain former Unisource employees.

Effective December 1, 2021, the Company divided the U.S. Veritiv Pension Plan by establishing a new Veritiv Hourly Pension Plan to provide benefits to certain employees who were accruing a benefit under the U.S. Veritiv Pension Plan pursuant to the terms of a collective bargaining agreement. Veritiv currently has the intent to subsequently terminate and settle the U.S. Veritiv Pension Plan. The Veritiv Hourly Pension Plan will remain open.

Total net periodic benefit cost (credit) associated with these plans is summarized below:

	Three Months Ended March 31, 2022		Three Months Ended March 31, 2021	
(in millions)	U.S.	Canada	U.S.	Canada
Components of net periodic benefit cost (credit):				
Service cost	$ 0.8	$ 0.1	$ 0.6	$ 0.1
Interest cost	$ 0.3	$ 0.6	$ 0.3	$ 0.5
Expected return on plan assets	(0.5)	(1.1)	(1.1)	(1.0)
Total other components	$ (0.2)	$ (0.5)	$ (0.8)	$ (0.5)
Net periodic benefit cost (credit)	$ 0.6	$ (0.4)	$ (0.2)	$ (0.4)

The components of net periodic benefit cost (credit) other than the service cost component are included in other (income) expense, net on the Condensed Consolidated Statements of Operations. Amounts are generally amortized from AOCL over the expected future working lifetime of active plan participants.

8. FAIR VALUE MEASUREMENTS

At March 31, 2022 and December 31, 2021, the carrying amounts of cash and cash equivalents, receivables, payables, other components of other current assets and other accrued liabilities, and the short-term debt associated with the commercial card program approximate their fair values due to the short maturity of these items. Cash and cash equivalents may include highly-liquid investments with original maturities to the Company of three months or less that are readily convertible into known amounts of cash.

Borrowings under the ABL Facility are at variable market interest rates, and accordingly, the carrying amount approximates fair value, which is a Level 2 measurement. The fair value of the debt-related interest rate cap was derived from a discounted cash flow analysis based on the terms of the agreement and Level 2 data for the forward interest rate curve adjusted for

the Company's credit risk and was not significant for the periods presented in this report. See Note 5, Debt, for additional information regarding the Company's ABL Facility and other obligations.

At March 31, 2022 and December 31, 2021, the Company had assets-held-for-sale of $300.5 million and $1.2 million, respectively. At March 31, 2022 the Company had liabilities-held-for-sale of $172.9 million. These assets and liabilities are included, at the lower of their carrying value or fair value, within the current assets and current liabilities sections of the Condensed Consolidated Balance Sheets. The majority of the current year amounts are related to the divestiture of Veritiv Canada, Inc., which is described in Note 13, Divestitures.

At March 31, 2022, the Company held a goodwill balance of $96.3 million for its Packaging reportable segment. Additionally, at March 31, 2022, the Company held an other intangibles, net asset balance of $38.9 million for its Packaging and Facility Solutions reportable segments, related to its customer relationships. As a result of the announced sale of Veritiv Canada, Inc., which the Company concluded represented a triggering event, the Company reviewed its goodwill and other intangible assets for possible impairment indicators. Utilizing Level 3 data (internal data such as the Company's operating and cash flow projections), the Company allocated $3.3 million of the goodwill amount and $2.6 million of the other intangibles, net asset amount to the Canadian business being divested. The fair value analyses used in the impairment assessments for the retained goodwill and other intangibles, net asset also relied upon Level 3 data. Management determined that the carrying values of the goodwill and other intangibles, net asset for both the Veritiv Canada, Inc. business and the remaining Veritiv business were not impaired as of March 31, 2022. The divestiture of Veritiv Canada, Inc. is more fully described in Note 13, Divestitures.

9. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for Veritiv common stock is calculated by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the respective periods. Diluted earnings per share is similarly calculated, except that the denominator is increased to include the number of additional common shares that would have been outstanding during those periods if the dilutive potential common shares had been issued, using the treasury stock method, except where the inclusion of such common shares would have an antidilutive impact.

A summary of the numerators and denominators used in the basic and diluted earnings (loss) per share calculations is as follows:

	Three Months Ended March 31,	
(in millions, except per share data)	**2022**	**2021**
Numerator:		
Net income (loss)	$ 78.5	$ 21.3
Denominator:		
Weighted-average shares outstanding – basic	14.77	15.88
Dilutive effect of stock-based awards	0.55	0.78
Weighted-average shares outstanding – diluted	15.32	16.66
Earnings (loss) per share:		
Basic	$ 5.31	$ 1.34
Diluted	$ 5.12	$ 1.28
Antidilutive stock-based awards excluded from computation of diluted earnings per share ("EPS")	0.14	0.11
Performance stock-based awards excluded from computation of diluted EPS because performance conditions had not been met	0.00	0.07

10. SHAREHOLDERS' EQUITY

Share Repurchase Programs

On March 1, 2022, Veritiv announced that its Board of Directors authorized a $200 million share repurchase program (the "2022 Share Repurchase Program"). The 2022 Share Repurchase Program authorizes the Company, from time to time, to purchase shares of its common stock through open market transactions, privately negotiated transactions, forward, derivative or accelerated repurchase transactions, tender offers or otherwise, including Rule 10b5-1 trading plans, in accordance with all applicable securities laws and regulations. The timing and method of any repurchases, which will depend on a variety of market factors, including market conditions, are subject to results of operations, financial conditions, cash requirements and other factors. This authorization may be suspended, terminated, increased or decreased by the Board of Directors at any time. During the month ended March 31, 2022, the Company repurchased 78,025 shares of its common stock at a cost of $10.4 million under its 2022 Share Repurchase Program.

On March 3, 2021, Veritiv announced that its Board of Directors authorized a $50 million share repurchase program (the "2021 Share Repurchase Program"), which was increased to $100 million in May 2021. Executing within the 2021 Share Repurchase Program, on March 9, 2021, Veritiv entered into a Share Repurchase Agreement with UWW Holdings, LLC (the "UWWH Stockholder"), pursuant to which the Company agreed to repurchase (the "Share Repurchase") an aggregate of 553,536 shares of its common stock owned by the UWWH Stockholder for an aggregate purchase price of $23.2 million. The Share Repurchase closed on March 12, 2021 and the Company funded the Share Repurchase with cash on hand. Concurrently with the closing of the Share Repurchase, the UWWH Stockholder sold the remainder of its shares of Veritiv common stock to an unrelated third party. As of March 31, 2021, the Company had repurchased a total of 586,003 shares of its common stock at a cost of $24.6 million under its 2021 Share Repurchase Program. As of December 31, 2021, the Company had completed its repurchases under the 2021 Share Repurchase Program bringing the total purchases to $100 million, the authorized repurchase limit.

Veritiv Omnibus Incentive Plan

In accordance with the Company's 2014 Omnibus Incentive Plan, as amended and restated as of March 8, 2017, shares of the Company's common stock were issued to plan participants whose Restricted Stock Units, Performance Share Units, Market Condition Performance Share Units and/or non-employee director grants (grants not deferred) vested during those periods. The net share issuance is included on the Condensed Consolidated Statements of Shareholders' Equity for the three months ended March 31, 2022 and 2021. The related cash flow impacts are included in financing activities on the Condensed Consolidated Statements of Cash Flows. For additional information related to these plans, refer to the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2021.

See the table below for information related to these transactions:

(in millions)	**2022**	**2021**
Three months ended March 31,		
Shares issued	0.7	0.3
Shares recovered for minimum tax withholding	(0.2)	(0.1)
Net shares issued	0.5	0.2

Accumulated Other Comprehensive Loss ("AOCL")

Comprehensive income (loss) is reported on the Condensed Consolidated Statements of Comprehensive Income (Loss) and consists of net income (loss) and other gains and losses affecting shareholders' equity that, under U.S. GAAP, are excluded from net income (loss).

The following tables provide the components of AOCL (amounts are shown net of their related income tax effects, if any):

(in millions)	Foreign currency translation adjustments	Retirement liabilities	Interest rate cap	AOCL
Balance at December 31, 2021	$ (25.2)	$ 1.0	$ (0.1)	$ (24.3)
Unrealized net gains (losses) arising during the period	2.6	0.0	0.0	2.6
Net current period other comprehensive income (loss)	2.6	0.0	0.0	2.6
Balance at March 31, 2022	$ (22.6)	$ 1.0	$ (0.1)	$ (21.7)

(in millions)	Foreign currency translation adjustments	Retirement liabilities	Interest rate cap	AOCL
Balance at December 31, 2020	$ (24.2)	$ (9.1)	$ (0.2)	$ (33.5)
Unrealized net gains (losses) arising during the period	(0.3)	0.0	0.0	(0.3)
Net current period other comprehensive income (loss)	(0.3)	0.0	0.0	(0.3)
Balance at March 31, 2021	$ (24.5)	$ (9.1)	$ (0.2)	$ (33.8)

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, the Company is involved in various lawsuits, claims and regulatory and administrative proceedings arising out of its business relating to general commercial and contractual matters, governmental regulations, intellectual property rights, labor and employment matters, tax and other actions.

Although the ultimate outcome of any legal proceeding or investigation cannot be predicted with certainty, based on present information, including the Company's assessment of the merits of the particular claim, the Company does not expect that any asserted or unasserted legal claims or proceedings, individually or in the aggregate, will have a material adverse effect on its results of operations, financial condition or cash flows.

MEPPs

The Company records an estimated undiscounted charge when it becomes probable that it has incurred a withdrawal liability. Final charges for MEPP withdrawals are not known until the plans issue their respective determinations. As a result, these estimates may increase or decrease depending upon the final determinations.

Western Pennsylvania Teamsters and Employers Pension Fund

During the first quarter of 2020, Veritiv negotiated the complete withdrawal from the Western Pennsylvania Teamsters and Employers Pension Fund (the "Western Pennsylvania Fund"), a MEPP related to the second bargaining unit at its Warrendale, Pennsylvania location and recognized an estimated complete withdrawal liability of $7.1 million, which was unchanged as of March 31, 2022.

During the second quarter of 2019, in the course of negotiations for a collective bargaining agreement, Veritiv negotiated a partial withdrawal from the Western Pennsylvania Fund and recognized an estimated partial withdrawal liability of $6.5 million, which was unchanged as of March 31, 2022.

As of March 31, 2022, the Company has not yet received the determination letters for the full and partial withdrawals from the Western Pennsylvania Fund. The Company expects that payments will occur over an approximate 20-year period, which could run consecutively.

Minneapolis Food Distributors Ind Pension Plan

During the fourth quarter of 2021, in the course of negotiations for a collective bargaining agreement, Veritiv negotiated a complete withdrawal from the Minneapolis Food Distributors Ind Pension Plan to take effect on July 31, 2022, and recognized an estimated complete withdrawal liability of $0.5 million as of December 31, 2021. The withdrawal charge was recorded in distribution expenses as it was not related to a restructuring activity. As of March 31, 2022, the Company has not yet received the determination letter for the complete withdrawal from the Minneapolis Food Distributors Ind Pension Plan. The Company expects that payments will occur over an approximate three-year period.

12. SEGMENT AND OTHER INFORMATION

Veritiv's business is organized under three reportable segments: Packaging, Facility Solutions and Print Solutions. See Note 1, Business and Summary of Significant Accounting Policies, for information regarding the formation of the Company's Print Solutions reportable segment. See Note 2, Revenue Recognition and Credit Losses, for descriptions of the Company's reportable segments and Corporate & Other.

The following table presents net sales, Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, restructuring charges, net, integration and acquisition expenses and other similar charges including any severance costs, costs associated with warehouse and office openings or closings, consolidation, and relocation and other business optimization expenses, stock-based compensation expense, changes in the LIFO reserve, non-restructuring asset impairment charges, non-restructuring severance charges, non-restructuring pension charges, net, fair value adjustments related to contingent liabilities assumed in mergers and acquisitions and certain other adjustments), which is the metric management uses to assess operating performance of the segments, and certain other measures for each of the reportable segments and Corporate & Other for the periods presented:

(in millions)	Packaging	Facility Solutions	Print Solutions	Total Reportable Segments	Corporate & Other	Total
Three Months Ended March 31, 2022						
Net sales	$ 1,003.1	$ 229.4	$ 596.6	$ 1,829.1	$ 29.0	$ 1,858.1
Adjusted EBITDA	97.4	13.4	54.6	165.4	(45.9)	
Depreciation and amortization	6.3	1.8	1.2	9.3	3.4	12.7
Restructuring charges, net	1.6	0.4	0.7	2.7	0.0	2.7
Three Months Ended March 31, 2021						
Net sales	$ 854.6	$ 206.1	$ 471.3	$ 1,532.0	$ 27.3	$ 1,559.3
Adjusted EBITDA	78.0	11.5	17.4	106.9	(47.4)	
Depreciation and amortization	6.1	2.0	1.6	9.7	4.8	14.5
Restructuring charges, net	2.7	0.5	1.6	4.8	(0.5)	4.3

The table below presents a reconciliation of net income (loss) as reflected on the Condensed Consolidated Statements of Operations to Adjusted EBITDA for the reportable segments:

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Net income (loss)	$ 78.5	$ 21.3
Interest expense, net	3.5	5.1
Income tax expense (benefit)	5.8	9.1
Depreciation and amortization	12.7	14.5
Restructuring charges, net	2.7	4.3
Facility closure charges, including (gain) loss from asset disposition	(0.6)	0.3
Stock-based compensation	2.8	1.2
LIFO reserve (decrease) increase	11.0	5.1
Non-restructuring severance charges	1.7	0.8
Other	1.4	(2.2)
Adjustment for Corporate & Other	45.9	47.4
Adjusted EBITDA for reportable segments	$ 165.4	$ 106.9

In February 2021, a Veritiv warehouse incurred significant damage as a result of a severe weather event, which included damage to the building structure and contents, as well as a loss of inventory. The total amount of the incurred loss and restoration cost is currently estimated to be approximately $13 million, the majority of which is expected to be covered by the Company's various insurance policies. From the date of the incident, a total net benefit of $1.8 million has been recognized in selling and administrative expenses on the Company's statements of operations, of which $2.1 million was recognized in 2022. During the three months ended March 31, 2022, the Company received $2.1 million in reimbursement related to the structural damage, which is reported as proceeds from insurance related to property and equipment on the Condensed Consolidated Statement of Cash Flows. Insurance proceeds not related to the structural damage are reported as cash flows from operating activities.

13. DIVESTITURES

Veritiv Canada, Inc.

In March 2022, the Company signed a definitive agreement to sell its Veritiv Canada, Inc. business to Imperial Dade Canada Inc. for a purchase price of CAD $240 million (approximately U.S. $190 million) in cash payable at closing, subject to certain customary adjustments. The sale includes substantially all of the Company's facility solutions and print operations in Canada, and a majority of the Company's Canada-based packaging business, which primarily serves food service customers. The Company maintains the ability to supply packaging solutions to the Canadian locations of certain U.S.-based customers. The sale does not represent a strategic shift that will have a major effect on the Company's operations or financial results and it did not meet the requirements to be classified as a discontinued operation. Management determined that the carrying values of the goodwill and other intangible assets allocated to the Veritiv Canada, Inc. business were not impaired as of March 31, 2022. The sale closed in the second quarter of 2022. Upon closing of the sale, Veritiv's approximately 900 employees in Canada became employees of Imperial Dade Canada Inc. Veritiv expects to use net proceeds from the transaction to support the 2022 Share Repurchase Program as well as future capital priorities and growth initiatives. See Note 14, Subsequent Event, for additional information regarding the sale of Veritiv Canada, Inc.

In accordance with Accounting Standards Codification Topic 740, *Income Taxes*, ("ASC 740"), a deferred tax asset should be recognized for the excess of the tax basis over the financial reporting carrying value of an investment in a subsidiary ("outside basis difference") when it is apparent that the temporary difference will reverse in the foreseeable future. In connection with presenting the assets and liabilities of Veritiv Canada, Inc. as held-for-sale as of March 31, 2022, the Company was required to re-evaluate its position related to the recognition of a deferred tax asset or liability for the outside basis difference of the Veritiv Canada, Inc. corporate subsidiary being sold. In prior years, and as required under ASC 740, deferred taxes for such outside basis difference had not been recognized because the outside basis difference was deemed permanent in nature. Due to the sale status of the Veritiv Canada, Inc. business, which was pending as of March 31, 2022, the outside basis difference was no longer deemed

to be permanent in nature and is expected to reverse in the foreseeable future. As a result, a net deferred tax asset of $1.1 million and a corresponding income tax benefit for the difference in the Company's stock basis versus its book carrying value of the Veritiv Canada, Inc. corporate subsidiary was recorded in the first quarter of 2022.

The table below presents the estimated asset and liability balances for Veritiv Canada, Inc., which are reported as held-for-sale on the Condensed Consolidated Balance Sheet as of March 31, 2022:

(in millions)		**Balance at March 31, 2022**
Cash and cash equivalents	$	9.9
Accounts receivable, net of allowances		94.8
Inventories		87.3
Other current assets		15.0
Property and equipment, net of accumulated depreciation and amortization		38.0
Goodwill		3.3
Other intangibles, net		2.6
Other non-current assets [(1)]		48.4
Total assets	$	299.3
Accounts payable	$	72.4
Accrued payroll and benefits		4.6
Other accrued liabilities		20.1
Current portion of debt		4.2
Long-term debt, net of current portion		31.5
Defined benefit pension obligations		3.9
Other non-current liabilities [(1)]		36.2
Total liabilities	$	172.9

[(1)] Includes $42.1 million for operating lease ROU assets and $36.1 million for the corresponding operating lease obligations, respectively.

Rollsource business

On March 31, 2021, the Company sold its legacy Print segment's Rollsource business, which provided specialized converting of commercial printing paper for distribution to the business-forms, direct-mail and digital-printing industries. The Company received cash proceeds of approximately $7.5 million, which were used to pay outstanding revolving loan borrowings under the ABL Facility. The cash proceeds are reported as proceeds from asset sales and sale of a business in the investing activities section of the Condensed Consolidated Statements of Cash Flows. The Company recognized an initial pre-tax gain of $2.4 million on the sale which is included in selling and administrative expenses on the Condensed Consolidated Statements of Operations.

14. SUBSEQUENT EVENT

On May 2, 2022, the Company completed the sale of its Veritiv Canada, Inc. business to Imperial Dade Canada Inc. The Company received net cash proceeds of approximately $147.4 million, subject to normal working capital adjustments during the 90-day period following the sale close date. In connection with the closing, the Company entered into an agreement with the buyer for the provision of certain storage, order processing and/or fulfillment services for the small subset of Veritiv retained packaging customers.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained in this report regarding the Company's future operating results, performance, strategy, business plans, prospects and guidance, statements related to the impact of COVID-19 and any other statements not constituting historical fact are "forward-looking statements" subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Where possible, the words "believe," "expect," "anticipate," "continue," "intend," "should," "will," "would," "planned," "estimated," "potential," "goal," "outlook," "may," "predicts," "could," or the negative of such terms, or other comparable expressions, have been used to identify such forward-looking statements. All forward-looking statements reflect only the Company's current beliefs and assumptions with respect to future operating results, performance, business plans, prospects, guidance and other matters, and are based on information currently available to the Company. Accordingly, the statements are subject to significant risks, uncertainties and contingencies, which could cause the Company's actual operating results, performance, business plans, prospects or guidance to differ materially from those expressed in, or implied by, these statements.

Factors that could cause actual results to differ materially from current expectations include the risks and other factors described under "Risk Factors" and elsewhere in our Annual Report on Form 10-K and in the Company's other publicly available reports filed with the Securities and Exchange Commission ("SEC"). Such risks and other factors, which in some instances are beyond the Company's control, include: adverse impacts of the COVID-19 pandemic; the industry-wide decline in demand for paper and related products; increased competition from existing and non-traditional sources; procurement and other risks in obtaining packaging, facility products and paper from our suppliers for resale to our customers; changes in prices for raw materials; changes in trade policies and regulations; increases in the cost of fuel and third-party freight and the availability of third-party freight providers; the loss of any of our significant customers; inability to realize expected benefits of restructuring plans; adverse developments in general business and economic conditions that could impair our ability to use net operating loss carryforwards and other deferred tax assets; our ability to adequately protect our material intellectual property and other proprietary rights, or to defend successfully against intellectual property infringement claims by third parties; our ability to attract, train and retain highly qualified employees; our pension and health care costs and participation in multi-employer pension, health and welfare plans; the effects of work stoppages, union negotiations and labor disputes; our ability to generate sufficient cash to service our debt; increasing interest rates; our ability to refinance or restructure our debt on reasonable terms and conditions as might be necessary from time to time; our ability to comply with the covenants contained in our debt agreements; costs to comply with laws, rules and regulations, including environmental, health and safety laws, and to satisfy any liability or obligation imposed under such laws; changes in tax laws; adverse results from litigation, governmental investigations or audits, or tax-related proceedings or audits; regulatory changes and judicial rulings impacting our business; the impact of adverse developments in general business and economic conditions as well as conditions in the global capital and credit markets on demand for our products and services, our business including our international operations, and our customers; foreign currency fluctuations; inclement weather, widespread outbreak of an illness, anti-terrorism measures and other disruptions to our supply chain, distribution system and operations; our dependence on a variety of information technology and telecommunications systems and the Internet; our reliance on third-party vendors for various services; cybersecurity risks; and other events of which we are presently unaware or that we currently deem immaterial that may result in unexpected adverse operating results.

For a more detailed discussion of these factors, see the information under "Risk Factors" and elsewhere in our Annual Report on Form 10-K and in our other filings we make with the SEC. Forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, historical information should not be considered as an indicator of future performance.

The following discussion of the Company's financial condition and results of operations for the three months ended March 31, 2022 should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and Notes thereto, included elsewhere in this report.

Executive Overview

The COVID-19 Pandemic

The COVID-19 pandemic has had widespread, rapidly evolving and unpredictable impacts on global societies, economies, financial markets and business practices, and created uncertainty regarding potential impacts to Veritiv Corporation

("Veritiv" or the "Company"). Although the Company has not experienced any closures of its distribution centers, Veritiv serves customers across a broad range of industry sectors and geographies, with varying COVID-19 impacts. Primarily beginning in April 2020, the COVID-19 pandemic began having a negative impact on the Company's financial results, including decreased sales activity.

Veritiv's first priority remains the health and safety of its employees, customers and their families. The Company has taken steps to limit exposure and enhance the safety of its facilities for employees working to continue to supply vital products to its customers. In response to the pandemic, Veritiv initiated its Corporate Incident Response Team and initiated enhanced health and safety measures across its facilities. The Company modified practices at its distribution centers and offices to adhere to guidance from the United States ("U.S.") Centers for Disease Control and Prevention and local health and governmental authorities with respect to social distancing, enhanced cleaning protocols and usage of personal protective equipment, where appropriate.

Beginning in April 2020, Veritiv took several actions to help mitigate the effects of the decreased sales activity and improve liquidity, including implementing cost-savings and cash preservation initiatives as described under the heading "2020 Restructuring Plan" below. The Company saw economic improvements during 2021 in many of the markets where it operates as global vaccine distribution efforts continued. The current circumstances are dynamic and the impacts of the COVID-19 pandemic on the Company's business operations, including the duration and impact on overall customer demand, cannot be reasonably estimated at this time. The extent to which the COVID-19 pandemic continues to impact the Company's business, results of operations, access to sources of liquidity and financial condition will depend on future developments. These developments, which are uncertain and difficult to predict, include, but are not limited to, the duration, spread and severity of the COVID-19 pandemic including new variants, the effects of the COVID-19 pandemic on the Company's employees, customers, suppliers and vendors, measures adopted or recommended by local and federal governments or health authorities in response to the pandemic, the availability, adoption and effectiveness of vaccines and vaccine boosters and to what extent normal economic and operating conditions can resume and be sustained. Even after the COVID-19 pandemic has subsided, the Company may experience an impact to its business as a result of any economic recession, downturn or volatility or long-term changes in customer behavior.

Other Developments

Divestiture of Veritiv Canada, Inc.

On May 2, 2022, the Company completed the sale of its Veritiv Canada, Inc. business to Imperial Dade Canada Inc. The sale includes substantially all of the Company's facility solutions and print operations in Canada, and a majority of the Company's Canada-based packaging business, which primarily serves food service customers. The Company maintains the ability to supply packaging solutions to the Canadian locations of certain U.S.-based customers. The sale does not represent a strategic shift that will have a major effect on the Company's operations or financial results and it did not meet the requirements to be classified as a discontinued operation. Upon closing of the sale, Veritiv’s approximately 900 employees in Canada became employees of Imperial Dade Canada Inc. This sale will allow Veritiv to continue to shift its portfolio to focus on its core packaging business, with an emphasis on higher growth, higher margin businesses, and further invest in building on its industry-leading capabilities. Veritiv expects to use net proceeds from the transaction to support its recently announced $200 million share repurchase program as well as future capital priorities and growth initiatives. See Note 13 and Note 14 of the Notes to Condensed Consolidated Financial Statements for information regarding the sale of Veritiv Canada, Inc.

The financial results of Veritiv Canada, Inc. are included in the Company's Condensed Consolidated Financial Statements for the three months ended March 31, 2022 and 2021, included in this report, as the sale of that business was completed in the second quarter of 2022. For the three months ended March 31, 2022 and 2021, net sales for this business totaled $191.8 million and $160.7 million, respectively. For that same time period, its Adjusted EBITDA totaled $10.9 million and $6.1 million, respectively. Less than 20% of Veritiv Canada, Inc.'s 2021 net sales were from the Packaging segment, after adjusting for products that are not a part of Veritiv's traditional packaging product offering in the U.S.

Change in Reportable Segments

As the print and publishing industries continue to evolve, the Company continues to focus on ways to share costs and leverage combined resources where possible. In order to better align the resources of the Company's print and publishing organizations with the needs of the changing marketplaces, during the first quarter of 2022 the Company reevaluated the way in which it would service its customers, manage its product offerings and allocate resources to support these areas of its business. This resulted in a decision to combine the print and publishing operations, resulting in a new reportable segment known as Print

Solutions. Prior period results have been revised to align with the new presentation. See Note 2 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the Company's product offerings and reportable segments.

2022 Share Repurchase Program

On March 1, 2022, Veritiv announced that its Board of Directors authorized a $200 million share repurchase program (the "2022 Share Repurchase Program"), which replaced the Company's previous $100 million share repurchase program that was fully utilized as of December 31, 2021. The 2022 Share Repurchase Program authorizes the Company, from time to time, to purchase shares of its common stock through open market transactions, privately negotiated transactions, forward, derivative or accelerated repurchase transactions, tender offers or otherwise, including Rule 10b5-1 trading plans, in accordance with all applicable securities laws and regulations. The timing and method of any repurchases, which will depend on a variety of market factors, including market conditions, are subject to results of operations, financial conditions, cash requirements and other factors. This authorization may be suspended, terminated, increased or decreased by the Board of Directors at any time. During the month ended March 31, 2022, the Company repurchased 78,025 shares of its common stock at a cost of $10.4 million under its 2022 Share Repurchase Program.

2020 Restructuring Plan

During 2020, the Company initiated a restructuring plan (the "2020 Restructuring Plan") in response to the impact of the COVID-19 pandemic on its business operations, ongoing secular changes in its print and publishing operations and to further align its cost structure with ongoing business needs as the Company executes on its stated corporate strategy. The 2020 Restructuring Plan included (i) a reduction of the Company's U.S. salaried workforce by approximately 15% across all business segments and corporate functions, (ii) the closure of certain warehouse facilities and retail stores, (iii) adjustments to various compensation plans, (iv) repositioning of inventory to expand the Company's service radius and (v) other actions. The 2020 Restructuring Plan was substantially complete as of December 31, 2021, with remaining charges of approximately $4 million expected to be incurred through the end of 2022. See Note 4 of the Notes to Condensed Consolidated Financial Statements for information related to the Company's restructuring efforts.

Company Strategy

Veritiv continues to execute against its long-term strategy to be the leading provider of business-to-business packaging products and services, as well as paper and facility solutions products and services. The Company continues to invest in organic packaging growth including selling and supply chain capabilities, and to pursue inorganic packaging growth opportunities. The Company also continues to evaluate alternatives for non-core components of our business including potential divestitures.

Business Overview

Veritiv is a leading North American business-to-business full-service provider of value-added packaging products and services, as well as facility solutions and print-based products and services. Additionally, Veritiv provides logistics and supply chain management solutions to its customers. Veritiv was established on July 1, 2014 following the merger of International Paper Company's xpedx distribution solutions business and UWW Holdings, Inc., the parent company of Unisource Worldwide, Inc. Veritiv operates primarily throughout the U.S., Canada and Mexico.

Veritiv's business is organized under three reportable segments: Packaging, Facility Solutions and Print Solutions. This segment structure is consistent with the way the Chief Operating Decision Maker, who is Veritiv's Chief Executive Officer, makes operating decisions and manages the growth and profitability of the Company's business. The Company also has a Corporate & Other category which includes certain assets and costs not primarily attributable to any of the reportable segments, as well as the Veritiv logistics solutions business which provides transportation and warehousing solutions. The following summary describes the products and services offered in each of the reportable segments:

- ***Packaging*** – Veritiv is a global provider of packaging products, services and solutions. The Packaging segment provides custom and standard packaging solutions for customers based in North America and in key global markets. This segment services its customers with a full spectrum of packaging product materials within flexible, corrugated and fiber, ancillary packaging, rigid and equipment categories. The business is strategically focused on higher growth industry sectors including manufacturing, food and beverage, wholesale and retail, healthcare and transportation, as well as specialty sectors based on industry and product expertise. Veritiv's packaging professionals create customer value

through supply chain solutions, structural and graphic packaging design and engineering, automation, workflow and equipment services and kitting.

- ***Facility Solutions*** – Veritiv is a global provider of hygiene and facility solutions products and services. The Facility Solutions segment sources and sells cleaning, break-room and other supplies in product categories that include towels and tissues, food service, personal protective equipment, cleaning chemicals and skincare, primarily in North America. Through this segment Veritiv manages a world class network of leading suppliers in most facilities solutions categories. Additionally, the Company offers total cost of ownership solutions with re-merchandising, budgeting and compliance reporting and inventory management. Its sales force is trained to bring leading vertical expertise to the major North American geographies.

- ***Print Solution*s** – The Print Solutions segment helps customers optimize their printed communication by sourcing and distributing sustainable papers through a global network of suppliers. The Print Solutions segment sells and distributes commercial printing, writing and copying products and services primarily in North America. Veritiv's broad geographic platform of operations and services, coupled with the breadth of paper and graphics products, including exclusive private brand offerings, provides a comprehensive suite of solutions in paper procurement, print management, supply chain and distribution. This segment's customer base includes commercial printers, marketers, corporate end users, publishers and retailers.

Seasonality

The Company's operating results are subject to seasonal influences. Historically, its higher consolidated net sales have occurred during the third and fourth quarters while its lowest consolidated net sales have occurred during the first quarter. The Packaging segment net sales have traditionally increased each quarter throughout the year and net sales for the first quarter have typically been less than net sales for the fourth quarter of the preceding year. Production schedules for non-durable goods that build up to the holidays and peak in the fourth quarter drive this seasonal net sales pattern. Net sales for the Facility Solutions segment have traditionally peaked in the third quarter due to increased summer demand in the away-from-home resort, cruise and hospitality markets and from back-to-school activities. Within the Print Solutions segment, seasonality is driven by increased magazine advertising page counts, retail inserts, catalogs and direct mail primarily due to back-to-school, political election and holiday-related advertising and promotions in the second half of the year. The COVID-19 pandemic has had minor disruptions to the Company's seasonal patterns in net sales across all segments and on a consolidated basis due to the impacts of the pandemic on many of Veritiv's customers. The duration and extent of the COVID-19 pandemic is uncertain and the magnitude of continuing seasonality disruption is difficult to predict.

Results of Operations, Including Business Segments

The following discussion compares the consolidated operating results of Veritiv for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		Increase (Decrease)	
(in millions)	**2022**	**2021**	**$**	**%**
Net sales	$ 1,858.1	$ 1,559.3	$ 298.8	19.2%
Cost of products sold (exclusive of depreciation and amortization shown separately below)	1,455.4	1,238.1	217.3	17.6%
Distribution expenses	112.2	101.5	10.7	10.5%
Selling and administrative expenses	187.9	166.4	21.5	12.9%
Depreciation and amortization	12.7	14.5	(1.8)	(12.4)%
Restructuring charges, net	2.7	4.3	(1.6)	(37.2)%
Operating income (loss)	87.2	34.5	52.7	152.8%
Interest expense, net	3.5	5.1	(1.6)	(31.4)%
Other (income) expense, net	(0.6)	(1.0)	0.4	40.0%
Income (loss) before income taxes	84.3	30.4	53.9	177.3%
Income tax expense (benefit)	5.8	9.1	(3.3)	(36.3)%
Net income (loss)	$ 78.5	$ 21.3	$ 57.2	268.5%

Net Sales

For the three months ended March 31, 2022, net sales increased by $298.8 million, or 19.2%. Net sales increased in all reportable segments with the Packaging segment's net sales responsible for approximately 50% of the total increase. Inflationary market price increases primarily in the Company's Packaging and Print Solutions product portfolio continued throughout the first quarter of 2022 and contributed to the increased net sales while net sales across the non-Packaging segments in the first quarter of 2021 were negatively impacted by the COVID-19 pandemic. To the extent feasible, the Company has adjusted its prices to reflect the impact of inflation on the cost of purchased materials and services. Also, despite constraints in the broader supply chain, the Company was able to mitigate some of the impact to its customers through leveraging its portfolio of suppliers and its North American supply chain network. Management expects higher market prices and marketplace supply chain challenges to continue throughout 2022. See the "Segment Results" section for additional discussion.

Cost of Products Sold (exclusive of depreciation and amortization shown separately below)

For the three months ended March 31, 2022, cost of products sold increased primarily due to higher net sales. Cost of products sold increased at a slower rate than net sales due to improvements in pricing, as well as changes in segment mix.

Distribution Expenses

For the three months ended March 31, 2022, distribution expenses increased by $10.7 million, or 10.5%. The increase was primarily due to (i) an $8.4 million increase in freight and logistics expense and (ii) a $1.0 million increase in wages and temporary employee expenses. The increase in freight and logistics expense was primarily driven by an increase in third-party freight and fuel expenses related to higher sales volume and higher diesel fuel and carrier prices.

Selling and Administrative Expenses

For the three months ended March 31, 2022, selling and administrative expenses increased by $21.5 million, or 12.9%. The increase was primarily due to (i) a $17.1 million increase in personnel expenses and (ii) a $6.8 million increase in professional fees expense, partially offset by a $1.5 million decrease in bad debt expense. The increase in personnel expenses was

primarily driven by (i) an increase in commission expenses due to higher net sales, (ii) an increase in travel and entertainment expenses and (iii) higher incentive compensation expense.

Depreciation and Amortization

For the three months ended March 31, 2022, depreciation and amortization was slightly lower than the same period in 2021. The decrease was primarily driven by lower depreciation on information technology related assets.

Restructuring Charges, Net

For the three months ended March 31, 2022, restructuring charges, net, decreased by $1.6 million, or 37.2%. See Note 4 of the Notes to Condensed Consolidated Financial Statements for additional information related to the Company's restructuring efforts.

Interest Expense, Net

For the three months ended March 31, 2022, interest expense, net, decreased by $1.6 million, or 31.4%. The decrease was primarily due to (i) lower average interest rates and (ii) a lower average balance on the Company's ABL Facility.

Other (Income) Expense, Net

For the three months ended March 31, 2022, other (income) expense, net, was income of $0.6 million. This was a net unfavorable change of $0.4 million as compared to the same period in 2021. The unfavorable change was primarily due to higher pension expenses.

Effective Tax Rate

Veritiv's effective tax rates were 6.9% and 29.9% for the three months ended March 31, 2022 and 2021, respectively. The difference between the Company's effective tax rates and the U.S. statutory tax rate of 21.0% primarily relates to vesting of stock compensation, non-deductible expenses, state income taxes (net of federal income tax benefit), tax credits and the Company's pre-tax book income (loss) by jurisdiction. Additionally, the effective tax rate for the three months ended March 31, 2022 includes recognition of a deferred tax asset on the Company's investment in a foreign subsidiary.

The historical volatility of the Company's effective tax rate has been primarily due to both the level of pre-tax book income (loss) as well as variations in the Company's income (loss) by jurisdiction. The Company may experience volatility of the effective tax rate in future periods due to potential fluctuations in the amount and source, including both foreign and domestic, of pre-tax book income (loss) by jurisdiction, potential deferred tax valuation allowance increases in certain jurisdictions, including the U.S., changes in amounts of non-deductible expenses, and other items that could impact the effective tax rate.

Segment Results

Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, restructuring charges, net, integration and acquisition expenses and other similar charges including any severance costs, costs associated with warehouse and office openings or closings, consolidation, and relocation and other business optimization expenses, stock-based compensation expense, changes in the LIFO reserve, non-restructuring asset impairment charges, non-restructuring severance charges, non-restructuring pension charges, net, fair value adjustments related to contingent liabilities assumed in mergers and acquisitions and certain other adjustments) is the primary financial performance measure Veritiv uses to manage its businesses, to monitor its results of operations, to measure its performance against the ABL Facility and to incentivize its management.

Veritiv believes investors commonly use Adjusted EBITDA as a key financial metric for valuing companies. In addition, the credit agreement governing the ABL Facility permits the Company to exclude these and other charges in calculating Consolidated EBITDA, as defined in the ABL Facility. This common metric is intended to align shareholders, debt holders and management. Adjusted EBITDA is a non-GAAP financial measure and is not an alternative to net income, operating income or any other measure prescribed by U.S. generally accepted accounting principles ("U.S. GAAP").

Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of Veritiv's results as reported under U.S. GAAP. For example, Adjusted EBITDA:

- does not reflect the Company's income tax expenses or the cash requirements to pay its taxes; and
- although depreciation and amortization charges are non-cash charges, it does not reflect that the assets being depreciated and amortized will often have to be replaced in the future and the foregoing metric does not reflect any cash requirements for such replacements.

Other companies in the industry may calculate Adjusted EBITDA differently than Veritiv does, limiting its usefulness as a comparative measure. Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to Veritiv to invest in the growth of its business. Veritiv compensates for these limitations by relying on the Company's U.S. GAAP results and by using Adjusted EBITDA for supplemental purposes. Additionally, Adjusted EBITDA is not an alternative measure of financial performance under U.S. GAAP and therefore should be considered in conjunction with net income and other performance measures such as operating income or net cash provided by operating activities and not as an alternative to such U.S. GAAP measures.

Due to the shared nature of the distribution network, distribution expenses are not a specific charge to each segment but are instead allocated to each segment based primarily on operational metrics that correlate with changes in volume. Accordingly, distribution expenses allocated to each segment are highly interdependent on the results of other segments. Lower volume in any segment that is not offset by a reduction in distribution expenses can result in the other segments absorbing a larger share of distribution expenses. Conversely, higher volume in any segment can result in the other segments absorbing a smaller share of distribution expenses. The impact of this at the segment level is that the changes in distribution expense trends may not correspond with volume trends within a particular segment.

Prior to the fourth quarter of 2021, Veritiv was unable to compute the impact of changes in sales volume based on changes in sales of each individual product for the Packaging and Facility Solutions segments. Rather, the Company assumed that the margin stayed constant and estimated the volume impact based on changes in cost of products sold as a proxy for the change in sales volume. After any other significant sales variances were identified, the remaining sales variance was attributed to price/mix. As a result of the Company’s information technology enhancements, the Company has improved its insight into products within these segments and is able to isolate the change in sales attributed to volume and price separately at the item level for the majority of products and thus it no longer needs to rely on cost of products sold as a proxy for the changes in sales volumes.

The Company approximates foreign currency effects by applying the foreign currency exchange rate for the prior period to the local currency results for the current period. The Company believes the elimination of the foreign currency translation impact provides better year-to-year comparability without the distortion of foreign currency fluctuations.

The Company believes that the historical decline in demand for paper and related products is due to the widespread use of electronic media and permanent product substitution, more e-commerce, less print advertising, fewer catalogs and a reduced volume of direct mail, among other factors. In the long term, this trend is expected to continue and will place continued pressure on the Company’s revenues and profit margins and make it more difficult to maintain or grow Adjusted EBITDA within the Print Solutions segment. In the short term, shortages in the supply chain and product cost inflation have resulted in higher paper and related product prices. The Company believes the shortage of supply is due to mill closures and conversions and international supply chain disruptions, which have been accelerated by the COVID-19 pandemic. Higher prices, if continued over the longer term, could further accelerate demand decline.

Included in the following tables are net sales and Adjusted EBITDA for each of the reportable segments and Corporate & Other:

(in millions)	Packaging	Facility Solutions	Print Solutions	Corporate & Other
Three Months Ended March 31, 2022				
Net sales	$ 1,003.1	$ 229.4	$ 596.6	$ 29.0
Adjusted EBITDA	97.4	13.4	54.6	(45.9)
Adjusted EBITDA as a % of net sales	9.7 %	5.8 %	9.2 %	*
Three Months Ended March 31, 2021				
Net sales	$ 854.6	$ 206.1	$ 471.3	$ 27.3
Adjusted EBITDA	78.0	11.5	17.4	(47.4)
Adjusted EBITDA as a % of net sales	9.1 %	5.6 %	3.7 %	*

** - not meaningful*

See Note 12 of the Notes to Condensed Consolidated Financial Statements for additional information related to Adjusted EBITDA, including a reconciliation of net income (loss) as reflected on the Condensed Consolidated Statements of Operations to Adjusted EBITDA for reportable segments.

Packaging

	Three Months Ended March 31,		Increase (Decrease)	
(in millions)	2022	2021	$	%
Net sales	$ 1,003.1	$ 854.6	$ 148.5	17.4 %
Adjusted EBITDA	97.4	78.0	19.4	24.9 %
Adjusted EBITDA as a % of net sales	9.7 %	9.1 %		60 bps

The table below presents the components of the net sales change compared to the prior year:

	Increase (Decrease)
	Three Months Ended March 31,
(in millions)	2022 vs. 2021
Volume	$ 44.0
Foreign currency	(5.5)
Price/Mix	110.0
Total change	$ 148.5

Comparison of the Three Months Ended March 31, 2022 and March 31, 2021

Net sales increased $148.5 million, or 17.4%, as compared to the same period in 2021. The net sales increase was primarily attributable to higher market prices and increased sales volume in all product categories and end use sectors, partially offset by unfavorable foreign currency impacts. Sales to healthcare, wholesale and retail and consumer electronics customers improved most significantly compared to the prior year period. Similar to prior year, net sales during the first quarter of 2022 were positively impacted by strong e-commerce demand. Management expects the strong demand and supply chain constraints to continue throughout 2022 and the Company has invested in additional inventory to support its customers.

Adjusted EBITDA increased $19.4 million, or 24.9%, as compared to the same period in 2021. The increase in Adjusted EBITDA was primarily attributable to (i) higher net sales and (ii) cost of products sold increasing at a slower rate than net sales,

partially offset by (i) a $14.2 million increase in selling and administrative expenses and (ii) a $9.0 million increase in distribution expenses. The increase in selling and administrative expenses was primarily driven by (i) a $10.9 million increase in personnel expenses and (ii) a $4.7 million increase in professional fees expense, partially offset by a $1.6 million decrease in bad debt expense. The increase in personnel expenses was associated with (i) increased commission expenses driven by higher sales, (ii) higher wages and benefits to support the Company's Packaging growth strategy and (iii) an increase in travel and entertainment expenses. The increase in distribution expenses was primarily driven by (i) a $4.8 million increase in freight and logistics expense, (ii) a $2.9 million increase in facility rent expense driven by increased utilization of the distribution network and (iii) a $1.0 million increase in personnel expenses.

Facility Solutions

	Three Months Ended March 31,		Increase (Decrease)	
(in millions)	2022	2021	$	%
Net sales	$ 229.4	$ 206.1	$ 23.3	11.3 %
Adjusted EBITDA	13.4	11.5	1.9	16.5 %
Adjusted EBITDA as a % of net sales	5.8 %	5.6 %		20 bps

The table below presents the components of the net sales change compared to the prior year:

	Increase (Decrease)
	Three Months Ended March 31,
(in millions)	2022 vs. 2021
Volume	$ 39.8
Foreign currency	(3.6)
Price/Mix	(12.9)
Total change	$ 23.3

Comparison of the Three Months Ended March 31, 2022 and March 31, 2021

Net sales increased $23.3 million, or 11.3%, as compared to the same period in 2021. The net sales increase was primarily attributable to increased sales of towels and tissues, food service products and can liners primarily driven by overall demand improvements as compared to prior year, partially offset by lower market prices and unfavorable foreign currency impacts. As the COVID-19 pandemic restrictions were lifted, demand improved during the first quarter of 2022 as away-from-home activity resumed across the broader market place including at large entertainment and hospitality venues. This was partially offset by declining demand for the product categories of personal protective equipment, wipers and chemicals which experienced strong demand in 2021 due to COVID-19. Management expects the facility solutions future growth to follow the broader facility solutions away-from-home market throughout 2022.

Adjusted EBITDA increased $1.9 million, or 16.5%, as compared to the same period in 2021. The increase in Adjusted EBITDA was primarily attributable to higher net sales, partially offset by (i) cost of products sold increasing at a faster rate than net sales, (ii) a $1.4 million increase in distribution expenses and (iii) a $0.9 million increase in professional fees expense. The increase in distribution expenses was primarily driven by a $2.2 million increase in freight and logistics expense partially offset by a $0.9 million decrease in facility and equipment rent expense.

Print Solutions

(in millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Increase (Decrease) $	Increase (Decrease) %
Net sales	$ 596.6	$ 471.3	$ 125.3	26.6 %
Adjusted EBITDA	54.6	17.4	37.2	213.8 %
Adjusted EBITDA as a % of net sales	9.2 %	3.7 %		550 bps

The table below presents the components of the net sales change compared to the prior year:

(in millions)	Increase (Decrease) Three Months Ended March 31, 2022 vs. 2021
Volume	$ 26.8
Foreign currency	(2.4)
Price/Mix	100.9
Total change	$ 125.3

Comparison of the Three Months Ended March 31, 2022 and March 31, 2021

Net sales increased $125.3 million, or 26.6%, as compared to the same period in 2021. The net sales increase was primarily attributable to higher market prices driven by strong demand compared to the prior year period when there was a significant negative impact on demand due to COVID-19 as well as increased sales volume, partially offset by unfavorable foreign currency impacts. Market demand for coated and uncoated paper grades was strong in the first quarter of 2022. Management expects the demand and supply imbalance to continue throughout 2022.

Adjusted EBITDA increased $37.2 million, or 213.8%, as compared to the same period in 2021. The Adjusted EBITDA increase was primarily attributable to (i) cost of products sold increasing at a slower rate than net sales, (ii) higher net sales and (iii) a $1.5 million decrease in distribution expenses, partially offset by a $4.0 million increase in selling and administrative expenses. The decrease in distribution expenses was primarily driven by a $2.8 million decrease in facility rent expense, offset by a $1.3 million increase in freight and logistics expense. The increase in selling and administrative expenses was primarily driven by a $3.1 million increase in personnel expenses, due to increased commission expense.

Corporate & Other

(in millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Increase (Decrease) $	Increase (Decrease) %
Net sales	$ 29.0	$ 27.3	$ 1.7	6.2 %
Adjusted EBITDA	(45.9)	(47.4)	1.5	3.2 %

Comparison of the Three Months Ended March 31, 2022 and March 31, 2021

Net sales increased $1.7 million, or 6.2%, as compared to the same period in 2021. The net sales increase was primarily attributable to an increase in the price of freight brokerage services, partially offset by a decline in volume.

Adjusted EBITDA increased $1.5 million, or 3.2%, as compared to the same period in 2021. The Adjusted EBITDA increase was primarily driven by (i) a $1.3 million decrease in selling and administrative expenses, (ii) cost of products sold increasing at a slower rate than net sales and (iii) higher net sales. The decrease in selling and administrative expenses was primarily driven by a decrease in wages, partially offset by higher incentive compensation expense.

Liquidity and Capital Resources

The cash requirements of the Company are provided by cash flows from operations and borrowings under the ABL Facility. See Note 5 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the Company's debt position.

The following table sets forth a summary of cash flows:

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Net cash provided by (used for):		
Operating activities	$ (5.9)	$ 13.2
Investing activities	(7.1)	1.7
Financing activities	7.4	(26.1)

Analysis of Cash Flows

Operating Activities

Net cash from operating activities was lower by $19.1 million as compared to the prior year. The decrease was primarily due to the payment of $10.1 million of payroll taxes in the first quarter of 2022, which were previously deferred under the CARES Act. The remaining net unfavorable changes in the Company's accounts receivable, accounts payable and inventory, which were driven by revenue growth and other normal business activities, were partially offset by improved operating results.

Investing Activities

Net cash from investing activities was lower by $8.8 million as compared to the prior year, primarily due to the cash proceeds received from the sale of a business in the first quarter of 2021, totaling approximately $7.5 million, exceeding the proceeds received from asset sales in the current year period. Additionally, the Company's higher capital expenditures in the current year period were partially offset by the current year receipt of $2.1 million in insurance proceeds, which represented coverage for the structural damage sustained to one of its properties in the prior year.

Financing Activities

Net cash from financing activities was higher by $33.5 million as compared to the prior year. The increase was primarily due to a favorable change in book overdrafts, due to the timing of payments, lower net repayments under the Company's ABL Facility and lower common stock repurchases, which were partially offset by higher tax withholdings on share-based compensation. During the month ended March 31, 2022, the Company repurchased 78,025 shares of its common stock at a cost of $10.4 million under its 2022 Share Repurchase Program. During the first quarter of 2021, the Company repurchased 586,003 shares of its common stock at a cost of $24.6 million under its 2021 Share Repurchase Program.

At March 31, 2022, in conjunction with the announced sale of Veritiv Canada, Inc., $9.9 million of cash and cash equivalents was reclassified to assets-held-for-sale on the Condensed Consolidated Balance Sheet.

Funding and Liquidity Strategy

In 2021, the Company amended its ABL Facility to extend the maturity date to May 20, 2026, adjust the pricing grid for applicable interest rates and update certain provisions to facilitate the transition from LIBOR to a new replacement benchmark rate. All other significant terms remained substantially the same.

Availability under the ABL Facility is determined based upon a monthly borrowing base calculation which includes eligible customer receivables and inventory, less outstanding borrowings, letters of credit and certain designated reserves. As of March 31, 2022, the available additional borrowing capacity under the ABL Facility was approximately $576.6 million. As of March 31, 2022, the Company held $11.0 million in outstanding letters of credit.

The ABL Facility has a springing minimum fixed charge coverage ratio of at least 1.00 to 1.00 on a trailing four-quarter basis, which will be tested only when specified availability is less than the limits outlined under the ABL Facility. At March 31,

2022, the above test was not applicable and based on information available as of the date of this report it is not expected to be applicable in the next 12 months.

Veritiv's management expects that the Company's primary future cash needs will be for working capital, capital expenditures, contractual commitments, share repurchases and strategic investments. Veritiv's ability to fund its capital and operating needs will depend on its ongoing ability to generate cash from operations, availability of borrowings under the ABL Facility and access to the capital markets. If Veritiv's cash flows from operating activities are lower than expected, the Company would need to borrow under the ABL Facility and may need to incur additional debt or issue additional equity. Although management believes that the arrangements currently in place will permit Veritiv to finance its capital and operating needs on acceptable terms and conditions, the Company's access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors, including the liquidity of the overall capital markets and the current state of the economy.

The 2020 Restructuring Plan was substantially complete as of December 31, 2021, with remaining charges of approximately $4 million expected to be incurred through the end of 2022. See Note 4 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the Company's restructuring efforts. The Company currently estimates that during 2022 it will spend approximately $30 million for capital expenditures covering both maintenance and strategic investments. As provided by the CARES Act, in response to the COVID-19 pandemic the Company deferred $19.1 million of payroll taxes, which it had incurred through December 31, 2020. In January 2022 the Company paid $10.1 million of the deferred payroll taxes and currently expects to pay the remaining amount in December 2022. See Note 3 of the Notes to Condensed Consolidated Financial Statements for information regarding the Company's lease commitments, including leases that have not yet commenced. See Note 5 of the Notes to Condensed Consolidated Financial Statements for information regarding the Company's use of vendor-based financing arrangements. See Note 13 and Note 14 of the Notes to Condensed Consolidated Financial Statements for information regarding the sale of Veritiv Canada, Inc.

Inflation and Changing Prices

Essentially all of the Company's revenue is derived from the sale of its products and services in competitive markets. To the extent feasible, the Company has adjusted its prices to reflect the impact of inflation on the cost of purchased materials and services. Impacts on the Company's results from price and product mix are discussed in the "Segment Results" section.

Critical Accounting Estimates

There have been no material changes to the Company's critical accounting estimate methodologies from those disclosed in Veritiv's Annual Report on Form 10-K for the year ended December 31, 2021. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, actual results may ultimately differ from these estimates and assumptions, particularly in light of the COVID-19 pandemic and its effects on the domestic and global economies. Estimates are revised as additional information becomes available. See the "Use of Estimates" section of Note 1 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the Company's estimates.

Recently Issued Accounting Standards

See Note 1 of the Notes to Condensed Consolidated Financial Statements for information regarding recently issued accounting standards.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information provided in Item 7A "Quantitative and Qualitative Disclosures about Market Risk" of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management has carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended. Based upon such evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of March 31, 2022.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On March 1, 2022, Veritiv announced that its Board of Directors authorized a $200 million share repurchase program (the "2022 Share Repurchase Program"). The 2022 Share Repurchase Program authorizes the Company, from time to time, to purchase shares of its common stock through open market transactions, privately negotiated transactions, forward, derivative or accelerated repurchase transactions, tender offers or otherwise, including Rule 10b5-1 trading plans, in accordance with all applicable securities laws and regulations. The timing and method of any repurchases, which will depend on a variety of market factors, including market conditions, are subject to results of operations, financial conditions, cash requirements and other factors. This authorization may be suspended, terminated, increased or decreased by the Board of Directors at any time.

The following table presents information with respect to purchases made by the Company of its common stock during the three months ended March 31, 2022 (shares are in whole units):

Period	Total Number of Shares Purchased [1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Program [2]	Approximate Dollar Value of Shares that May Yet be Purchased Under the Publicly Announced Program
January 1-31	31,323	$122.57	—	$—
February 1-28	18,677	$94.30	—	$—
March 1-31	270,743	$126.73	78,025	$189,570,387

[1] The total number of shares purchased includes: (i) shares purchased pursuant to the 2022 Share Repurchase Program (if any) and (ii) shares surrendered to the Company to satisfy tax withholding obligations in connection with the vesting of stock units issued as part of the Company's equity-based incentive plans.
[2] This column discloses the number of shares purchased pursuant to the 2022 Share Repurchase Program during the indicated periods.

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1†	Stock Purchase Agreement, dated March 17, 2022, among Paper Corporation of North America, Veritiv Canada, Inc., solely for purposes of Section 8.9 (and Article I and Article XI to the extent applicable to Section 8.9) of the Purchase Agreement, Veritiv Operating Company, Imperial Dade Canada Inc. and Imperial Bag & Paper Co. LLC, incorporated by reference from Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on March 18, 2022.
10.1*	Veritiv Corporation Executive Severance Plan, as amended and restated, effective September 30, 2020, and as further amended effective February 22, 2022.
10.2*	Offer Letter, dated as of October 28, 2020 between Veritiv Operating Company and Karen Renner.
31.1*	Rule 13a-14(a) Certification of the Chief Executive Officer.
31.2*	Rule 13a-14(a) Certification of the Chief Financial Officer.
32.1*	Section 1350 Certification of the Chief Executive Officer.
32.2*	Section 1350 Certification of the Chief Financial Officer.
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† The schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601.
* Filed herewith

SIGNATURES

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

VERITIV CORPORATION
(Registrant)

Date: May 9, 2022

By: /s/ Stephen J. Smith
Name: Stephen J. Smith
Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: May 9, 2022

By: /s/ Lance D. Gebert
Name: Lance D. Gebert
Title: Corporate Controller
(Principal Accounting Officer)

Exhibit 10.1

VERITIV CORPORATION
EXECUTIVE SEVERANCE PLAN

As Amended and Restated Effective September 30, 2020
and as Further Amended Effective February 22, 2022

1. Establishment; Purpose.

(a) Establishment, Restatement and Amendment. Veritiv Corporation (the "Company") established this Veritiv Corporation Executive Severance Plan (the "Plan"), as set forth in this document, effective as of March 4, 2015 (the "Original Effective Date"). The Plan was amended and restated, effective as of September 30, 2020 (the "Restatement Date") and is hereby further amended effective as of February 23, 2022 (the "Second Amendment Date"). The Plan, as previously amended and restated and hereby further amended, shall apply to each Participant who incurs a Qualified Termination on or after the Second Amendment Date. The benefits of Participants who incurred a Qualified Termination prior to the Second Amendment Date shall be governed by the terms of the Plan as in effect immediately prior to the Second Amendment Date.

(b) Purpose. The Plan is designed to provide for financial protection to certain key executives of the Company and its Affiliates in the event of unexpected job loss (whether before or in connection with a Change in Control of the Company), in order to encourage the continued attention of participants who are expected to make substantial contributions to the success of the Company and thereby provide for stability and continuity of management.

2. Definitions. For purposes of the Plan, the following terms have the meanings set forth below:

"Accrued Benefits" has the meaning given to that term in Section 4(a)(i) hereof.

"Affiliate" means any entity controlled by, controlling, or under common control with, the Company, where "control" has the meaning given such term under Rule 405 of the Securities Act of 1933, as amended.

"AIP" means the Company's Annual Incentive Plan, or any successor annual cash incentive bonus plan.

"Annual Base Salary" means the Participant's annual rate of base salary in effect as of the Date of Termination.

"Board" means the Board of Directors of the Company, as constituted at any time.

"Cause" means:

(a) the Participant's willful and material misconduct or gross negligence in the performance of the Participant's duties to the Company which is demonstrably and materially injurious to the Company or the Participant's willful performance of any material act of fraud, malfeasance or misappropriation of the Company's property which is demonstrably and materially injurious to the Company;

(b) For the CEO Participant, the CEO Participant's willful and repeated material failure to substantially perform the Participant's duties to the Company or to follow the lawful directives of the Board (other than as a result of death or Disability), and for any other Participant, such Participant's willful and repeated material failure to

substantially perform the Participant's duties to the Company or to follow the lawful directives of the Chief Executive Officer or other officer to whom the Participant reports (other than as a result of death or Disability);

(c) the Participant's conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude; or

(d) the Participant's willful performance of any material act of theft or embezzlement.

For purposes of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by Participant not in good faith and without reasonable belief that the Participant's actions or omissions were in the best interests of the Company.

Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for Cause unless and until (x) a written demand is delivered to the Participant by the Company which demand specifically identifies, in good faith, the basis of its determination that "Cause" exists and facts then known to the Company that support its determination; (y) with respect to subparagraphs (a) and (b), the Participant is provided at least thirty (30) days following receipt of such written notice to fully correct in all material respects the circumstances or conduct giving rise to the Company's determination that "Cause" exists, and (z) there shall have been delivered to the Participant, following the Participant's failure to cure (to the extent applicable), a written notice, stating that in the good faith opinion of the Company's Chief Executive Officer the Participant was guilty of conduct set forth above in this definition and specifying the particulars thereof in detail.

"CEO Participant" means the Company's Chief Executive Officer or person acting as such on an interim basis.

"Change in Control" shall mean the first to occur of any of the following events:

(a) the acquisition, directly or indirectly, by any person (which, for purposes of this definition, shall include a "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended)) of beneficial ownership of more than fifty percent (50%) of the combined voting power of the Company's then outstanding voting securities, other than any such acquisition by the Company, any of its Affiliates or any employee benefit plan of the Company or any of its Affiliates;

(b) the merger, consolidation or other similar transaction involving the Company, as a result of which persons who were holders of voting securities of the Company immediately prior to such merger, consolidation, or other similar transaction do not immediately thereafter beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company;

(c) within any 24-month period, the Incumbent Directors shall cease to constitute at least a majority of the Board;

(d) the approval by the Company's shareholders of the liquidation or dissolution of the Company other than a liquidation of the Company into any Affiliate or a liquidation as a result of which persons who were holders of voting securities of the Company immediately prior to such liquidation own, directly or indirectly, more than fifty percent (50%) of the combined voting power entitled to vote generally in the

election of directors of the entity that holds substantially all of the assets of the Company following such event; or

(e) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons that are not, immediately prior to such sale, transfer or other disposition, Affiliates of the Company;

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code or as a result of any restructuring that occurs as a result of any such filing or proceeding.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation and Leadership Development Committee of the Board, or its delegate.

"Company" means Veritiv Corporation and any successor to its business or assets, by operation of law or otherwise.

"Date of Termination" means: (i) if the Participant's employment is terminated by the Company for Cause or due to Disability, or by the Participant for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein within 30 calendar days after such notice, as the case may be; (ii) if the Participant's employment is terminated by the Company other than for Cause or Disability, or if the Participant voluntarily resigns without Good Reason, the date on which the terminating party notifies the other party that such termination shall be effective, provided that on a voluntary resignation without Good Reason, the Company may, in its sole discretion, make such termination effective on any date it elects in writing between the date of the notice and the proposed date of termination specified in the notice; or (iii) if the Participant's employment is terminated by reason of death, the date of death of Participant.

"Disability" means "disability" as such term is defined in the long-term disability insurance plan or program of the Company or any Affiliate then covering the Participant; provided that in the case of any Participant who, as of the date of determination, is a party to an employment agreement with the Company or any Affiliate of the Company that employs such individual (including, without limitation, an offer letter), "Disability" shall have the meaning, if any, specified in such agreement.

"Employee" means a full-time salaried employee of the Company or an Affiliate.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Good Reason" means the occurrence of any of the following events, without the express written consent of the Participant, unless such events are fully corrected in all material respects by the Company within 30 calendar days following written notification by the Participant to the Company of the occurrence of one of the reasons set forth below:

(a) For the CEO Participant, a material diminution in the Participant's authority, duties or responsibilities, and for any other Participant, within the time period referenced in Section 4(a)(ii)(B) relating to a change in control, a material diminution in Participant's authority, duties or responsibilities;

(b) For the CEO Participant, a diminution in the Participant's Annual Base Salary or Target Annual Incentive percentage of base salary, or failure to pay any material compensation or benefits due to the participant, and for any other Participant, a material diminution in the Participant's Annual Base Salary or Target Annual Incentive percentage of base salary, or failure to pay any material compensation or benefits due to the participant;

(c) a relocation of the Participant's primary work location by more than 50 miles from the Participant's office location immediately prior to such relocation and no nearer Participant's residence at such time; or

(d) any material failure by the Company to satisfy any of its obligations under any applicable employment agreement or offer letter with the Participant.

A Participant must provide the Company with a written notice detailing the specific circumstances alleged to constitute Good Reason within 90 days after the first occurrence of such circumstances, and must actually terminate employment within 30 days following the expiration of the Company's 30-day cure period described above. Otherwise, any claim of such circumstances as "Good Reason" shall be deemed irrevocably waived by the Participant.

"Incumbent Directors" means individuals who, on the Original Effective Date, constitute the Board; provided that any individual becoming a Director subsequent to the Original Effective Date whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for Director without objection to such nomination) shall be an Incumbent Director. No individual initially elected as a director of the Company as a result of an actual or threatened election contest or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be an Incumbent Director.

"Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Plan relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving of such notice).

"Other Benefits" has the meaning given to that term in Section 4(a)(vii) hereof.

"Participant" means a CEO Participant, a Tier 1 Participant, or an Employee who is designated as a Tier 2 Participant by the Committee and who meets the eligibility requirements of Section 3(a) hereof, until such time as the Participant's participation ceases in accordance with Section 3(b) hereof.

"Qualified Termination" means any termination of a Participant's employment: (i) by the Company other than for Cause, Disability or death; or (ii) by a CEO Participant or a Tier 1 Participant for Good Reason.

"Release" has the meaning given to that term in Section 5 hereof.

"Section 409A" has the meaning give to that term in Section 21(a) hereof.

"Target Annual Incentive" means a Participant's target bonus opportunity under the AIP for the fiscal year in which the Participant's Qualified Termination occurs.

"Tier A Participant" means those Tier 1 Participants serving in their capacities as such as of the Original Effective Date, and the CEO Participant.

"Tier 1 Participant" means, except as otherwise provided in Section 3 hereof, an Employee of the Company serving in a position of Senior Vice President, or a more senior position, in either case with a direct reporting relationship to the Chief Executive Officer of the Company, other than the CEO Participant.

"Tier 2 Participant" means a Participant other than a Tier 1 Participant.

3. Participation.

(a) Designation of Participants. Eligibility to participate in the Plan shall be limited to the CEO Participant, the Tier 1 Participants, and other key Employees of the Company and its Affiliates who are designated as Tier 2 Participants by the Committee, in its sole discretion. The Committee shall limit the class of persons designated as Tier 2 Participants in the Plan to a "select group of management or highly compensated employees," within the meaning of Sections 201, 301 and 401 of ERISA. In lieu of expressly designating Tier 2 Participants for Plan participation, the Committee may establish eligibility criteria (consistent with the provisions of this Section 3(a)) providing for participation of one or more Tier 2 Participants who satisfy such criteria. Notwithstanding the foregoing, an Employee who is a party to an employment agreement or offer letter with the Company or an Affiliate that provides for severance benefits shall not be eligible to participate in this Plan, unless such Employee is designated as a Participant by the Committee and such Employee executes any and all documentation as required by the Company to waive all rights to severance benefits under such employment agreement or offer letter.

(b) Duration of Participation. A Participant shall cease to be a Participant in this Plan if: (i) the Participant ceases to be employed by the Company or an Affiliate, unless such Participant is then entitled to a severance benefit as provided in Section 4(a) of this Plan; or (ii) the Committee removes the Employee as a Participant by notice to the Employee in accordance with Section 16 hereof. Further, participation in this Plan is subject to the unilateral right of the Committee to terminate or amend the Plan in whole or in part as provided in Section 17 hereof. Notwithstanding anything herein to the contrary, a Participant who is then entitled to a severance benefit as provided in Section 4(a) of this Plan shall remain a Participant in this Plan until the amounts and benefits payable under this Plan have been paid or provided to the Participant in full. Any severance benefits to be provided to a Participant under this Plan are subject to all of the terms and conditions of the Plan, including Sections 5 and 7.

(c) No Employment Rights. Participation in the Plan does not alter the status of a Participant as an at-will employee, and nothing in the Plan will limit or affect in any manner the right of the Company or an Affiliate to terminate the employment or adjust the compensation of a Participant at any time and for any reason (with or without Cause).

4. Severance Benefits.

(a) Qualified Termination. Subject to compliance with Sections 5 and 7 hereof, in the event that a Participant incurs a Qualified Termination, the Participant shall be entitled to the compensation and benefits set forth in this Section 4(a):

(i) Accrued Benefits. The Company shall pay or provide to the Participant the sum of: (A) the Participant's Annual Base Salary earned through the Date of Termination, to the extent not previously paid; (B) any incentive bonus earned but unpaid under the AIP with respect to the fiscal year ending on or preceding the Date of Termination; (C) any accrued but

unused vacation time in accordance with Company policy; and (D) reimbursement for any unreimbursed business expenses incurred through the Date of Termination in accordance with Company policy (the sum of the amounts described in clauses (A) through (D) shall be referred to as the "Accrued Benefits"). The Accrued Benefits shall be paid in a single lump sum within 60 calendar days after the Date of Termination or such earlier date as may be required by the applicable Company plan or policy or by applicable law.

(ii) Severance Payments.

(A) Termination not in Connection with Change in Control. Subject to Section 5 hereof, if the Participant's Qualified Termination occurs prior to a Change in Control and not under the circumstances described in Section 4(a)(ii)(B) below, the Company shall make severance payments to the Participant, in installments over the applicable period in accordance with the Company's regular payroll practices in effect at the Date of Termination, as follows:

I. CEO Participant. If the Participant is a CEO Participant, the Company shall continue to pay to the Participant his or her Annual Base Salary for the twenty-four (24) month period commencing on the Date of Termination.

II. Tier 1 Participants. If the Participant is a Tier 1 Participant, the Company shall continue to pay to the Participant his or her Annual Base Salary for the eighteen (18) month period commencing on the Date of Termination.

III. Tier 2 Participants. If the Participant is a Tier 2 Participant, the Company shall continue to pay to the Participant his or her Annual Base Salary for the twelve (12) month period commencing on the Date of Termination.

(B) Termination in Connection with Change in Control. Subject to Section 5 and to Section 21(a) hereof, if the Participant's Qualified Termination occurs within two (2) years after a Change in Control, or within six (6) months prior to a Change in Control and the Participant can demonstrate that his or her Qualified Termination occurred at the request of a third party who had taken steps reasonably calculated to effect a Change in Control, the Company shall make a severance payment to the Participant as follows:

I. CEO Participant. If the Participant is a CEO Participant, the Company shall make a single lump sum payment to the Participant equal to two (2) times the sum of (x) the Participant's Annual Base Salary and (y) the Participant's Target Annual Incentive.

II. Tier 1 Participants. If the Participant is a Tier 1 Participant, the Company shall make a single lump sum payment to the Participant equal to two (2) times the sum of (x) the Participant's Annual Base Salary and (y) the Participant's Target Annual Incentive.

III. Tier 2 Participants. If the Participant is a Tier 2 Participant, the Company shall make a single lump sum payment to the Participant equal to the sum of (x) the Participant's Annual Base Salary and (y) the Participant's Target Annual Incentive.

(C) Severance Payment Date. Any severance payable pursuant to this Section 4(a)(ii) will be paid or commence to be paid, as applicable, on the first payroll date following the sixtieth (60th) day following the Date of Termination, provided however that the Release has become effective and irrevocable in accordance with its terms by the sixtieth (60th) day following the Date of Termination, and further provided that any installment payment that would have been made in such sixty (60) day period shall be made on a "catch up" basis on such first payroll date following the sixtieth (60th) day following the Date of Termination. In the event that (i) a Participant who has incurred a Qualified Termination commences receipt of severance in accordance with Section 4(a)(ii)(A); (ii) a Change in Control occurs within six (6) months following the applicable Date of Termination; and (iii) the Participant demonstrates that his or her Qualified Termination occurred at the request of a third party who had taken steps reasonably calculated to effect such Change in Control, then payment of severance pursuant to Section 4(a)(ii)(A) shall cease, and such Participant shall be entitled to receive, within thirty (30) days following the Change in Control, a lump sum in the amount set forth in Section 4(a)(ii)(B)(I), (II) or (III), as applicable, less the aggregate severance amounts paid to the Participant pursuant to Section 4(a)(ii)(A) through the date of the Change in Control.

(iii) Pro-Rated Annual Incentive Bonus.

(A) Termination not in Connection with Change in Control. Subject to Section 5 hereof, if the Participant's Qualified Termination occurs prior to a Change in Control and not under the circumstances described in Section 4(a)(ii)(B) above, and further provided that the Participant's Qualified Termination occurs after June 30 of the fiscal year in which the Participant's Qualified Termination occurs, the Company shall pay to the Participant a pro-rata portion of the Participant's annual incentive bonus under the AIP for such fiscal year based on the actual results for such year. Such pro-rata bonus payout will be determined by multiplying the amount of the bonus which would be due for the full fiscal year as determined in accordance with the immediately preceding sentence by a fraction, the numerator of which is the number of days during the fiscal year of the Qualified Termination that the Participant is employed by the Company and the denominator of which is 365. Any pro-rated annual incentive bonus payable pursuant to this Section 4(a)(iii)(A) shall be paid at the same time that bonuses for such year are paid to other senior executives of the Company under the AIP, and in lieu of (and not in duplication of) any amount otherwise payable to the Participant under the AIP for such fiscal year.

(B) Termination in Connection with Change in Control. Subject to Section 5 hereof, if the Participant's Qualified Termination occurs under the circumstances described in Section 4(a)(ii)(B) above, the Company shall pay to the Participant a pro-rata portion of the Participant's Target Annual Incentive for the fiscal year in which the Participant's Qualified Termination occurs. Such pro-rata bonus payout will be determined by multiplying the Participant's Target Annual Incentive by a fraction, the numerator of which is the number of days during the fiscal year of the Qualified Termination that the Participant is employed by the Company and the denominator of which is 365. The pro-rated Target Annual Incentive payable pursuant to this Section 4(a)(iii)(B) shall be paid in a single lump sum at the same time and in the same manner as the severance payments made pursuant to Section 4(a)(ii)(C), and in lieu of (and not in duplication of) any amount otherwise payable to the Participant under the AIP for such fiscal year.

(iv) Welfare Benefits. Subject to Section 5 hereof and the Participant's timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for the Participant and his or her eligible dependents, and the Participant's continued copayment of premiums associated with such coverage, the Company shall reimburse the Participant, on a monthly basis, for (or pay on Participant's behalf) the portion of the costs of continued health benefits for the Participant and the Participant's covered dependents equal to the amount that the Company was paying immediately prior to such Qualified Termination, with such reimbursement to continue for the Welfare Benefit Period (as defined below); provided that the Participant is eligible and remains eligible for COBRA coverage. The Company may modify its obligation under this Section 4(a)(iv) to the extent reasonably necessary to avoid any penalty or excise taxes imposed on it in connection with the continued payment of premiums by the Company under the Patient Protection and Affordable Care Act of 2010, as amended. For purposes of this Section 4(a)(iv) the "Welfare Benefit Period" means: (A) if the Participant is a CEO Participant, the twenty-four (24) month period following the Participant's Qualified Termination, or until such earlier date on which COBRA coverage for the Participant and his or her covered dependents terminates in accordance with COBRA; (B) if the Participant is a Tier 1 Participant, the eighteen (18) month period following the Participant's Qualified Termination, or until such earlier date on which COBRA coverage for the Participant and his or her covered dependents terminates in accordance with COBRA; or (C) if the Participant is a Tier 2 Participant, the twelve (12) month period following the Participant's Qualified Termination, or until such earlier date on which COBRA coverage for the Participant and his or her covered dependents terminates in accordance with COBRA.

(v) Outplacement. Subject to Section 5 hereof, the Company shall, at its sole expense as incurred, provide the Participant with outplacement services from a recognized outplacement service provider selected by the Company; provided that (i) the cost to the Company shall not exceed the amount established by the Committee from time to time, and (ii) in no event shall the outplacement services be provided more than six (6) months after the Participant's Qualified Termination.

(vi) Accelerated Vesting of Equity-Based Awards. To the extent not otherwise provided for in a Company incentive plan or award agreement and subject to Section 5 hereof, in the event of a Qualified Termination of a Tier A Participant, any unvested equity or equity-based award owned by the participant shall vest on a pro-rata basis through the Participant's Date of Termination. To the extent that, prior to such Participant's Qualified Termination, the vesting of an equity or equity-based award is otherwise conditioned on the achievement of one or more performance goals, the pro-rated amount of any such award that becomes vested under this Section 4(a)(vi) will be based on actual results, as determined after the end of the applicable performance period.

(vii) Other Benefits. To the extent not theretofore paid or provided, the Company shall pay or provide, or cause to be paid or provided, to the Participant (or his or her beneficiary or estate) any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company, including any benefits to which the Participant is entitled under Part 6 of Subtitle B of Title I of ERISA (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms and normal procedures of each such plan, program, policy or practice or contract or agreement, based on accrued and vested benefits through the Date of Termination.

(b) Other Terminations. If a Participant's employment is terminated for Cause or as a result of the Participant's Disability or death, or if the Participant voluntarily terminates his or her employment for any reason, then the Company shall pay or provide to the Participant the Accrued Benefits, payable in accordance with Section 4(a)(i) of this Plan, and the Other Benefits,

and no further amounts shall be payable to the Participant under this Section 4 after the Date of Termination.

(c) Notice of Termination. Any termination by the Company for Cause, or by Participant for Good Reason, shall be communicated by Notice of Termination to the Participant in accordance with Section 16. The failure by the Company or the Participant to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Company or the Participant hereunder or preclude the Company or the Participant from asserting such fact or circumstance in enforcing the Company's or the Participant's rights hereunder.

(d) Resignation from All Positions. Notwithstanding any other provision of this Plan, upon the termination of a Participant's employment for any reason, unless otherwise requested by the Company, the Participant shall immediately resign from all officer and director positions that he or she may hold with the Company and its Affiliates. As a condition of receiving any severance benefits under this Plan, each Participant shall execute any and all documentation to effectuate such resignations upon request by the Company, but he or she shall be treated for all purposes as having so resigned upon termination of his or her employment, regardless of when or whether he or she executes any such documentation.

5. Release. Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to provide any severance payment or benefit under Section 4(a)(ii), (iii), (iv), (v) or (vi) hereof unless: (a) the Participant first executes and delivers to the Company within 45 calendar days after the Date of Termination a fully executed general release of claims substantially in the form attached hereto as Appendix A, with such changes as the Company may determine to be required or reasonably advisable in order to make such agreement and release enforceable and otherwise compliant with applicable law (the "Release"); (b) the Participant does not timely revoke the Release; and (c) the Release becomes effective and irrevocable in accordance with its terms on or before the sixtieth (60th) day following the Date of Termination.

6. No Mitigation. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment.

7. Restrictive Covenants. The Company's payment obligations and a Participant's right, if any, to severance benefits under Section 4(a) hereof shall immediately cease in the event the Committee determines, in its sole discretion, that the Participant has engaged, or has threatened to engage, in any of the following activities: (i) an activity of competition, as specified in any covenant not to compete set forth in any agreement between the Participant and the Company or an Affiliate, during the period of restriction specified in the agreement prohibiting the Participant from engaging in such activity; (ii) an activity of solicitation (including solicitation of employees and customers of the Company or an Affiliate), as specified in any covenant not to solicit set forth in any agreement between the Participant and the Company or an Affiliate, during the period of restriction specified in the agreement prohibiting the Participant from engaging in such activity; (iii) the disclosure or use of confidential information in violation of any covenant not to disclose set forth in any agreement between the Participant and the Company or an Affiliate; (iv) the violation of any development and inventions, ownership of works, or similar provision set forth in any agreement between the Participant and the Company or an Affiliate; (v) the failure to return any property or information of the Company or an Affiliate, as required by the Company's policies; or (vii) an activity that the Committee determines entitles the Company to seek recovery from the Participant under any compensation recoupment or clawback policy maintained by the Company as in effect on the Date of

Termination. Any such cessation of payment shall not reduce any monetary damages that may be available to the Company as a result of such breach.

8. Effect on Other Plans, Agreements and Benefits.

(a) Relation to Other Benefits. Unless otherwise provided herein, nothing in this Plan shall prevent or limit a Participant's continuing or future participation in any plan, program, policy or practice provided by the Company or its Affiliates for which the Participant may qualify, nor, except as explicitly set forth in this Plan, shall anything herein limit or otherwise affect such rights as a Participant may have under any other contract or agreement with the Company or any of its Affiliates. Further, the Participant's voluntary termination of employment, with or without Good Reason, shall in no way affect the Participant's ability to terminate employment by reason of the Participant's "retirement" under, or to be eligible to receive benefits under, any compensation and benefits plans, programs or arrangements of the Company or its Affiliates, including, without limitation, any retirement or pension plans or arrangements or substitute plans adopted by the Company, its Affiliates or their respective successors, and any termination which otherwise qualifies as Good Reason shall be treated as such even it is also a "retirement" for purposes of any such plan. Any economic or other benefit to a Participant under this Plan will not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement, workers compensation or other benefit or compensation plan maintained by the Company and its Affiliates (except to the extent provided otherwise in any such plan with respect to Accrued Benefits).

(b) Non-Duplication. Notwithstanding the foregoing provisions of Section 8(a), and except as specifically provided below, any severance benefits received by a Participant pursuant to this Plan shall be in lieu of any general severance policy or other severance plan maintained by the Company or its Affiliates (other than a stock option, restricted stock, share or unit, performance share or unit, long-term transition incentive award, supplemental retirement, deferred compensation or similar plan or agreement which may contain provisions operative on a termination of the Participant's employment or may incidentally refer to accelerated vesting or accelerated payment upon a termination of employment). Further, as a condition of participating in this Plan, each Participant who is a party to an employment agreement or offer letter with the Company or an Affiliate that otherwise would provide for severance benefits acknowledges and agrees that the severance benefits payable under this Plan shall be in lieu of and in full substitution for (and not in duplication of), any right to severance benefits under any such employment agreement or offer letter with the Company or an Affiliate. In addition, while Participants shall not be entitled to receive severance payments under both Sections 4(a)(ii)(A) and 4(a)(ii)(B) for the same Qualified Termination, in the event a Participant's Qualified Termination occurs within the time period specified in Section 4(a)(ii)(B), such Participant shall be entitled to the higher severance payments provided for in Section 4(a)(ii)(B).

9. Certain Tax Matters. In the event it shall be determined that any payment or distribution by the Company or any of its Affiliates to or for the benefit of a Participant (whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise) (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced to the maximum amount that could be paid to the Participant without giving rise to the Excise Tax (the "Safe Harbor Cap"), if the net after-tax benefit to the Participant after reducing the Participant's Total Payments to the Safe Harbor Cap is greater than the net after-tax (including the Excise Tax) benefit to the Participant without such reduction. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments made pursuant to Section 4(a)(ii) of this Plan, then to the payments made pursuant to Section 4(a)(iii) of this Plan, then to the payments made pursuant to Section 4(a)(v) of this Plan, then to the benefits provided pursuant to Section 4(a)(iv) of this Plan, and then to any other payment that triggers such Excise Tax in the following order: (i)

reduction of cash payments, (ii) cancellation of accelerated vesting of performance-based equity awards (based on the reverse order of the date of grant), (iii) cancellation of accelerated vesting of other equity awards (based on the reverse order of the date of grant), and (iv) reduction of any other payments due to the Participant (with benefits or payments in any group having different payment terms being reduced on a pro-rata basis). All mathematical determinations, and all determinations as to whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code), that are required to be made under this paragraph, including determinations as to whether the Total Payments to Participant shall be reduced to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made at the Company's expense by the Company's then current independent auditors, or such other nationally recognized accounting or valuation firm selected by the Committee prior to the relevant Change in Control.

10. Administration. The Committee shall have complete discretion to interpret where necessary all provisions of the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to make factual findings with respect to any issue arising under the Plan, to determine the rights and status under the Plan of Participants or other persons, to resolve questions (including factual questions) or disputes arising under the Plan and to make any determinations with respect to the benefits payable under the Plan and the persons entitled thereto as may be necessary for the purposes of the Plan. Without limiting the generality of the foregoing, the Committee is hereby granted the authority (a) to determine whether a particular Employee is a Participant, and (b) to determine if a person is entitled to benefits hereunder and, if so, the amount and duration of such benefits. The Committee may delegate, subject to such terms as the Committee shall determine, any of its authority hereunder to one or more officers of the Company. In the event of such delegation, all references to the Committee in this Plan shall be deemed references to such delegates as it relates to those aspects of the Plan that have been delegated. The Committee's determination of the rights of any person hereunder shall be final and binding on all persons.

11. Claims for Benefits.

(a) Filing a Claim. Any Participant or beneficiary who wishes to file a claim for benefits under the Plan shall file his or her claim in writing with the Committee.

(b) Review of a Claim. The Committee shall, within 90 calendar days after receipt of such written claim (unless special circumstances require an extension of time, but in no event more than 180 calendar days after such receipt), send a written notification to the Participant or beneficiary as to its disposition. If the claim is wholly or partially denied, such written notification shall (i) state the specific reason or reasons for the denial, (ii) make specific reference to pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Participant or beneficiary to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Participant or beneficiary may appeal the denial of his or her claim, including, without limitation, a statement of the claimant's right to bring an action under Section 502(a) of ERISA following an adverse determination on appeal.

(c) Appeal of a Denied Claim. If a Participant or beneficiary wishes to appeal the denial of his or her claim, he or she must request a review of such denial by making application in writing to the Committee within 60 calendar days after receipt of such denial. Such Participant or beneficiary (or his or her duly authorized legal representative) may, upon written request to the Committee, review any documents pertinent to his or her claim, and submit in writing, issues and comments in support of his or her position. A Participant or beneficiary who fails to file an

appeal within the 60-day period set forth in this Section 11(c) shall be prohibited from doing so at a later date or from bringing an action under ERISA.

(d) Review of a Claim on Appeal. Within 60 calendar days after receipt of a written appeal (unless the Committee determines that special circumstances, such as the need to hold a hearing, require an extension of time, but in no event more than 120 calendar days after such receipt), the Committee shall notify the Participant or beneficiary of the final decision. The final decision shall be in writing and shall include (i) specific reasons for the decision, written in a manner calculated to be understood by the claimant, (ii) specific references to the pertinent Plan provisions on which the decision is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents relevant to the claim for benefits, and (iv) a statement describing the claimant's right to bring an action under Section 502(a) of ERISA.

(e) Legal Fees and Expenses. If a Participant institutes any legal action in seeking to obtain or enforce, or is required to defend in any legal action the validity or enforceability of, any right or benefit provided by this Plan, the Company shall pay or reimburse (within 30 days following the Company's receipt of an invoice from the Participant) the Participant's reasonable legal fees and expenses (including without limitation, any and all court costs and reasonable attorneys' fees and expenses) incurred by the Participant in connection with or as a result of any such legal action. Notwithstanding the foregoing, if the Participant does not prevail (after exhaustion of all available judicial remedies) in respect of at least one claim by the Participant or by the Company hereunder, then no further reimbursement for legal fees and expenses shall be due to the Participant in respect of such claim and the Participant shall refund any amounts previously reimbursed hereunder with respect to such legal action.

12. Participants Deemed to Accept Plan. By accepting any payment or benefit under the Plan, each Participant and each person claiming under or through any such Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Committee, the Company or its Affiliates, in any case in accordance with the terms and conditions of the Plan.

13. Successors.

(a) Company Successors. This Plan shall bind any successor of the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. The Company shall require any such successor to expressly assume and agree to perform this Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) Participant Successors. The rights of a Participant to receive any benefits hereunder shall not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by his or her will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 13(b), the Company shall have no liability or obligation to pay any amount so attempted to be assigned, transferred or delegated.

14. Unfunded Status. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan.

15. Withholding. The Company and its Affiliates may withhold from any amounts payable under this Plan all federal, state, city or other taxes as the Company and its Affiliates are required to withhold pursuant to any law or government regulation or ruling.

16. Notices. Any notice provided for in this Plan shall be in writing and shall be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient. Notices to Participant shall be sent to the address of Participant most recently provided to the Company. Notices to the Company should be sent to Veritiv Corporation, 1000 Abernathy Road NE, Building 400, Suite 1700, Atlanta, GA 30328, Attention: General Counsel. Notice and communications shall be effective on the date of delivery if delivered by hand, on the first business day following the date of dispatch if delivered utilizing overnight courier, or three business days after having been mailed, if sent by first class mail.

17. Amendments; Termination. The Committee expressly reserves the unilateral right, at any time and from time to time after providing twelve (12) months' prior written notice to the impacted Participant or Participants, without the consent of the impacted Participant or Participants, to amend or terminate the Plan in whole or in part, including without limitation to remove individuals as Participants or to modify or eliminate all or any benefits under Section 4 hereof; provided that (a) no such action shall impair the rights of a Participant who previously has incurred a Qualified Termination unless such amendment, modification, removal or termination is agreed to in a writing signed by the Participant and the Company, (b) no such action shall impair the rights of a Tier A Participant on or before June 30, 2019, unless such amendment, modification, removal or termination is agreed to in a writing signed by the Tier A Participant and the Company, (c) no such action shall impair the rights of the CEO Participant, unless such amendment, modification, removal or termination is agreed to in a writing signed by the CEO Participant and the Company, and (d) the Plan may not be terminated or amended within six (6) months before or two (2) years after a Change in Control in any manner that would adversely affect the benefits to be provided to any Participant under the Plan.

18. Governing Law. This Plan shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Delaware, without regard to conflicts of law principles.

19. Severability. Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Plan is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Plan shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

20. Headings. Headings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

21. Section 409A.

(a) In General. Section 409A of the Code ("Section 409A") imposes payment restrictions on "nonqualified deferred compensation" (*i.e.,* potentially including payments owed to a Participant upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to a Participant, including immediate taxation, interest and a 20% additional income tax. It is the Company's intent that this Plan be exempt from the application of, or otherwise comply with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Plan are intended to qualify for the "short-term

deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409A, to the maximum extent possible. Each installment of any taxable benefits or payments provided under this Plan is intended to be treated as a separate payment for purposes of Section 409A. To the extent that Section 409A is applicable to any taxable benefit or payment, and if a Participant is a "specified employee" as determined by the Company in accordance with Section 409A, then notwithstanding any provision in this Plan to the contrary and to the extent required to comply with Section 409A, all such amounts that would otherwise be paid or provided to such Participant during the first six months following the Date of Termination shall instead be accumulated through and paid or provided (without interest) on the first business day following the six-month anniversary of the Date of Termination. Notwithstanding any provision of this Plan to the contrary, but only to the extent required to comply with Section 409A, any severance payable pursuant to Section 4(a)(ii)(B) of this Agreement shall be paid (i) in a lump sum if the Change in Control constitutes a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), or (ii) in installments over the applicable 24-month (CEO Participant and Tier 1 Participants) or 12-month (Tier 2 Participants) period if the Change in Control does not constitute a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5). With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made on or before the last day of the Participant's taxable year following the taxable year in which the expense occurred, or such earlier date as required hereunder.

(b) Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and the Participant is no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to the Company or its Affiliates as an employee or consultant, and for purposes of any such provision of this Plan, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

[END OF DOCUMENT]

APPENDIX A
GENERAL RELEASE

This General Release (this "Release") is entered into by and between _____ ("Executive") and Veritiv Corporation (the "Company") as of the ____ day of _____ 20__.

1. Employment Status. Executive's employment with the Company and its affiliates terminated effective as of _____, 20__. As used in this Release, the term "affiliate" will mean any entity controlled by, controlling, or under common control with, the Company.

2. Resignation from All Positions. Effective as of the date of my termination of employment, I hereby resign from all officer and director positions that I may hold with the Company and its affiliates.

3. Payments and Benefits. Upon the effectiveness of the terms set forth herein, the Company will provide Executive with the benefits set forth in Section 4(a) of the Veritiv Corporation Executive Severance Plan (the "Severance Plan"), upon the terms, and subject to the conditions, of the Severance Plan.

4. No Admission of Liability. This Release does not constitute an admission by the Company or its affiliates or their respective officers, directors, partners, agents, or employees, or by Executive, of any unlawful acts or of any violation of federal, state or local laws.

5. Claims Released by Executive. In consideration of the payments and benefits set forth in Section 4(a) of the Severance Plan, Executive for himself/herself, his/her heirs, administrators, representatives, executors, successors and assigns (collectively, "Releasors") does hereby irrevocably and unconditionally release, acquit and forever discharge the Company, its respective affiliates and their respective predecessors, successors and assigns (the "Veritiv Group") and each of its officers, directors, partners, agents, and former and current employees, including without limitation all persons acting by, through, under or in concert with any of them (collectively, "Releasees"), and each of them, from any and all claims, demands, actions, causes of action, costs, expenses, attorney fees, and all liability whatsoever, whether known or unknown, fixed or contingent, which Executive has, had, or may ever have against the Releasees relating to or arising out of Executive's employment or separation from employment with the Veritiv Group, from the beginning of time and up to and including the date Executive executes this Release. This Release includes, without limitation: (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims for wrongful discharge, retaliatory discharge, whistle blowing, libel, slander, defamation, unpaid compensation, wage and hour violations, intentional infliction of emotional distress, fraud, public policy contract or tort, and implied covenant of good faith and fair dealing, whether based in common law or any federal, state or local statute; (d) claims under or associated with any of the Veritiv Group's incentive compensation plans or arrangements; (e) claims arising under any federal, state, or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation, or any other form of discrimination, harassment, or retaliation (including without limitation under the Age Discrimination in Employment Act of 1967 as amended by the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964 as amended by the Civil Rights Act of 1991, the Equal Pay Act of 1963, and the Americans with Disabilities Act of 1990, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Polygraph Protection Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Lilly Ledbetter Fair Pay Act, or any

other foreign, federal, state or local law or judicial decision); (f) claims arising under the Employee Retirement Income Security Act; and (g) any other statutory or common law claims related to Executive's employment with the Veritiv Group or the separation of Executive's employment with the Veritiv Group.

Without limiting the foregoing paragraph, Executive represents that he/she understands that this Release specifically releases and waives any claims of age discrimination, known or unknown, that Executive may have against the Veritiv Group as of the date he/she signs this Release. This Release specifically includes a waiver of rights and claims under the Age Discrimination in Employment Act of 1967, as amended, and the Older Workers Benefit Protection Act. Executive acknowledges that as of the date he/she signs this Release, he/she may have certain rights or claims under the Age Discrimination in Employment Act, 29 U.S.C. §626, and he/she voluntarily relinquishes any such rights or claims by signing this Release.

Notwithstanding the foregoing provisions of this Section 5, nothing herein will release the Veritiv Group from (i) any obligation under the Severance Plan, including without limitation Section 4(a) of the Severance Plan; (ii) any obligation to provide all benefit entitlements under any Company benefit or welfare plan that were vested as of the Separation Date, including the Company's 401(k) plan and the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended; and (iii) any rights or claims that relate to events or circumstances that occur after the date that Executive executes this Release. In addition, nothing in this Release is intended to interfere with Executive's right to file a charge with the Equal Employment Opportunity Commission or any state or local human rights commission in connection with any claim Executive believes he/she may have against the Releasees. However, by executing this Release, Executive hereby waives the right to recover any remuneration, damages, compensation or relief of any type whatsoever from the Company in any proceeding that Executive may bring before the Equal Employment Opportunity Commission or any similar state commission or in any proceeding brought by the Equal Employment Opportunity Commission or any similar state commission on Executive's behalf.

6. Representations. Executive acknowledges and represents that, as an employee of the Company and its affiliates, he/she has been obligated to, and has been given the full and unfettered opportunity to, report timely to the Company any conduct that would give rise to an allegation that the Company or any affiliate has violated any laws applicable to its businesses or has engaged in conduct which could otherwise be construed as inappropriate or unethical in any way, even if such conduct is not, or does not appear to be, a violation of any law. Executive acknowledges that a condition of the payment of the benefits under Section 3 of this Release is his/her truthful and complete representation to the Company regarding any such conduct, including but not limited to conduct regarding compliance with the Company's Code of Business Conduct and Ethics, policies and procedures, and with all laws and standards governing the Company's business. Executive's truthful and complete representation, based on his/her thorough search of his/her knowledge and memory, is as follows: Executive has not been directly or indirectly involved in any such conduct; no one has asked or directed him/her to participate in any such conduct; and Executive has no specific knowledge of any conduct by any other person(s) that would give rise to an allegation that the Company or any affiliate has violated any laws applicable to its businesses or has engaged in conduct which could otherwise be construed as inappropriate or unethical in any way.

7. Bar. Executive acknowledges and agrees that if he/she should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against the Releasees (with the exception of the filing of charges of discrimination contemplated by Section 5 of this Release) with respect to any cause, matter or thing which is the subject of the release under Section 5 of this Release, this Release may be raised as a complete bar to any such action, claim or proceeding, and the applicable Releasee may recover from Executive all costs

incurred in connection with such action, claim or proceeding, including attorneys' fees, along with the benefits set forth in Section 4 of the Severance Plan.

8. Nondisparagement. For a period of [24] [18] [12] months Executive agrees not to disparage the Company or its officers, directors, employees, shareholders, agents or products. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings). The Company may seek appropriate equitable relief or bring a damages claim (based upon provable injury) to enforce the provisions of this Section 8.

9. Governing Law. This Release will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles.

10. Acknowledgment. Executive has read this Release, understands it, and voluntarily accepts its terms, and Executive acknowledges that he/she has been advised by the Company to seek the advice of legal counsel before entering into this Release. Executive acknowledges that he/she was given a period of [21] [45] calendar days within which to consider and execute this Release, and to the extent that he/she executes this Release before the expiration of the [21] [45] calendar day period, he/she does so knowingly and voluntarily and only after consulting his/her attorney. Executive acknowledges and agrees that the promises made by the Veritiv Group hereunder represent substantial value over and above that to which Executive would otherwise be entitled.

11. Revocation. Executive has a period of 7 calendar days following the execution of this Release during which Executive may revoke this Release by delivering written notice to the Company pursuant to Section 16 of the Severance Plan. This Release will not become effective or enforceable until such revocation period has expired. Executive understands that if he/she revokes this Release, it will be null and void in its entirety, and he/she will not be entitled to any payments or benefits provided in this Release, including without limitation under Section 3 of the Release.

12. Miscellaneous. This Release, together with the Severance Plan and any agreements concerning restrictive covenants referenced in Section 7 of the Severance Plan, represents the final and entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations and discussions between the parties hereto and/or their respective counsel with respect to the subject matter hereof. Executive has not relied upon any representations, promises or agreements of any kind except those set forth herein in signing this Release. In the event that any provision of this Release should be held to be invalid or unenforceable, each and all of the other provisions of this Release will remain in full force and effect. If any provision of this Release is found to be invalid or unenforceable, such provision will be modified as necessary to permit this Release to be upheld and enforced to the maximum extent permitted by law. Executive agrees to execute such other documents and take such further actions as reasonably may be required by the Veritiv Group to carry out the provisions of this Release.

13. Counterparts. This Release may be executed by the parties hereto in counterparts (including by means of facsimile or other electronic transmission), each of which will be deemed an original, but all of which taken together will constitute one original instrument.

IN WITNESS WHEREOF, the parties have executed this Release on the date first set forth above.

VERITIV CORPORATION

By:_____

Its:_____

EXECUTIVE

_____

EXHIBIT 10.2

October 28, 2020

Ms. Karen Renner kk.renner@icloud.com

Dear Karen,

We are pleased to offer you the position of SVP, Chief Information Officer with Veritiv Operating Company. This position is based out of Atlanta, Georgia and reports to me. Your anticipated start date will be on or around mid-November, 2020.

You will receive a monthly salary of $35,417 (which equates to $425,000 per year). In accordance with Veritiv's current payroll practices, your salary will be paid on the last working day of the month. This is a salaried exempt position, which means that you will not be eligible for overtime pay.

In addition to your salary, this position is eligible to participate in Veritiv's Annual Incentive Plan (AIP). The AIP is an incentive plan that provides you with an opportunity to share in the financial success of the Company through a bonus based on both the Company's performance and your own individual performance. Subject to the terms of the AIP, your current annual target bonus amount is 65% of your annual base salary, or $276,300. For your initial year of employment, your bonus will be pro-rated for the portion of the performance period that you are employed by the Company.

You will be eligible to participate in the Veritiv Long-Term Incentive (LTI) Plan. The LTI is an equity incentive plan. Subject to the terms of the LTI, your current target grant value is 85% of your annual base salary or $361,300. LTI awards are made in the form of restricted stock units (34% of grant value) and performance units (66% of grant value). Restricted stock units vest over four years, 25% on each anniversary of the grant date. Performance units have a three-year performance period and are paid out at the end of the performance period based on attainment of specified business goals. Your initial grant will be made on the first day of the calendar quarter following your start date. Additional information will be sent to you following the grant date.

In addition to, and on the same day as, the initial LTI grant set forth in the immediately preceding paragraph, you will receive a special grant of with a value at grant of $276,300. This grant will be the same form and have the same vesting provisions as the grant described in the immediately preceding paragraph.

In addition, you will receive a one-time cash signing bonus in the gross amount of $125,000, which will be paid within ten days of your hire date. Please note that the amounts paid will be net of applicable tax withholdings.

You will be eligible for benefits on your first day of employment. Veritiv's competitive benefits program provides options for medical, dental, vision, and life insurance for you and your dependents, as well as time off, disability and life insurance, retirement savings benefits, and more. You will have 31 days from

your eligibility date to enroll in benefits. You will receive information on how to enroll in benefits after your first day of employment.

You will also be eligible for up to five weeks of vacation on an annual accrual basis.

This offer of employment is contingent upon successful completion of a drug screen, background investigation, reference check and approval of the Compensation and Leadership Development Committee. Upon your acceptance of this offer, I will provide you with the necessary forms and instructions to start these processes.

Pursuant to the Immigration Reform and Control Act (IRCA), you must also verify your identity and authorization to work. Therefore, if you accept this offer, you will be required to complete an I-9 Employment Eligibility Verification Form no later than the first day of employment. Additionally, within three business days of the date your employment begins, you will need to supply acceptable documentation of your identity and work authorization. A complete list of acceptable documents is available at http://www.uscis.gov/sites/default/files/files/form/i-9.pdf.

Finally, this offer is also contingent upon your signing and returning the enclosed Noncompetition Agreement.

This employment offer is based upon your skills and abilities, not because of confidential, trade secret, or other proprietary information of your former employer(s) which you may have knowledge. By accepting this offer, you expressly agree that:

1) You have not retained and will not retain any documents (in whatever form, whether hard copy or electronic) containing confidential, trade secret, or proprietary information belonging to any of your former employers;
2) You have maintained and will continue to maintain your duty of loyalty to your former employer until your termination date with that employer;
3) During your employment with Veritiv, you will not utilize or disclose any confidential, trade secret, or proprietary information belonging to any of your former employers; and
4) If you are subject to a non-compete agreement and/or any other restrictive covenant with a former employer or any other entity, you have advised us of the existence of that restrictive covenant and have truthfully and accurately represented to us your understanding that the restrictive covenant will not prevent you from performing the duties of the position that we have offered you.

Please note that your employment with Veritiv is on an at-will basis and is not guaranteed for any length of time. This means that both you and the Company may terminate the employment relationship at any time, for any reason, with or without cause or notice, and in accordance with applicable law. Additionally, the terms and conditions of your employment, including but not limited to your position, job responsibilities, compensation, and benefits, may be altered by the Company at its sole discretion.

To accept this offer, please sign this letter and return it to Dean Adelman, SVP, CHRO by November 6, 2020.

I am delighted that you are considering joining the Veritiv team and believe that you will find this opportunity to be personally and professionally rewarding. Please feel free to contact me with any questions.

Best regards,

/s/ Salvatore A. Abbate
Salvatore Abbate
CEO

ACCEPTED AND AGREED:

/s/ Karen Renner 10/31/20
Karen Renner Date

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Salvatore A. Abbate, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Veritiv Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ Salvatore A. Abbate
Salvatore A. Abbate
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen J. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Veritiv Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ Stephen J. Smith
Stephen J. Smith
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of Veritiv Corporation (the "Company") for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Salvatore A. Abbate, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Salvatore A. Abbate

Salvatore A. Abbate
Chief Executive Officer
May 9, 2022

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q of Veritiv Corporation (the "Company") for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen J. Smith, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen J. Smith
Stephen J. Smith
Senior Vice President and Chief Financial Officer
May 9, 2022