

**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 December 31, 2021

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 001-38736

WestRock Company

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

1000 Abernathy Road NE, Atlanta, Georgia
(Address of Principal Executive Offices)

37-1880617
(I.R.S. Employer
Identification No.)

30328
(Zip Code)

Registrant's Telephone Number, Including Area Code: (770) 448-2193

N/A

(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, par value \$0.01 per share	WRK	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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of January 21, 2022
Common Stock, \$0.01 par value	263,214,392

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PART I: FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In millions, except per share data)	Three Months Ended December 31,	
	2021	2020
Net sales	\$ 4,952.2	\$ 4,401.5
Cost of goods sold	4,155.6	3,648.6
Gross profit	796.6	752.9
Selling, general and administrative, excluding		
intangible amortization	452.9	417.8
Selling, general and administrative intangible		
amortization	88.0	91.9
(Gain) loss on disposal of assets	(13.9)	2.5
Multiemployer pension withdrawal income	(3.3)	—
Restructuring and other costs	2.3	7.7
Operating profit	270.6	233.0
Interest expense, net	(86.7)	(93.8)
Loss on extinguishment of debt	—	(1.1)
Pension and other postretirement non-service income	39.9	34.9
Other income, net	0.2	20.8
Equity in income of unconsolidated entities	18.4	9.0
Income before income taxes	242.4	202.8
Income tax expense	(58.6)	(50.3)
Consolidated net income	183.8	152.5
Less: Net income attributable to noncontrolling		
interests	(1.5)	(0.5)
Net income attributable to common stockholders	\$ 182.3	\$ 152.0
Basic earnings per share attributable to common		
stockholders	\$ 0.69	\$ 0.58
Diluted earnings per share attributable to common		
stockholders	\$ 0.68	\$ 0.57
Basic weighted average shares outstanding	264.6	262.7
Diluted weighted average shares outstanding	266.9	264.8

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended December 31,	
	2021	2020
Consolidated net income	\$ 183.8	\$ 152.5
Other comprehensive (loss) income, net of tax:		
Foreign currency translation (loss) gain	(16.3)	196.9
Derivatives:		
Deferred loss on cash flow hedges	—	(0.1)
Reclassification adjustment of net loss on		
cash flow hedges included in earnings	—	1.5
Defined benefit pension and other postretirement		
benefit plans:		
Amortization and settlement recognition of net		
actuarial loss, included in pension cost	1.3	5.6
Amortization and settlement recognition of prior		
service cost, included in pension cost	1.4	1.1
Other comprehensive (loss) income, net of tax	(13.6)	205.0
Comprehensive income	170.2	357.5
Less: Comprehensive income attributable to		
noncontrolling interests	(1.5)	(0.9)
Comprehensive income attributable to common		
stockholders	<u>\$ 168.7</u>	<u>\$ 356.6</u>

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions, except per share data)	December 31, 2021	September 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 291.3	\$ 290.9
Accounts receivable (net of allowances of \$67.3 and \$68.1)	2,525.5	2,586.9
Inventories	2,241.3	2,173.3
Other current assets	505.6	597.6
Assets held for sale	4.2	10.9
Total current assets	5,567.9	5,659.6
Property, plant and equipment, net	10,482.1	10,570.1
Goodwill	5,955.4	5,959.2
Intangibles, net	3,236.8	3,318.8
Restricted assets held by special purpose entities	1,258.6	1,260.5
Prepaid pension asset	707.2	674.3
Other assets	1,874.5	1,811.8
Total Assets	<u>\$ 29,082.5</u>	<u>\$ 29,254.3</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt	\$ 236.8	\$ 168.8
Accounts payable	2,135.2	2,123.7
Accrued compensation and benefits	457.3	656.8
Other current liabilities	726.2	694.8
Total current liabilities	3,555.5	3,644.1
Long-term debt due after one year	7,996.4	8,025.3
Pension liabilities, net of current portion	249.5	254.7
Postretirement benefit liabilities, net of current portion	133.6	133.7
Non-recourse liabilities held by special purpose entities	1,125.0	1,127.3
Deferred income taxes	2,929.9	2,944.4
Other long-term liabilities	1,372.8	1,433.1
Commitments and contingencies (Note 13)		
Redeemable noncontrolling interests	2.5	1.7
Equity:		
Preferred stock, \$0.01 par value; 30.0 million shares authorized; no shares outstanding	—	—
Common Stock, \$0.01 par value; 600.0 million shares authorized; 263.2 million and 265.0 million shares outstanding at December 31, 2021 and September 30, 2021, respectively	2.6	2.7
Capital in excess of par value	10,996.1	11,058.8
Retained earnings	1,711.2	1,607.9
Accumulated other comprehensive loss	(1,012.7)	(999.1)
Total stockholders' equity	11,697.2	11,670.3
Noncontrolling interests	20.1	19.7
Total equity	11,717.3	11,690.0
Total Liabilities and Equity	<u>\$ 29,082.5</u>	<u>\$ 29,254.3</u>

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

(In millions, except per share data)	Three Months Ended December 31,	
	2021	2020
Number of Shares of Common Stock Outstanding:		
Balance at beginning of period	265.0	260.4
Issuance of common stock, net of stock received for		
tax withholdings	0.3	2.9
Purchases of common stock	(2.1)	—
Balance at end of period	263.2	263.3
Common Stock:		
Balance at beginning of period	\$ 2.7	\$ 2.6
Purchases of common stock	(0.1)	—
Balance at end of period	2.6	2.6
Capital in Excess of Par Value:		
Balance at beginning of period	11,058.8	10,916.3
Compensation expense under share-based plans	15.2	19.9
Issuance of common stock, net of stock received for		
tax withholdings	8.7	13.2
Purchases of common stock	(86.2)	—
Other	(0.4)	—
Balance at end of period	10,996.1	10,949.4
Retained Earnings:		
Balance at beginning of period	1,607.9	1,031.6
Adoption of accounting standards ⁽¹⁾	—	(3.8)
Net income attributable to common stockholders	182.3	152.0
Dividends declared (per share - \$0.25 and \$0.20) ⁽²⁾	(67.6)	(53.5)
Issuance of common stock, net of stock received for		
tax withholdings	(0.2)	—
Purchases of common stock	(11.2)	—
Balance at end of period	1,711.2	1,126.3
Accumulated Other Comprehensive Loss:		
Balance at beginning of period	(999.1)	(1,319.9)
Other comprehensive (loss) income, net of tax	(13.6)	204.6
Balance at end of period	(1,012.7)	(1,115.3)
Total Stockholders' equity	11,697.2	10,963.0
Noncontrolling Interests: ⁽³⁾		
Balance at beginning of period	19.7	16.9
Net income	0.4	0.2
Balance at end of period	20.1	17.1
Total equity	\$ 11,717.3	\$ 10,980.1

(1) For fiscal 2021, the amount relates to the adoption of ASU 2016-13, "Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments".

(2) Includes cash dividends paid and dividend equivalent units on certain restricted stock awards.

(3) Excludes amounts related to contingently redeemable noncontrolling interests, which are separately classified outside of permanent equity on the Condensed Consolidated Balance Sheets.

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	2021	Three Months Ended December 31,	2020
Operating activities:			
Consolidated net income	\$	183.8	\$ 152.5
Adjustments to reconcile consolidated net income to net cash provided			
by operating activities:			
Depreciation, depletion and amortization		366.5	364.5
Deferred income tax benefit		(14.0)	(19.6)
Share-based compensation expense		15.2	20.0
401(k) match and company contribution in common stock		2.5	24.9
Pension and other postretirement funding more than expense (income)		(32.4)	(28.0)
Cash surrender value increase in excess of premiums paid		(16.6)	(21.2)
Gain on sale of investment		—	(14.7)
Other impairment adjustments		0.9	—
(Gain) loss on disposal of plant and equipment and other, net		(13.9)	2.6
Other, net		(13.4)	(10.3)
Change in operating assets and liabilities, net of acquisitions and			
divestitures:			
Accounts receivable		60.4	150.2
Inventories		(117.5)	(44.3)
Other assets		(45.9)	(19.3)
Accounts payable		5.4	(5.4)
Income taxes		62.0	50.6
Accrued liabilities and other		(190.2)	116.9
Net cash provided by operating activities		252.8	719.4
Investing activities:			
Capital expenditures		(173.1)	(170.7)
Cash paid for purchase of businesses, net of cash received		(7.0)	—
Proceeds from corporate owned life insurance		2.0	5.5
Proceeds from sale of investment		—	23.3
Proceeds from sale of property, plant and equipment		22.4	2.0
Proceeds from property, plant and equipment insurance settlement		1.7	—
Other, net		(0.8)	(0.5)
Net cash used for investing activities		(154.8)	(140.4)
Financing activities:			
Additions to revolving credit facilities		—	180.0
Repayments of revolving credit facilities		—	(10.0)
Additions to debt		31.3	10.8
Repayments of debt		(52.2)	(704.5)
Other debt additions, net		69.0	21.6
Issuances of common stock, net of related tax withholdings		6.2	(12.4)
Purchases of common stock		(100.1)	—
Cash dividends paid to stockholders		(66.3)	(52.6)
Other, net		7.8	(17.0)
Net cash used for financing activities		(104.3)	(584.1)
Effect of exchange rate changes on cash, cash equivalents			
and restricted cash		6.7	7.8
Increase in cash, cash equivalents and restricted cash		0.4	2.7
Cash, cash equivalents and restricted cash at beginning of period		290.9	251.1
Cash, cash equivalents and restricted cash at end of period	\$	<u>291.3</u>	\$ <u>253.8</u>

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Unless the context otherwise requires, “we”, “us”, “our”, “WestRock” and “the Company” refer to the business of WestRock Company, its wholly-owned subsidiaries and its partially-owned consolidated subsidiaries.

We are a multinational provider of sustainable fiber-based paper and packaging solutions. We partner with our customers to provide differentiated, sustainable paper and packaging solutions that help them win in the marketplace. Our team members support customers around the world from our operating and business locations in North America, South America, Europe, Asia and Australia.

Note 1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

Our independent registered public accounting firm has not audited the accompanying interim financial statements. We derived the condensed consolidated balance sheet at September 30, 2021 from the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2021 (the “**Fiscal 2021 Form 10-K**”). In the opinion of management, all normal recurring adjustments necessary for the fair presentation of the Condensed Consolidated Financial Statements have been included for the interim periods reported.

We have condensed or omitted certain notes and other information from the interim financial statements presented in this report. Therefore, these interim financial statements should be read in conjunction with the Fiscal 2021 Form 10-K. The results for the three months ended December 31, 2021 are not necessarily indicative of results that may be expected for the full year.

Reclassifications and Adjustments

Effective October 1, 2021, we reorganized our segment reporting to four reportable segments: Corrugated Packaging, Consumer Packaging, Paper and Distribution. Prior period amounts have been recast throughout the Notes to Condensed Consolidated Financial Statements, as applicable, to conform to the new segment structure. These changes did not impact our consolidated financial statements. See “**Note 6. Segment Information**” for additional information.

Certain other amounts in prior periods have been reclassified to conform with the current year presentation.

COVID-19 Pandemic

The global impact of the COVID-19 pandemic (“COVID”) continues to evolve and our first priority has been and continues to be the health and safety of our teammates. We have taken, and continue to take, actions to protect the health and safety of our teammates during COVID and we have incurred and continue to incur costs for safety, cleaning and other items related to COVID. The pandemic has affected our operational and financial performance to varying degrees and the extent of its effect on our operational and financial performance will continue to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic (including due to new or continuing variants such as Omicron and Delta), the actions taken to contain or mitigate its impact (including the distribution and effectiveness of vaccines and vaccine boosters), and the direct and indirect economic effects of the pandemic and related containment measures and government responses, among others. Our net sales have been negatively impacted by COVID, to varying degrees, primarily in the last half of fiscal 2020, and we have experienced and are currently experiencing higher supply chain costs and tight labor markets in part due to the impacts of COVID. The Company’s assessment of the future magnitude and duration of COVID, as well as other factors, may change and could result in changes in our accounting estimates and assumptions used to prepare our financial statements in conformity with generally accepted accounting principles in the U.S. (“GAAP”).

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Ransomware Incident

As previously disclosed, on January 23, 2021 we detected a ransomware incident impacting certain of our systems. Promptly upon our detection of this incident, we initiated response and containment protocols and our security teams, supplemented by leading cyber defense firms, worked to remediate this incident. We undertook extensive efforts to identify, contain and recover from this incident quickly and securely. Our teams worked to maintain our business operations and minimize the impact on our customers and teammates. In our second quarter of fiscal 2021 Form 10-Q, we announced that all systems are back in service. All of our mills and converting locations began producing and shipping paper and packaging at pre-ransomware levels in March 2021 or earlier.

As previously disclosed, we estimate the pre-tax income impact of the lost sales and operational disruption of this incident on our operations in the second quarter of fiscal 2021 was approximately \$50 million, as well as approximately \$20 million of ransomware recovery costs, primarily professional fees. In addition, we incurred approximately \$9 million of ransomware recovery costs in the third quarter of fiscal 2021. In the fourth quarter of fiscal 2021, we recorded a \$15 million credit for preliminary recoveries – approximately \$10 million as a reduction of SG&A excluding intangible amortization and approximately \$5 million as a reduction of cost of goods sold. In the first quarter of fiscal 2022, we received an additional business interruption recovery of \$5 million related to the ransomware incident, which we recorded as a reduction of Cost of goods sold and presented in net cash provided by operating activities on our condensed consolidated statements of cash flows. We expect to recover substantially all of the remaining ransomware losses from cyber and business interruption insurance from various carriers in future periods. Disputes over the extent of insurance coverage for claims are not uncommon, and there will be a time lag between the initial incurrence of costs and the receipt of any insurance proceeds.

See “**Note 1. Description of Business and Summary of Significant Accounting Policies — Ransomware Incident**” of the Notes to Consolidated Financial Statements section in the Fiscal 2021 Form 10-K for additional information.

Significant Accounting Policies

See “**Note 1. Description of Business and Summary of Significant Accounting Policies**” of the Notes to Consolidated Financial Statements section in the Fiscal 2021 Form 10-K for a summary of our significant accounting policies.

Recent Accounting Developments

New Accounting Standards — Recently Adopted

In December 2019, the Financial Accounting Standards Board (“**FASB**”) issued Accounting Standards Update (“**ASU**”) 2019-12, “*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*”. This ASU removes certain exceptions from recognizing deferred taxes for investments, performing intraperiod allocation and calculating income taxes in interim periods. It also reduces complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. This ASU is effective for fiscal years beginning after December 15, 2020 (fiscal 2022 for us) and interim periods within those fiscal years. We adopted the provisions of ASU 2019-12 beginning October 1, 2021. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In July 2021, the FASB issued ASU 2021-05, “*Leases (Topic 842): Lessors – Certain Leases with Variable Lease Payments*”. This ASU requires lessors to classify leases as operating leases if they have variable lease payments that do not depend on an index or rate and would have selling losses at lease commencement if they were classified as sales-type or direct financing leases. For lessors that had adopted Accounting Standards Codification (“**ASC**”) 842, “*Leases*” as of July 19, 2021, when the amendments were issued, the amendments can be applied either retrospectively or prospectively and are effective for annual periods beginning after December 15, 2021 (fiscal 2023 for us) and interim periods within those annual periods. Early adoption is permitted. We early adopted this ASU using the prospective transition approach beginning October 1, 2021. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

New Accounting Standards — Recently Issued

In November 2021, the FASB issued ASU 2021-10, “Government Assistance (Topic 832) – Disclosures by Business Entities about Government Assistance”. This ASU aims to increase the transparency of government assistance through the annual disclosure of the types of assistance, an entity’s accounting for the assistance and the effect of the assistance on an entity’s financial statements. This ASU is effective for annual periods beginning after December 15, 2021 (fiscal 2023 for us), with early adoption permitted. We are evaluating the impact of this ASU.

In October 2021, the FASB issued ASU 2021-08, “Business Combinations (Topic 805) – Accounting for Contract Assets and Contract Liabilities from Contracts with Customers”. This ASU requires an entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606 “Revenue from Contracts with Customers” (“ASC 606”). This ASU is intended to reduce diversity in practice and increase comparability for both the recognition and measurement of acquired revenue contracts with customers at the date of and after a business combination. This ASU is effective for fiscal years beginning after December 15, 2022 (fiscal 2024 for us), including interim periods therein, with early adoption permitted. We are evaluating the impact of this ASU.

In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting”. This ASU provides temporary optional expedients and exceptions for applying GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate. In January 2021, the FASB issued ASU 2021-01, which adds implementation guidance to clarify certain optional expedients in Topic 848. The ASUs can be adopted after their respective issuance dates through December 31, 2022. We are currently evaluating our contracts and the impact of optional expedients provided by these ASUs.

Note 2. Revenue Recognition

Disaggregated Revenue

ASC 606 requires that we disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The tables below disaggregate our revenue by geographical market and product type (segment). Net sales are attributed to geographical markets based on our selling location. As discussed above, effective October 1, 2021, we reorganized our segment reporting to four reportable segments and have recast the prior year disclosure to conform to the new segment structure and modify the geographical markets presented.

(In millions)	Three Months Ended December 31, 2021					
	Corrugated Packaging	Consumer Packaging	Paper	Distribution	Intersegment Sales	Total
Primary Geographical Markets						
U.S.	\$ 1,969.0	\$ 648.3	\$ 1,213.1	\$ 284.6	\$ (82.4)	\$ 4,032.6
Canada	140.4	114.3	57.9	3.5	(1.3)	314.8
Latin America	107.6	45.5	48.3	36.7	(0.1)	238.0
EMEA ⁽¹⁾	3.0	252.1	15.9	—	(0.1)	270.9
Asia Pacific	—	78.5	17.4	—	—	95.9
Total	<u>\$ 2,220.0</u>	<u>\$ 1,138.7</u>	<u>\$ 1,352.6</u>	<u>\$ 324.8</u>	<u>\$ (83.9)</u>	<u>\$ 4,952.2</u>

(1) Europe, Middle East and Africa (“EMEA”)

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

(In millions)	Three Months Ended December 31, 2020					Total
	Corrugated Packaging	Consumer Packaging	Paper	Distribution	Intersegment Sales	
Primary Geographical Markets						
U.S.	\$ 1,823.7	\$ 606.6	\$ 1,008.4	\$ 269.0	\$ (73.9)	\$ 3,633.8
Canada	124.6	113.4	43.4	3.6	(1.2)	283.8
Latin America	70.3	39.9	10.5	31.2	—	151.9
EMEA	0.9	233.0	16.2	—	—	250.1
Asia Pacific	—	69.6	12.4	—	(0.1)	81.9
Total	<u>\$ 2,019.5</u>	<u>\$ 1,062.5</u>	<u>\$ 1,090.9</u>	<u>\$ 303.8</u>	<u>\$ (75.2)</u>	<u>\$ 4,401.5</u>

Revenue Contract Balances

Contract assets are rights to consideration in exchange for goods that we have transferred to a customer when that right is conditional on something other than the passage of time. Contract assets are reduced when the control of the goods passes to the customer. Contract liabilities represent obligations to transfer goods or services to a customer for which we have received consideration. Contract liabilities are reduced once control of the goods is transferred to the customer.

The opening and closing balances of our contract assets and contract liabilities are as follows. Contract assets and contract liabilities are reported within Other current assets and Other current liabilities, respectively, on the condensed consolidated balance sheet.

(In millions)	Contract Assets	Contract Liabilities
	(Short-Term)	(Short-Term)
Beginning balance - October 1, 2021	\$ 199.1	\$ 12.8
Ending balance - December 31, 2021	213.5	16.4
Increase	<u>\$ 14.4</u>	<u>\$ 3.6</u>

Note 3. Restructuring and Other Costs

Summary of Restructuring and Other Initiatives

We recorded pre-tax restructuring and other costs of \$2.3 million for the three months ended December 31, 2021 and \$7.7 million for the three months ended December 31, 2020. These amounts are not comparable since the timing and scope of the individual actions associated with each restructuring, acquisition, integration or divestiture can vary. We present our restructuring and other costs in more detail below.

The following table summarizes our Restructuring and other costs (in millions):

	Three Months Ended December 31,	
	2021	2020
Restructuring	\$ 2.1	\$ 6.6
Other	0.2	1.1
Restructuring and other costs	<u>\$ 2.3</u>	<u>\$ 7.7</u>

Restructuring

Our restructuring charges are primarily associated with restructuring portions of our operations (i.e., partial or complete plant closures). A partial plant closure may consist of shutting down a machine and/or a workforce reduction. We generally incur various reduction in workforce actions, plant closure activities, impairment costs and certain lease terminations in each fiscal year.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

When we close a facility, if necessary, we recognize a write-down to reduce the carrying value of related property, plant and equipment and lease right-of-use (“**ROU**”) assets to their fair value and record charges for severance and other employee-related costs. We reduce the carrying value of the assets classified as held for sale to their estimated fair value less cost to sell. Any subsequent change in fair value less cost to sell prior to disposition is recognized as it is identified; however, no gain is recognized in excess of the cumulative loss previously recorded unless the actual selling price exceeds the original carrying value. For plant closures, we also generally expect to record costs for equipment relocation, facility carrying costs and costs to terminate a lease or contract before the end of its term.

Although specific circumstances vary, our strategy has generally been to consolidate our sales and operations into large well-equipped plants that operate at high utilization rates and take advantage of available capacity created by operational excellence initiatives and/or further optimize our system following mergers and acquisitions or a changing business environment. Therefore, we generally transfer a substantial portion of each closed plant’s assets and production to our other plants. We believe these actions have allowed us to more effectively manage our business.

While restructuring costs are not charged to our segments and, therefore, do not reduce each segment’s Adjusted EBITDA (as hereinafter defined), we highlight the segment to which the charges relate. As discussed above, effective October 1, 2021, we reorganized our segment reporting to four reportable segments and have recast the prior year disclosure. Since we do not allocate restructuring costs to our segments, charges incurred in the Paper segment will represent all charges associated with our recycling operations and vertically integrated mills. These operations manufacture for the benefit of each reportable segment that ultimately sells the associated paper and packaging products to our external customers. The following table presents a summary of restructuring charges related to active restructuring initiatives that we incurred during the three months ended December 31, 2021 and 2020, the cumulative recorded amount since we started the initiatives and our estimate of the total we expect to incur (in millions):

	Three Months Ended December 31,			Cumulative	Total Expected
	2021				
Corrugated Packaging					
Net property, plant and equipment costs	\$	—	\$	—	\$ 3.6
Severance and other employee costs		(0.4)		(0.7)	28.3
Other restructuring costs		0.3		0.9	10.5
Restructuring total	\$	(0.1)	\$	0.2	\$ 42.4
Consumer Packaging					
Net property, plant and equipment costs	\$	—	\$	0.2	\$ 3.3
Severance and other employee costs		1.8		3.5	32.0
Other restructuring costs		—		1.0	10.5
Restructuring total	\$	1.8	\$	4.7	\$ 45.8
Corporate					
Net property, plant and equipment costs	\$	0.9	\$	—	\$ 9.7
Severance and other employee costs		—		1.6	59.5
Other restructuring costs		(0.5)		0.1	(1.3)
Restructuring total	\$	0.4	\$	1.7	\$ 67.9
Total ⁽¹⁾					
Net property, plant and equipment costs	\$	0.9	\$	0.2	\$ 16.6
Severance and other employee costs		1.4		4.4	119.8
Other restructuring costs		(0.2)		2.0	19.7
Restructuring total	\$	2.1	\$	6.6	\$ 156.1

(1) The Cumulative and Total Expected columns each exclude approximately \$81 million for aggregate Paper segment, Land and Development segment and Distribution segment restructuring charges that were incurred in prior periods since the table includes no current year or prior year period activity for those segments.

We have defined “**Net property, plant and equipment costs**” as used in this **Note 3** primarily as property, plant and equipment write-downs, subsequent adjustments to fair value for assets classified as held for sale,

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

subsequent (gains) or losses on sales of property, plant and equipment and related parts and supplies on such assets, if any. We also define "**Other restructuring costs**" as facility carrying costs, equipment and inventory relocation costs, lease termination costs and other items.

Other Costs

Our other costs consist of acquisition, integration and divestiture costs. We incur costs when we acquire or divest businesses. Acquisition costs include costs associated with transactions, whether consummated or not, such as advisory, legal, accounting, valuation and other professional or consulting fees, as well as potential litigation costs associated with those activities. We incur integration costs pre- and post-acquisition that reflect work being performed to facilitate merger and acquisition integration, such as work associated with information systems and other projects, including spending to support future acquisitions, and primarily consist of professional services and labor. Divestiture costs consist primarily of similar professional fees. We consider acquisition, integration and divestiture costs to be corporate costs regardless of the segment or segments involved in the transaction.

The following table presents our acquisition and integration costs (in millions):

	Three Months Ended December 31,	
	2021	2020
Acquisition costs	\$ 0.2	\$ 0.2
Integration costs	—	0.9
Other total	<u>\$ 0.2</u>	<u>\$ 1.1</u>

The following table summarizes the changes in the restructuring accrual, which is primarily composed of accrued severance and other employee costs, and a reconciliation of the restructuring accrual charges to the line item "**Restructuring and other costs**" on our condensed consolidated statements of income (in millions):

	Three Months Ended December 31,	
	2021	2020
Accrual at beginning of fiscal year	\$ 13.4	\$ 17.2
Additional accruals	1.8	5.4
Payments	(1.9)	(7.0)
Adjustment to accruals	(0.4)	(1.1)
Foreign currency rate changes and other	(0.2)	0.1
Accrual at December 31	<u>\$ 12.7</u>	<u>\$ 14.6</u>

Reconciliation of accruals and charges to restructuring and other costs (in millions):

	Three Months Ended December 31,	
	2021	2020
Additional accruals and adjustments to accruals		
(see table above)	\$ 1.4	\$ 4.3
Acquisition costs	0.2	0.2
Integration costs	—	0.9
Net property, plant and equipment costs	0.9	0.2
Severance and other employee costs	—	0.1
Other restructuring costs	(0.2)	2.0
Total restructuring and other costs	<u>\$ 2.3</u>	<u>\$ 7.7</u>

Note 4. Retirement Plans

We have defined benefit pension plans and other postretirement benefit plans for certain U.S. and non-U.S. employees. Certain plans were frozen for salaried and non-union hourly employees at various times in the past, and nearly all of our remaining salaried and non-union hourly employees accruing benefits ceased accruing benefits

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

as of December 31, 2020. In addition, we participate in several multiemployer pension plans (“**MEPP**” or “**MEPPs**”) that provide retirement benefits to certain union employees in accordance with various collective bargaining agreements and have participated in other MEPPs in the past. We also have supplemental executive retirement plans and other non-qualified defined benefit pension plans that provide unfunded supplemental retirement benefits to certain of our current and former executives.

MEPPs

In the normal course of business, we evaluate our potential exposure to MEPPs, including with respect to potential withdrawal liabilities. In fiscal 2018, we submitted formal notification to withdraw from the Pace Industry Union-Management Pension Fund (“**PIUMPF**”) and the Central States, Southeast and Southwest Areas Pension Plan (“**Central States**”), and recorded estimated withdrawal liabilities for each. The PIUMPF estimated withdrawal liability assumed both a payment for withdrawal liability and for our proportionate share of PIUMPF’s accumulated funding deficiency. The estimated withdrawal liability excludes the potential impact of a future mass withdrawal of other employers from PIUMPF, which was not considered probable or reasonably estimable and was discounted at a credit adjusted risk free rate. Subsequently, we continued to refine the estimate of the withdrawal liability, the impact of which was not significant. It is reasonably possible that we may incur withdrawal liabilities with respect to certain other MEPPs in connection with such withdrawals. Our estimate of any such withdrawal liability, both individually and in the aggregate, is not material for the remaining plans in which we participate.

In September 2019, we received a demand from PIUMPF asserting that we owe \$170.3 million on an undiscounted basis (approximately \$0.7 million per month for the next 20 years) with respect to our withdrawal liability. The initial demand did not address any assertion of liability for PIUMPF’s accumulated funding deficiency. In October 2019, we received two additional demand letters from PIUMPF related to a subsidiary of ours asserting that we owe \$2.3 million on an undiscounted basis to be paid over 20 years with respect to the subsidiary’s withdrawal liability and \$2.0 million for its accumulated funding deficiency. We received an updated demand letter decreasing the accumulated funding deficiency demand from \$2.0 million to \$1.3 million in April 2020. In February 2020, we received a demand letter from PIUMPF asserting that we owe \$51.2 million for our pro-rata share of PIUMPF’s accumulated funding deficiency, including interest. We dispute the PIUMPF accumulated funding deficiency demands. We began making monthly payments (approximately \$0.7 million per month for 20 years) for these withdrawal liabilities in fiscal 2020, excluding the accumulated funding deficiency demands.

In July 2021, PIUMPF filed suit against us in the U.S. District Court for the Northern District of Georgia claiming the right to recover our pro rata share of the pension fund’s accumulated funding deficiency. We believe we are adequately reserved for this matter.

At December 31, 2021 and September 30, 2021, we had recorded withdrawal liabilities of \$248.1 million and \$247.1 million, respectively, including liabilities associated with PIUMPF’s accumulated funding deficiency demands.

See “**Note 5. Retirement Plans**” and “**Note 5. Retirement Plans — Multiemployer Plans**” of the Notes to Consolidated Financial Statements section in the Fiscal 2021 Form 10-K for more information regarding our involvement with retirement plans and involvement with MEPPs.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Pension and Postretirement Income / Expense

The following table presents a summary of the components of net pension income (in millions):

	Three Months Ended December 31,	
	2021	2020
Service cost	\$ 12.5	\$ 13.5
Interest cost	47.4	46.4
Expected return on plan assets	(92.5)	(91.7)
Amortization of net actuarial loss	2.2	7.9
Amortization of prior service cost	2.1	2.0
Company defined benefit plan income	(28.3)	(21.9)
Multiemployer and other plans	0.3	0.4
Net pension income	<u>\$ (28.0)</u>	<u>\$ (21.5)</u>

The non-service elements of our pension and postretirement costs set forth in this **Note 4. Retirement Plans** are reflected in the condensed consolidated statements of income line item "Pension and other postretirement non-service income". The service cost components are reflected in "Cost of goods sold" and "Selling, general and administrative, excluding intangible amortization" line items.

We maintain other postretirement benefit plans that provide certain health care and life insurance benefits for certain salaried and hourly employees who meet specified age and service requirements as defined by the plans. The following table presents a summary of the components of the net postretirement cost (in millions):

	Three Months Ended December 31,	
	2021	2020
Service cost	\$ 0.3	\$ 0.3
Interest cost	1.5	1.4
Amortization of net actuarial gain	(0.4)	(0.3)
Amortization of prior service credit	(0.2)	(0.6)
Net postretirement cost	<u>\$ 1.2</u>	<u>\$ 0.8</u>

Employer Contributions

During the three months ended December 31, 2021 and 2020, we made contributions to our qualified and supplemental defined benefit pension plans of \$4.1 million and \$5.6 million, respectively. During the three months ended December 31, 2021 and 2020, we made contributions of \$1.2 million and \$1.3 million, respectively, to our other postretirement benefit plans.

Note 5. Income Taxes

The effective tax rate for the three months ended December 31, 2021 and December 31, 2020 was 24.2% and 24.8%, respectively. The effective tax rate for both periods was impacted by (i) the inclusion of state taxes, (ii) income derived from certain foreign jurisdictions subject to higher tax rates and (iii) the exclusion of tax benefits related to losses recorded by certain foreign operations, partially offset by research and development tax credits.

During the three months ended December 31, 2021 and December 31, 2020, cash paid for income taxes, net of refunds, were \$9.9 million and \$18.8 million, respectively.

Note 6. Segment Information

Effective October 1, 2021, we reorganized our reportable segments due to recent changes in our organizational structure and how our chief operating decision maker ("**CODM**") makes key operating decisions, allocates resources and assesses the performance of our business going forward. We believe the new segments will provide greater

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

visibility into the vertical integration between our mills and converting operations as well as the value of a diversified portfolio of assets, and help us highlight the performance of our portfolio. Prior to the reorganization, the Company had two reportable segments: Corrugated Packaging and Consumer Packaging. Our new reportable segments are:

- **Corrugated Packaging**, which consists of our integrated corrugated converting operations and generates its revenues primarily from the sale of corrugated containers and other corrugated products;
- **Consumer Packaging**, which consists of our integrated consumer converting operations and generates its revenues primarily from the sale of consumer packaging products such as folding cartons and interior partitions;
- **Paper**, which consists of our commercial paper operations and generates its revenues primarily from the sale of containerboard and paperboard to external customers; and
- **Distribution**, which consists of our distribution and display assembly operations and generates its revenues primarily from the distribution of packaging products and assembly of display products.

We determined our operating segments based on the products and services we offer. Our operating segments are consistent with our internal management structure, and we do not aggregate operating segments. We report the benefit of vertical integration with our mills in each reportable segment that ultimately sells the associated paper and packaging products to our external customers. We account for intersegment sales at prices that approximate market prices.

Effective October 1, 2021, Adjusted EBITDA is our measure of segment profitability in accordance with ASC 280, "*Segment Reporting*" because it is used by our CODM to make decisions regarding allocation of resources and to assess segment performance. Certain items are not allocated to our operating segments and, thus, the information that our CODM uses to make operating decisions and assess performance does not reflect such amounts. Adjusted EBITDA is defined as pretax earnings of a reportable segment before depreciation and amortization, and excludes the following items our CODM does not consider part of our segment performance: gain on sale of certain closed facilities, multiemployer pension withdrawal income, restructuring and other costs, non-allocated expenses, interest expense, net, loss on extinguishment of debt, other income, net, and other adjustments - each as outlined in the table below ("**Adjusted EBITDA**"). Management believes these items are useful to exclude in the evaluation of operating performance from period to period because they are not representative of our ongoing operations or are items our CODM does not consider part of our reportable segments. We have recast prior periods presented to conform with the new segment structure. These changes did not impact our consolidated financial statements. In connection with the reorganization of our reportable segments, we changed the amount of previously non-allocated expenses.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

The following tables show selected operating data for our reportable segments (in millions):

	Three Months Ended December 31,	
	2021	2020
Net sales (aggregate):		
Corrugated Packaging	\$ 2,220.0	\$ 2,019.5
Consumer Packaging	1,138.7	1,062.5
Paper	1,352.6	1,090.9
Distribution	324.8	303.8
Total	\$ 5,036.1	\$ 4,476.7
Less net sales (intersegment):		
Corrugated Packaging	\$ 74.2	\$ 71.1
Consumer Packaging	6.0	3.9
Distribution	3.7	0.2
Total	\$ 83.9	\$ 75.2
Net sales (unaffiliated customers):		
Corrugated Packaging	\$ 2,145.8	\$ 1,948.4
Consumer Packaging	1,132.7	1,058.6
Paper	1,352.6	1,090.9
Distribution	321.1	303.6
Total	<u>\$ 4,952.2</u>	<u>\$ 4,401.5</u>
Adjusted EBITDA:		
Corrugated Packaging	\$ 288.9	\$ 347.6
Consumer Packaging	169.3	175.3
Paper	232.4	151.7
Distribution	6.5	16.4
Total	697.1	691.0
Depreciation, depletion and amortization	(366.5)	(364.5)
Gain on sale of certain closed facilities	14.4	0.9
Multiemployer pension withdrawal income	3.3	—
Restructuring and other costs	(2.3)	(7.7)
Non-allocated expenses	(16.8)	(21.2)
Interest expense, net	(86.7)	(93.8)
Loss on extinguishment of debt	—	(1.1)
Other income, net	0.2	20.8
Other adjustments	(0.3)	(21.6)
Income before income taxes	<u>\$ 242.4</u>	<u>\$ 202.8</u>

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

	Three Months Ended December 31,	
	2021	2020
Depreciation, depletion and amortization:		
Corrugated Packaging	\$ 167.0	\$ 175.6
Consumer Packaging	86.3	85.8
Paper	106.2	96.5
Distribution	5.8	5.8
Corporate	1.2	0.8
Total	\$ 366.5	\$ 364.5
Other adjustments:		
Corrugated Packaging	\$ —	\$ 9.5
Consumer Packaging	0.2	8.9
Paper	0.1	1.8
Distribution	—	0.6
Corporate	—	0.8
Total	\$ 0.3	\$ 21.6

As we report the benefit of vertical integration with our mills in each reportable segment that ultimately sells the associated paper and packaging products to our external customers, we correspondingly allocate the assets and capital expenditures of our mill system across our reportable segments. The following tables reflect such allocation.

	December 31,	September 30,
	2021	2021
Assets:		
Corrugated Packaging	\$ 11,536.3	\$ 11,526.0
Consumer Packaging	6,755.0	6,750.5
Paper	7,509.5	7,525.7
Distribution	754.0	796.2
Assets held for sale	4.2	10.9
Corporate	2,523.5	2,645.0
Total	\$ 29,082.5	\$ 29,254.3
Intangibles, net:		
Corrugated Packaging	\$ 736.4	\$ 765.9
Consumer Packaging	1,688.0	1,719.2
Paper	661.4	677.7
Distribution	151.0	156.0
Total	\$ 3,236.8	\$ 3,318.8
Equity method investments:		
Corrugated Packaging	\$ 447.5	\$ 434.4
Consumer Packaging	0.4	17.7
Paper	0.8	0.8
Corporate	0.4	0.4
Total	\$ 449.1	\$ 453.3

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

	Three Months Ended December 31,	
	2021	2020
Capital expenditures:		
Corrugated Packaging	\$ 75.7	\$ 69.2
Consumer Packaging	37.3	43.4
Paper	51.5	51.6
Distribution	0.8	0.1
Corporate	7.8	6.4
Total	\$ 173.1	\$ 170.7

The changes in the carrying amount of goodwill during the three months ended December 31, 2021 are as follows (in millions):

	Legacy Reportable Segments		Corrugated	New Reportable Segments			Total
	Corrugated	Consumer		Consumer	Paper	Distribution	
Balance as of Sep. 30, 2021	\$ 3,663.3	\$ 2,295.9	\$ —	\$ —	\$ —	\$ —	\$ 5,959.2
Segment recasting ⁽¹⁾	(3,663.3)	(2,295.9)	2,834.8	1,603.3	1,382.0	139.1	—
Goodwill acquired	—	—	3.2	—	—	—	3.2
Translation adjustments	—	—	(6.6)	1.3	(1.6)	(0.1)	(7.0)
Balance as of Dec. 31, 2021	\$ —	\$ —	\$ 2,831.4	\$ 1,604.6	\$ 1,380.4	\$ 139.0	\$ 5,955.4

In accordance with ASC 350, “*Intangibles – goodwill and other*”, we determined our new reporting units to be the same as our operating segments: Corrugated Packaging, Consumer Packaging, Paper and Distribution. As of October 1, 2021, we performed an interim quantitative goodwill impairment test for our new reporting units using a combination of both guideline public company and discounted cash flow valuation methods. In performing the impairment test, we considered factors such as, but not limited to, our expectations for the short-term and long-term impacts of COVID, macroeconomic conditions, industry and market considerations, and financial performance, including forecasted revenue, earnings and capital expenditures of each reporting unit. The discount rate used for each reporting unit ranged from 8.0% to 11.5%. We used perpetual growth rates in the reporting units ranging from 0.0% to 1.0%. All reporting units have a fair value that exceeded their carrying values by more than 10%. If we had concluded that it was appropriate to increase the discount rate we used by 100 basis points to estimate the fair value of each reporting unit, the fair value of each of our reporting units would have continued to exceed its carrying value.

Note 7. Interest Expense, Net

The components of interest expense, net are as follows (in millions):

	Three Months Ended December 31,	
	2021	2020
Interest expense	\$ (98.3)	\$ (105.5)
Interest income	11.6	11.7
Interest expense, net	\$ (86.7)	\$ (93.8)

Cash paid for interest, net of amounts capitalized, of \$56.8 million and \$58.9 million were made during the three months ended December 31, 2021 and December 31, 2020, respectively.

Note 8. Inventories

We value substantially all of our U.S. inventories at the lower of cost or market, with cost determined on a last-in first-out (“LIFO”) basis. We value all other inventories at the lower of cost and net realizable value, with cost

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

determined using methods that approximate cost computed on a first-in first-out (“**FIFO**”) basis. These other inventories represent primarily foreign inventories, distribution business inventories, spare parts inventories and certain inventoried supplies.

The components of inventories were as follows (in millions):

	December 31, 2021	September 30, 2021
Finished goods and work in process	\$ 1,042.2	\$ 972.7
Raw materials	982.1	888.1
Spare parts and supplies	506.4	536.4
Inventories at FIFO cost	2,530.7	2,397.2
LIFO reserve	(289.4)	(223.9)
Net inventories	<u>\$ 2,241.3</u>	<u>\$ 2,173.3</u>

Note 9. Property, Plant and Equipment

The components of property, plant and equipment were as follows (in millions):

	December 31, 2021	September 30, 2021
Property, plant and equipment at cost:		
Land and buildings	\$ 2,638.0	\$ 2,626.0
Machinery and equipment	16,003.0	15,853.1
Forestlands and mineral rights	118.3	120.0
Transportation equipment	25.8	26.1
Leasehold improvements	94.2	93.9
	18,879.3	18,719.1
Less: accumulated depreciation, depletion and amortization	(8,397.2)	(8,149.0)
Property, plant and equipment, net	<u>\$ 10,482.1</u>	<u>\$ 10,570.1</u>

Non-cash additions to property, plant and equipment at December 31, 2021 and September 30, 2021 were \$101.9 million and \$108.5 million, respectively.

Note 10. Fair Value

Assets and Liabilities Measured or Disclosed at Fair Value

We estimate fair values in accordance with ASC 820, “*Fair Value Measurement*”. See “**Note 12. Fair Value**” of the Notes to Consolidated Financial Statements section of the Fiscal 2021 Form 10-K for more information. We disclose the fair value of our long-term debt in “**Note 11. Debt**”. We disclose the fair value of our pension and postretirement assets and liabilities in “**Note 5. Retirement Plans**” of the Notes to Consolidated Financial Statements section of the Fiscal 2021 Form 10-K.

Financial Instruments Not Recognized at Fair Value

Financial instruments not recognized at fair value on a recurring or nonrecurring basis include cash and cash equivalents, accounts receivable, certain other current assets, short-term debt, accounts payable, certain other current liabilities and long-term debt. With the exception of long-term debt, the carrying amounts of these financial instruments approximate their fair values due to their short maturities.

Fair Value of Nonfinancial Assets and Nonfinancial Liabilities

We measure certain nonfinancial assets and nonfinancial liabilities at fair value on a nonrecurring basis. These assets and liabilities include equity method investments when they are deemed to be other-than-temporarily

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

impaired, investments for which the fair value measurement alternative is elected, assets acquired and liabilities assumed when they are deemed to be other-than-temporarily impaired, assets acquired and liabilities assumed in a merger or an acquisition or in a nonmonetary exchange, property, plant and equipment, ROU assets related to operating leases, goodwill and other and intangible assets that are written down to fair value when they are held for sale or determined to be impaired. See “**Note 3. Restructuring and Other Costs**” for impairments associated with restructuring activities presented as “net property, plant and equipment costs”. During the three months ended December 31, 2021 and 2020, we did not have any significant non-restructuring nonfinancial assets or liabilities that were measured at fair value on a nonrecurring basis in periods subsequent to initial recognition.

Accounts Receivable Sales Agreements

We are a party to an accounts receivable sales agreement to sell to a third party financial institution all of the short-term receivables generated from certain customer trade accounts. The terms of the agreement limit the balance of receivables sold to the amount available to fund such receivables sold, thereby eliminating the receivable for proceeds from the financial institution at any transfer date. On August 31, 2021, we amended the then existing \$700.0 million facility to extend the maturity to September 16, 2022. Transfers under the agreement meet the requirements to be accounted for as sales in accordance with guidance in ASC 860, “*Transfers and Servicing*” (“**ASC 860**”).

We also have a similar facility that was amended on December 2, 2021 to increase the \$88.5 million purchase limit to \$110.0 million, establish the transition from LIBOR to the Secure Overnight Funding Rate (“**SOFR**”) at a future date and revise certain fees. The facility remains uncommitted and has a one-year term ending December 4, 2022.

The customers from these facilities are not included in the Receivables Securitization Facility that is discussed in “**Note 11. Debt**”.

The following table presents a summary of these accounts receivable sales agreements for the three months ended December 31, 2021 and December 31, 2020 (in millions):

	Three Months Ended December 31,	
	2021	2020
Receivable from financial institutions at beginning of fiscal year	\$ —	\$ —
Receivables sold to the financial institutions and derecognized	(721.8)	(680.7)
Receivables collected by financial institutions	699.2	644.5
Cash proceeds from financial institutions	22.6	36.2
Receivable from financial institutions at December 31	<u>\$ —</u>	<u>\$ —</u>

Receivables sold under these accounts receivable sales agreements as of the respective balance sheet dates were approximately \$688.6 million and \$665.9 million as of December 31, 2021 and September 30, 2021, respectively.

Cash proceeds related to the receivables sold are included in Net cash provided by operating activities in the condensed consolidated statements of cash flows in the accounts receivable line item. While the expense recorded in connection with the sale of receivables may vary based on current rates and levels of receivables sold, the expense recorded in connection with the sale of receivables was \$2.2 million for the three months ended December 31, 2021, and \$3.0 million for the three months ended December 31, 2020, and is recorded in “Other income, net” in the condensed consolidated statements of income. Although the sales are made without recourse, we maintain continuing involvement with the sold receivables as we provide collections services related to the transferred assets. The associated servicing liability is not material given the high quality of the customers underlying the receivables and the anticipated short collection period.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Note 11. Debt

See “**Note 13. Debt**” of the Notes to Consolidated Financial Statements section in the Fiscal 2021 Form 10-K for additional information on our debt and interest rates on that debt. As noted below, we have been addressing the LIBOR transition in our debt facilities and expect to complete the transition prior to the June 30, 2023 deadline when the remaining rates cease publication, likely by the end of the current calendar year.

The following table shows the carrying value of the individual components of our debt (in millions):

	December 31, 2021	September 30, 2021
Public bonds due fiscal 2023 to 2028	\$ 3,779.4	\$ 3,778.2
Public bonds due fiscal 2029 to 2033	2,763.3	2,766.5
Public bonds due fiscal 2037 to 2047	178.1	178.2
Term loan facilities	599.0	598.9
Revolving credit and swing facilities	336.1	270.0
Finance lease obligations	261.5	264.1
Vendor financing and commercial card programs	115.8	113.1
International and other debt	200.0	225.1
Total debt	8,233.2	8,194.1
Less: current portion of debt	236.8	168.8
Long-term debt due after one year	<u>\$ 7,996.4</u>	<u>\$ 8,025.3</u>

A portion of the debt classified as long-term may be paid down earlier than scheduled at our discretion without penalty. Certain customary restrictive covenants govern our maximum availability under our credit facilities. We test and report our compliance with these covenants as required and were in compliance with all of our covenants at December 31, 2021.

The estimated fair value of our debt was approximately \$9.0 billion as of December 31, 2021 and \$9.0 billion at September 30, 2021. The fair value of our long-term debt is categorized as level 2 within the fair value hierarchy and is primarily either based on quoted prices for those or similar instruments, or approximate their carrying amount, as the variable interest rates reprice frequently at observable current market rates.

Revolving Credit Facility

On November 21, 2019, we amended our \$2.0 billion unsecured revolving credit facility entered into on July 1, 2015 to, among other things, increase the committed principal to \$2.3 billion, increase the maximum permitted Debt to Capitalization Ratio (as defined in the credit agreement) to 0.65:1.00 and extend its maturity date to November 21, 2024 (the “**Revolving Credit Facility**”). On December 7, 2021, we entered into an agreement to restrict us to U.S. and Canadian denominated borrowings and letters of credit under this facility. The agreement allows for the deferral of the LIBOR transition at this time and does not impact the overall availability of the facility. We intend to address the LIBOR transition at a later date. At December 31, 2021 and September 30, 2021, there were no amounts outstanding under the facility.

Term Loans

On September 27, 2019, one of our wholly-owned subsidiaries, WestRock Southeast, LLC, entered into a credit agreement (the “**Farm Loan Credit Agreement**”) with CoBank ACB, as administrative agent, that replaced our then-existing facility. The Farm Loan Credit Agreement provides for a seven-year senior unsecured term loan in an aggregate principal amount of \$600.0 million (the “**Farm Loan Credit Facility**”). At any time, we may increase the principal amount by up to \$300.0 million by written notice. The Farm Loan Credit Facility is guaranteed by the Company, WRKCo Inc. and WestRock RKT, LLC (“**RKT**”) and WestRock MWV, LLC (“**MWV**”, and together with RKT, the Company and WRKCo Inc. the “**Guarantor Subsidiaries**”). The carrying value of this facility at December 31, 2021 and September 30, 2021 was \$599.0 million and \$598.9 million, respectively.

Receivables Securitization Facility

On March 12, 2021, we amended our existing \$700.0 million receivables securitization agreement (the “**Receivables Securitization Facility**”), extended the maturity to March 11, 2024 and established the transition to the SOFR at a future date from a blend of the market rate for asset-backed commercial paper and the one-month LIBOR rate plus a credit spread, and revised certain fees. At December 31, 2021 and September 30, 2021, maximum available borrowings, excluding amounts outstanding under the Receivables Securitization Facility, were \$642.5 million and \$690.3 million, respectively. The carrying amount of accounts receivable collateralizing the maximum available borrowings at December 31, 2021 and September 30, 2021 were approximately \$1,240.2 million and \$1,318.4 million, respectively. We have continuing involvement with the underlying receivables as we provide credit and collections services pursuant to the Receivables Securitization Facility. At December 31, 2021 and September 30, 2021, there were no amounts outstanding under this facility.

European Revolving Credit Facility

On December 1, 2021, we amended our existing European revolving credit facility with Coöperatieve Rabobank U.A., New York Branch, as administrative agent entered into on February 26, 2021. We maintained the facility at €600.0 million as well as the incremental €100.0 million accordion feature. The amendment addressed the LIBOR transition for the British Pound that will now be indexed with the Sterling Secured Overnight rate (“**SONIA**”). This facility provides for a three-year unsecured U.S. dollar, Euro and British Pound denominated borrowing of not more than €600.0 million maturing on February 26, 2024. At December 31, 2021, we had borrowed \$270.0 million under this facility and entered into foreign currency exchange contracts of \$270.2 million as an economic hedge for the U.S. dollar denominated borrowing plus interest by a non-U.S. dollar functional currency entity. The net of gains or losses from these foreign currency exchange contracts and the changes in the remeasurement of the U.S. dollar denominated borrowing in our foreign subsidiaries have been immaterial to our condensed consolidated statements of income. At September 30, 2021, we had borrowed \$270.0 million under this facility.

Note 12. Leases

We lease various real estate, including certain operating facilities, warehouses, office space and land. We also lease material handling equipment, vehicles and certain other equipment. Our total lease cost, net was \$70.3 million and \$80.9 million during the three months ended December 31, 2021 and 2020, respectively. We obtained \$24.8 million and \$67.5 million of ROU assets in exchange for lease liabilities during the three months ended December 31, 2021 and 2020, respectively.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Supplemental Balance Sheet Information Related to Leases

The table below presents supplemental balance sheet information related to leases (in millions):

Condensed Consolidated Balance		December 31,	September 30,
Sheet Caption		2021	2021
Operating leases:			
Operating lease right-of-use asset	Other assets	\$ 666.1	\$ 676.0
Current operating lease liabilities	Other current liabilities	\$ 179.6	\$ 177.9
Operating lease liabilities	Other long-term liabilities	526.7	537.9
Total operating lease liabilities		<u>\$ 706.3</u>	<u>\$ 715.8</u>
Finance leases:			
Property, plant and equipment		\$ 143.1	\$ 143.2
Accumulated depreciation		(30.3)	(28.3)
Property, plant and equipment, net		<u>\$ 112.8</u>	<u>\$ 114.9</u>
Current finance lease liabilities	Current portion of debt	\$ 8.6	\$ 8.7
Noncurrent finance lease liabilities	Long-term debt due after one year	252.9	255.4
Total finance lease liabilities		<u>\$ 261.5</u>	<u>\$ 264.1</u>

Our finance lease portfolio includes certain assets that are either fully depreciated or transferred for which the lease arrangement requires a one-time principal repayment on the maturity date of the lease obligation.

Note 13. Commitments and Contingencies

Health and Safety

Our business involves the use of heavy equipment, machinery and chemicals and requires the performance of activities that create safety exposures. The health and safety of our teammates is our most important responsibility, and we have established safety policies, programs, procedures and training for our manufacturing operations. We are subject to a broad range of foreign, federal, state and local laws and regulations relating to occupational health and safety, and our safety program includes measures required for compliance. In addition, our program includes the ongoing identification and elimination of workplace exposures that can lead to injuries and sharing of health and safety best practices, including processes to create resilient, error tolerant safety systems. Failure to comply with applicable health and safety laws and regulations could subject us to fines, corrective actions or other sanctions.

Certain governmental authorities in locations where we do business have established asbestos standards for the workplace. Although we do not use asbestos in manufacturing our products, asbestos containing material (“ACM”) is present in some of the facilities we lease or own. For those facilities where ACM is present and ACM is subject to regulation, we have established procedures for properly managing it.

We have incurred, and will continue to incur, capital expenditures to meet our health and safety compliance requirements, as well as to continually improve our safety systems. We do not believe that future compliance with occupational health and safety laws and regulations will have a material adverse effect on our results of operations, financial condition or cash flows.

Environmental

We are subject to numerous international, federal, state, local and other environmental laws and regulations, including those governing discharges to air, soil and water; the management, treatment and disposal of hazardous substances, solid waste and hazardous wastes; the investigation and remediation of contamination resulting from historical site operations; and requirements relating to the use of chemicals in packaging. We are also subject to the requirements of environmental permits and similar authorizations issued by various governmental authorities. Complex and lengthy processes may be required to obtain and renew approvals, permits, and licenses for new,

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

existing or modified facilities. Additionally, the use and handling of various chemicals or hazardous materials require release prevention plans and emergency response procedures. Our compliance initiatives related to these laws and regulations could result in significant costs, which could negatively impact our results of operations, financial condition and cash flows. Failure to comply with environmental laws and regulations, or any permits and authorizations required thereunder, could subject us to fines or other sanctions, corrective action requirements and litigation.

We have been named as a potentially responsible party (“**PRP**”) in environmental remediation actions under various federal and state laws, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“**CERCLA**”). Many of these proceedings involve the cleanup of hazardous substances at sites that received waste from many different sources. While joint and several liability is authorized under CERCLA and analogous state laws, liability for CERCLA cleanups is typically shared with other PRPs, and costs are commonly allocated according to relative amounts of waste deposited and other factors. We believe we have insurance and contractual indemnification rights that may allow us to recover certain defense and other costs at some CERCLA sites. There are other remediation costs typically associated with the cleanup of hazardous substances at our current, closed or formerly-owned facilities, and recorded as liabilities in our balance sheet. Remediation costs are recorded in our financial statements when they become probable and reasonably estimable.

See “**Note 17. Commitments and Contingencies**” of the Notes to Consolidated Financial Statements section in the Fiscal 2021 Form 10-K for information related to environmental matters.

As of December 31, 2021, we had \$4.7 million reserved for environmental liabilities on an undiscounted basis, of which \$1.6 million is included in other long-term liabilities and \$3.1 million is included in other current liabilities, including amounts accrued in connection with environmental obligations relating to manufacturing facilities that we have closed. We believe the liability for these matters was adequately reserved at December 31, 2021.

Litigation

During fiscal 2018, we submitted formal notification to withdraw from the PIUMPF and recorded a liability associated with the withdrawal. Subsequently, in fiscal 2019 and 2020, we received demand letters from PIUMPF, including a demand for withdrawal liabilities and for our proportionate share of PIUMPF’s accumulated funding deficiency, and we refined our liability, the impact of which was not significant. We began making monthly payments for the PIUMPF withdrawal liabilities in fiscal 2020, excluding the accumulated funding deficiency demands. We dispute the PIUMPF accumulated funding deficiency demands. In February 2020, we received a demand letter from PIUMPF asserting that we owe \$51.2 million for our pro-rata share of PIUMPF’s accumulated funding deficiency, including interest. Similarly, in April 2020, we received an updated demand letter related to a subsidiary of ours asserting that we owe \$1.3 million of additional accumulated funding deficiency, including interest. In July 2021, the PIUMPF filed suit against us in the U.S. District Court for the Northern District of Georgia claiming the right to recover our pro rata share of the pension fund’s accumulated funding deficiency. We believe we are adequately reserved for this matter. See “**Note 4. Retirement Plans — MEPPs**” of the Notes to Condensed Consolidated Financial Statements for more information regarding our withdrawal liabilities.

We have been named a defendant in asbestos-related personal injury litigation. To date, the costs resulting from the litigation, including settlement costs, have not been significant. As of December 31, 2021, there were approximately 1,750 such lawsuits. We believe that we have substantial insurance coverage, subject to applicable deductibles and policy limits, with respect to asbestos claims. We also have valid defenses to these asbestos-related personal injury claims and intend to continue to defend them vigorously. Should the volume of litigation grow substantially, it is possible that we could incur significant costs resolving these cases. We do not expect the resolution of pending asbestos litigation and proceedings to have a material adverse effect on our results of operations, financial condition or cash flows. In any given period or periods, however, it is possible such proceedings or matters could have a material adverse effect on our results of operations, financial condition or cash flows. At December 31, 2021, we had \$15.1 million reserved for these matters.

We are a defendant in a number of other lawsuits and claims arising out of the conduct of our business. While the ultimate results of such suits or other proceedings against us cannot be predicted with certainty, we believe the resolution of these other matters will not have a material adverse effect on our results of operations, financial condition or cash flows.

Brazil Tax Liability

We are challenging claims by the Brazil Federal Revenue Department that we underpaid tax, penalties and interest associated with a claim that a subsidiary of MeadWestvaco Corporation (the predecessor of WestRock MWV, LLC) had reduced its tax liability related to the goodwill generated by the 2002 merger of two of its Brazil subsidiaries. The matter has proceeded through the Brazil Administrative Council of Tax Appeals (“CARF”) principally in two proceedings, covering tax years 2003 to 2008 and 2009 to 2012. The tax and interest claim relating to tax years 2009 to 2012 was finalized and is now the subject of an annulment action we filed in the Brazil federal court. CARF notified us of its final decision regarding the tax, penalties and interest claims relating to tax years 2003 to 2008 on June 3, 2020. We have filed an annulment action in Brazil federal court with respect to that decision as well. The dispute related to penalties for tax years 2009 to 2012 remains before CARF.

We assert that we have no liability in these matters. The total amount in dispute before CARF and in the annulment actions relating to the claimed tax deficiency was R\$706 million (\$127 million) as of December 31, 2021, including various penalties and interest. The U.S. dollar equivalent has fluctuated significantly due to changes in exchange rates. The amount of our uncertain tax position reserve for this matter, that excludes certain penalties, is included in the unrecognized tax benefits table in our Fiscal 2021 Form 10-K, see “**Note 6. Income Taxes**” of the Notes to Consolidated Financial Statements. Resolution of the uncertain tax positions could have a material adverse effect on our cash flows and results of operations or materially benefit our results of operations in future periods depending upon their ultimate resolution.

Guarantees

We make certain guarantees in the normal course of conducting our operations, for compliance with certain laws and regulations, or in connection with certain business dispositions. The guarantees include items such as funding of net losses in proportion to our ownership share of certain joint ventures, debt guarantees related to certain unconsolidated entities acquired in acquisitions, indemnifications of lessors in certain facilities and equipment operating leases for items such as additional taxes being assessed due to a change in tax law and certain other agreements. We estimate our exposure to these matters to be less than \$50 million. As of December 31, 2021, we had recorded \$2.3 million for the estimated fair value of these guarantees. We are unable to estimate our maximum exposure under operating leases because it is dependent on potential changes in the tax laws; however, we believe our exposure related to guarantees would not have a material impact on our results of operations, financial condition or cash flows.

Note 14. Equity and Other Comprehensive Income (Loss)

Equity

Stock Repurchase Program

In July 2015, our board of directors authorized a repurchase program of up to 40.0 million shares of our Common Stock, representing approximately 15% of our outstanding common stock, par value \$0.01 per share (“**Common Stock**”) as of July 1, 2015. The shares of Common Stock may be repurchased over an indefinite period of time at the discretion of management. Pursuant to the program, in the three months ended December 31, 2021, we repurchased approximately 2.1 million shares of our Common Stock for an aggregate cost of \$97.5 million. The amount reflected as purchased in the condensed consolidated statements of cash flows also includes shares purchased in fiscal 2021 that settled in fiscal 2022. In the three months ended December 31, 2020, we repurchased no shares of Common Stock. As of December 31, 2021, we had approximately 14.6 million shares of Common Stock available for repurchase under the program.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Accumulated Other Comprehensive Loss

The tables below summarize the changes in accumulated other comprehensive loss, net of tax, by component for the three months ended December 31, 2021 and December 31, 2020 (in millions):

	Defined Benefit				Total ⁽¹⁾
	Deferred (Loss) Income on Cash	Pension and Postretirement	Foreign		
			Flow Hedges	Plans	
Balance at September 30, 2021	\$ (0.2)	\$ (536.5)	\$ (462.4)		\$ (999.1)
Other comprehensive loss before					
reclassifications	—	—	(16.2)		(16.2)
Amounts reclassified from accumulated other					
comprehensive loss	—	2.6	—		2.6
Net current period other comprehensive income (loss)	—	2.6	(16.2)		(13.6)
Balance at December 31, 2021	<u>\$ (0.2)</u>	<u>\$ (533.9)</u>	<u>\$ (478.6)</u>		<u>\$ (1,012.7)</u>

⁽¹⁾ All amounts are net of tax and noncontrolling interests.

	Defined Benefit				Total ⁽¹⁾
	Deferred (Loss) Income on Cash	Pension and Postretirement	Foreign		
			Flow Hedges	Plans	
Balance at September 30, 2020	\$ (5.6)	\$ (727.7)	\$ (586.6)		\$ (1,319.9)
Other comprehensive (loss) income before					
reclassifications	(0.1)	—	196.6		196.5
Amounts reclassified from accumulated other					
comprehensive loss	1.5	6.6	—		8.1
Net current period other comprehensive income	1.4	6.6	196.6		204.6
Balance at December 31, 2020	<u>\$ (4.2)</u>	<u>\$ (721.1)</u>	<u>\$ (390.0)</u>		<u>\$ (1,115.3)</u>

⁽¹⁾ All amounts are net of tax and noncontrolling interests.

The net of tax amounts were determined using the jurisdictional statutory rates, and reflect effective tax rates averaging 26% to 27% for the three months ended December 31, 2021 and 25% to 26% for the three months ended December 31, 2020. Although we are impacted by the exchange rates of a number of currencies, foreign currency translation adjustments recorded in accumulated other comprehensive loss for the three months ended December 31, 2021 were primarily due to losses in the Brazilian Real partially offset by gains in the British Pound and Chinese Yuan, each against the U.S. dollar. Foreign currency translation adjustments recorded in accumulated other comprehensive loss for the three months ended December 31, 2020 were primarily due to gains in the Brazilian Real, Mexican Peso, Canadian dollar and British Pound, each against the U.S. dollar.

The following table summarizes the reclassifications out of accumulated other comprehensive loss by component (in millions):

	Three Months Ended December 31, 2021			Three Months Ended December 31, 2020		
	Pretax	Tax	Net of Tax	Pretax	Tax	Net of Tax
Amortization of defined benefit pension and						
postretirement items: ⁽¹⁾						
Actuarial losses ⁽²⁾	\$ (1.6)	\$ 0.4	\$ (1.2)	\$ (7.4)	\$ 1.9	\$ (5.5)
Prior service costs ⁽²⁾	(1.9)	0.5	(1.4)	(1.5)	0.4	(1.1)
Subtotal defined benefit plans	(3.5)	0.9	(2.6)	(8.9)	2.3	(6.6)
Derivative Instruments: ⁽¹⁾						
Interest rate swap hedge loss ⁽³⁾	—	—	—	(2.0)	0.5	(1.5)
Total reclassifications for the period	<u>\$ (3.5)</u>	<u>\$ 0.9</u>	<u>\$ (2.6)</u>	<u>\$ (10.9)</u>	<u>\$ 2.8</u>	<u>\$ (8.1)</u>

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

⁽¹⁾ Amounts in parentheses indicate charges to earnings. Amounts pertaining to noncontrolling interests are excluded.

⁽²⁾ Included in the computation of net periodic pension cost. See "**Note 4. Retirement Plans**" for additional details.

⁽³⁾ These accumulated other comprehensive income components are included in Interest expense, net.

Note 15. Earnings Per Share

The restricted stock awards that we grant to non-employee directors are considered participating securities as they receive non-forfeitable rights to dividends at the same rate as our Common Stock. As participating securities, we include these instruments in the earnings allocation in computing earnings per share under the two-class method described in ASC 260, "*Earnings per Share*". The following table sets forth the computation of basic and diluted earnings per share under the two-class method (in millions, except per share data):

	Three Months Ended December 31,	
	2021	2020
Numerator:		
Net income attributable to common stockholders	\$ 182.3	\$ 152.0
Denominator:		
Basic weighted average shares outstanding	264.6	262.7
Effect of dilutive stock options and non-		
participating securities	2.3	2.1
Diluted weighted average shares outstanding	266.9	264.8
Basic earnings per share attributable to common		
stockholders	\$ 0.69	\$ 0.58
Diluted earnings per share attributable to common		
stockholders	\$ 0.68	\$ 0.57

During the three months ended December 31, 2021 and December 31, 2020 in the table above, the amount of distributed and undistributed income available to participating securities was de minimis and did not impact net income attributable to common stockholders.

Approximately 0.4 million and 0.6 million awards in the three months ended December 31, 2021 and 2020, respectively, were not included in computing diluted earnings per share because the effect would have been antidilutive.

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

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and Notes thereto included herein and our audited Consolidated Financial Statements and Notes thereto for the fiscal year ended September 30, 2021, as well as the information under the heading "**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**" that are part of the Fiscal 2021 Form 10-K. The following discussion includes certain non-GAAP financial measures. See our reconciliations of non-GAAP financial measures in the "**Non-GAAP Financial Measures**" section below.

OVERVIEW

We are a multinational provider of sustainable fiber-based paper and packaging solutions. We partner with our customers to provide differentiated, sustainable paper and packaging solutions that help them win in the marketplace. Our team members support customers around the world from our operating and business locations in North America, South America, Europe, Asia and Australia.

Presentation

Effective October 1, 2021, we reorganized our segment reporting to four reportable segments: Corrugated Packaging, Consumer Packaging, Paper and Distribution. Also, effective October 1, 2021, our measure of segment profitability for each reportable segment is Adjusted EBITDA in accordance with ASC 280, "*Segment Reporting*" because it is the measure used by our CODM to make decisions regarding allocation of resources and assessing segment performance. Certain items are not allocated to our operating segments and, thus, the information that our CODM uses to make operating decisions and assess performance does not reflect such amounts. Adjusted EBITDA is defined as pretax earnings of a reportable segment before depreciation and amortization, and excludes the following items our CODM does not consider part of our segment performance: gain on sale of certain closed facilities, multiemployer pension withdrawal income, restructuring and other costs, non-allocated expenses, interest expense, net, loss on extinguishment of debt, other income, net, and other adjustments. Management believes these items are useful to exclude in the evaluation of operating performance from period to period because they are not representative of our ongoing operations or are items our CODM does not consider part of our reportable segments. We have recast prior periods presented to conform with the new segment structure. These changes did not impact our consolidated financial statements. In connection with the reorganization of our reportable segments, we changed the amount of previously non-allocated expenses. See "**Note 6. Segment Information**" for additional information.

EXECUTIVE SUMMARY

Net sales of \$4,952.2 million for the first quarter of fiscal 2022 increased \$550.7 million, or 12.5%, compared to the first quarter of fiscal 2021. This increase was primarily due to the impact of higher selling price/mix that was partially offset by aggregate lower volumes.

Net income attributable to common stockholders of \$182.3 million for the first quarter of fiscal 2022 increased \$30.3 million, or 19.9%, compared to the first quarter of fiscal 2021. Consolidated Adjusted EBITDA of \$680.3 million for the first quarter of fiscal 2022 increased \$10.5 million, or 1.6%, compared to \$669.8 million in the first quarter of fiscal 2021.

Earnings per diluted share were \$0.68 and \$0.57 in the three months ended December 31, 2021 and 2020, respectively. Adjusted Earnings Per Diluted Share were \$0.65 and \$0.61 in the three months ended December 31, 2021 and 2020, respectively. See the discussion and tables under "**Non-GAAP Financial Measures**" below with respect to Consolidated Adjusted EBITDA and Adjusted Earnings Per Diluted Share.

Net cash provided by operating activities in the three months ended December 31, 2021 and 2020 was \$252.8 million and \$719.4 million, respectively, primarily due to \$474.5 million of higher working capital usage compared to the prior year period. The higher working capital usage in the first quarter of fiscal 2022 was primarily due to actions taken in the prior year to preserve cash due to the high uncertainty during the COVID pandemic, such as the payment of certain bonuses and 401(k) match in cash that were paid in stock in the prior year period, and the payment of certain deferred payroll taxes that relate to relief offered under the Coronavirus Aid, Relief and

Economic Security Act (“**CARES Act**”) in the current period. In addition, working capital usage in the current period was impacted by increased inventories and costs associated with maintenance outages that were partially offset by a decline in accounts receivable. During the three months ended December 31, 2021, we invested \$173.1 million in capital expenditures and returned \$166.4 million in capital to stockholders, specifically \$100.1 million in stock repurchases and \$66.3 million in dividend payments. During the three months ended December 31, 2021, debt increased \$39.1 million.

In the second quarter of fiscal 2022, we expect similar sequential cost inflation as improvements in energy and recycled fiber costs should be offset by higher freight, wage and other expenses. We expect sequential labor cost increases due to normal merit increases and continued supply chain challenges. While we are past the highest mill maintenance outage quarter, we have approximately 128,000 tons of scheduled downtime across our system in the second quarter of fiscal 2022, nearly twice that of the second quarter of fiscal 2021, in part due to delayed maintenance in fiscal 2021 for items such as COVID and the Ransomware Incident. We expect the continued flow through of previously published price increases, and that those increases will more than offset inflation. As a result of these, and other factors, we expect higher sequential earnings.

A detailed review of our performance appears below under “**Results of Operations**”.

COVID Pandemic

The global impact of the COVID pandemic continues to evolve and our first priority has been and continues to be the health and safety of our teammates. We have taken, and continue to take, actions to protect the health and safety of our teammates during COVID and we have incurred and continue to incur costs for safety, cleaning and other items related to COVID. The pandemic has affected our operational and financial performance to varying degrees and the extent of its effect on our operational and financial performance will continue to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic (including due to new or continuing variants such as Omicron and Delta), the actions taken to contain or mitigate its impact (including the distribution and effectiveness of vaccines and vaccine boosters), and the direct and indirect economic effects of the pandemic and related containment measures and government responses, among others.

Our net sales have been negatively impacted by COVID, to varying degrees, primarily in the last half of fiscal 2020, and we have experienced and are currently experiencing higher supply chain costs and tight labor markets in part due to the impacts of COVID. The Company’s assessment of the future magnitude and duration of COVID, as well as other factors, may change and could result in changes in our accounting estimates and assumptions used to prepare our financial statements in conformity with GAAP. In the first quarter of fiscal 2021 we recorded \$22.0 million of relief payments to employees.

Ransomware Incident

As previously disclosed, on January 23, 2021 we detected a ransomware incident impacting certain of our systems. Promptly upon our detection of this incident, we initiated response and containment protocols and our security teams, supplemented by leading cyber defense firms, worked to remediate this incident. We undertook extensive efforts to identify, contain and recover from this incident quickly and securely. Our teams worked to maintain our business operations and minimize the impact on our customers and teammates. In our second quarter of fiscal 2021 Form 10-Q, we announced that all systems are back in service. All of our mills and converting locations began producing and shipping paper and packaging at pre-ransomware levels in March 2021 or earlier.

As previously disclosed, we estimate the pre-tax income impact of the lost sales and operational disruption of this incident on our operations in the second quarter of fiscal 2021 was approximately \$50 million, as well as approximately \$20 million of ransomware recovery costs, primarily professional fees. In addition, we incurred approximately \$9 million of ransomware recovery costs in the third quarter of fiscal 2021. In the fourth quarter of fiscal 2021, we recorded a \$15 million credit for preliminary recoveries – approximately \$10 million as a reduction of SG&A excluding intangible amortization and approximately \$5 million as a reduction of cost of goods sold. In the first quarter of fiscal 2022, we received an additional business interruption recovery of \$5 million related to the ransomware incident, which we recorded as a reduction of Cost of goods sold and presented in net cash provided by operating activities on our condensed consolidated statements of cash flows. We expect to recover substantially all of the remaining ransomware losses from cyber and business interruption insurance from various carriers in

future periods. Disputes over the extent of insurance coverage for claims are not uncommon, and there will be a time lag between the initial incurrence of costs and the receipt of any insurance proceeds.

See “**Note 1. Description of Business and Summary of Significant Accounting Policies — Ransomware Incident**” of the Notes to Consolidated Financial Statements section in the Fiscal 2021 Form 10-K for additional information.

RESULTS OF OPERATIONS

The following table summarizes our consolidated results for the three months ended December 31, 2021 and December 31, 2020 (in millions):

	Three Months Ended December 31,	
	2021	2020
Net sales	\$ 4,952.2	\$ 4,401.5
Cost of goods sold	4,155.6	3,648.6
Gross profit	796.6	752.9
Selling, general and administrative, excluding		
intangible amortization	452.9	417.8
Selling, general and administrative intangible		
amortization	88.0	91.9
(Gain) loss on disposal of assets	(13.9)	2.5
Multiemployer pension withdrawal income	(3.3)	—
Restructuring and other costs	2.3	7.7
Operating profit	270.6	233.0
Interest expense, net	(86.7)	(93.8)
Loss on extinguishment of debt	—	(1.1)
Pension and other postretirement non-service income	39.9	34.9
Other income, net	0.2	20.8
Equity in income of unconsolidated entities	18.4	9.0
Income before income taxes	242.4	202.8
Income tax expense	(58.6)	(50.3)
Consolidated net income	183.8	152.5
Less: Net income attributable to noncontrolling		
interests	(1.5)	(0.5)
Net income attributable to common stockholders	<u>\$ 182.3</u>	<u>\$ 152.0</u>

Net Sales (Unaffiliated Customers)

(In millions, except percentages)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Fiscal 2021	\$ 4,401.5	\$ 4,437.8	\$ 4,816.3	\$ 5,090.5	\$ 18,746.1
Fiscal 2022	\$ 4,952.2				
% Change	12.5 %				

Net sales in the first quarter of fiscal 2022 increased \$550.7 million compared to the first quarter of fiscal 2021. This increase was primarily due to the impact of higher selling price/mix that was partially offset by aggregate lower volumes. The change in net sales by reportable segment is outlined below for each reportable segment.

Cost of Goods Sold

(In millions, except percentages)

	First	Second	Third	Fourth	Fiscal
	Quarter	Quarter	Quarter	Quarter	Year
Fiscal 2021	\$ 3,648.6	\$ 3,688.2	\$ 3,886.4	\$ 4,092.6	\$ 15,315.8
(% of Net Sales)	82.9%	83.1%	80.7%	80.4%	81.7%
Fiscal 2022	\$ 4,155.6				
(% of Net Sales)	83.9%				

The \$507.0 million increase in cost of goods sold in the first quarter of fiscal 2022 compared to the prior year quarter was primarily due to increased cost inflation, a reduction in productivity and other operational items, and increased planned downtime including maintenance outages. Cost inflation consisted primarily of higher recycled fiber, energy, wage and other costs, virgin fiber, freight and chemical costs. Wage and other costs generally consist of items such as labor, benefits and items other than energy, materials and freight. In the first quarter of fiscal 2021, we recorded \$19.7 million of one-time recognition awards to our teammates who work in manufacturing and operations. We discuss our operations in greater detail below for each reportable segment, as applicable.

Selling, General and Administrative Excluding Intangible Amortization

(In millions, except percentages)

	First	Second	Third	Fourth	Fiscal
	Quarter	Quarter	Quarter	Quarter	Year
Fiscal 2021	\$ 417.8	\$ 458.4	\$ 450.9	\$ 432.2	\$ 1,759.3
(% of Net Sales)	9.5%	10.3%	9.4%	8.5%	9.4%
Fiscal 2022	\$ 452.9				
(% of Net Sales)	9.1%				

Selling, general and administrative expenses (“SG&A”) excluding intangible amortization increased \$35.1 million in the first quarter of fiscal 2022 compared to the prior year quarter. The increase was primarily due to increased consulting and professional fees of \$12.2 million, increased bad debt expense of \$6.0 million, increased software purchases of \$6.0 million and a \$4.0 million increase in travel and entertainment costs. The increased travel and entertainment costs are still well below pre-pandemic levels.

Selling, General and Administrative Intangible Amortization

SG&A intangible amortization was \$88.0 million and \$91.9 million in the first quarter of fiscal 2022 and 2021, respectively. The decline was primarily attributable to certain intangibles from prior acquisitions reaching full amortization.

(Gain) Loss on Disposal of Assets

In the three months ended December 31, 2021, we recorded a gain on disposal of assets of \$13.9 million that was primarily due to the sale of a previously closed facility. In the three months ended December 31, 2020, we recorded a loss on disposal of assets of \$2.5 million.

Restructuring and Other Costs

We recorded aggregate pre-tax restructuring and other costs of \$2.3 million and \$7.7 million in the first quarter of fiscal 2022 and 2021, respectively. These amounts are not comparable since the timing and scope of the individual actions associated with a given restructuring, acquisition, integration or divestiture vary. We generally expect the integration of a closed facility’s assets and production with other facilities to enable the receiving facilities to better leverage their fixed costs while eliminating fixed costs from the closed facility. See “**Note 3. Restructuring and Other Costs**” of the Notes to Condensed Consolidated Financial Statements for additional information.

Interest Expense, net

Interest expense, net for the first quarter of fiscal 2022 was \$86.7 million compared to \$93.8 million for the prior year quarter. The decrease was primarily due to the impact of lower debt levels in the current year period that was partially offset by higher interest rates.

Pension and Other Postretirement Non-Service Income

Pension and other postretirement non-service income for the first quarter of fiscal 2022 was \$39.9 million compared to \$34.9 million for the first quarter of fiscal 2021. The increase was primarily due to the increase in plan asset balances used to determine the expected return on plan assets for fiscal 2022. Customary pension and other postretirement (income) costs are included in our segment results. See “**Note 4. Retirement Plans**” of the Notes to Condensed Consolidated Financial Statements for more information.

Other income, net

Other income, net for the first quarter of fiscal 2022 was income of \$0.2 million compared to income of \$20.8 million in the first quarter of fiscal 2021. The income in the first quarter of fiscal 2021 was driven primarily by a \$14.7 million gain on sale of our Rosenbloom legacy cost method investment.

Provision for Income Taxes

We recorded income tax expense of \$58.6 million for the three months ended December 31, 2021 compared to \$50.3 million for the three months ended December 31, 2020. The effective tax rate for the three months ended December 31, 2021 was 24.2%, while the effective tax rate for the three months ended December 31, 2020 was 24.8%.

See “**Note 5. Income Taxes**” of the Notes to Condensed Consolidated Financial Statements for the primary factors impacting our effective tax rates.

Corrugated Packaging Segment

Corrugated Packaging Segment – Net Sales and Income

(In millions, except percentages)

	Net Sales ⁽¹⁾	Adjusted EBITDA	Adjusted EBITDA Margin
Fiscal 2021			
First Quarter	\$ 2,019.5	\$ 347.6	17.2 %
Second Quarter	2,022.4	321.1	15.9
Third Quarter	2,154.7	363.9	16.9
Fourth Quarter	2,203.9	361.4	16.4
Total	<u>\$ 8,400.5</u>	<u>\$ 1,394.0</u>	<u>16.6 %</u>
Fiscal 2022			
First Quarter	\$ 2,220.0	\$ 288.9	13.0 %

⁽¹⁾ Net sales before intersegment eliminations, also referred to as segment sales.

Net Sales (Aggregate) — Corrugated Packaging Segment

Net sales for the Corrugated Packaging segment increased \$200.5 million in the first quarter of fiscal 2022 compared to the prior year quarter. The increase primarily consisted of \$276.4 million of higher selling price/mix that was partially offset by \$77.7 million of lower volumes.

Adjusted EBITDA — Corrugated Packaging Segment

Corrugated Packaging segment Adjusted EBITDA in the first quarter of fiscal 2022 decreased \$58.7 million primarily due to an estimated \$230.1 million of cost inflation, \$53.4 million of lower productivity and other operational items, \$43.2 million of lower volumes and a \$9.4 million increase in planned downtime including maintenance outages. These items were partially offset by \$277.4 million of margin impact from higher selling price/mix.

Consumer Packaging Segment

Consumer Packaging Segment – Net Sales and Income

(In millions, except percentages)

	Net Sales ⁽¹⁾	Adjusted EBITDA	Adjusted EBITDA Margin
Fiscal 2021			
First Quarter	\$ 1,062.5	\$ 175.3	16.5 %
Second Quarter	1,080.6	164.1	15.2
Third Quarter	1,132.2	183.3	16.2
Fourth Quarter	1,158.6	198.1	17.1
Total	<u>\$ 4,433.9</u>	<u>\$ 720.8</u>	<u>16.3 %</u>
Fiscal 2022			
First Quarter	\$ 1,138.7	\$ 169.3	14.9 %

⁽¹⁾ Net sales before intersegment eliminations, also referred to as segment sales.

Net Sales (Aggregate) — Consumer Packaging Segment

The \$76.2 million increase in net sales for the Consumer Packaging segment in the first quarter of fiscal 2022 compared to the prior year quarter was primarily due to \$59.6 million of higher selling price/mix and \$21.1 million of higher volumes.

Adjusted EBITDA — Consumer Packaging Segment

Consumer Packaging segment Adjusted EBITDA in the first quarter of fiscal 2022 decreased \$6.0 million compared to the prior year quarter primarily due to an estimated \$75.8 million of cost inflation and a \$6.0 million increase in planned downtime including maintenance outages which were primarily offset by \$50.0 million of margin impact from higher selling price/mix, \$20.0 million of higher productivity and other operational items, and \$5.9 million of higher volumes.

Paper Segment

Paper Segment – Net Sales and Income

(In millions, except percentages)

	Net Sales ⁽¹⁾	Adjusted EBITDA	Adjusted EBITDA Margin
Fiscal 2021			
First Quarter	\$ 1,090.9	\$ 151.7	13.9 %
Second Quarter	1,130.6	159.6	14.1
Third Quarter	1,299.2	265.2	20.4
Fourth Quarter	1,462.3	307.2	21.0
Total	<u>\$ 4,983.0</u>	<u>\$ 883.7</u>	<u>17.7 %</u>
Fiscal 2022			
First Quarter	\$ 1,352.6	\$ 232.4	17.2 %

⁽¹⁾ Net sales before intersegment eliminations, also referred to as segment sales.

Net Sales (Aggregate) — Paper Segment

The \$261.7 million increase in net sales for the Paper segment in the first quarter of fiscal 2022 compared to the prior year quarter was primarily due to \$246.2 million of higher selling price/mix, \$15.0 million of higher volumes, net of the sawmill we exited in fiscal 2021.

Adjusted EBITDA — Paper Segment

Paper segment Adjusted EBITDA in the first quarter of fiscal 2022 increased \$80.7 million compared to the prior year quarter primarily due to \$246.2 million of margin impact from higher selling price/mix, \$31.4 million of higher productivity and other operational items, and \$6.0 million of higher volumes that were partially offset by an estimated \$187.3 million of cost inflation and a \$15.8 million increase in planned downtime including maintenance outages.

Distribution Segment

Distribution Segment – Net Sales and Income

(In millions, except percentages)

	Net Sales ⁽¹⁾	Adjusted EBITDA	Adjusted EBITDA Margin
Fiscal 2021			
First Quarter	\$ 303.8	\$ 16.4	5.4 %
Second Quarter	280.3	11.0	3.9
Third Quarter	322.3	18.0	5.6
Fourth Quarter	348.4	23.4	6.7
Total	<u>\$ 1,254.8</u>	<u>\$ 68.8</u>	<u>5.5 %</u>
Fiscal 2022			
First Quarter	\$ 324.8	\$ 6.5	2.0 %

⁽¹⁾ Net sales before intersegment eliminations, also referred to as segment sales.

Net Sales (Aggregate) — Distribution Segment

The \$21.0 million increase in net sales for the Distribution segment in the first quarter of fiscal 2022 compared to the prior year quarter was primarily due to \$26.0 million of higher selling price/mix that was partially offset by \$4.9 million of lower volumes.

Adjusted EBITDA — Distribution Segment

Distribution segment Adjusted EBITDA in the first quarter of fiscal 2022 decreased \$9.9 million compared to the prior year quarter primarily due to an estimated \$25.2 million of cost inflation and \$9.3 million of lower productivity and other operational items that were partially offset by \$26.0 million of margin impact from higher selling price/mix.

LIQUIDITY AND CAPITAL RESOURCES

We fund our working capital requirements, capital expenditures, mergers, acquisitions and investments, restructuring activities, dividends and stock repurchases from net cash provided by operating activities, borrowings under our credit facilities, proceeds from the sale of receivables under our accounts receivable sales agreements, proceeds from the sale of property, plant and equipment removed from service and proceeds received in connection with the issuance of debt and equity securities. See "**Note 11. Debt**" of the Notes to Condensed Consolidated Financial Statements and "**Note 13. Debt**" of the Notes to Consolidated Financial Statements section in the Fiscal 2021 Form 10-K for more information regarding our debt. Funding for our domestic operations in the foreseeable future is expected to come from sources of liquidity within our domestic operations, including cash and cash equivalents, and available borrowings under our credit facilities. As such, our foreign cash and cash equivalents are not expected to be a key source of liquidity to our domestic operations.

Cash and cash equivalents were \$291.3 million at December 31, 2021 and \$290.9 million at September 30, 2021. Approximately four-fifths of the cash and cash equivalents at December 31, 2021 were held outside of the U.S. The proportion of cash and cash equivalents held outside of the U.S. generally varies from period to period. At December 31, 2021 and September 30, 2021, total debt was \$8,233.2 million and \$8,194.1 million, respectively, \$236.8 million and \$168.8 million of which was short-term at December 31, 2021 and September 30, 2021, respectively. Included in our total debt at December 31, 2021 was \$188.2 million of non-cash acquisition-related step-up. Total debt at December 31, 2021 increased \$39.1 million compared to September 30, 2021. Total debt was primarily impacted by aggregate capital expenditures, stock repurchases and dividends exceeding net cash provided by operating activities.

At December 31, 2021, we had approximately \$3.6 billion of availability under our long-term committed credit facilities and cash and cash equivalents. Our primary availability is under our revolving credit facilities and Receivables Securitization Facility, the majority of which matures on November 21, 2024. This liquidity may be used to provide for ongoing working capital needs and for other general corporate purposes, including acquisitions, dividends and stock repurchases.

Certain restrictive covenants govern our maximum availability under our credit facilities. We test and report our compliance with all of these covenants as required by these facilities and were in compliance with all of these covenants at December 31, 2021.

At December 31, 2021, we had \$59.4 million of outstanding letters of credit not drawn upon.

We use a variety of working capital management strategies, including supply chain financing ("**SCF**") programs, vendor financing and commercial card programs, monetization facilities where we sell short-term receivables to a group of third-party financial institutions and receivables securitization facilities. We describe these programs below.

We engage in certain customer-based SCF programs to accelerate the receipt of payment for outstanding accounts receivables from certain customers. Certain costs of these programs are borne by the customer or us. Receivables transferred under these customer-based SCF programs generally meet the requirements to be accounted for as sales in accordance with guidance under ASC 860, "Transfers and Servicing" resulting in derecognition of such receivables from our consolidated balance sheets. Receivables involved with these customer-based SCF programs constitute approximately 2% of our annual net sales. In addition, we have monetization facilities that sell to third-party financial institutions all of the short-term receivables generated from certain customer trade accounts. See "**Note 10. Fair Value — Accounts Receivable Sales Agreements**" for a discussion of our monetization facilities.

Our working capital management strategy includes working with our suppliers to revisit terms and conditions, including the extension of payment terms. Our current payment terms with the majority of our suppliers generally range from payable upon receipt to 120 days and vary for items such as the availability of cash discounts. We do not believe our payment terms will be shortened significantly in the near future, and we do not expect our net cash provided by operating activities to be significantly impacted by additional extensions of payment terms. Certain financial institutions offer voluntary SCF programs that enable our suppliers, at their sole discretion, to sell their receivables from us to the financial institutions on a non-recourse basis at a rate that leverages our credit rating and thus might be more beneficial to our suppliers. We and our suppliers agree on commercial terms for the goods and services we procure, including prices, quantities and payment terms, regardless of whether the supplier elects to participate in SCF programs. The suppliers sell us goods or services and issue the associated invoices to us based on the agreed-upon contractual terms. The due dates of the invoices are not extended due to the supplier's participation in SCF programs. Our suppliers, at their sole discretion if they choose to participate in a SCF program, determine which invoices, if any, they want to sell to the financial institutions. No guarantees are provided by us under SCF programs and we have no economic interest in a supplier's decision to participate in the SCF program. Therefore, amounts due to our suppliers that elect to participate in SCF programs are included in the line items Accounts payable and Other current liabilities in our condensed consolidated balance sheet and the activity is reflected in net cash provided by operating activities in our condensed consolidated statements of cash flows. Based on correspondence with the financial institutions that are involved with our two primary SCF programs, while the amount suppliers elect to sell to the financial institutions varies from period to period, the amount generally averages approximately 15% to 17% of our accounts payable balance.

We also participate in certain vendor financing and commercial card programs to support our travel and entertainment expenses and smaller vendor purchases. Amounts outstanding under these programs are classified

as debt primarily because we receive the benefit of extended payment terms and a rebate from the financial institution that we would not have otherwise received without the financial institutions' involvement. We also have the Receivables Securitization Facility that allows for borrowing availability based on the eligible underlying accounts receivable and compliance with certain covenants. See "Note 11. Debt" for a discussion of our Receivables Securitization Facility and the amount outstanding under our vendor financing and commercial card programs.

Cash Flow Activity

<i>(In millions)</i>	Three Months Ended	
	December 31,	
	2021	2020
Net cash provided by operating activities	\$ 252.8	\$ 719.4
Net cash used for investing activities	\$ (154.8)	\$ (140.4)
Net cash used for financing activities	\$ (104.3)	\$ (584.1)

Net cash provided by operating activities during the three months ended December 31, 2021 decreased \$466.6 million compared to the three months ended December 31, 2020, primarily due to \$474.5 million of higher working capital usage compared to the prior year period. The higher working capital usage in the first quarter of fiscal 2022 was primarily due to actions taken in the prior year to preserve cash due to the high uncertainty during the COVID pandemic, such as the payment of certain bonuses and 401(k) match in cash that were paid in stock in the prior year period, and the payment of certain deferred payroll taxes that relate to relief offered under the CARES Act in the current period. In addition, working capital usage in the current period was impacted by increased inventories and costs associated with maintenance outages that were partially offset by a decline in accounts receivable.

Net cash used for investing activities of \$154.8 million in the three months ended December 31, 2021 consisted primarily of \$173.1 million for capital expenditures that was partially offset by \$22.4 million of proceeds from the sale of property, plant and equipment, primarily for the sale of a previously closed facility. Net cash used for investing activities of \$140.4 million in the three months ended December 31, 2020 consisted primarily of \$170.7 million for capital expenditures that were partially offset by \$23.3 million of proceeds from the sale of our Rosenbloom investment.

With the completion of certain of our strategic projects in fiscal 2021, including the paper machine at our Florence, SC mill and the Tres Barras mill upgrade project, we expect capital expenditures to be approximately \$900 million to \$1.0 billion in fiscal 2022. At this level of capital investment, we are confident that we will continue to invest in the appropriate safety, environmental and maintenance projects while also making investments to support productivity and growth in our business. However, it is possible that our capital expenditure assumptions may change, project completion dates may change, or we may decide to invest a different amount depending upon opportunities we identify, or changes in market conditions, or to comply with environmental or other regulatory changes.

In the three months ended December 31, 2021, net cash used for financing activities of \$104.3 million consisted primarily of a net increase in debt of \$48.1 million, share repurchases of \$100.1 million and cash dividends paid to stockholders of \$66.3 million. In the three months ended December 31, 2020, net cash used for financing activities of \$584.1 million consisted primarily of a net decrease in debt of \$502.1 million and cash dividends paid to stockholders of \$52.6 million.

On January 27, 2022, our board of directors declared a quarterly dividend of \$0.25 per share. In November 2021, we paid a quarterly dividend of \$0.25 per share, representing a \$1.00 per share annualized dividend or an increase of 25% since our February 2021 dividend. In November 2020, we paid a quarterly dividend of \$0.20 per share.

In July 2015, our board of directors authorized a repurchase program of up to 40.0 million shares of our Common Stock, representing approximately 15% of our outstanding Common Stock as of July 1, 2015. The shares of Common Stock may be repurchased from time to time in open market or privately negotiated transactions. The timing, manner, price and amount of repurchases will be determined by management at its discretion based on factors, including the market price of our Common Stock, general economic and market conditions and applicable

legal requirements. The repurchase program may be commenced, suspended or discontinued at any time. Pursuant to the program, in the three months ended December 31, 2021, we repurchased approximately 2.1 million shares of our Common Stock for an aggregate cost of \$97.5 million. The \$100.1 million of share repurchases discussed in net cash used for financing activities includes shares purchased in fiscal 2021 that settled in fiscal 2022. In the three months ended December 31, 2020, we repurchased no shares of Common Stock. As of December 31, 2021, we had approximately 14.6 million shares of Common Stock available for repurchase under the program.

The U.S. federal, state and foreign net operating losses and other U.S. federal and state tax credits available to us aggregated approximately \$59 million in future potential reductions of U.S. federal, state and foreign cash taxes at the end of the previous fiscal year. These items are primarily for foreign and state net operating losses and credits that generally will be utilized between fiscal 2022 and 2040. Our cash tax rate is highly dependent on our taxable income, utilization of net operating losses and credits, changes in tax laws or tax rates, capital expenditures and other factors. Barring significant changes in our current assumptions, including changes in tax laws or tax rates, forecasted taxable income, levels of capital expenditures and other items, we expect our fiscal 2022 cash tax rate will be slightly lower than our income tax rate and our cash tax rate in fiscal 2023 will be driven slightly higher than our income tax rate.

Our pension plans in the U.S. are overfunded and we have a pension asset of approximately \$0.7 billion on our condensed consolidated balance sheet as of December 31, 2021. We made contributions of \$4.1 million to our pension and supplemental retirement plans during the three months ended December 31, 2021. Based on current facts and assumptions, we expect to contribute approximately \$25 million to our U.S. and non-U.S. pension plans in fiscal 2022. We have made contributions and expect to continue to make contributions in the coming years to our pension plans in order to ensure that our funding levels remain adequate in light of projected liabilities and to meet the requirements of the Pension Protection Act of 2006 (the "**Pension Act**") and other regulations. Our estimates are based on current factors, such as discount rates and expected return on plan assets. It is possible that our assumptions may change, actual market performance may vary or we may decide to contribute different amounts.

In the normal course of business, we evaluate our potential exposure to MEPPs, including with respect to potential withdrawal liabilities. In fiscal 2018, we submitted formal notification to withdraw from PIUMPF and Central States, and recorded estimated withdrawal liabilities for each. We also have liabilities associated with other MEPPs that we, or legacy companies, have withdrawn from in the past. Currently, we pay approximately \$14 million a year in withdrawal liabilities, excluding accumulated funding deficiency demands. With respect to certain other MEPPs, in the event we withdraw from one or more of the MEPPs in the future, it is reasonably possible that we may incur withdrawal liabilities in connection with such withdrawals. Our estimate of any such withdrawal liability, both individually and in the aggregate, is not material for the remaining plans in which we participate.

At December 31, 2021 and September 30, 2021, we had recorded withdrawal liabilities of \$248.1 million and \$247.1 million, respectively, including liabilities associated with PIUMPF's accumulated funding deficiency demands. See "**Note 4. Retirement Plans — MEPPs**" of the Notes to Condensed Consolidated Financial Statements for more information regarding these liabilities. See also Item 1A. "**Risk Factors — We May Incur Withdrawal Liability and/or Increased Funding Requirements in Connection with MEPPs**" in our Fiscal 2021 Form 10-K.

We anticipate that we will be able to fund our capital expenditures, interest payments, dividends and stock repurchases, pension payments, working capital needs, note repurchases, restructuring activities, repayments of current portion of long-term debt and other corporate actions for the foreseeable future from cash generated from operations, borrowings under our credit facilities, proceeds from our accounts receivable sales agreements, proceeds from the issuance of debt or equity securities or other additional long-term debt financing, including new or amended facilities. In addition, we continually review our capital structure and conditions in the private and public debt markets in order to optimize our mix of indebtedness. In connection with these reviews, we may seek to refinance existing indebtedness to extend maturities, reduce borrowing costs or otherwise improve the terms and composition of our indebtedness.

Guarantor Summarized Financial Information

WRKCo, Inc. (the "**Issuer**"), a wholly owned subsidiary of Parent (as defined below), has issued the following debt securities pursuant to offerings registered under the Securities Act of 1933, as amended (collectively for purposes of this subsection, the "**Notes**");

Aggregate Principal Amount (in millions)	Stated Coupon Rate	Maturity Date	Referred to as:
\$ 500	3.000 %	September 2024	the 2024 Notes
\$ 600	3.750 %	March 2025	the 2025 Notes
\$ 750	4.650 %	March 2026	the 2026 Notes
\$ 500	3.375 %	September 2027	the 2027 Notes
\$ 600	4.000 %	March 2028	the 2028 Notes
\$ 500	3.900 %	June 2028	the June 2028 Notes
\$ 750	4.900 %	March 2029	the 2029 Notes
\$ 500	4.200 %	June 2032	the 2032 Notes
\$ 600	3.000 %	June 2033	the June 2033 Notes

Upon issuance, the Notes maturing in 2024, 2025, 2027 and March 2028 were fully and unconditionally guaranteed by the Guarantor Subsidiaries. On November 2, 2018, in connection with the consummation of the KapStone Acquisition, Whiskey Holdco, Inc. became the direct parent of the Issuer, changed its name to WestRock Company ("**Parent**") and fully and unconditionally guaranteed these Notes. The remaining Notes were issued by the Issuer subsequent to the consummation of the KapStone Acquisition and were fully and unconditionally guaranteed at the time of issuance by the Parent and the Guarantor Subsidiaries. Accordingly, each series of the Notes is fully and unconditionally guaranteed on a joint and several basis by the Parent and the Guarantor Subsidiaries (together, the "**Guarantors**"). Collectively, the Issuer and the Guarantors are the "**Obligor Group**".

Each series of Notes and the related guarantees constitute unsecured unsubordinated obligations of the applicable obligor. Each series of Notes and the related guarantees ranks equally in right of payment with all of the applicable obligor's existing and future unsecured and unsubordinated debt; ranks senior in right of payment to all of the applicable obligor's existing and future subordinated debt; is effectively junior to the applicable obligor's existing and future secured debt to the extent of the value of the assets securing such debt; and is structurally subordinated to all of the existing and future liabilities of each subsidiary of the applicable obligor (that is not itself an obligor) that does not guarantee such Notes.

The indentures governing each series of Notes contain covenants that, among other things, limit our ability and the ability of our subsidiaries to grant liens on our assets and enter into sale and leaseback transactions. In addition, the indentures limit, as applicable, the ability of the Issuer and Guarantors to merge, consolidate or sell, convey, transfer or lease our or their properties and assets substantially as an entirety. The covenants contained in the indentures do not restrict the Company's ability to pay dividends or distributions to stockholders.

The guarantee obligations of the Guarantors under the Notes are also subject to certain limitations and terms similar to those applicable to other guarantees of similar instruments, including that (i) the guarantees are subject to fraudulent transfer and conveyance laws and (ii) the obligations of each Guarantor under its guarantee of each series of Notes will be limited to the maximum amount as will result in the obligations of such Guarantor under its guarantee of such Notes not to be deemed to constitute a fraudulent conveyance or fraudulent transfer under federal or state law.

Under each indenture governing one or more series of the Notes, a Guarantor Subsidiary will be automatically and unconditionally released from its guarantee upon consummation of any transaction permitted under the applicable indenture resulting in such Guarantor Subsidiary ceasing to be an obligor (either as issuer or guarantor). Under the indentures, the guarantee of the Parent will be automatically released and will terminate upon the merger of the Parent with or into the Issuer or another guarantor, the consolidation of the Parent with the Issuer or another guarantor or the transfer of all or substantially all of the assets of the Parent to the Issuer or a guarantor. In addition, if the Issuer exercises its defeasance or covenant defeasance option with respect to the Notes of a series in accordance with the terms of the applicable indenture, each guarantor will be automatically and unconditionally released from its guarantee of the Notes of such series and all its obligations under the applicable indenture.

The Issuer and each Guarantor is a holding company that conducts substantially all of its business through subsidiaries. Accordingly, repayment of the Issuer's indebtedness, including the Notes, is dependent on the generation of cash flow by the Issuer's and each Guarantor's subsidiaries, as applicable, and their ability to make such cash available to the Issuer and the Guarantors, as applicable, by dividend, debt repayment or otherwise. The

Issuer's and the Guarantors' subsidiaries may not be able to, or be permitted to, make distributions to enable them to make payments in respect of their obligations, including with respect to the Notes in the case of the Issuer and the guarantees in the case of the Guarantors. Each of the Issuer's and the Guarantors' subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit the Issuer's and the Guarantors' ability to obtain cash from their subsidiaries. In the event that the Issuer and the Guarantors do not receive distributions from their subsidiaries, the Issuer and the Guarantors may be unable to make required principal and interest payments on their obligations, including with respect to the Notes and the guarantees.

Pursuant to amended Rule 3-10 of Regulation S-X, the summarized financial information below is presented for the Obligor Group on a combined basis after the elimination of intercompany balances and transactions among the Obligor Group and equity in earnings from and investments in the non-Guarantor Subsidiaries. The summarized financial information below should be read in conjunction with the Company's unaudited Condensed Consolidated Financial Statements contained herein, as the summarized financial information may not necessarily be indicative of results of operations or financial position had the subsidiaries operated as independent entities.

SUMMARIZED STATEMENT OF OPERATIONS

(In millions)	Three Months Ended December 31, 2021	
Net sales to unrelated parties	\$	387.2
Net sales to non-Guarantor Subsidiaries	\$	262.8
Gross profit	\$	186.4
Interest expense, net with non-Guarantor Subsidiaries	\$	(17.8)
Net loss and net loss attributable to the Obligor Group	\$	32.3

SUMMARIZED BALANCE SHEETS

(In millions)	December 31, 2021		September 30, 2021	
ASSETS				
Total current assets	\$	281.5	\$	310.4
Noncurrent amounts due from non-				
Guarantor Subsidiaries	\$	287.8	\$	306.1
Other noncurrent assets ⁽¹⁾		1,959.0		1,980.5
Total noncurrent assets	\$	2,246.8	\$	2,286.6
LIABILITIES				
Current amounts due to non-				
Guarantor Subsidiaries	\$	2,206.9	\$	2,281.4
Other current liabilities		229.5		130.4
Total current liabilities	\$	2,436.4	\$	2,411.8
Noncurrent amounts due to non-				
Guarantor Subsidiaries	\$	3,437.3	\$	3,437.4
Other noncurrent liabilities		7,285.1		7,296.6
Total noncurrent liabilities	\$	10,722.4	\$	10,734.0

(1) Other noncurrent assets includes aggregate goodwill and intangibles, net of \$1,674.7 million and \$1,699.2 million as of December 31, 2021 and September 30, 2021, respectively.

New Accounting Standards

See "Note 1. Basis of Presentation and Significant Accounting Policies" of the Notes to Condensed Consolidated Financial Statements for a description of recent accounting pronouncements.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, management believes certain non-GAAP financial measures provide our board of directors, investors, potential investors, securities analysts and others with additional meaningful financial information that should be considered when assessing our ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions, and in evaluating our performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our GAAP results. The non-GAAP financial measures we present may differ from similarly captioned measures presented by other companies.

We use the non-GAAP financial measures “Adjusted Net Income” and “Adjusted Earnings Per Diluted Share”. Management believes these measures provide our management, board of directors, investors, potential investors, securities analysts and others with useful information to evaluate our performance because they exclude restructuring and other costs and other specific items that management believes are not indicative of the ongoing operating results of the business. We and our board of directors use this information to evaluate our performance relative to other periods. We believe that the most directly comparable GAAP measures to Adjusted Net Income and Adjusted Earnings Per Diluted Share are Net income attributable to common stockholders and Earnings per diluted share, respectively.

Set forth below is a reconciliation of the non-GAAP financial measure Adjusted Earnings Per Diluted Share to Earnings per diluted share, the most directly comparable GAAP measure (in dollars per share) for the periods indicated.

	Three Months Ended December 31,	
	2021	2020
Earnings per diluted share	\$ 0.68	\$ 0.57
Restructuring and other items	0.01	0.02
COVID relief payments	—	0.06
Loss on extinguishment of debt	—	0.01
Gain on sale of certain closed facilities	(0.04)	—
Gain on sale of investment	—	(0.05)
Adjusted Earnings Per Diluted Share	<u>\$ 0.65</u>	<u>\$ 0.61</u>

The as reported results in the table below for Pre-Tax, Tax and Net of Tax are equivalent to the line items “Income before income taxes”, “Income tax expense” and “Consolidated net income”, respectively, as reported on the Condensed Consolidated Statements of Income. Set forth below are reconciliations of Adjusted Net Income to the most directly comparable GAAP measure, Net income attributable to common stockholders (represented in the table below as the GAAP results for Consolidated net income (i.e. Net of Tax) less net income attributable to Noncontrolling interests), for the periods indicated (in millions):

	Three Months Ended December 31, 2021			Three Months Ended December 31, 2020		
	Pre-Tax	Tax	Net of Tax	Pre-Tax	Tax	Net of Tax
As reported	\$ 242.4	\$ (58.6)	\$ 183.8	\$ 202.8	\$ (50.3)	\$ 152.5
Restructuring and other items	2.3	(0.5)	1.8	7.7	(1.9)	5.8
Losses at closed plants, transition and start-up costs	0.3	(0.1)	0.2	0.4	(0.1)	0.3
COVID relief payments	—	—	—	22.0	(5.4)	16.6
Loss on extinguishment of debt	—	—	—	1.1	(0.3)	0.8
Accelerated depreciation on major capital projects and certain plant closures	—	—	—	0.2	—	0.2
Gain on sale of certain closed facilities	(14.4)	3.6	(10.8)	(0.9)	0.2	(0.7)
Gain on sale of investment	—	—	—	(14.7)	2.1	(12.6)
Brazil indirect tax claim	—	—	—	(0.9)	0.3	(0.6)
Adjusted Results	<u>\$ 230.6</u>	<u>\$ (55.6)</u>	\$ 175.0	<u>\$ 217.7</u>	<u>\$ (55.4)</u>	\$ 162.3
Noncontrolling interests			(1.5)			(0.5)
Adjusted Net Income			<u>\$ 173.5</u>			<u>\$ 161.8</u>

We discuss certain of these charges in more detail in **"Note 3. Restructuring and Other Costs"** of the Notes to Condensed Consolidated Financial Statements.

We also use the non-GAAP financial measure "Consolidated Adjusted EBITDA", along with other factors such as "Adjusted EBITDA" (a GAAP measure of segment performance our CODM uses to evaluate our segment results), to evaluate our overall performance. Management believes that the most directly comparable GAAP measure to Consolidated Adjusted EBITDA is "Net income attributable to common stockholders". Management believes this measure provides our management, board of directors, investors, potential investors, securities analysts and others with useful information to evaluate our performance because it excludes restructuring and other costs and other specific items that management believes are not indicative of the ongoing operating results of the business. We and our board of directors use this information to evaluate our performance relative to other periods.

Set forth below is a reconciliation of the non-GAAP financial measure Consolidated Adjusted EBITDA to Net income attributable to common stockholders periods indicated (in millions).

	Three Months Ended December 31,	
	2021	2020
Net income attributable to common stockholders	\$ 182.3	\$ 152.0
Adjustments: ⁽¹⁾		
Less: Net income attributable to noncontrolling interests	1.5	0.5
Income tax expense	58.6	50.3
Other income, net	(0.2)	(20.8)
Loss on extinguishment of debt	—	1.1
Interest expense, net	86.7	93.8
Restructuring and other costs	2.3	7.7
Multiemployer pension withdrawal income	(3.3)	—
Gain on sale of certain closed facilities	(14.4)	(0.9)
Depreciation, depletion and amortization	366.5	364.5
Other adjustments	0.3	21.6
Consolidated Adjusted EBITDA	<u>\$ 680.3</u>	<u>\$ 669.8</u>

(1) The table above adds back expense or subtracts income for certain financial statement and segment footnote items to compute Consolidated Adjusted EBITDA.

The non-GAAP measure Consolidated Adjusted EBITDA can also be derived by adding together each segment's "Adjusted EBITDA" plus "Non-allocated expenses" from our segment footnote. See **"Note 6. Segment Information"** of the Notes to Condensed Consolidated Financial Statements.

Forward-Looking Statements

Statements in this report that do not relate strictly to historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and use words such as “may”, “will”, “could”, “would”, “anticipate”, “intend”, “estimate”, “project”, “plan”, “believe”, “expect”, “target” and “potential”, or refer to future time periods, and include statements made in this report regarding, among other things: that we believe the new segments will provide greater visibility into the vertical integration between our mills and converting operations as well as the value of a diversified portfolio of assets, and help us highlight the performance of our portfolio; that the extent of COVID pandemic’s effect on our operational and financial performance will continue to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic (including due to new or continuing variants such as Omicron and Delta), the actions taken to contain or mitigate its impact (including the distribution and effectiveness of vaccines and vaccine boosters), and the direct and indirect economic effects of the pandemic and related containment measures and government responses, among others; the Company’s assessment of the future magnitude and duration of COVID, as well as other factors, may change and could result in changes in our accounting estimates and assumptions used to prepare our financial statements in conformity with GAAP; that we expect to recover substantially all of the remaining ransomware losses from cyber and business interruption insurance from various carriers in future periods; that there will be a time lag between the initial incurrence of costs and the receipt of any insurance proceeds; that for plant closures, we generally expect to record costs for equipment relocation, facility carrying costs and costs to terminate a lease or contract before the end of its term; that we believe that our actions to consolidate our sales and operations into large well-equipped plants that operate at high utilization rates and take advantage of available capacity created by operational excellence initiatives and/or further optimize our system following mergers and acquisitions or a changing business environment have allowed us to more effectively manage our business; that we believe that we are adequately reserved in connection with the PIUMPF suit filed in July 2021; that it is reasonably possible that we may incur withdrawal liabilities with respect to certain other MEPPs in connection with withdrawals and that our estimate of any such withdrawal liability, both individually and in the aggregate, is not material for the remaining plans in which we participate; that we expect to complete the LIBOR transition in our debt facilities prior to the June 30, 2023 deadline when the remaining rates cease publication, likely by the end of the current calendar year; that failure to comply with applicable health and safety laws and regulations could subject us to fines, corrective actions or other sanctions; that we have incurred, and will continue to incur, capital expenditures to meet our health and safety compliance requirements, as well as to continually improve our safety systems and that we do not believe that future compliance with occupational health and safety laws and regulations will have a material adverse effect on our results of operations, financial condition or cash flows; that complex and lengthy processes may be required to obtain and renew approvals, permits, and licenses for new, existing or modified facilities; that our compliance initiatives related to environmental laws and regulations could result in significant costs, which could negatively impact our results of operations, financial condition and cash flows; that failure to comply with environmental laws and regulations, or any permits and authorizations required thereunder, could subject us to fines or other sanctions, corrective action requirements and litigation; that we believe we have insurance and contractual indemnification rights that may allow us to recover certain defense and other costs at some CERCLA sites; that we believe the liability for the environmental matters was adequately reserved at December 31, 2021; our belief that we have substantial insurance coverage, subject to applicable deductibles and policy limits, with respect to asbestos claims; that we have valid defenses to asbestos-related personal injury claims and intend to continue to defend them vigorously; that it is possible that we could incur significant costs resolving these cases should the volume of litigation grow substantially; that we do not expect the resolution of pending asbestos litigation and proceedings to have a material adverse effect on our results of operations, financial condition or cash flows but that, in any given period or periods, it is possible such proceedings or matters could have a material adverse effect on our results of operations, financial condition or cash flows; our belief that the resolution of certain other lawsuits and claims arising out of the conduct of our business will not have a material adverse effect on our results of operations, financial condition or cash flows; that the resolution of uncertain tax positions could have a material adverse effect on our cash flows and results of operations or materially benefit our results of operations in future periods depending upon their ultimate resolution; that we estimate our exposure to certain guarantees to be less than \$50 million; that we believe our exposure related to guarantees would not have a material impact on our results of operations, financial condition or cash flows; that in the second quarter of fiscal 2022, we expect similar sequential cost inflation as improvements in energy and recycled fiber costs should be offset by higher freight, wage and other expenses; that

we expect sequential labor cost increases due to normal merit increases and continued supply chain challenges; that while we are past the highest mill maintenance outage quarter, we have approximately 128,000 tons of scheduled downtime across our system in the second quarter of fiscal 2022; that we expect the continued flow through of previously published price increases, and that those increases will more than offset inflation; that we have taken, and continue to take, actions to protect the health and safety of our teammates during COVID and we have incurred and continue to incur costs for safety, cleaning and other items related to COVID; that we expect higher sequential earnings; that we generally expect the integration of a closed facility's assets and production with other facilities to enable the receiving facilities to better leverage their fixed costs while eliminating fixed costs from the closed facility; that funding for our domestic operations in the foreseeable future is expected to come from sources of liquidity within our domestic operations, including cash and cash equivalents, and available borrowings under our credit facilities; that our foreign cash and cash equivalents are not expected to be a key source of liquidity to our domestic operations; that our working capital management strategy includes working with our suppliers to revisit terms and conditions, including the extension of payment terms; that we do not believe our payment terms will be shortened significantly in the near future, and we do not expect our net cash provided by operating activities to be significantly impacted by additional extensions of payment terms; that with the completion of certain of our strategic projects in fiscal 2021, including the paper machine at our Florence, SC mill and the Tres Barras mill upgrade project, we expect capital expenditures to be approximately \$900 million to \$1.0 billion in fiscal 2022, and that at these capital investment levels we are confident that we will continue to invest in the appropriate safety, environmental and maintenance projects while also making investments to support productivity and growth in our business but that it is possible that our capital expenditure assumptions may change, project completion dates may change, or we may decide to invest a different amount depending upon opportunities we identify, or changes in market conditions, or to comply with environmental or other regulatory changes; that we expect our foreign and state net operating losses and credits generally will be utilized between fiscal 2022 and 2040; barring significant changes in our current assumptions, including changes in tax laws or tax rates, forecasted taxable income, levels of capital expenditures and other items, we expect our fiscal 2022 cash tax rate will be slightly lower than our income tax rate and our cash tax rate in fiscal 2023 will be driven slightly higher than our income tax rate; that based on current facts and assumptions, we expect to contribute approximately \$25 million to our U.S. and non-U.S. pension plans in fiscal 2022; that we expect to continue to make contributions in the coming years to our pension plans in order to ensure that our funding levels remain adequate in light of projected liabilities and to meet the requirements of the Pension Act and other regulations; that we anticipate that we will be able to fund our capital expenditures, interest payments, dividends and stock repurchases, pension payments, working capital needs, note repurchases, restructuring activities, repayments of current portion of long-term debt and other corporate actions for the foreseeable future from cash generated from operations, borrowings under our credit facilities, proceeds from our accounts receivable sales agreements, proceeds from the issuance of debt or equity securities or other additional long-term debt financing, including new or amended facilities; and that we may seek to refinance existing indebtedness to extend maturities, reduce borrowing costs or otherwise improve the terms and composition of our indebtedness.

With respect to these statements, we have made assumptions regarding, among other things, developments related to COVID, including the severity, magnitude and duration of the pandemic, negative global economic conditions arising from the pandemic, impacts of governments' responses to the pandemic on our operations, impacts of the pandemic on commercial activity, our customers and consumer preferences and demand, supply chain disruptions, and disruptions in the credit or financial markets; economic, competitive and market conditions generally, including the impact of COVID; volumes and price levels of purchases by customers; competitive conditions in our businesses; possible adverse actions of our customers, competitors and suppliers; labor costs; the amount and timing of capital expenditures, including installation costs, project development and implementation costs, severance and other shutdown costs; restructuring costs; utilization of real property that is subject to the restructurings due to realizable values from the sale of such property; credit availability; and raw material and energy costs.

You should not place undue reliance on any forward-looking statements as these statements involve risks, uncertainties, assumptions and other factors that could cause actual results to differ materially, including the following: the level of demand for our products; our ability to respond effectively to the impact of COVID; our ability to successfully identify and make performance and productivity improvements; anticipated returns on our capital expenditures; our ability to achieve benefits from acquisitions, and the timing thereof, including synergies and performance improvements; our ability to successfully implement capital projects; the possibility of and uncertainties

related to planned mill outages, production or supply chain disruptions; market risk from changes in interest rates and commodity prices; increases in energy, raw materials, shipping and capital equipment costs; adverse legal, reputational and financial effects on the Company resulting from cyber incidents and the effectiveness of the Company's business continuity plans during a ransomware incident; fluctuations in selling prices and volumes; intense competition; the potential loss of key customers; the impact of the Tax Cuts and Jobs Act; the impact of operational restructuring activities; the impact of economic conditions, including expected price changes, competitive pricing pressures and cost increases; our desire or ability to continue to repurchase Common Stock; environmental liabilities; the cost and other effects of complying with governmental laws and regulations; the scope, timing and outcome of any litigation, claims or other proceedings or dispute resolutions and the impact of any such litigation (including with respect to the Brazil tax liability matter); future debt repayment; our ability to fund our capital expenditures, interest payments, dividends and stock repurchases, pension payments, working capital needs, debt repurchases, restructuring activities, repayments of current portion of long-term debt and other corporate actions; the expected impact of implementing new accounting standards; the impact of changes in assumptions and estimates on which we based the design of our system of disclosure controls and procedures; the occurrence of severe weather or a natural disaster, or other unanticipated problems, such as labor difficulties or shortages, equipment failure or unscheduled maintenance and repair, which could result in operational disruptions; adverse changes in general market and industry conditions; and other risks, uncertainties and factors discussed in Item 1A "**Risk Factors**" of the Fiscal 2021 Form 10-K. The information contained herein speaks as of the date hereof and we do not have or undertake any obligation to update such information as future events unfold.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See the "**Quantitative and Qualitative Disclosures About Market Risk**" section in the Fiscal 2021 Form 10-K for a discussion of certain of the market risks to which we are exposed. There have been no material changes in our exposure to market risk since September 30, 2021.

Item 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and our Chief Financial Officer evaluated the effectiveness of our "disclosure controls and procedures" (as defined in Rule 13a-15(e)) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") as of the end of the period covered by this quarterly report. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2021 to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See “**Note 13. Commitments and Contingencies**” of the Notes to Condensed Consolidated Financial Statements for more information.

Item 1A. RISK FACTORS

Certain risks and events that could adversely affect our results of operations, cash flows and financial condition, and the trading price of our Common Stock, are described in the “**Risk Factors**” section of the Fiscal 2021 Form 10-K. There have been no material changes in our risk factors from those disclosed in the “**Risk Factors**” section of our Fiscal 2021 Form 10-K.

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

Stock Repurchase Program

In July 2015, our board of directors authorized a repurchase program of up to 40.0 million shares of Common Stock. The shares of Common Stock may be repurchased over an indefinite period of time at the discretion of management. Pursuant to the program, in the three months ended December 31, 2021, we repurchased approximately 2.1 million shares of Common Stock for an aggregate cost of \$97.5 million. As of December 31, 2021, we had approximately 14.6 million shares of Common Stock available for repurchase under the program.

The following table presents information with respect to purchases of Common Stock that we made during the three months ended:

Period	Issuer Purchases of Equity Securities		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
	Total Number of Shares Purchased	Average Price Paid Per Share		
October 1, 2021 - October 31, 2021	101,670	\$ 50.23	101,670	16,540,038
November 1, 2021 - November 30, 2021	1,134,758	48.37	1,134,758	15,405,280
December 1, 2021 - December 31, 2021	828,853	45.24	828,853	14,576,427
Total	<u>2,065,281</u>		<u>2,065,281</u>	

Item 6. EXHIBITS

See separate Exhibit Index attached hereto and hereby incorporated by reference.

WESTROCK COMPANY
INDEX TO EXHIBITS

Exhibit 10.1*	<u>Amendment No. 1, dated as of December 6, 2021, to the Credit Agreement, dated as of February 26, 2021, by and among WRKCo Inc., as Parent, Westrock Company, WRK Luxembourg S.à r.l., WRK International Holdings S.à r.l., Multi Packaging Solutions Limited, WestRock Packaging Systems Germany GmbH and certain additional subsidiaries of WestRock Company from time to time party hereto, as Borrowers, the lenders party thereto, Coöperatieve Rabobank U.A., New York Branch, as Administrative Agent, Coöperatieve Rabobank U.A., New York Branch, as Joint Lead Arranger and Sole Bookrunner, and Sumitomo Mitsui Banking Corporation, TD Bank, N.A., Bank of America Europe Designated Activity Company, The Bank of Nova Scotia, and ING Bank N.V., Dublin Branch, as Joint Lead Arrangers and Co-Syndication Agents.</u>
Exhibit 10.2*	<u>Suspension of Rights Agreement, dated as of December 7, 2021, to the Credit Agreement, dated as of July 1, 2015, among WRKCo Inc., WestRock Company of Canada Corp./Compagnie WestRock du Canada Corp., WRK Luxembourg S.à r.l., the other credit parties, the lenders party thereto and Wells Fargo Bank, National Association as administrative agent and multicurrency agent.</u>
Exhibit 22	<u>List of Guarantor Subsidiaries and Issuers of Guaranteed Securities (incorporated by reference to Exhibit 22 of WestRock's Quarterly Report on Form 10-Q for the quarter ended December 31, 2020).</u>
Exhibit 31.1*	<u>Certification Accompanying Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, executed by David B. Sewell, Chief Executive Officer and President of WestRock Company.</u>
Exhibit 31.2*	<u>Certification Accompanying Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, executed by Alexander W. Pease, Executive Vice President and Chief Financial Officer of WestRock Company.</u>
Exhibit 32.1#	<u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by David B. Sewell, Chief Executive Officer and President of WestRock Company, and by Alexander W. Pease, Executive Vice President and Chief Financial Officer of WestRock Company.</u>
Exhibit 101.INS*	Inline 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.
Exhibit 101.SCH*	Inline XBRL Taxonomy Extension Schema.
Exhibit 101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase.
Exhibit 101.DEF*	Inline XBRL Taxonomy Extension Definition Label Linkbase.
Exhibit 101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase.
Exhibit 101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase.
Exhibit 104*	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

* Filed as part of this quarterly report.

In accordance with SEC Release No. 33-8238, Exhibit 32.1 is to be treated as “accompanying” this report rather than “filed” as part of the report.

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.

WESTROCK COMPANY
(Registrant)

Date: February 8, 2022

By: /s/ Alexander W. Pease
Alexander W. Pease
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and duly authorized officer)

FIRST AMENDMENT TO CREDIT AGREEMENT

This FIRST AMENDMENT TO CREDIT AGREEMENT (this “*Amendment*”) dated as of December 6, 2021, is among **WRKCO INC.**, a Delaware corporation (“*Parent*”), **WESTROCK COMPANY**, a Delaware corporation (“*WestRock*”), **WRK LUXEMBOURG S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg (“*WRK Luxembourg*”), **WRK INTERNATIONAL HOLDINGS S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg (“*WRK International*”), **MULTI PACKAGING SOLUTIONS LIMITED**, a limited company incorporated under the laws of England and Wales (“*Multi Packaging Solutions*”), **WESTROCK PACKAGING SYSTEMS GERMANY GMBH**, a private limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany (“*WestRock Packaging Systems*” and, together with WRK Luxembourg, WRK International, and Multi Packaging Solutions, the “*Borrowers*”), each of the other Guarantors (as defined in the Credit Agreement referenced below) which is a signatory hereto, and **COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH**, as administrative agent for itself, the Lenders and certain other parties (in its capacity as administrative agent, together with its successors in such capacity, “*Administrative Agent*”).

RECITALS:

WHEREAS, Parent, Westrock, Borrowers, the financial institutions party thereto as “Lenders” (the “*Lenders*”), and Administrative Agent are parties to that certain Credit Agreement dated as of February 26, 2021 (as may be amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”; capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement), pursuant to which the Lenders have made certain financial accommodations available to Borrowers; and

WHEREAS, an Early Opt-in Election has occurred in the case of Loans denominated in Sterling; and

WHEREAS, in connection with the implementation of a Benchmark Replacement for Loans denominated in Sterling, Administrative Agent and Borrowers are entering into this Amendment to evidence the Benchmark Replacement Conforming Changes being made by Administrative Agent in accordance with Section 2.13 of the Credit Agreement; and

WHEREAS, in accordance with Section 2.13 of the Credit Agreement, this Amendment implementing such Benchmark Replacement Conforming Changes will become effective on the Amendment Effective Date (as defined below) without any further action or consent of any other party to Credit Agreement;

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows effective as of the Amendment Effective Date (as defined below):

(indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

(a) The execution, delivery and performance by each Obligor of this Amendment (i) are all within each Obligor's powers (corporate or otherwise), (ii) have been duly authorized by all necessary action (corporate or otherwise), (iii) do not require any consent or authorization of, or filing with, any Person (including any Governmental Authority), except for such as have been obtained or made and are in full force and effect, (iv) will not violate (A) such Obligor's Organizational Documents or (B) any Requirements of Law, and (v) will not cause a breach or default under any of their respective Material Contracts, except, with respect to clause (iv)(B) or clause (v), to the extent that such violation, breach or default would not reasonably be likely to have a Material Adverse Effect.

(unless any such representation or warranty is qualified as to materiality or as to Material Adverse Effect, in which case such

this Amendment by telecopy or other electronic communication shall be effective as delivery of a manually executed counterpart of

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized officers or representatives to execute and deliver this Amendment as of the day and year first above written.

FIRST AMENDMENT TO CREDIT AGREEMENT

BORROWERS:

WRK LUXEMBOURG S.À R.L., a limited liability company
incorporated under the laws of Luxembourg

By: /s/ Lawrence S. Estrop

Name: Lawrence S. Estrop

Title: European Treasury Director, Category A

Manager

By: /s/ Cornelia Mettlen

Name: Cornelia Mettlen

Title: Category B Manager

WRK INTERNATIONAL HOLDINGS S.À R.L., a limited liability
company incorporated under the laws of Luxembourg

By: /s/ Lawrence S. Estrop

Name: Lawrence S. Estrop

Title: European Treasury Director, Category A Manager

By: /s/ Cornelia Mettlen

Name: Cornelia Mettlen

Title: Category B Manager

MULTI PACKAGING SOLUTIONS LIMITED, a limited company
incorporated under the laws of England and Wales

By: /s/ Steven B. Nickerson

Name: Steven B. Nickerson

Title: Director

WESTROCK PACKAGING SYSTEMS GERMANY GMBH, a
private limited liability company incorporated under the laws of Germany

By: /s/ Dieter Liebich

Name: Dieter Liebich

Title: Director

By: /s/ Tobias Gabriel

Name: Tobias Gabriel

Title: Director

FIRST AMENDMENT TO CREDIT AGREEMENT

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GUARANTORS:

WRKCO INC., a Delaware corporation

By: /s/ Timothy W. Murphy

Name: Timothy W. Murphy

Title: SVP Treasurer

WESTROCK COMPANY, a Delaware corporation

By: /s/ Timothy W. Murphy

Name: Timothy W. Murphy

Title: SVP Treasurer

WESTROCK RKT, LLC, a Georgia limited liability company

By: /s/ Timothy W. Murphy

Name: Timothy W. Murphy

Title: SVP Treasurer

WESTROCK MWV, LLC, a Delaware limited liability company

By: /s/ Timothy W. Murphy

Name: Timothy W. Murphy

Title: SVP Treasurer

FIRST AMENDMENT TO CREDIT AGREEMENT

ADMINISTRATIVE AGENT:

**COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH, as
Administrative Agent**

By: /s/ Christopher Hartofilis

Name: Christopher Hartofilis

Title: Managing Director

By: /s/ Jan Hendrik de Graaff

Name: Jan Hendrik de Graaff

Title: Managing Director

FIRST AMENDMENT TO CREDIT AGREEMENT

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Exhibit A



CREDIT AGREEMENT

Dated as of February 26, 2021

by and among

WRKCO INC.,

as Parent,

WESTROCK COMPANY,

WRK LUXEMBOURG S.À R.L.,

WRK INTERNATIONAL HOLDINGS S.À R.L.,

MULTI PACKAGING SOLUTIONS LIMITED,

WESTROCK PACKAGING SYSTEMS GERMANY GMBH and

CERTAIN ADDITIONAL SUBSIDIARIES OF WESTROCK COMPANY

FROM TIME TO TIME PARTY HERETO,

as Borrowers,

THE LENDERS PARTY HERETO,

and

COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH,

as Administrative Agent

COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH,

as Joint Lead Arranger and Sole Bookrunner

SUMITOMO MITSUI BANKING CORPORATION,

TD BANK, N.A.,

BANK OF AMERICA EUROPE DESIGNATED ACTIVITY COMPANY,

THE BANK OF NOVA SCOTIA,

and

ING BANK N.V., DUBLIN BRANCH,

as Joint Lead Arrangers and Co-Syndication Agents

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EXHIBITS:

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This CREDIT AGREEMENT (this “*Agreement*”) dated as of February 26, 2021, is by and among **WRKCO INC.**, a Delaware corporation (“*Parent*”), **WESTROCK COMPANY**, a Delaware corporation (“*WestRock*”), **WRK LUXEMBOURG S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg (“*WRK Luxembourg*”), **WRK INTERNATIONAL HOLDINGS S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg (“*WRK International*”), **MULTI PACKAGING SOLUTIONS LIMITED**, a limited company incorporated under the laws of England and Wales (“*Multi Packaging Solutions*”), **WESTROCK PACKAGING SYSTEMS GERMANY GMBH**, a private limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany (“*WestRock Packaging Systems*” and, together with WRK Luxembourg, WRK International, Multi Packaging Solutions and each Subsidiary of WestRock from time to time party hereto designated by WestRock (as defined in Section 1.1) as an additional Borrower pursuant to Section 2.4, the “*Borrowers*”), the LENDERS and **COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH**, as Administrative Agent.

WITNESSETH:

WHEREAS, Borrowers have requested that the Lenders make available for the purposes specified in this Agreement a revolving credit facility; and

WHEREAS, the Lenders are willing to make available to Borrowers such revolving credit facility upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

“*Acquisition*” means any acquisition, whether by stock purchase, asset purchase, merger, amalgamation, consolidation or otherwise, of a Person or a business line of a Person.

“*Activities*” has the meaning assigned to such term in Section 8.2(b).

“*Additional Lender*” has the meaning set forth in Section 2.19.

“*Adjusted LIBO Rate*” means, with respect to any Eurodollar Borrowing for any Interest Period and currency, an interest rate per annum equal to (a) in the case of any Eurodollar Borrowing denominated in Dollars, (i) the LIBO Rate for such Interest Period and currency, **multiplied by** (ii) the Statutory Reserve Rate and (b) in the case of any Eurodollar Borrowing denominated in ~~an Offshore Currency~~ **Euros**, the LIBO Rate for such Interest Period and such currency.

“*Administrative Agent*” means Rabobank, in its capacity as administrative agent for the Lenders under the Loan Documents, and any successor Administrative Agent appointed pursuant to Section 8.

“*Administrative Borrower*” has the meaning assigned to such term in Section 9.14.

“*Administrative Questionnaire*” means an administrative questionnaire delivered by each Lender in a form supplied by Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of the Board of Directors of such Person, or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“Agent Parties” means, collectively, Administrative Agent and its Related Parties.

“Agent’s Group” has the meaning assigned to such term in Section 8.2(b).

“Agreed Currency” means Dollars and each Offshore Currency.

“Agreement Currency” has the meaning assigned to such term in Section 9.23.

“Alternative Currency Equivalent” means, for any amount of any Offshore Currency, at the time of determination thereof, (a) if such amount is expressed in such Offshore Currency, such amount and (b) if such amount is expressed in Dollars, the equivalent of such amount in such Offshore Currency determined by using the rate of exchange for the purchase of such Offshore Currency with Dollars last provided (either by publication or otherwise provided to Administrative Agent) by the applicable Reuters source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of such Offshore Currency with Dollars, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by Administrative Agent using any method of determination it deems appropriate in its sole discretion).

“Anti-Corruption Laws” means the laws, rules, and regulations of the jurisdictions applicable to any Obligor or its Subsidiaries from time to time concerning or relating to bribery or corruption, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the United Kingdom Bribery Act 2010.

“Anti-Terrorism Laws” means any laws, regulations, or orders of any Governmental Authority of the United States, the United Nations, United Kingdom, Luxembourg, Germany, European Union or the Netherlands relating to terrorism financing or money laundering, including, but not limited to, the International Emergency Economic Powers Act (50 U.S.C. § 1701 et seq.), the Trading With the Enemy Act (50 U.S.C. § 5 et seq.), the International Security Development and Cooperation Act (22 U.S.C. § 2349aa-9 et seq.), the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the **“USA Patriot Act”**), and any rules or regulations promulgated pursuant to or under the authority of any of the foregoing.

“Applicable Foreign Obligor Documents” has the meaning assigned to such term in Section 3.15.

“**Applicable Margin**” means, for any day, with respect to any Base Rate Loan, SONIA Loan or Eurodollar Loan, or with respect to the commitment fees payable hereunder, as the case may be, the applicable margin per annum set forth below under the heading “Base Rate Spread”, “SONIA Spread”, “Eurodollar Spread” or “Commitment Fee Rate”, respectively, which corresponds to the ratings level (the “**Ratings Level**”) determined by reference to the Ratings on such date, subject to the terms below:

Level	Rating (S&P / Moody’s)	Eurodollar Spread	<u>SONIA Spread</u>	Base Rate Spread	Commitment Fee Rate
1	BBB+ / Baa1 (or better)	0.875%	<u>0.875%</u>	0.00%	0.100%
2	BBB / Baa2	1.000%	<u>1.000%</u>	0.00%	0.125%
3	BBB- / Baa3	1.125%	<u>1.125%</u>	0.125%	0.175%
4	BB+ / Ba1	1.375%	<u>1.375%</u>	0.375%	0.225%
5	BB / Ba2 (or worse)	1.625%	<u>1.625%</u>	0.625%	0.275%

For purposes of the foregoing, (a) (i) if the applicable Ratings established by Moody’s and S&P are different but correspond to consecutive pricing levels, then the Ratings Level will be based on the higher applicable Rating (e.g., if Moody’s applicable Rating corresponds to Level 1 and S&P’s applicable Rating corresponds to Level 2, then the Ratings Level will be Level 1), and (ii) if the applicable Ratings established by Moody’s and S&P are more than one pricing level apart, then the Ratings Level will be based on the rating which is one level higher than the lower rating (e.g., if Moody’s and S&P’s applicable Ratings correspond to Levels 1 and 4, respectively, then the Ratings Level will be Level 3), (b) in the event that either S&P or Moody’s (but not both) shall no longer issue a Rating, the Ratings Level shall be determined by the remaining Rating, and (c) in the event that neither S&P nor Moody’s issues a Rating, unless and until the date, if any, that Borrowers and the Required Lenders agree on a different arrangement, the existing Ratings Level shall continue in effect for the 60-day period immediately following such event, and subsequent to such period the Ratings Level shall be Level 5. Each change in the Applicable Margin resulting from a publicly announced change in the Ratings Level shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

“**Approved Amendment**” means any amendment, modification, waiver, supplement, restatement, refinancing or other replacement of the Existing Credit Agreement, including any waiver of any provision thereof or consent to any departure therefrom by a party thereto, so long as such amendment, modification, waiver, supplement, restatement, refinancing or other replacement shall have been consented to by lenders under the Existing Credit Agreement that constitute (or whose Affiliates constitute) the Required Lenders hereunder.

“**Approved Fund**” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an assignee (with the consent of each party whose consent is required by Section 9.4), and accepted by Administrative Agent, substantially in the form of Exhibit A or any other form approved by Administrative Agent.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark for the applicable Agreed Currency, as applicable, **(x) if such Benchmark is a term rate**, any tenor for such Benchmark ~~or payment period for interest calculated with reference to such Benchmark, as applicable~~, that is or may be used for determining the length of an Interest Period pursuant to this Agreement **or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case** as of such date, and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to paragraph (f) of Section 2.13.

“**Avoidance Provisions**” has the meaning assigned to such term in Section 9.15(c).

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the relevant implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bankruptcy Code**” means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded, or replaced from time to time.

“**Base Rate**” means, at any time, the greatest of (a) the Prime Rate at such time, (b) 1/2 of 1% in excess of the Federal Funds Effective Rate at such time, and (c) the Adjusted LIBO Rate for a Eurodollar Loan in Dollars with a one-month Interest Period commencing at such time *plus* 1.0%; **provided** that in no event shall the Base Rate as so determined be less than 1.0%. For the purposes of this definition, the Adjusted LIBO Rate shall be determined using the Adjusted LIBO Rate **for Dollars** as otherwise determined by Administrative Agent in accordance with the definition of “Adjusted LIBO Rate”, except that (i) if a given day is a Business Day, such determination shall be made on such day (rather than two Business Days prior to the commencement of an Interest Period) or (ii) if a given day is not a Business Day, the Adjusted LIBO Rate for such day shall be the rate determined by Administrative Agent pursuant to the preceding clause (i) for the most recent Business Day preceding such day. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate, or such Adjusted LIBO Rate shall be effective as of the opening of business on the day of such change in the Prime Rate, the Federal Funds Effective Rate, or such Adjusted LIBO Rate, respectively. If the Base Rate is being used as an alternate rate of interest pursuant to Section 2.13(a) or Section 2.13(b) hereof (for the avoidance of doubt, in the case of Section 2.13(b), only until any amendment has become effective pursuant to Section 2.13(b)), then the Base Rate shall be the greater of clauses (a) and (b)

above and shall be determined without reference to clause (c) above. **Base Rate**, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Base Rate.

“**Benchmark**” means, initially, ~~the LIBO Rate~~ **(a) with respect to any Obligations, interest, fees, commissions or other amounts denominated in Dollars or Euros or calculated with respect thereto, the LIBO Rate for such applicable currency, and (b) with respect to any Obligations, interest, fees, commissions or other amounts denominated in Sterling or calculated with respect thereto, Daily Simple SONIA**; **provided** that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to ~~the LIBO Rate for the applicable Agreed Currency or~~ the then-current Benchmark for the applicable Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement for such applicable Agreed Currency to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to paragraph (b) or paragraph (c) of Section 2.13.

“**Benchmark Cessation Changes**” means any replacement of a Benchmark hereunder and all documents, instruments, and amendments executed, delivered or otherwise implemented or effected (automatically or otherwise) after the date hereof in accordance with or in furtherance of Section 2.13 (including any Benchmark Replacement Conforming Changes).

“**Benchmark Replacement**” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by Administrative Agent for the applicable Benchmark Replacement Date; **provided** that, in the case of any Loan denominated in an Agreed Currency other than Dollars, “Benchmark Replacement” shall mean the alternative set forth in (3) below:

(1) the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment; or

(3) the sum of (a) the alternate benchmark rate that has been selected by Administrative Agent and Borrowers as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by Administrative Agent in its reasonable discretion; **provided further** that, solely with respect to a Loan denominated in Dollars, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the “Benchmark Replacement” shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“**Benchmark Replacement Adjustment**” means, with respect to any replacement of the then-current Benchmark **for a currency** with an Unadjusted Benchmark Replacement for **such currency and, as applicable, for** any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period **or Borrowing** that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor; and

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period **or Borrowing** that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Administrative Agent and Borrowers for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time; **provided** that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by Administrative Agent in its reasonable discretion.

“**Benchmark Replacement Conforming Changes**” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” **the definition of “Interest Payment Date,” the definition of “SONIA” (and related definitions)**, timing and frequency of determining rates and making payments of interest (including, if there are multiple Available Tenors (or any one of them) and the related setting of a Benchmark Replacement Adjustment in respect thereof), timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that

Administrative Agent (in consultation with Borrowers) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Administrative Agent in a manner substantially consistent with market practice (or, if Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as Administrative Agent (in consultation with Borrowers) decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Benchmark Replacement Date**” means, with respect to any Benchmark for any applicable Agreed Currency, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Lenders and Borrowers pursuant to Section 2.13(c); or

(4) in the case of an Early Opt-in Election, the sixth Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as Administrative Agent have not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means, with respect to any Benchmark for any Agreed Currency, the occurrence of one or more of the following events with respect to such then-current Benchmark for such Agreed Currency:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; **provided** that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB or other applicable central bank, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; **provided** that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are ~~no longer~~**not, or as of a specified future date will not be,** representative **or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.**

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means, with respect to any Benchmark **for any currency**, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clause (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement **for such currency** has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13 and (y) ending at the time that a Benchmark Replacement **for the applicable currency** has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13.

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“**Board**” means the Board of Governors of the Federal Reserve System of the United States.

“**Board of Directors**” means, with respect to any Person, (a) in the case of any corporation, the board of directors of such Person, (b) in the case of any limited liability company, the board of managers of such Person, (c) in the case of any partnership, the Board of Directors of the general partner of such Person, and (d) in any other case, the functional equivalent of the foregoing.

“**Borrower**” means the Lux Borrowers, the German Borrowers and the U.K. Borrowers, each individually (collectively, the “**Borrowers**”).

“**Borrowing**” means Loans of the same Type and currency made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“**Borrowing Minimum**” means (a) in the case of a Eurodollar Borrowing denominated in Dollars, \$2,000,000, (b) in the case of a Eurodollar Borrowing denominated in Euros, €2,000,000, (c) in the case of a EurodollarSONIA Borrowing denominated in Sterling, £2,000,000, and (d) in the case of a Base Rate Borrowing, \$2,000,000.

“**Borrowing Multiple**” means (a) in the case of a Eurodollar Borrowing denominated in Dollars, \$1,000,000, (b) in the case of a Eurodollar Borrowing denominated in Euros, €1,000,000, (c) in the case of a EurodollarSONIA Borrowing denominated in Sterling, £1,000,000, and (d) in the case of a Base Rate Borrowing, \$1,000,000

“**Borrowing Request**” means a request by a Borrower for a Borrowing in accordance with Section 2.3.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; **provided** that, if a determination of a Business Day shall relate to (a) a Eurodollar Loan, the term “**Business Day**” shall also exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market, (b) an Offshore Currency Loan denominated in Euros, or any other dealings in Euros to be carried out pursuant to this Agreement, the term “**Business Day**” shall also exclude any day that is not a TARGET Day, or (c) an Offshore Currency Loan denominated in Sterling, or any other dealings in Sterling to be carried out pursuant to this Agreement, the term “Business Day” shall also exclude any day on which commercial banks in London, England or Luxembourg are authorized or required by law to remain closed.

“**Calculation Date**” means the date of the applicable Specified Transaction which gives rise to the requirement to calculate the financial covenants set forth in Sections 6.1(a) and (b) on a Pro Forma Basis.

“**Calculation Period**” means, in respect of any Calculation Date, the period of four Fiscal Quarters ended as of the last day of the most recent Fiscal Quarter preceding such Calculation Date for which Administrative Agent shall have received the financial information required by subsections (a) through (c) of Section 5.7 for the Fiscal Quarter or Fiscal Year, as applicable, then ended.

“**Cash Management Agreement**” means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements.

“**Change in Control**” means the occurrence of any of the following events: (a) as applied to WestRock, that any Person or “Group” (as defined in Section 13(d)(3) of the Exchange Act, but excluding (i) any employee benefit or stock ownership plans of WestRock or any of its Subsidiaries, and (ii) members of the Board of Directors and executive officers of WestRock as of the Effective Date, members of the immediate families of such members and executive officers, and family trusts and partnerships established by or for the benefit of any of the foregoing

individuals) shall have acquired more than fifty percent (50%) of the combined voting power of all classes of common stock of WestRock or (b) WestRock shall cease to own and control, of record and beneficially, directly or indirectly, 100% of each class of outstanding Equity Interests of each Borrower.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation, or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline, or directive (whether or not having the force of law) by any Governmental Authority; **provided** that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“**Charges**” has the meaning assigned to such term in Section 9.12.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Commitment**” means at any time, with respect to each Lender, the commitment, if any, of such Lender to make Loans, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure at such time hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.8 or 2.18(b), or (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.4. The initial amount of each Lender’s Commitment is set forth below its name on its signature page hereto, or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable. The initial aggregate amount of the Lenders’ Commitments is €600,000,000.

“**Communication**” has the meaning assigned to such term in Section 9.1(a).

“**Compliance Certificate**” has the meaning assigned to such term in Section 5.7.

“**Computation Date**” means (a) in connection with the making of any new Loan, the Business Day which is the date such credit is extended; (b) in connection with any extension or conversion or continuation of an existing Loan, the Business Day which is the date such Loan is extended, converted or continued; (c) the date of any reduction of the Commitments pursuant to the terms of Section 2.8; and (d) the last day of each month.

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“**Consolidated Companies**” means, collectively, WestRock, the Parent, Borrowers, all of the other Restricted Subsidiaries, each Permitted Securitization Subsidiary and, to the extent required to be consolidated with WestRock under GAAP, any Joint Venture.

“**Consolidated Funded Debt**” means the Funded Debt of the Consolidated Companies on a consolidated basis.

“Consolidated Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) EBITDA for the period of the four prior Fiscal Quarters ending on such date to (b) Consolidated Interest Expense paid or payable in cash during such period (together with any sale discounts given in connection with sales of accounts receivable and/or inventory by the Consolidated Companies during such period).

“Consolidated Interest Expense” means, for any period, all Interest Expense of the Consolidated Companies net of interest income and income from corporate-owned life insurance programs (excluding (a) deferred financing costs included in amortization, (b) interest expense in respect of insurance premiums, (c) interest expense in respect of Indebtedness that is non-recourse to WestRock and its Restricted Subsidiaries under the laws of the applicable jurisdiction, except for Standard Securitization Undertakings, (d) interest expense in respect of the write-up or write-down of the fair market value of Indebtedness and (e) any interest expense attributable to the KapStone Paper Chip Mill Contracts) of the Consolidated Companies determined on a consolidated basis in accordance with GAAP.

“Contractual Obligation” of any Person means any provision of any security issued by such Person or of any agreement, instrument or undertaking under which such Person is obligated or by which it or any of the property owned by it is bound.

“Contributing Borrower” has the meaning assigned to such term in [Section 9.15\(f\)](#).

“Copyright Licenses” means any written agreement, naming any Obligor as licensor, granting any right under any Copyright.

“Copyrights” means (a) all copyrights, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and (b) all renewals thereof.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor. For the avoidance of doubt, if the then-current Benchmark is a term rate, there are more than one Available Tenors of such Benchmark available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement that will replace such Benchmark in accordance with [Section 2.13](#) will not be a term rate, the Corresponding Tenor for such Available Tenor for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be the tenor for the then current term rate Benchmark that is approximately the same length (disregarding business day adjustments) to each payment period identified in the Benchmark Replacement Conforming Changes for payment of interest for the Unadjusted Benchmark Replacement.

“Credit Extension” means the making of a Loan.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; **provided** that, if Administrative Agent decides that any such convention is not administratively feasible for Administrative Agent, then Administrative Agent may establish another convention in its reasonable discretion.

“Daily Simple SONIA” means, in respect of Loans denominated in Sterling, for any day (a “SONIA Interest Day”), an interest rate per annum equal to the greater of (a) the sum of (x) SONIA for the day (such day “i”) that is five Business Days prior to (i) if such SONIA Interest Day is a Business Day, such SONIA Interest Day or (ii) if such SONIA Interest Day is not a Business Day, the Business Day immediately preceding such SONIA Interest Day, plus (y) 0.0326% for a one month Interest Payment Date or 0.1193% for a three month Interest Payment Date, and (b) 0.00%. If by 5:00 pm (London time) on the second Business Day immediately following any day “i”, SONIA in respect of such day “i” has not been published on the SONIA Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SONIA has not occurred, then SONIA for such day “i” will be SONIA as published in respect of the first preceding Business Day for which SONIA was published on the SONIA Administrator’s Website; provided that any SONIA rate determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SONIA for no more than three consecutive SONIA Interest Days, and thereafter, the rate shall be determined in accordance with Section 2.13(a). Any change in Daily Simple SONIA due to a change in SONIA shall be effective from and including the effective date of such change in SONIA without notice to the Borrowers.

“**Debt to Capitalization Ratio**” means, as of the last day of any Fiscal Quarter, the ratio (expressed as a percentage) of (a) (i) Total Funded Debt *minus* (ii) the aggregate amount of cash on the consolidated balance sheet of WestRock and its Restricted Subsidiaries attributable to the net proceeds of an issuance or incurrence of Indebtedness that constitutes Refinancing Indebtedness in respect of existing Indebtedness maturing within 180 days of such issuance or incurrence, to (b) the sum of (i) (x) Total Funded Debt *minus* (y) the aggregate amount of cash on the consolidated balance sheet of WestRock and its Restricted Subsidiaries attributable to the net proceeds of an issuance or incurrence of Indebtedness that constitutes Refinancing Indebtedness in respect of existing Indebtedness maturing within 180 days of such issuance or incurrence *plus* (ii) the Equity Capitalization *plus* (iii) deferred Taxes of WestRock and its consolidated Subsidiaries, each as of the last day of such Fiscal Quarter.

“**Debtor Relief Laws**” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or any other applicable country or jurisdiction (including the United Kingdom Insolvency Act of 1986), as the same may now or hereafter be amended, and including any successor bankruptcy, insolvency, receivership or similar debtor relief law now or hereafter in effect.

“**Default**” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“**Default Rate**” means a per annum interest rate equal to (a) in the case of any Loans, 2% *plus* the rate otherwise applicable to such Loan (including the Applicable Margin) or (b) in the case of any other Obligation, 2% *plus* the rate applicable to Base Rate Loans (including the Applicable Margin) as provided in Section 2.12(a).

“**Defaulting Lender**” means, subject to Section 2.21(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within 2 Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Administrative Agent and Borrowers in writing that such failure is the result of such Lender’s determination that one or more conditions precedent

to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Administrative Agent or any other Lender any other amount required to be paid by it hereunder within 2 Business Days of the date when due, (b) has notified any Borrower, Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within 3 Business Days after written request by Administrative Agent or Borrowers, to confirm in writing to Administrative Agent and Borrowers that it will comply with its prospective funding obligations hereunder (**provided** that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Administrative Agent and Borrowers), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Laws, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; **provided** that a Lender shall not be a Defaulting Lender solely by virtue of (x) the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority or (y) in the case of a solvent Person, the precautionary appointment of a receiver, custodian, conservator, trustee, administrator or similar Person by a Governmental Authority under or based on the applicable law of the country where such Person is subject to home jurisdiction supervision if any applicable law requires that such appointment not be publicly disclosed, in any such case so long as such ownership interest or appointment (as applicable) does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) of this definition shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.21(b)) upon delivery of written notice of such determination to Borrowers and each Lender.

“Direction” has the meaning assigned to such term in Section 2.16(i)(ii).

“Dollars” or **“\$”** refers to lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary that is organized and existing under the laws of the United States, any state thereof or the District of Columbia.

“Early Opt-in Election” means:

(a) in the case of Loans denominated in Dollars, the occurrence of:

(1) a notification by Administrative Agent to (or the request by Borrowers to Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding U.S. Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or

any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by Administrative Agent and Borrowers to trigger a fallback from LIBO Rate and the provision by Administrative Agent of written notice of such election to the Lenders; and

(b) in the case of Loans denominated in an Agreed Currency (other than Dollars), the occurrence of:

(1) a notification by Administrative Agent to (or the request by Borrowers to Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding syndicated credit facilities which include such Agreed Currency at such time in the U.S. syndicated loan market contain or are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBO Rate or Daily Simple SONIA with respect to such Agreed Currency, and

(2) the joint election by Administrative Agent and Borrowers to declare that an Early Opt-in Election has occurred and the provision, as applicable, by Administrative Agent of written notice of such election to Borrowers and the Lenders.

“**EBITDA**” means, for any fiscal period, “EBITDA” as such term is defined in and as calculated pursuant to the terms of the Existing Credit Agreement.

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Effective Date**” means the date on which the conditions set forth in Section 4.1 are satisfied (or waived in accordance with Section 9.2).

“**Electronic Signature**” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“**Eligible Assignee**” means any Person that meets the requirements to be an assignee under Sections 9.4(b)(iii), 9.4(b)(vi), and 9.4(b)(vii) (subject to such consents, if any, as may be required under Section 9.4(b)(iii)).

“**Environment**” means indoor air, ambient air, surface water, groundwater, drinking water, land surface, subsurface strata, and natural resources such as wetlands, flora and fauna.

“**Environmental Laws**” means any and all applicable foreign, federal, state, provincial, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees,

requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the Environment, as now or is at any relevant time in effect during the term of this Agreement.

“Equity Capitalization” means as of the date of its determination, consolidated shareholders’ equity of WestRock and its consolidated Subsidiaries, as determined in accordance with GAAP.

“Equity Interest” means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations, or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited), if such Person is a limited liability company, membership interests and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued on or after the Effective Date, but excluding debt securities convertible or exchangeable into such equity.

“Equivalent Amount” means, whenever this Agreement requires or permits a determination on any date of the equivalent in any currency (the **“base currency”**) of an amount expressed in any other currency (the **“other currency”**), the equivalent amount in such base currency of such amount expressed in the other currency as determined by Administrative Agent on such date on the basis of the Spot Rate for the purchase of the base currency with such other currency on the relevant Computation Date provided for hereunder. For the avoidance of doubt, the Equivalent Amount in Euros of any amount denominated in Euros shall be such amount.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

“ERISA Affiliate” means an entity which is under common control with any Obligor within the meaning of Section 4001(a) (14) of ERISA or is a member of a group which includes any Obligor, and which is treated as a single employer under subsection (b) or (c) of Section 414 of the Code.

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) with respect to any Pension Plan, the failure to satisfy the minimum funding standard under Section 412 of the Code and Section 302 of ERISA, whether or not waived; (c) a withdrawal by WestRock or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (d) a complete or partial withdrawal, within the meaning of Section 4203 or 4205 of ERISA, by WestRock or any ERISA Affiliate from a Multiemployer Plan or the receipt by any Obligor or any ERISA Affiliate of notification that a Multiemployer Plan is insolvent within the meaning of Title IV of ERISA or in “endangered” or “critical” status, within the meaning of Section 432 of the Code or Section 305 of ERISA; (e) the filing of a notice with the PBGC of intent to terminate a Pension Plan in a distress termination described in Section 4041(c) of ERISA or the commencement of proceedings by the PBGC to terminate or to appoint a trustee to administer a Pension Plan; or (f) the imposition of

any liability under Title IV of ERISA with respect to the termination of any Pension Plan upon WestRock or any ERISA Affiliate.

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“**EU Insolvency Regulation**” has the meaning assigned to such term in the definition of “Solvent.”

“**EU Regulation**” has the meaning assigned to such term in [Section 3.15\(e\)](#).

“**Euro**” and “**€**” mean the single currency of the Participating Member States.

“**Eurodollar**”, when used in reference to any Loan or Borrowing [in Dollars or Euros](#), refers to whether such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

~~“**Eurodollar Illegality Notice**” has the meaning assigned to such term in [Section 2.18\(a\)](#).~~

“**Event of Default**” has the meaning assigned to such term in [Section 7.1](#).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Excluded Taxes**” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated, but for the purposes of the U.K. not including deemed net income), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes or withholding Taxes (*Quellensteuern*) pursuant to the laws of Germany, for the avoidance of doubt, including taxes imposed according to section 50a paragraph 7 of the German income tax act (*Einkommensteuergesetz*) (other than withholding Taxes pursuant to sections 43ff of the German income tax act (*Einkommensteuergesetz*)), imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by Borrowers under [Section 2.18\(b\)](#)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to [Section 2.16](#), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with [Section 2.16\(g\)](#) and [Section 2.16\(j\)](#), and (d) any U.S. federal withholding Taxes imposed under FATCA.

“**Existing Credit Agreement**” means that certain Credit Agreement, dated as of July 1, 2015 (as amended by Amendment No. 1 thereto, dated as of July 1, 2016, Amendment No. 2 thereto, dated as of June 30, 2017, Amendment No. 3 thereto, dated as of March 7, 2018, and Amendment No. 4 thereto, dated as of November 21, 2019) by and among WestRock, the Parent, WestRock Company of Canada Holdings Corp./Compagnie de Holdings WestRock du Canada Corp. (formerly, RockTenn Company of Canada Holdings Corp./Compagnie De Holdings RockTenn Du Canada Corp.), a Nova Scotia unlimited company (together with the Parent, as

borrowers), and any other Subsidiary of the Parent that becomes an additional borrower pursuant thereto, WestRock RKT and WestRock MWV, a Delaware limited liability company, as guarantors, the lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent, and as the same may be further amended, modified, waived, supplemented, restated, refinanced or otherwise replaced from time to time in each case pursuant to an Approved Amendment.

“**Existing Senior Notes**” has the meaning ascribed to such term in the Existing Credit Agreement.

“**Farm Credit Term Loan Facility**” has the meaning ascribed to such term in the Existing Credit Agreement.

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code (and any amended or successor version described above) and any intergovernmental agreements implementing the foregoing.

“**Federal Funds Effective Rate**” means, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the NYFRB, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by Administrative Agent from three federal funds brokers of recognized standing selected by it. Notwithstanding the foregoing, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“**Fee Letter**” means that certain fee letter, dated as of the Effective Date, executed by Administrative Borrower on behalf of Borrowers setting forth the applicable fees relating to this Agreement to be paid to Administrative Agent, on its behalf and on behalf of the Lenders.

“**Fiscal Quarter**” means any fiscal quarter of the SEC Filer.

“**Fiscal Year**” means any fiscal year of the SEC Filer.

“**Floor**” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the LIBO Rate [for any currency or Daily Simple SONIA](#).

“**Foreign Lender**” means any Lender or Participant that is not a U.S. Person.

“**Foreign Obligor**” means each Borrower and any Guarantor that is a Foreign Subsidiary.

“**Foreign Plan**” means each “employee benefit plan” (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) maintained or contributed to by any Obligor or any of its Subsidiaries or in respect of which any Obligor or any of its Subsidiaries is obligated to make contributions, in each case, for the benefit of employees of any Obligor or any of its Subsidiaries other than those employed within the United States, other than a plan maintained exclusively by a Governmental Authority.

“**Foreign Plan Event**” means, with respect to any Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with applicable accounting practices, any employer or

employee contributions required by applicable law or by the terms of such Foreign Plan; (b) the failure to register or loss of good standing with applicable regulatory or tax authorities of any such Foreign Plan required to be registered or registered to maintain advantageous tax status; or (c) the failure of any Foreign Plan to comply with any provisions of applicable law and regulations or with the material terms of such Foreign Plan.

“**Foreign Subsidiary**” means any Subsidiary that is not a Domestic Subsidiary.

“**Fully Satisfied**” or “**Full Satisfaction**” means, as of any date, that on or before such date with respect to the Loan Documents: (a) the principal of and interest accrued to such date on the Loans shall have been paid in full in cash, (b) all fees, expenses, and other amounts then due and payable (other than contingent amounts for which a claim has not been made) under any Loan Document shall have been paid in full in cash, and (c) the Commitments shall have expired or irrevocably been terminated.

“**Fund**” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding, or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“**Funded Debt**” means, with respect to any Person, without duplication, all “Funded Debt” (as such term is defined in and as calculated pursuant to the terms of the Existing Credit Agreement) of such Person.

“**Funding Borrower**” has the meaning assigned to such term in [Section 9.15\(f\)](#).

“**GAAP**” means generally accepted accounting principles and practices set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the US accounting profession).

“**German Borrower**” means, individually and collectively, (a) WestRock Packaging Systems Germany GmbH, a private limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany with its corporate seat in Trier and its business address at Schiffstraße 1, 54293 Trier, registered with the commercial register of the local court (*Amtsgericht*) of Wittlich under HRB 42902 and (b) any additional Borrower designated pursuant to [Section 2.4](#) organized under the laws of Germany.

“**German Limited Liability Companies Act**” means the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG*)

“**Germany**” means the Federal Republic of Germany.

“**Governmental Authority**” means the government of the United States or any other nation, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government, including any supra-national bodies (such as the European Union or the European Central Bank).

“**Guarantor**” means Parent, WestRock, WestRock RKT, WestRock MWV and any other Person executing a Guaranty Agreement or joinder thereto.

“Guaranty Agreement” means, collectively, (a) that certain Guaranty Agreement dated as of the Effective Date executed and delivered by the Parent, WestRock and those additional entities that hereafter become parties thereto, (b) that certain Subsidiary Guaranty Agreement dated as of the Effective Date executed and delivered by WestRock RKT and WestRock MWV and those additional entities that hereafter become parties thereto in favor of Administrative Agent and Lenders, and (c) any other guaranty agreement delivered to Administrative Agent from time to time by any Person providing a guarantee of any of the Obligations, in form and substance reasonably acceptable to Administrative Agent.

“Guaranty Obligations” means, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including any obligation, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting security therefor, (b) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (c) to lease or purchase Property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (d) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made.

“Hazardous Substances” means any substance, waste, chemical, pollutant or contaminant, material or compound in any form, including petroleum, crude oil or any fraction thereof, asbestos or asbestos containing materials, or polychlorinated biphenyls, that is regulated pursuant to any Environmental Law.

“Hedging Agreements” means, with respect to any Person, any agreement entered into to protect such Person against fluctuations in interest rates, or currency or raw materials values, including any interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more counterparties, any foreign currency exchange agreement, currency protection agreements, commodity purchase or option agreements or other interest or exchange rate or commodity price hedging agreements, but excluding (a) any purchase, sale or option agreement relating to commodities used in the ordinary course of such Person’s business and (b) any agreement existing as of the Effective Date or entered into after the Effective Date in accordance with the historical practices of the Consolidated Companies related to the fiber trading and fiber brokerage business of such Persons.

“Illegality Notice” has the meaning assigned to such term in [Section 2.18\(a\)](#).

“Immaterial Subsidiary” means any Subsidiary of WestRock which is deemed to be an “Immaterial Subsidiary” under and pursuant to the terms of the Existing Credit Agreement.

“Incremental Commitment” has the meaning assigned to such term in [Section 2.19](#).

“**Indebtedness**” means, with respect to any Person, without duplication, all “Indebtedness” of such Person as such term is defined in and as calculated pursuant to the terms of the Existing Credit Agreement.

“**Indemnified Taxes**” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Obligor under any Loan Document and (b) to the extent not otherwise described in clause (a) of this definition, Other Taxes.

“**Indemnitee**” has the meaning assigned to such term in Section 9.3(b).

“**Information**” has the meaning assigned to such term in Section 9.11(b).

“**Information Materials**” has the meaning assigned to such term in Section 5.7.

“**Intellectual Property**” means all Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses.

“**Interest Election Request**” means a request by Borrowers to convert or continue a Borrowing in accordance with Section 2.7.

“**Interest Expense**” means, with respect to any Person for any period, the sum of the amount of interest paid or accrued in respect of such period.

“**Interest Payment Date**” means (a) with respect to any Base Rate Loan, the second Business Day following each Quarterly Date; ~~and~~ (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period; and (c) with respect to any SONIA Loan, each date that is on the numerically corresponding day in each calendar month that is one month or three months, as applicable, after the Borrowing of such Loan; provided that, as to any such SONIA Loan, if any such date would be a day other than a Business Day, such date shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such date shall be the next preceding Business Day.

“**Interest Period**” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, ~~two~~, three, or six months thereafter (or such longer or shorter period as may be agreed by the applicable Lenders), as Borrowers may elect in accordance with Section 2.7; **provided** that, unless otherwise agreed by the applicable Lenders, (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person or (b) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“Joint Venture” means, with respect to any Person, any corporation or other entity (including limited liability companies, partnerships, joint ventures, and associations) regardless of its jurisdiction of organization or formation, of which some but less than 100% of the total combined voting power of all classes of voting Equity Interests or other ownership interests, at the time as of which any determination is being made, is owned by such Person, either directly or indirectly through one or more Subsidiaries of such Person.

“Judgment Currency” has the meaning assigned to such term in [Section 9.23](#).

“KapStone” means KapStone Paper and Packaging Corporation, a Delaware corporation.

“KapStone Paper Chip Mill Contracts” means the non-cancellable contracts entered into by KapStone in 2015 to construct facilities to produce wood chips for use at KapStone’s Charleston and Roanoke Rapids paper chip mills.

“Lead Arranger” means Rabobank, in its capacity as sole lead arranger and sole bookrunner for the credit facility under this Agreement.

“Lender” means a Lender with a Commitment or, if the Commitments have terminated or expired, a Lender with Revolving Credit Exposure.

“Lenders” means the Persons party hereto as a **“Lender”** and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption and any Additional Lender in connection with an Incremental Commitment, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“LIBO Rate” means, for any Interest Period for any Eurodollar Loan comprising part of the same Borrowing in any currency, an interest rate per annum:

interbank market at approximately 11:00 a.m., London time, 2 Business Days prior to the commencement of such Interest

provided that in no event shall the LIBO Rate for any currency be less than zero.

“**License**” has the meaning assigned to such term in Section 5.6(c).

“**Lien**” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, security interest, encumbrance, lien (statutory or otherwise), preference, priority or charge of any kind in the nature of a security interest (including any conditional sale or other title retention agreement and any lease in the nature thereof).

“**Loan**” means a loan or advance made pursuant to Section 2.1.

“**Loan Documents**” means, collectively, this Agreement, all Guaranty Agreements, the Fee Letter, all Borrowing Requests, all Interest Election Requests, all Notices of Incremental Commitments and all other documents, instruments, certificates, and agreements executed, delivered, or acknowledged by an Obligor (other than Organizational Documents) that are issued under or delivered pursuant to this Agreement.

“**Loans**” mean the loans made by the Lenders to any Borrower pursuant to this Agreement in the form of a Loan.

“**Lux Borrower**” means, individually and collectively, (a) WRK Luxembourg S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of Luxembourg, having its registered office at 51, Boulevard Grande Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B159099, (b) WRK International Holdings S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of Luxembourg, having its registered office at 51, Boulevard Grande Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and

Companies Register under number B194811 and (c) any additional Borrower designated pursuant to Section 2.4 organized under the laws of Luxembourg.

“**Luxembourg**” means the Grand Duchy of Luxembourg.

“**Luxembourg Insolvency Rules**” has the meaning assigned to such term in the definition of “Solvent.”

“**Luxembourg Loan**” means any Loan made to any Lux Borrower by a Lender.

“**Luxembourg Tax Deduction**” has the meaning assigned to such term in Section 2.16(k).

“**Material Adverse Effect**” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities or financial condition of WestRock and its Restricted Subsidiaries taken as a whole; (b) a material impairment of the ability of the Obligors, taken as a whole, to perform their obligations under any Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Obligors, taken as a whole, of the Loan Documents.

“**Material Contract**” means any contract or other arrangement to which WestRock or any of its Subsidiaries is a party that is required to be filed with the SEC.

“**Material Subsidiary**” means each Restricted Subsidiary that is not an Immaterial Subsidiary.

“**Maturity Date**” means February 26, 2024.

“**Maximum Borrower Liability**” has the meaning assigned to such term in Section 9.15(c).

“**Maximum Rate**” has the meaning assigned to such term in Section 9.12.

“**Moody’s**” means Moody’s Investors Service, Inc.

~~“**Multi Packaging Solutions**” has the meaning assigned to such term in the preamble hereto.~~

“**Multiemployer Plan**” means any employee benefit plan of the type defined in Section 3(37) of ERISA or described in Section 4001(a)(3) of ERISA and that is subject to ERISA, to which WestRock or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

~~“**Multi Packaging Solutions**” has the meaning assigned to such term in the preamble hereto.~~

“**Net Assets**” means, with respect to a German Borrower, the net assets (*Reinvermögen*) of such German Borrower calculated in accordance with § 42 of the German Limited Liability Companies Act; §§ 242, 264 of the German Commercial Code (*Handelsgesetzbuch, HGB*) and the generally accepted accounting principles applicable from time to time in Germany (*Grundsätze ordnungsgemäßer Buchführung*) applied consistently with past practice, save that (a) the amount of non-distributable assets according to § 253 (6), § 268 (8) and § 272 (5) of such German Commercial Code (*Handelsgesetzbuch*) shall not be taken into account as assets, (b) loans or other liabilities incurred by such German Borrower in violation of this Agreement shall not be taken into account as liabilities, (c) liabilities owed by such German Borrower to any member of its group shall be disregarded if and to the extent that such liabilities are subordinated or considered subordinated by law or should be subordinated by agreement by the respective creditor, acting in

good faith, in each case at least to the rank pursuant to section 39 para 1 no. 5 of the German Insolvency Act (*Insolvenzordnung*) and (d) liabilities which are subordinated pursuant to section 39 para 1 no. 5 of the German Insolvency Act (*Insolvenzordnung*) or section 39 para 2 of the German Insolvency Act (*Insolvenzordnung*) shall be disregarded.

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 9.2 and (b) has been approved by Administrative Agent and the Required Lenders.

“**Non-Defaulting Lender**” means, at any time, each Lender that is not a Defaulting Lender at such time.

“**Notice of Incremental Commitment**” has the meaning assigned to such term in Section 2.19.

“**NYFRB**” means the Federal Reserve Bank of New York.

“**Obligations**” means all of the obligations, indebtedness and liabilities of the Obligors to the Lenders and Administrative Agent under this Agreement or any of the other Loan Documents, including principal, interest, fees, prepayment premiums (if any), expenses, reimbursements and indemnification obligations and other amounts, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees, and expenses that accrue after the commencement by or against any Obligor of any proceeding under any Debtor Relief Law, regardless of whether such interest, fees, and expenses are allowed or allowable in whole or in part as a claim in such proceeding.

“**Obligor**” means each Borrower and each Guarantor.

“**Offshore Currency**” means Sterling and Euros.

“**Offshore Currency Loan**” means any Loan denominated in an Offshore Currency.

“**Organizational Documents**” means, with respect to any Person (a) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such Person, (b) in the case of any limited liability company, the certificate or articles of formation of such Person (or, in the case of (x) each U.K. Borrower, its memorandum and articles of association, (y) each Lux Borrower, its articles of association, and (z) each German Borrower, its articles of association), (c) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such Person, (d) in the case of any general partnership, the partnership agreement (or similar document) of such Person, (e) in any other case, the functional equivalent of the foregoing, and (f) any shareholder, voting trust, or similar agreement between or among any holders of Equity Interests of such Person.

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“**Other Debtor Relief Law**” has the meaning assigned to such term in Section 9.15(c).

“**Other Taxes**” means all present or future stamp, registration, court or documentary, intangible, recording, filing or similar Taxes or notarial fees that, in each case, arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18(b)) and any Luxembourg registration duties (*droit d’enregistrement*) payable due to registration of any Loan Document by the Lenders when such registration is or was not required to maintain, preserve or enhance the rights of Administrative Agent or any Lender under any Loan Document.

“**Parent**” has the meaning ascribed to such term in the preamble to this Agreement.

“**Participant**” has the meaning assigned to such term in Section 9.4(e).

“**Participant Register**” has the meaning assigned to such term in Section 9.4(e).

“**Participating Member State**” means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Patent License**” means all agreements, whether written or oral, providing for the grant by or to an Obligor of any right to manufacture, use or sell any invention covered by a Patent.

“**Patents**” means (a) all letters patent of the United States or any other country and all reissues and extensions thereof, and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof.

“**PBGC**” means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor thereto.

“**Pension Plan**” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by WestRock or any ERISA Affiliate or to which WestRock or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five (5) plan years.

“**Permitted Securitization Entity**” means a Person (other than a Permitted Securitization Subsidiary, individual or Governmental Authority) that was established by a financial institution or Affiliate thereof to purchase or otherwise acquire assets for the principal purpose of securitization, and which purchase or acquisition of such assets is funded through the issuance of securities by such Person or by such Person incurring indebtedness; **provided** that a financial institution or Affiliate of a financial institution that purchases or acquires assets for the principal purpose of securitization shall also be considered a Permitted Securitization Entity.

“**Permitted Securitization Subsidiary**” means any Subsidiary of WestRock (other than Parent) that (a) is directly or indirectly wholly-owned by WestRock, (b) is formed and operated solely for purposes of a Permitted Securitization Transaction, (c) is formed to qualify as a “bankruptcy remote” entity, (d) has organizational documents which limit the permitted activities of such Permitted Securitization Subsidiary to the acquisition of Securitization Assets from WestRock or one or more of its Subsidiaries, the securitization of such Securitization Assets and activities necessary or incidental to the foregoing, (e) if organized within the United States, is

organized so as to meet S&P's requirements for special purpose entities engaged in the securitization of assets, (f) if organized within Canada or any province or territory thereof, is organized so as to meet the requirements for special purpose entities engaged in the securitization of assets by any recognized rating agency operating in such jurisdiction and (g) if organized outside the United States and Canada (and any province or territory thereof), is organized so as to meet the requirements for special purpose entities engaged in the securitization of assets by any recognized rating agency operating in such jurisdiction; **provided** that if no requirements for special purpose entities exist in such jurisdiction, WestRock shall certify to Administrative Agent that no recognized rating agency is operating in such jurisdiction that customarily rates securitization transactions.

"Permitted Securitization Transaction" means (a) the transfer by WestRock or one or more of its Restricted Subsidiaries of Securitization Assets to one or more (x) Permitted Securitization Subsidiaries or (y) Permitted Securitization Entities and, in each case, the related financing of such Securitization Assets; **provided** that, in each case, (i) such transaction is the subject of a favorable legal opinion as to the "true sale" of the applicable Securitization Assets under the laws of the applicable jurisdiction and (ii) such transaction is non-recourse to WestRock and its Restricted Subsidiaries under the laws of the applicable jurisdiction, except for Standard Securitization Undertakings, (b) any credit facility backed or secured by Receivables or any other Securitization Assets of the Consolidated Companies among one or more Consolidated Companies and a financial institution, which credit facility is non-recourse to WestRock and its Restricted Subsidiaries under the laws of the applicable jurisdiction, except for Standard Securitization Undertakings or (c) any other arrangement or agreement in respect of a "true sale" (or any similar concept in the applicable jurisdiction) of Receivables or any other Securitization Assets in accordance with the laws of the United States or any State thereof, Canada, any province or territory of Canada or other applicable jurisdiction.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority, or other entity.

"Plan" means any "employee benefit plan" (as defined in Section 3(3) of ERISA) which is covered by ERISA and with respect to which any Obligor or any ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" has the meaning assigned to such term in Section 9.1(d).

"Prime Rate" means the rate of interest per annum published in the Wall Street Journal as the U.S. dollar "prime rate" for such day or, if the Wall Street Journal does not publish such rate on such day, then such rate as most recently published prior to such day.

"Prior Credit Agreement" means that certain Credit Agreement, dated as of April 27, 2018 (as amended from time to time), by and among the Parent (f/k/a WestRock Company), Borrowers, the lenders party thereto, and Coöperatieve Rabobank U.A., New York Branch, in its capacity as administrative agent, as in effect on the Effective Date.

"Priority Debt Basket" means, at any time, the "Priority Debt Basket" as such term is defined in and as calculated pursuant to the terms of the Existing Credit Agreement.

~~**"Process Agent"** has the meaning assigned to such term in Section 9.9(d).~~

“Pro Forma Basis” means, in connection with the calculation as of the applicable Calculation Date (utilizing the principles set forth in Section 1.6(c)) of the financial covenants set forth in Section 6.1(a) and (b) in respect of a proposed transaction or designation of a Restricted Subsidiary as an Unrestricted Subsidiary (a **“Specified Transaction”**), the making of such calculation after giving effect on a pro forma basis to:

“Pro Rata Share” means with respect to any Lender in respect of any rights or obligations affecting or involving all Lenders (including any reimbursement obligations in respect of any indemnity claim arising out of an action or omission of Administrative Agent under this Agreement), the percentage (carried out to the ninth decimal place) of the total Commitments hereunder represented by the aggregate amount of such Lender’s Commitments. If the Commitments have terminated or expired, the Pro Rata Share shall be determined based upon the Revolving Credit Exposure of all such Lenders at such time.

“Process Agent” has the meaning assigned to such term in Section 9.9(d).

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Quarterly Dates” means the last day of March, June, September, and December of each year through the Maturity Date, commencing with the first such date after the Effective Date.

“Rabobank” means Coöperatieve Rabobank U.A., New York Branch.

“Rating” means WestRock’s long-term senior unsecured non-credit-enhanced debt rating as was most recently announced by S&P or Moody’s, as applicable.

“Ratings Level” has the meaning assigned to such term in the definition of “Applicable Margin”.

“Recipient” means (a) Administrative Agent, and (b) any Lender, as applicable.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the LIBO Rate for Dollars, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not the LIBO Rate for Dollars, the time determined by Administrative Agent in its reasonable discretion.

“Refinancing Indebtedness” means, with respect to any Indebtedness (the **“Existing Indebtedness”**), any other Indebtedness that renews, refinances, refunds, replaces or extends such Existing Indebtedness (or any Refinancing Indebtedness in respect thereof); **provided** that the principal amount of such Refinancing Indebtedness shall not exceed the principal amount of such Existing Indebtedness except by an amount no greater than accrued and unpaid interest with respect to such Existing Indebtedness and any reasonable fees, premium and expenses relating to such renewal, refinancing, refunding, replacement or extension, unless at the time such Refinancing Indebtedness is incurred, such excess amount shall be permitted under Section 6.3 and, if applicable, utilize a basket thereunder.

“Register” has the meaning assigned to such term in Section 9.4(d).

“Regulation T” means Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof.

“Regulation U” means Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof.

“Regulation X” means Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, attorneys-in-fact, and representatives of such Person and of such Person’s Affiliates.

“Release” means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection, migrating or leaching into the Environment, or into or from any building or facility.

“Relevant Governmental Body” means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto and (ii) with respect to a Benchmark Replacement in respect of Loans denominated in any Agreed Currency (other than Dollars), (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived by regulation.

“Required Financial Information” means, as to any Fiscal Quarter or Fiscal Year, the financial information required by subsections (a) through (c) of Section 5.7 for such Fiscal Quarter or Fiscal Year, as applicable.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures, and unused Commitments representing more than 50% of the sum of the aggregate Revolving Credit Exposures and unused Commitments of all Lenders at such time; **provided** the Commitments of, and the portion of the Revolving Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Requirements of Law” means, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its material property.

“Resignation Effective Date” has the meaning assigned to such term in Section 8.6(a).

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president, chief financial officer, principal accounting officer, treasurer, or controller of any Person, and in the case of (x) each Lux Borrower, the manager (*gérant*) designated for that purpose by a resolution of the board of managers, (y) each U.K. Borrower, a director of such U.K. Borrower, and (z) each German Borrower, the manager (*Geschäftsführer*) of such German Borrower. Any document delivered hereunder that is signed by a Responsible Officer of any Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be presumed to have acted on behalf of such Person.

“Restricted Subsidiary” means any Subsidiary of WestRock (unless the context otherwise requires) other than any such Subsidiary that is or shall become an Unrestricted Subsidiary.

“Revolving Credit Availability Period” means the period from and including the Effective Date and ending on the earlier of the Business Day immediately preceding the Maturity Date and the date of termination of the Commitments pursuant to the terms hereof.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the Equivalent Amount in Euros of the outstanding principal amount of such Lender’s Loans at such time.

“S&P” means Standard & Poor’s Financial Services LLC, a division of S&P Global Inc.

“Sanctions” means any sanctions administered by, maintained by, or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury of the United Kingdom, the Netherlands, Luxembourg, Germany or other relevant sanctions authority in any jurisdiction in which an Obligor or any of its Subsidiaries is organized or located or conducts business.

“SEC” means the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority succeeding to any of its principal functions.

“SEC Filer” means WestRock or such Restricted Subsidiary that files with the SEC the audited and unaudited financial statements of WestRock and its consolidated Subsidiaries.

“Securitization Assets” means any accounts receivable, notes receivable, rights to future lease payments or residuals (collectively, the **“Receivables”**) owed to or owned by WestRock or any Subsidiary (whether now existing or arising or acquired in the future), all collateral securing such Receivables, all contracts and contract rights, purchase orders, records, security interests, financing statements or other documentation in respect of such Receivables and all guarantees, letters of credit, insurance or other agreements or arrangements supporting or securing payment in respect of such Receivables, all lockboxes and collection accounts in respect of such Receivables (but only to the extent such lockboxes and collection accounts contain only amounts related to such Receivables subject to a Permitted Securitization Transaction), all collections and proceeds of such Receivables and other assets which are of the type customarily granted or transferred in connection with securitization transactions involving receivables similar to such Receivables.

“Share Capital” means, with respect to a German Borrower, the share capital (*Stammkapital*) of such German Borrower calculated in accordance with § 5 of the German Limited Liability Companies Act save that (a) the amount of any increase of the stated share capital (*Stammkapital*) of the German Borrower registered after the Effective Date without the prior written consent of Administrative Agent shall be deducted from the relevant stated share capital and (b) in case the stated share capital of the German Borrower is not fully paid up (*nicht voll eingezahlt*) and has not been demanded (*nicht eingefordert*), the amount which is not paid up and not demanded shall be deducted from the stated share capital.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“**SOFRA Administrator’s Website**” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“**Solvent**” means, with respect to any Person (other than a Person organized under the laws of Luxembourg, the United Kingdom or Germany), that as of the date of determination, (a) the sum of such Person’s debt (including contingent liabilities) does not exceed the present fair saleable value of such Person’s present assets; (b) such Person’s capital is not unreasonably small in relation to its business as contemplated on such date of determination; (c) such Person has not incurred and does not intend to incur, or believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (d) such Person is “solvent” within the meaning given that term and similar terms under the Bankruptcy Code and applicable laws relating to fraudulent transfers and conveyances. For purposes of the foregoing definition, (i) the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5), (ii) “debt” means liability on a “claim,” and (iii) “claim” means any (A) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (B) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured. “**Solvent**” shall mean with respect to any Person organized under the laws of (i) the United Kingdom, that such Person is able to pay its debts as they fall due, is not deemed unable to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act of 1986 and that the value of its assets is greater than the value of its liabilities, taking into account contingent and prospective liabilities, (ii) Luxembourg, that such Person (1) is not unable to meet its financial obligations (*cessation de paiements*) and has not lost its creditworthiness (*ébranlement de crédit*) within the meaning of Article 437 of the Luxembourg Commercial Code; (2) is not subject to insolvency proceedings within the meaning of Articles 437 ff. of the Luxembourg Commercial Code or any other insolvency proceedings pursuant to the regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (“**EU Insolvency Regulation**”); (3) is not subject to controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation of 24 May 1935 on controlled management; (4) has not entered into voluntary arrangement with creditors (*concordat préventif de faillite*) within the meaning of the law of 14 April 1886 on arrangements to prevent insolvency, as amended; (5) is not subject to suspension of payments (*sursis de paiement*) within the meaning of Articles 593 ff. of the Luxembourg Commercial Code; and (6) is not subject to voluntary or compulsory winding up pursuant to the law of 10 August 1915 on commercial companies, as amended (“**Luxembourg Insolvency Rules**”) and (iii) Germany, that such Person is not unable to pay its debts as they fall due (*zahlungsunfähig*) within the meaning of Sec. 17 German Insolvency Code (*Insolvenzordnung - InsO*), imminent insolvency (*drohende Zahlungsunfähigkeit*) within the meaning of Sec. 18 German Insolvency Code (*Insolvenzordnung - InsO*) nor overindebted within the meaning of Sec. 19 of the German Insolvency Code (*Insolvenzordnung - InsO*).

“SONIA” means a rate equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“SONIA Interest Day” has the meaning specified in the definition of “Daily Simple SONIA”.

“SONIA Loan” means a Loan that bears interest at a rate based on Daily Simple SONIA.

“Specified Transaction” has the meaning assigned to such term in the definition of “Pro Forma Basis”.

“Spot Rate” for a currency means the rate determined by Administrative Agent to be the rate quoted by Administrative Agent as the spot rate for the purchase by Administrative Agent of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. (New York time) on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made; **provided** that Administrative Agent may obtain such spot rate from another nationally-recognized financial institution designated by Administrative Agent if Administrative Agent does not have as of the date of determination a spot buying rate for any such currency.

“Standard Securitization Undertakings” has the meaning ascribed to such term in the Existing Credit Agreement.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one *minus* the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority, domestic or foreign, to which Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions, or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” and **“£”** mean the lawful currency of the United Kingdom.

“Subsidiary” means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power to elect a majority of the directors or other managers of such corporation, partnership, limited liability company or other entity (irrespective of whether or not at the time, any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) are at the time owned by such Person directly or indirectly through one or more

intermediaries or subsidiaries. Unless otherwise specified, “**Subsidiary**” means a Subsidiary of WestRock.

“**Successor Borrower**” has the meaning assigned to such term in Section 6.4(a)(i).

“**Successor WestRock**” has the meaning assigned to such term in Section 6.4(a)(vi).

“**TARGET Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) determined by Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including any interest, additions to tax, or penalties applicable thereto.

“**Term SOFR**” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“**Term SOFR Adjustment**” means, the Benchmark Replacement Adjustment which can be determined as of the Benchmark Replacement Date for the Term SOFR Transition Event and if no such Benchmark Replacement Adjustment can be determined, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Administrative Agent giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time; **provided**, that, Administrative Agent shall provide the Lenders with notice of the Benchmark Replacement Adjustment so identified at least 5 Business Days prior to the Benchmark Replacement Date for the Term SOFR Transition Event.

“**Term SOFR Notice**” means a notification by Administrative Agent to the Lenders and Borrowers of the occurrence of a Term SOFR Transition Event.

“**Term SOFR Transition Event**” means the determination by Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.13 that is not Term SOFR.

“**Total Credit Exposure**” means, as to any Lender at any time, the aggregate amount of the Revolving Credit Exposures and unused Commitments of such Lender at such time.

“**Total Funded Debt**” means, without duplication, the sum of: (a) Consolidated Funded Debt, (b) with respect to a Permitted Securitization Transaction, (i) if a Permitted Securitization Subsidiary is a party to such Permitted Securitization Transaction, the aggregate principal, stated or invested amount of outstanding loans made to the relevant Permitted Securitization Subsidiary

under such Permitted Securitization Transaction and (ii) if a Permitted Securitization Entity is a party to such Permitted Securitization Transaction, the aggregate amount of cash consideration received as of the date of such sale or transfer by WestRock and its Restricted Subsidiaries from the sale or transfer of Receivables or other Securitization Assets during the applicable calendar month in which such sale or transfer took place under such Permitted Securitization Transaction, and (c) to the extent not otherwise included, the outstanding principal balance of Indebtedness under any Permitted Securitization Transaction referenced in clause (b) of the definition thereof.

“**Trademark License**” means any agreement, written or oral, providing for the grant by or to an Obligor of any right to use any Trademark.

“**Trademarks**” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress and service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and (b) all renewals thereof.

“**Transactions**” means the execution, delivery and performance by each Obligor of this Agreement and the other Loan Documents to which such Obligor is intended to be a party and the consummation of the transactions contemplated thereby, the borrowing of Loans, the repayment in full of all obligations under the Prior Credit Agreement, the use of the proceeds thereof, and the payment of all fees and expenses to be paid on or prior to the Effective Date and owing in connection with the foregoing.

“**Type**”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the ~~Adjusted~~ LIBO Rate **for the applicable currency, Daily Simple SONIA** or the Base Rate.

“**U.K. Borrower**” means, individually and collectively, (a) Multi Packaging Solutions Limited, a limited company incorporated under the laws of England and Wales with company number 08568993, having its registered office at Suite 5, 2nd Floor Aspect House, Bennerley Road, Nottingham, United Kingdom, NG6 8WR, and (b) any additional Borrower designated pursuant to Section 2.4 organized under the laws of England and Wales.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**U.K. Qualifying Lender**” means a Lender which is beneficially entitled to interest payable in respect of an advance under a Loan Document and is (a) a Lender (i) that is a bank (as defined for the purpose of section 879 of the United Kingdom Income Tax Act 2007) making an advance under a Loan Document or (ii) in respect of an advance made under a Loan Document by a Person that was a bank (as defined for the purpose of section 879 of the United Kingdom Income Tax Act 2007) at the time such advance was made, and in either case is subject to United Kingdom corporation tax on any payments of interest made with respect to such advance; (b) a Lender which

is (i) a company resident in the United Kingdom for United Kingdom tax purposes, (ii) a partnership, each member of which is (x) a company resident in the United Kingdom for United Kingdom tax purposes, or (y) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009, or (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) of that company; or (c) a U.K. Treaty Lender.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**U.K. Tax Confirmation**” means confirmation by a Lender that the Person beneficially entitled to interest payable to such Lender in respect of an advance under a Loan Document is either (a) a company resident in the United Kingdom for United Kingdom tax purposes, (b) a partnership, each member of which is (i) a company resident in the United Kingdom for United Kingdom tax purposes, or (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009, or (c) a company not so resident in the United Kingdom that carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) of that company.

“**U.K. Taxes**” means Taxes (including Other Taxes) imposed by the United Kingdom.

“**U.K. Treaty**” has the meaning assigned to such term in the definition of “U.K. Treaty State”.

“**U.K. Treaty Lender**” means a Lender that (a) is treated as a resident of a U.K. Treaty State for the purposes of a U.K. Treaty and (b) does not carry on a business in the United Kingdom through a permanent establishment with which such Lender’s participation is effectively connected.

“**U.K. Treaty State**” means a jurisdiction party to an income tax treaty with the United Kingdom (a “**U.K. Treaty**”) that makes provision for full exemption from tax imposed by the United Kingdom on interest.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**United States**” and “**U.S.**” mean the United States of America.

“**Unrestricted Subsidiary**” means any Subsidiary which is designated as being an “Unrestricted Subsidiary” under and pursuant to the terms of the Existing Credit Agreement.

“**U.S. Person**” means any Person that is a “**United States Person**” as defined in Section 7701(a)(30) of the Code.

“**U.S. Tax Compliance Certificate**” has the meaning assigned to such term in Section 2.16(g).

“**USA Patriot Act**” has the meaning assigned to such term in the definition of “Anti-Terrorism Laws”.

“**WestRock**” has the meaning ascribed to such term in the preamble to this Agreement.

“**WestRock MWV**” means WestRock MWV, LLC, a Delaware limited liability company.

“**WestRock Packaging Systems**” has the meaning assigned to such term in the preamble hereto.

“**WestRock RKT**” means WestRock RKT, LLC, a Georgia limited liability company.

“**Withholding Agent**” means any Obligor and Administrative Agent.

“**Write-Down and Conversion Powers**” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

“**WRK International**” has the meaning assigned to such term in the preamble hereto.

“**WRK Luxembourg**” has the meaning assigned to such term in the preamble hereto.

If no election as to the currency of Borrowing is specified, then the requested Borrowing shall be denominated in Euros. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing, if denominated in Dollars, or a Eurodollar Borrowing, if denominated in ~~an Offshore Currency~~ Euros. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then Borrowers shall be deemed to have selected an Interest Period of one month's duration. **If no Interest Payment Date is specified with respect to any requested SONIA Borrowing, then Borrowers shall be deemed to have selected an Interest Payment Date one month after the date of such Borrowing.** Promptly following receipt of a Borrowing Request in accordance with this Section, Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then Borrowers shall be deemed to have selected an Interest Period of one month's duration.

determined by Administrative Agent, and such determination shall be conclusive absent manifest error.

then Administrative Agent shall give notice thereof to Borrowers and the Lenders as promptly as practicable thereafter, (x) in the case of any Loan denominated in Dollars, from and after the date on which Borrowers receive notice thereof until the date on which such circumstances ~~ceases~~cease, in the case of clauses (i) and (ii)(A) above, all Lenders' and, in the case of clause (ii)(B) above, the affected Lender's; Loans denominated in Dollars shall bear interest at a rate per annum equal to the Applicable Margin *plus* the Base Rate, and (y) in the case of any Loan denominated in any Offshore Currency, during the 30-day period next succeeding the date of any such notice (the "***Negotiation Period***"), Administrative Agent (in consultation with the Lenders) and Borrowers will negotiate in good faith for the purpose of agreeing upon an alternative, mutually acceptable basis (the "***Substitute Basis***") for determining the rate of interest to be applicable to the Loans denominated in an Offshore Currency and, as applicable, for such Interest Period. If at the expiry of the Negotiation Period, the Required Lenders, Administrative Agent, and Borrowers have agreed upon a Substitute Basis, the Substitute Basis shall be binding on all parties and, as applicable, be retroactive to, and take effect from, the beginning of such Interest Period, or the day after the last Interest Payment Date, as applicable. If at the expiry of the Negotiation Period, a Substitute Basis shall not have been agreed upon pursuant to this paragraph, Administrative Agent shall notify each Lender of such failure to agree to a Substitute Basis and, within five Business Days after receipt of such notice (or as soon thereafter as may be practicable), each such Lender shall notify Borrowers (through Administrative Agent) of the cost to such Lender (as determined by it in good faith) of funding and maintaining such Loan denominated in ~~an~~the applicable Offshore Currency for such Interest Period (as applicable); and the interest payable to such Lender on such Loan for such Interest Period or until such next Interest Payment Date (as

applicable) shall be determined in good faith (which determination shall be binding absent manifest error) at a rate per annum equal to the Applicable Margin *plus* the weighted average (as determined by Administrative Agent, which shall be conclusive absent manifest error) of the cost to the Lenders of funding and maintaining such Loan denominated in ~~ansuch~~ Offshore Currency, ~~as applicable~~; for such Interest Period **or until such next Interest Payment Date (as applicable)** as so notified by the Lenders; **provided** that, if any Lender does not notify Administrative Agent of such costs within such period, such cost shall not be included by Administrative Agent in such calculation. Each Lender agrees to use reasonable efforts to avoid or minimize costs to Borrowers under this Section 2.13(a) to the extent set forth in Section 2.18(a). The procedures specified in this Section 2.13(a) shall apply to each Interest Period **or Interest Payment Date, as applicable**, succeeding the first Interest Period **or Interest Payment Date, as applicable**, to which they were applied unless and until Administrative Agent shall determine in consultation with the Required Lenders (or, in the case of Section 2.13(a)(ii)(B), the affected Lender(s)) that the conditions referred to in this Section 2.13(a) no longer exist. If the Substitute Basis or the cost of funds rate, as determined hereunder, would be less than zero, such rate will be deemed to be zero for the purposes of this Agreement.

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Eurodollar [Loan or SONIA](#) Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such other Recipient, Borrowers will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably

becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrowers or

Borrowers or Administrative Agent to determine the withholding or deduction required to be made; and

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrowers and Administrative Agent in writing of its legal inability to do so.

for that Obligor to obtain authorization to make that payment without a Luxembourg Tax Deduction.

Borrowers shall be made for account of the Lenders pro rata in accordance with the amounts of interest on the Loans under such

Debtor Relief Law, then each Person receiving any portion of such amount agrees, upon demand, to return the portion of such

ended September 30, 2020, audited by independent public accountants of recognized national standing and prepared in conformity

Administrative Agent shall notify Borrowers and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

Each Borrower shall be deemed to make a representation and warranty to Administrative Agent and the Lenders on the date of each Credit Extension hereunder as to the matters specified in clauses (a), (b), and (c) of this Section 4.2.

The Obligors covenant and agree that on the Effective Date, and so long as this Agreement is in effect and until the Obligations have been Fully Satisfied, the Obligors shall:

has occurred and is continuing, such visits and inspections can occur no more frequently than once per year.

determine the compliance of Borrowers with the terms of this Agreement with respect to the Consolidated Companies;

forth details as to such ERISA Event or Foreign Plan Event and the action which such Borrower or such Restricted Subsidiary

The Obligors will cooperate with Administrative Agent in connection with the publication of certain materials and/or information provided by or on behalf of the Obligors to Administrative Agent and Lenders (collectively, “**Information Materials**”) pursuant to this Section 5; **provided** that upon the filing by the Obligors of the items referenced in Section 5.7(a), 5.7(b) or 5.7(d) with the SEC for public availability, the Obligors, with respect to such items so filed, shall not be required to separately furnish such items to Administrative Agent and Lenders. In addition, the Obligors will designate Information Materials (i) that are either available to the public or not material with respect to the Obligors and their Subsidiaries or any of their respective securities for purposes of United States federal and state securities laws, as “Public Information” and (ii) that are not Public Information as “Private Information”.

The Obligors covenant and agree that on the Effective Date, and so long as this Agreement is in effect and until the Obligations have been Fully Satisfied:

or of any state government or any political subdivision thereof, or subcontracts thereunder and which do not materially impair the

an agreement to dispose of any Property in a disposition not prohibited hereunder, including customary rights and restrictions

Credit Term Loan Facility and Indebtedness created under this Agreement shall be considered Indebtedness incurred pursuant to this

Subsidiary to which the Restricted Subsidiary's Property is sold, leased, transferred or otherwise disposed shall be a Restricted

and there shall result from any such failure, waiver, termination or other event a liability to the PBGC or such Plan that would have a Material Adverse Effect; or a Foreign Plan Event occurs that would have a Material Adverse Effect; or

Subsidiary or other Affiliate thereof as if it were not Administrative Agent hereunder and without any duty to account therefor to the

instrument or document, or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein or therein, other than to

respective agents and counsel and all other amounts due the Lenders and Administrative Agent under Sections 2 and 9.3) allowed in

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Sections 2 and 9.3.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices sent by telecopier shall be deemed to have been given when sent (except that, if not given before or during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day). Notices delivered through electronic communications to the extent provided in Section 9.1(b) shall be effective as provided in such Section 9.1(b).

processing and recordation fee of \$3,500 (**provided** that Administrative Agent may, in its sole discretion, elect to waive such

Obligation Law of the State of New York, as amended (as and to the extent applicable), and other applicable law.

(duly endorsed by such Person to Administrative Agent, if required), to be applied against the Obligations, whether matured or

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Covered Entity**” means any of the following:

a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by its officer or officers thereunto duly authorized as of the date first above written.

PARENT AND WESTROCK:

WRKCO INC., a Delaware corporation

By: _

Name:

Title:

WESTROCK COMPANY, a Delaware corporation

By: _

Name:

Title:

CREDIT AGREEMENT

S-1

BORROWERS:

WRK LUXEMBOURG S.À R.L., a limited liability company
incorporated under the laws of Luxembourg

By: _

Name:

Title:

By: _

Name:

Title:

WRK INTERNATIONAL HOLDINGS S.À R.L., a limited
liability company incorporated under the laws of Luxembourg

By: _

Name:

Title:

By: _

Name:

Title:

MULTI PACKAGING SOLUTIONS LIMITED, a limited
company incorporated under the laws of England and Wales

By: _

Name:

Title:

WESTROCK PACKAGING SYSTEMS GERMANY GMBH, a
private limited liability company incorporated under the laws of
Germany

By: _

Name:

Title:

By: _

Name:

Title:

CREDIT AGREEMENT

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ADMINISTRATIVE AGENT AND LENDER:

COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH,
as Administrative Agent and a Lender

By: _ Name:

Title:

By: _ Name:

Title:

Commitment: €120,000,000

CREDIT AGREEMENT

S-4

LENDERS:

TD BANK, N.A., as a Lender

By:

Name:

Title:

Commitment: €96,000,000

CREDIT AGREEMENT

S-5

ING BANK N.V., DUBLIN BRANCH, as a Lender

By:

Name:

Title:

By:

Name:

Title:

Commitment: €96,000,000

CREDIT AGREEMENT

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SUMITOMO MITSUI BANKING CORPORATION, as a Lender

By:

Name:

Title:

Commitment: €96,000,000

CREDIT AGREEMENT

S-7

THE BANK OF NOVIA SCOTIA, as a Lender

By:

Name:

Title:

Commitment: €96,000,000

CREDIT AGREEMENT

S-8

**BANK OF AMERICA EUROPE DESIGNATED ACTIVITY
COMPANY, as a Lender**

By:

Name:

Title:

Commitment: €96,000,000

CREDIT AGREEMENT

S-9

SUSPENSION OF RIGHTS AGREEMENT

WESTROCK COMPANY
1100 ABERNATHY ROAD
ATLANTA, GA 30328

December 7, 2021

Wells Fargo Bank, National Association

1100 Abernathy Road NE, Suite 1140

Atlanta, GA 30328

Attention: Kay Reedy

Email: Kay.Reedy@WellsFargo.com

1. Suspension of Rights Agreement (this "Agreement")

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of July 1, 2015 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among WESTROCK COMPANY as Holdco, WRKCO INC., as the Parent Borrower (the "**Parent Borrower**"), WRK LUXEMBOURG S.À.R.L, as the Luxembourg Borrower (the "**Luxembourg Borrower**") and WESTROCK COMPANY OF CANADA CORP./COMPAGNIE WESTROCK DU CANADA CORP., as the Canadian Borrower (together with the Parent Borrower and the Luxembourg Borrower, the "**Borrowers**"), the several banks and other financial institutions or entities from time to time parties thereto (collectively, the "**Lenders**"), and Wells Fargo Bank, National Association, as Administrative Agent and Multicurrency Agent (the "**Administrative Agent**"). Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

Borrowers hereby acknowledge that, on March 5, 2021, the ICE Benchmark Administration (the "**IBA**"), the administrator of the London interbank offered rate ("**LIBOR**"), and the Financial Conduct Authority, the regulatory supervisor of the IBA, announced in public statements that the final publication or representativeness for all Non-USD Currency LIBOR tenors will be December 31, 2021. The term "**Non-USD Currency**," as used in this Agreement, shall mean, collectively or individually, Sterling, Japanese Yen, Swiss Francs and Euros, each to the extent that the same are used or are available in the Credit Agreement. For the avoidance of doubt, "Non-USD Currency," as used in this Agreement, shall not include Canadian Dollars.

For good and valuable consideration, including delaying the incurrence of costs required to update the terms of the Credit Agreement, and in lieu of amending or waiving any term of the Credit Agreement, notwithstanding anything to the contrary in the Credit Documents, Borrowers hereby covenant and agree that Borrowers shall not request a borrowing of, conversion to or continuation of a Loan, the issuance of a Letter of Credit, or have any Loan or Letter of Credit outstanding, after December 31, 2021 (the "**Cutoff**

Date”), in each case which is denominated in a Non-USD Currency until such date that the Credit Agreement is amended, pursuant to and in accordance with its terms, in form and substance satisfactory to the Administrative Agent, to replace the applicable reference rate with respect to any obligations, interests, fees, commissions or other amounts denominated in such Non-USD Currency or calculated with respect thereto, from LIBOR to an alternative reference rate. If the Cut-off Date occurs prior to the last day of an Interest Period for any outstanding Loan denominated in a Non-USD Currency, then any such Loan shall be converted to a U.S. Base Rate Loan denominated in U.S. Dollars (in an amount equal to the Dollar Amount of such Non-USD Currency as determined on the last day of such Interest Period) on the last day of such Interest Period.

Borrowers hereby covenant and agree that, if a notice or instruction is given by Borrowers under the Credit Agreement pursuant to which Borrowers select a Non-USD Currency as the currency of a Loan, or request the issuance or extension of a Letter of Credit denominated in a Non-USD Currency, or request a conversion to or continuation of a Loan denominated in a Non-USD Currency, in each case, after the Cut-Off Date, no Lender shall have any obligation to fund, convert or continue such Loan or issue or extend such Letter of Credit in such Non-USD Currency or shall have any liability for failing to do so.

This Agreement is hereby designated as a Credit Document and Borrowers acknowledge and agree that this Agreement may be posted to Syndtrak, Intralinks, DebtDomain or other website in use to distribute information to the Lenders. Borrowers further acknowledge and agree that each Lender under the Credit Agreement may rely on and shall be an express third-party beneficiary of this Agreement. Borrowers hereby represent that this Agreement has been duly executed and delivered by Borrowers and constitutes a legal, valid and binding obligation of Borrowers, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Borrowers hereby indemnify and hold harmless the Administrative Agent, each Lender and each other Indemnitee for any damage, loss, cost, liability, claim or expense whatsoever incurred in connection with a breach of this Agreement; provided, that such indemnity shall not, as to Administrative Agent, any Lender or any other Indemnitee, be available to the extent that any such damage, loss, cost, liability, claim or expense is determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Person.

It is understood and agreed that this Agreement shall not constitute an amendment or modification of the Credit Agreement. This Agreement is irrevocable and may not be amended by Borrowers or any other party without the prior written consent of the Administrative Agent. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one Agreement. Delivery of an executed counterpart of a signature page of this Agreement by email or other electronic transmission (i.e., a “pdf” or “tiff”) shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

WRKCO INC.

By: /s/ Timothy W. Murphy

Name: Timothy W. Murphy

Title: SVP and Treasurer

WESTROCK COMPANY OF CANADA CORP./COMPAGNIE WESTROCK DU CANADA
CORP.

By: /s/ Timothy W. Murphy

Name: Timothy W. Murphy

Title: SVP and Treasurer

WRK LUXEMBOURG S.À.R.L

By: /s/ Lawrence Estrop

Name: Lawrence Estrop

Title: Manager A

[Signature Page to Suspension of Rights Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent and Multicurrency Agent

By: /s/ Kay Reedy_____

Name: Kay Reedy

Title: Managing Director

[Signature Page to Suspension of Rights Agreement]

**CERTIFICATION ACCOMPANYING PERIODIC REPORT
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, David B. Sewell, Chief Executive Officer and President, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WestRock Company;
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 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 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: February 8, 2022

/s/ David B. Sewell

David B. Sewell
Chief Executive Officer and President

A signed original of this written statement required by Section 302, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 302, has been provided to WestRock Company and will be retained by WestRock Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION ACCOMPANYING PERIODIC REPORT
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

, Alexander W. Pease, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WestRock Company;
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 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 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: February 8, 2022

/s/ Alexander W. Pease

Alexander W. Pease

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 302, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 302, has been provided to WestRock Company and will be retained by WestRock Company and furnished to the Securities and Exchange Commission or its staff upon request.

**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 WestRock Company (the “ **Corporation** ”), for the quarter ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “ **Report** ”), the undersigned, David B. Sewell, Chief Executive Officer and President of the Corporation, and Alexander W. Pease, Executive Vice President and Chief Financial Officer of the Corporation, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ David B. Sewell

David B. Sewell
Chief Executive Officer and President
February 8, 2022

/s/ Alexander W. Pease

Alexander W. Pease
Executive Vice President and Chief Financial Officer
February 8, 2022
