

## CONFIDENTIAL NON-COMPETE AND CONSULTING AGREEMENT

This Confidential Non-Compete and Consulting Agreement (“Agreement”) is entered into by and between Charles A. Hinrichs (“Executive”) and Smurfit-Stone Container Corporation and its subsidiaries (collectively, the “Company”), and subject to the terms and conditions hereof (including without limitation, Paragraph 14), shall be effective as of May 19, 2009 (the “Effective Date”).

WHEREAS, Executive was employed as the Company’s Senior Vice President and Chief Financial Officer and separated from his employment on May 18, 2009;

WHEREAS, the Company and the Executive are parties to that certain employment agreement effective as of April 1, 2002, which was amended effective as of July 25, 2006 and January 1, 2008 (such employment agreement, together with subsequent amendments, referred to herein as the “Employment Agreement”), that includes, among other provisions, certain restrictive covenants;

WHEREAS, the Company and certain of its Affiliates (as defined below) filed voluntary petitions for bankruptcy protection on January 26, 2009, pursuant to Chapter 11 of the United States Bankruptcy Code (“Chapter 11 Cases”), and the Company has not assumed Executive’s Employment Agreement during the course of the Chapter 11 Cases; and

WHEREAS, the Company and Executive desire to enter into this Agreement to set forth the terms of the termination of Executive’s employment with the Company and release of all claims in connection therewith, as well as obtain Executive’s agreement provide consulting services to the Company and to adhere to certain restrictive covenants as set forth herein to avoid any risk that the restrictive covenants contained in the Executive’s Employment Agreement would not be enforceable because the Company has not assumed the Employment Agreement during the course of the Chapter 11 Cases;

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Executive and the Company agree as follows:

1. Separation from Employment. The Executive separated from his employment and his position as Senior Vice President and Chief Financial Officer of the Company and also separated from any and all other officer and director positions with the Company and the other Released Parties (as defined in Paragraph 10 below), which separations and termination of employment the parties acknowledge and agree were effective on May 18, 2009 (the “Separation Date”). The Company and Executive agree that upon the Separation Date, Executive incurred a “Separation from Service” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and Treasury Regulation §1.409A-1(h), which has been deemed to have occurred for purposes of this Agreement because the facts and circumstances indicated that Executive and the Company reasonably anticipated that the level of bona fide services the Executive will perform for the Company and its affiliated companies after such Separation Date (whether as an employee or as an independent contractor) would permanently decrease to no more than 30% of the average level of bona fide services

performed by Executive (whether as an employee or as an independent contractor) over the immediately preceding 36-month period.

2. Consulting Period.

(a) The Company and Executive agree that in his position as Chief Financial Officer, Executive developed substantial and intimate knowledge of the Company's finances, including its financial structure and business strategies and capabilities, and that the Company now desires that Executive provide part-time consulting services to the Company and its Affiliates (as applicable) to assist them in their efforts to meet their short- and long-term financial and operational goals, including emergence from bankruptcy. Accordingly, subject to the terms of this Agreement, and provided that Executive signs and returns this Agreement to the Company within 21 days of his receipt thereof, complies with the terms of this Agreement, and does not revoke it in accordance with Paragraph 14 below, Executive shall provide consulting services to the Company and its Affiliates for up to 10 hours per week as required by the Company on such projects and other tasks as the Company may require from time to time as the Company may reasonably direct ("Consulting Services") commencing on the day after the Separation Date and ending on the later of (i) May 18, 2010 and (ii) the effective date of the Company's plan of reorganization in its Chapter 11 Cases, unless such Consulting Services are earlier terminated pursuant to Paragraph 6(a)(ii) (such period, the "Consulting Period"). Executive shall perform all Consulting Services diligently, in the best interests of the Company and its Affiliates and to the best of his professional ability and judgment. Subject to the restrictive covenants in Paragraph 8, nothing herein shall be deemed to preclude Executive from obtaining full- or part-time employment or performing consulting for third parties. In the event that Executive becomes employed on a full or part-time basis during the Consulting Period, then the parties shall mutually agree on the time and methods by which Executive shall render consulting services to the Company and its Affiliates.

(b) The parties acknowledge and agree that, during the Consulting Period: (i) Executive is being retained and shall perform Consulting Services solely as an independent contractor; (ii) he is not and shall not be considered an employee or agent of the Company or any of its Affiliates for any purpose; (iii) except as otherwise expressly provided in Paragraph 4, he hereby waives participation in and benefits under any and all employee compensation and benefit plans and programs that the Company or its Affiliates may offer to its employees now or in the future; and (iv) nothing in this Paragraph 2 shall limit or otherwise affect Executive's obligations under Paragraph 13 of this Agreement.

(c) Notwithstanding the foregoing provisions of this Paragraph 2, Executive's eligibility to perform Consulting Services during the Consulting Period and to receive any payments or other benefits in accordance with Paragraph 4 (subject to all remaining terms and conditions of this Agreement) is expressly conditioned on Executive executing and complying with this Agreement and not revoking it in accordance with Paragraph 14 below. Executive agrees that his execution of this Agreement (without later revoking it) is a material part of the consideration for the Company's undertakings in this Agreement, and that if Executive does not so sign and return this Agreement as set forth above, or if he signs and then later revokes it in accordance with Paragraph 14, then he shall not be retained as an independent contractor to perform Consulting Services during the Consulting Period and shall not receive any

compensation or other benefits under Paragraph 4, and the Company shall have no further obligations of any kind to Executive.

3. Payments and Benefits Already Received. Executive acknowledges and agrees that the Company already has paid him (a) for any earned and unused vacation as of the Separation Date, as determined by the Company in a manner consistent with its customary practices and in accordance with applicable law; (b) for any unreimbursed business expenses as of the Separation Date in accordance with applicable the Company policies and practices; (c) for any earned but unpaid Base Salary through the Separation Date; and (d) \$89,173, which amount the parties agree is the pro-rated portion of Executive's target incentive for the first semi-annual performance period determined in accordance with the Company's 2009 short-term Management Incentive Plan ("2009 MIP").

4. Additional Payments for Consulting Services and Restrictive Covenant Compliance. In exchange for Executive's Agreement to provide the Consulting Services, adhere to his obligations under Section 8 of this Agreement, and his other promises contained herein, subject to the terms of this Agreement, and provided that Executive signs and returns this Agreement to the Company within 21 days after his receipt thereof, complies with this Agreement (including without limitation his post-termination obligations set forth in Paragraph 2 and 8) and does not revoke it in accordance with Paragraph 14 below, the Company shall (a) pay Executive, in one or more lump sums, a gross amount totaling \$1,800,000; and (b) continue to pay the employer portion of Executive's premiums to continue his then-current coverage as of the Separation Date under the Company's comprehensive medical and dental plans for twenty-four (24) months following the Separation Date (Executive to continue paying the employee portion at regular employee rates) under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") (provided that Executive timely elects such COBRA coverage in accordance with Company policy and applicable law). Executive acknowledges and agrees that he would not be entitled to receive any of the payments or benefits set forth in this Paragraph 4 but for his undertakings in this Agreement.

5. Timing of Additional Payments and Withholding. Subject to the terms of this Agreement, and provided that Executive signs and returns this Agreement to the Company within 21 days after his receipt thereof, complies with this Agreement (including without limitation his post-termination obligations set forth in Paragraph 2 and 8) and does not revoke it in accordance with Paragraph 14 below, any payments or benefits made available to Executive by the Company pursuant to Paragraph 4 of this Agreement will be made or commence, (as applicable) as follows: (a) the payments pursuant to Paragraph 4(a) shall be made on the later of (i) the eighth day after the Company receives a copy of this Agreement signed by Executive (without revoking it) and (ii) the thirtieth (30<sup>th</sup>) calendar day following the entry of an order in the Chapter 11 Cases that authorizes the Company to enter into this Agreement; and (b) the benefits provided pursuant to Paragraphs 4(b) shall become effective as of the Effective Date. Executive acknowledges and agrees that any and all amounts (if any) paid under this Agreement shall be subject to required and authorized withholding and deductions, and will be sent to Executive's last known address on the Company's records or to such other address as Executive indicates to the Company in writing.

6. Termination of Additional Payments and Benefits for Cause.

(a) Notwithstanding anything to the contrary in this Agreement, in the event that Executive at any time commits any act(s) or omission(s) that constitute(s) "Cause" as defined below, (i) Executive will not be entitled to receive or continue to receive (if applicable), and the Company will no longer be obligated to pay or provide (or continue to pay or provide (if applicable)), any of the amounts or benefits set forth in Paragraph 4 above, and (ii) the Consulting Period, if still in effect, shall immediately terminate. Executive acknowledges and agrees that the cessation of such payments and benefits will not limit any of the Company's legal rights or other remedies with respect to any violation(s) of this Agreement or otherwise.

(b) For the purposes of this Agreement, "Cause" means any of the following acts by or other circumstances regarding Executive: (i) material dishonesty or intentional conduct that in the Company's reasonable determination is or could be harmful to the business or reputation of the Company or any of its affiliates; (ii) refusal to perform or disregard of his duties and responsibilities, or intentional and material violations of the Company's policies or procedures; or (iii) material breach or threatened material breach of any provision of this Agreement, including without limitation Paragraph 8.

7. Compliance with Section 409A. Notwithstanding any provision in this agreement to the contrary, this Agreement shall be interpreted, construed and operated, to the extent applicable, in accordance with Section 409A of the Code, and the regulations and other guidance issued thereunder. For purposes of determining whether any payment made pursuant to the agreement results in a "deferral of compensation" within the meaning of Section 409A of the Code and Treasury Regulation §1.409A-1(b), the parties shall maximize the exemptions described in such section. Notwithstanding anything in this Agreement to the contrary, if the Executive is a "specified employee" (determined in accordance with Code Section 409A and Treasury Regulation Section 1.409A-3(i)(2)) as of the date of Separation from Service, then any payment, benefit or entitlement provided for in this Agreement that constitutes "deferred compensation" within the meaning of Section 409A and that is payable during the first six months following the date of Separation from Service shall be paid or provided to the Executive in a lump sum cash payment to be made on the first business day (or within 30 days after such first business day) of the seventh calendar month immediately following the month in which the date of Separation from Service occurs. Any amount of expenses eligible for reimbursement under this Agreement during a calendar or fiscal year shall not affect the amount of expenses eligible for reimbursement during any other calendar year or fiscal year. The right to reimbursement pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit.

8. Restrictive Covenants. The Company and Executive agree that, in his position as Senior Vice President and Chief Financial Officer, Executive has had access to, and has developed substantial and intimate knowledge of, the Company's Confidential Information (defined below), including, but not limited to, financial, customer, supplier, personnel and other business-related information. In order to protect the Company's Confidential Information and other legitimate business interests, including but not limited to its employees, customers, and suppliers, and in exchange for the consideration and mutual covenants contained in this Agreement, the Company and the Executive agree as follows:

(a) Definitions. For purposes of this Agreement, the following terms will be defined as follows:

(i) Confidential Information. "Confidential Information" shall mean the Company's trade secrets and all other information unique to the Company and not readily available to the public, including developments, designs, improvements, inventions, formulas, compilations, methods, strategies, capabilities, forecasts, software programs, processes, know-how, data, research, operating methods and techniques, "Inventions or Developments" (as defined below), and all business plans, strategies, costs, profits, customers, vendors, markets, sales, products, key personnel and personnel information, pricing policies and lists, marketing, sales or other financial or business information, and any modifications or enhancements of any of the foregoing.

(ii) The term "Affiliates" shall mean (A) any entity that, directly or indirectly, is controlled by the Company, and (B) any entity in which the Company has a 20% or greater equity interest.

(iii) The term "Business Conducted by the Company or any of its Affiliates" shall mean all businesses conducted by the Company or any of its Affiliates as of the Effective Date, of whatever kind.

(b) Confidential Information. Executive acknowledges that during his employment with the Company he has had, and may continue to have during the Consulting Period, access to Confidential Information of the Company, its Affiliates and, in certain situations, certain third parties who provide information to the Company subject to confidentiality and non-use restrictions. All Confidential Information is of irreplaceable value to the Company. Executive agrees that he will not, at any time, use, disclose, or take any action which may result in the use or disclosure of any Confidential Information, except as required to perform his responsibilities for the Company, to comply with law or regulation, or as authorized in writing in advance by the Company.

(c) Inventions or Developments. The Executive agrees that he will, now and in the future, promptly and fully disclose to the Company all discoveries, improvements, inventions, formulas, ideas, processes, designs, techniques, know-how, data and computer programs (whether or not patentable, copyrightable or susceptible to any other form of protection), that are or have been made, conceived, reduced to practice or developed by the Executive, either alone or jointly with others, during his employment with the Company, that are related in any way to the past, current or future business or products of the Company or any of its Affiliates or are devised, made, developed, reduced to practice or perfected utilizing equipment or facilities of the Company or any of its Affiliates (collectively, the "Inventions or Developments"). All Inventions or Developments shall be the sole property of the Company, including all patents, copyrights, intellectual property or other rights related thereto and Executive assigns to the Company all rights (if any) that the Executive may have or acquire in such Inventions or Developments. Notwithstanding the foregoing, this Paragraph 8(c) shall not apply to any Inventions or Developments for which no equipment, supplies, facility or trade secret information of the Company or its Affiliates were used and which were developed entirely on the Executive's own time, unless: (i) the Inventions or Developments relate to the Business

Conducted by the Company or any of its Affiliates or the actual or demonstrably anticipated research or development of the Company or any of its Affiliates; or (ii) the Inventions or Developments result from any work performed by the Executive for the Company or any of its Affiliates.

(d) Return of Property. Executive acknowledges and confirms that he has returned or will promptly return all property of the Company and the other Released Parties (as defined in Paragraph 10 below) that is within his possession, custody or control, including without limitation, any and all documents and other information that reflect or contain any Confidential Information or proprietary information, vehicles, keys, cell phones, credit cards, computer passwords and other equipment and materials furnished to him by the Company; provided, however, that (i) Executive shall be entitled to keep during the Consulting Period such property and/or equipment as the Company deems necessary for his performance of the Consulting Services but shall return all such property upon the earlier of the Company's request and the end of the Consulting Period; (ii) Executive shall be entitled to keep his home office equipment, including a laptop computer, fax machine, and Blackberry; and (iii) the Company and Executive shall work together to ensure that any Confidential Information, Inventions or Developments, or other Company business information not necessary to the performance of the Consulting Services is removed from the laptop and Blackberry, and after the end of the Consulting Period, that all such Company information is removed.

(e) Non-Competition. The Executive agrees that for the two (2) year period following the Separation Date (the "Non-Compete Period"), he shall not, without the prior written consent of the Company, participate or engage in, directly or indirectly (as an owner, partner, employee, officer, director, independent contractor, consultant, advisor, or in any other capacity calling for the rendition of services, advice, or acts of management, operation or control), any business that, during the Non-Compete Period, is competitive with the Business Conducted by the Company or any of its Affiliates within the United States, Canada, Mexico, or China (hereinafter, the "Geographic Area") and which business the Company was engaged (either actively as a going concern or in the process of developing to market) during the two years of the Executive's employment with the Company preceding the Separation Date.

(f) Non-Solicitation of Employees. The Executive agrees that during the Non-Compete Period, he shall not, without the prior written consent of the Company, directly or indirectly solicit any current employee of the Company or any of its Affiliates, or any individual who becomes an employee of the Company or any of its Affiliates during the Non-Compete Period, to leave such employment and join or become affiliated with any business that is, during the Non-Compete Period, competitive with the Business Conducted by the Company or any of its Affiliates within the Geographic Area.

(g) Non-Solicitation of Suppliers or Customers. The Executive agrees that through the Separation Date and during the Non-Compete Period, he shall not, without the prior written consent of the Company, directly or indirectly solicit, seek to divert or dissuade from continuing to do business with or entering into business with the Company or any of its Affiliates, any supplier, customer, or other person or entity with which the Company had, or was actively planning or pursuing, a business relationship at any time during the two (2) year period preceding the Separation Date.

(h) Irreparable Harm. The Executive acknowledges that: (i) the covenants contained in this Paragraph 8 are reasonable in scope and duration, will not unduly restrict Executive's ability to engage in his livelihood, and Executive's compliance with this Paragraph 8 is necessary to preserve and protect the Confidential Information, Inventions or Developments, and other legitimate business interests of the Company; (ii) any failure by Executive to comply with the provisions of this Paragraph 8 will result in irreparable and continuing injury to the Company for which there will be no adequate remedy at law; and (iii) in the event that Executive should fail to comply with the terms and conditions of this Paragraph 8, the Company shall be entitled, in addition to and without limiting such other relief as may be proper, to all types of equitable relief (including, but not limited to, the issuance of an injunction and/or temporary restraining order) as may be necessary to cause Executive to comply with this Paragraph 8, to restore to the Company its property, and to make the Company whole.

(i) Additional Acknowledgment. Executive acknowledges and confirms that he has been in compliance with the obligations set forth in Paragraphs 8(b)-(g) from the Separation Date through the date that he signs this Agreement.

9. Release of Claims. Executive, on behalf of himself and anyone claiming through him or on his behalf, agrees to release and hereby releases the Company and the other Released Parties (as defined in Paragraph 10 below) with respect to any and all claims, whether currently known or unknown, that Executive now has, has ever had, or may ever have against any of the Released Parties arising from or related to any agreement, act, omission, or thing occurring or existing at any time prior to or on the date on which Executive signs this Agreement. Without limiting the generality of the foregoing, the claims released by Executive hereunder include, but are not limited to:

(a) all claims for or related in any way to Executive's employment, compensation, other terms and conditions of employment, or termination from employment with the Company or removal from any and all officer positions with any of the Released Parties, including without limitation any claims arising out of or relating to the Employment Agreement and any claims for salary, incentive compensation, bonus, severance pay, or any other compensation or benefits (including without limitation any claims under the 2009 MIP, LTIP and any other incentive-based or other compensation plans) and further including without limitation all claims that Executive has or could have asserted in the Chapter 11 Cases with respect to his Employment Agreement, the Jefferson Smurfit Corporation Supplemental Income Pension Plan II, as amended from time to time (the "SIPP"), or otherwise;

(b) all claims that were or could have been asserted by Executive or on his behalf: (i) in any federal, state, or local court, commission, or agency (including without limitation in the Chapter 11 Cases); (ii) under any common law theory; or (iii) under any employment, contract, tort, federal, state, or local law, regulation, ordinance, or executive order; and

(c) all claims that were or could have been asserted by Executive or on his behalf arising under any of the following laws, as amended from time to time: the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, Employee Retirement Income Security Act, the Family and Medical Leave

Act of 1993, United States Bankruptcy Code, the Illinois Human Rights Act, the Cook County and Chicago Human Rights Ordinances, and the Missouri Human Rights Act.

Notwithstanding the foregoing, this release does not apply to any claims arising under this Agreement, any claims for vested benefits other than claims under the SIPP, or any claims for indemnification or other rights with respect to claims concerning Executive's performance of his duties for the Company (including any alleged acts or omissions of Executive during his employment with the Company), pursuant and subject to any of the Company's applicable insurance policies, by-laws or other organizing documents or as required by applicable law.

10. Released Parties. The term "Released Parties" as used herein includes the Company and its divisions, subsidiaries, affiliates, joint ventures and other related entities, and each of their respective past, present, and future directors, officers, agents, employees, and attorneys and the respective predecessors, successors, and assigns of each of the foregoing individuals and entities, including without limitation in connection with the Chapter 11 Cases.

11. No Other Proceedings Initiated. Executive represents and warrants that: (a) he has not filed or initiated any legal, equitable, administrative, or other proceeding(s) against any of the Released Parties; (b) he will not file or initiate any claim or other proceeding against the Company or any of its Affiliates (as applicable) in their Chapter 11 Cases except to enforce this Agreement; (c) no such proceeding(s) have been initiated against any of the Released Parties on his behalf; (d) he is the sole owner of the actual or alleged claims, demands, rights, causes of action, and other matters that are released in Paragraph 9 above; (e) the same have not been transferred or assigned or caused to be transferred or assigned to any other person, firm, corporation or other legal entity; and (f) he has the full right and power to grant, execute, and deliver the releases, undertakings, and agreements contained in this Agreement. Without limiting any provision of this Agreement, Executive further represents and warrants that he has not had, and currently does not have, any federal, state or local discrimination, workers' compensation, or other claims of any kind against any of the Released Parties.

12. No Further Recovery. The consideration offered herein is accepted by Executive as being in full accord, satisfaction, compromise and settlement of any and all claims or potential claims released herein, and Executive expressly agrees that he is not entitled to and will not receive any further payments, benefits, or other compensation or recovery of any kind from the Company or any of the other Released Parties. Executive further agrees that in the event of any further proceedings whatsoever based upon any matter released herein, the Company and each of the other Released Parties will have no further monetary or other obligation of any kind to Executive, including without limitation any obligation for any costs, expenses and attorneys' fees incurred by or on behalf of Executive.

13. Cooperation. Without limiting or otherwise affecting Executive's obligations under Paragraph 2 of this Agreement, Executive agrees that he (a) will cooperate fully with the Company, any of the other Released Parties and any of the fiduciaries of the Company's retirement or savings plans in investigating, defending, prosecuting, litigating, filing, initiating or asserting any claims or potential claims (including without limitation in connection with any legal, equitable, administrative, or other proceedings) that may be made by or against the Company, any of the other Released Parties or any of the fiduciaries of the Company's



retirement or savings plans, to the extent that such claims may relate to or arise out of Executive's employment with the Company, and (b) will provide prompt notice to the Company of any subpoena or other legal document that he receives that relates in any way to the Company, any of the other Released Parties or any of the fiduciaries of the Company's retirement or savings plans. Executive's obligation to cooperate hereunder will include, without limitation, meeting with such persons at such times and in such places as the Company, the other Released Parties and fiduciaries of the Company's retirement or savings plans may reasonably require, and giving truthful evidence and truthful testimony and executing and delivering to the Company, any of the other Released Parties and any of the fiduciaries of the Company's retirement or savings plans any papers requested by any of them (including without limitation joint defense agreements and truthful affidavits). Executive will be reimbursed for reasonable out-of-pocket expenses incurred by Executive in rendering cooperation pursuant to this Paragraph.

14. **Age Discrimination Act Acknowledgments.** Executive acknowledges that: (a) he has read and understands the terms and effect of this Agreement, and that this is the full, complete, and final release of all claims (as specified in Paragraph 9) against the Released Parties through the date of his execution of this Agreement; (b) he releases and waives claims under this Agreement including those under the federal Age Discrimination in Employment Act, knowingly and voluntarily, in exchange for consideration in addition to anything of value to which he already is entitled; (c) he hereby is and has been advised of his right to have his attorney review this Agreement before signing it; (d) he has twenty-one (21) days in which to consider whether to execute this Agreement; and (e) within seven (7) calendar days from the date on which Executive signs this Agreement, he may, at the his sole option, revoke the Agreement upon written notice to the Company's General Counsel, Smurfit-Stone Container Corporation, 222 N. LaSalle Street, Chicago, Illinois 60601. This Agreement will not become effective until this seven-day revocation period has expired without any revocation by the Executive; and if the Executive revokes this Agreement, it shall be null and void.

15. **Confidentiality.** Executive agrees that he will not disclose the existence or terms of this Agreement to any third parties with the exception of his accountants, financial advisors, attorneys, outplacement advisors, creditors, or spouse, and will ensure that none of them discloses such existence or terms to any other person, except as required to comply with legal process.

16. **Non-Disparagement.** Executive will refrain from all conduct, verbal or otherwise, that disparages or damages or could disparage or damage the reputation, goodwill, or standing in the community of the Company or any of the other Released Parties.

17. **Non-Admission.** Nothing in this Agreement is intended to or will be construed as an admission by the Company or any of the other Released Parties that any of them violated any law, interfered with any right, breached any obligation or otherwise engaged in any improper or illegal conduct with respect to Executive or otherwise. Each of the Released Parties expressly denies any such illegal or wrongful conduct.

18. **Cancellation of Employment Agreement.** Executive and the Company acknowledge and agree that the Employment Agreement is hereby cancelled in its entirety, is

null and void, and shall be of no further force or effect as of the Effective Date of this Agreement.

19. Assignment. This Agreement is enforceable by the Company and its Affiliates and may be assigned or transferred by the Company to, and shall be binding upon and inure to the benefit of, any parent, subsidiary or other Affiliate of the Company or any entity which at any time, whether by merger, purchase, or otherwise, acquires all or substantially all of the assets, stock or business of the Company (including, without limitation, any successor entit(ies) of the Company or any of its Affiliates upon its emergence from bankruptcy). All obligations of the Company under this Agreement will be binding on any successor to the Company (or the Affiliate to which this Agreement has been assigned or transferred if applicable) upon its emergence from bankruptcy, provided that nothing herein shall limit or otherwise affect the Company's right to assign or transfer this Agreement as set forth in the preceding sentence. Executive may not assign this Agreement during his life. Upon Executive's death, this Agreement will inure to the benefit of Executive's heirs, legatees and legal representatives of Executive's estate.

20. Severability. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable law. Executive and the Company agree that in the event that any provision of this Agreement is found to be unreasonable or otherwise unenforceable by a court, it is the purpose and intent of the parties that any such provision be deemed modified or limited, so that as modified or limited, such provision may be enforced to the fullest extent possible. If any provision of this Agreement is held invalid or unenforceable for any reason (after any such modification or limitation pursuant to the preceding sentence, as applicable), such provision will be ineffective only to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Agreement.

21. Notice. Notices given pursuant to this Agreement shall be in writing and shall be deemed received when personally delivered, or on the date of written confirmation of receipt by (a) overnight carrier, (b) registered or certified mail, return receipt requested, addressee only, postage prepaid, or (c) such other method of delivery that provides a written confirmation of delivery. Notice to the Company shall be directed to:

Smurfit-Stone Container Corporation  
222 N. LaSalle Street  
Chicago, Illinois 60601  
Attention: General Counsel

The Company may change the person and/or address to whom Executive must give notice under this Paragraph by giving Executive written notice of such change, in accordance with the procedures described above. Notices to or with respect to Executive will be directed to Executive, or to Executive's executors, personal representatives or distributees, if Executive is deceased, or the assignees of Executive, at Executive's home address on the records of the Company.

22. Entire Agreement, Amendment, and Non-Waiver. Except as otherwise provided herein, this Agreement embodies the entire agreement and understanding of the parties

hereto with regard to the matters described herein and supersedes any and all prior and/or contemporaneous agreements and understandings, oral or written, between said parties regarding such matters. Except as set forth in Paragraph 20, this Agreement may be modified only in a written agreement signed by both Executive and the Company's authorized representative. Any party's failure to enforce this Agreement in the event of one or more events which violate this Agreement shall not constitute a waiver of any right to enforce this Agreement against subsequent violations.

23. Forum Selection. The parties hereby irrevocably consent to, and agree not to object or assert any defense or challenge to, the jurisdiction and venue of the state and federal courts sitting in Chicago, Illinois, and agree that any claim under this Agreement may be brought in any such court. In any action or proceeding to enforce this Agreement, the non-prevailing party shall pay for any and all costs and expenses (including without limitation attorneys' fees) of the prevailing party.

24. Headings and Governing Law. The Paragraph headings in this agreement are for convenience of reference only and are not to be considered in the construction or interpretation of the provisions of this Agreement. This Agreement will be construed and interpreted in accordance with the internal laws of the State of Illinois, without regard to its conflict of laws rules.

25. Counterparts. This Agreement may be executed in counterparts, each of which taken together will constitute one and the same instrument.

**THE PARTIES STATE THAT THEY HAVE READ THE FOREGOING, THAT THEY UNDERSTAND EACH OF ITS TERMS, AND THAT THEY INTEND TO BE BOUND THERETO.**

**CHARLES A. HINRICHS**

**SMURFIT-STONE CONTAINER CORPORATION**

\_\_\_\_\_

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

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

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

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