

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **May 20, 2008**

SEALED AIR CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other
Jurisdiction of Incorporation)

1-12139
(Commission
File Number)

65-0654331
(IRS Employer
Identification No.)

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

07407
(Zip Code)

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

Not Applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

1. Amended 2005 Contingent Stock Plan of Sealed Air Corporation.

At the annual meeting of stockholders of Sealed Air Corporation (the "Company") held on May 20, 2008, the Company's stockholders approved the Amended 2005 Contingent Stock Plan of Sealed Air Corporation.

Three years earlier, the Company's stockholders approved the original 2005 Contingent Stock Plan of Sealed Air Corporation (the "2005 Contingent Stock Plan"). The 2005 Contingent Stock Plan provides for awards of equity-based compensation, including restricted stock, restricted stock units, performance share units and cash awards measured by share price, to executive officers and other key employees of the Company and its subsidiaries, as well as to U.S.-based key consultants to the Company. The 2005 Contingent Stock Plan is intended to provide and has provided an incentive to permit those officers, employees and consultants responsible for the Company's growth to share directly in that growth, to motivate them by means of appropriate incentives to achieve the Company's long-range goals, and to further the identity of their interests with those of the stockholders of the Company.

The Compensation Committee of the Company's Board of Directors and the full Board determined, subject to stockholder approval at the 2008 annual meeting, to continue the operation of the 2005 Contingent Stock Plan by authorizing 3,000,000 additional shares of common stock for awards under the 2005 Contingent Stock Plan and making other amendments to the 2005 Contingent Stock Plan that will accommodate awards to be made under the Company's new executive compensation program. Under the new executive compensation program, the Company intends to grant stock leverage opportunity awards (as part of the Company's annual incentive plan) and annual performance share unit awards (as part of the Company's long term incentive program) to the Company's executive officers and a small number of other key executives. Other employees of the Company will continue to be eligible to receive awards of restricted stock, restricted stock units and cash awards consistent with past practice as long term incentive compensation. The Company's executive officers and other key executives may also receive awards of restricted stock or restricted stock units from time to time.

The Amended 2005 Contingent Stock Plan of Sealed Air Corporation is included as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. Also, attached hereto and incorporated by reference are the Form of Sealed Air Corporation Performance Share Units Award Grant 2008-2009 (Exhibit 10.2) and the Form of Sealed Air Corporation Performance Share Units Award Grant 2008-2010 (Exhibit 10.3). These forms of award grants specify the recipient, target award, performance goals, and other important information regarding the annual performance share unit awards discussed above. During the first 90 days of 2008, the Compensation Committee established performance share units award target levels for the 2008-2009 and the 2008-2010 performance periods for executive officers of the Company that were "named executive officers" for whom disclosure was required in the Company's proxy statement for the 2008 annual meeting. These awards were subject to stockholder approval of the Amended 2005 Contingent Stock Plan at the meeting. Information regarding performance share units awards can be found on pages 39 and 40 of the proxy statement. Such information is incorporated herein by reference from Exhibit 10.4 to this Current Report on Form 8-K.

2. Amended Performance-Based Compensation Program of Sealed Air Corporation.

Also at the 2008 annual meeting, the Company's stockholders approved the Amended Performance-Based Compensation Program of Sealed Air Corporation.

In 2000, the Company's Board of Directors adopted and the stockholders approved the Performance-Based Compensation Program of Sealed Air Corporation in order to provide the Company's executive officers with incentive compensation that meets the requirements of performance-based compensation under Section 162(m) and thus is fully deductible for U.S. income tax purposes. The stockholders most recently approved the program in 2005. In early 2008, the Compensation Committee adopted amendments to the program, subject to approval of the amended program by the stockholders at the 2008 annual meeting. The program as amended provides for cash awards in the form of annual cash bonuses and awards of common stock under the Company's Amended 2005 Contingent Stock Plan. Eligible employees under the program are the Company's Chief Executive Officer, the other most highly compensated executive officers and other key employees selected by the Compensation Committee, which has been designated to establish and administer performance goals under the Program. Under the amended program, awards may be based on the attainment of goals regarding one or more of a number of criteria, which are outlined in the amended program. The Amended Performance-Based Compensation Program of Sealed Air Corporation is included as Exhibit 10.5 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	2005 Contingent Stock Plan of Sealed Air Corporation, as Amended. (Annex D to the Company's Proxy Statement for the 2008 Annual Meeting of Stockholders, File No. 1-12139, is incorporated herein by reference.)*
10.2	Form of Sealed Air Corporation Performance Share Units Award Grant 2008-2009.*
10.3	Form of Sealed Air Corporation Performance Share Units Award Grant 2008-2010.*
10.4	Performance Share Unit Awards information. (Such information contained on pages 39 and 40 of the Company's Proxy Statement for the 2008 Annual Meeting of Stockholders, File No. 1-12139, is incorporated herein by reference.)*
10.5	Performance-Based Compensation Program of Sealed Air Corporation, as Amended. (Annex E to the Company's Proxy Statement for the 2008 Annual Meeting of Stockholders, File No. 1-12139, is incorporated herein by reference.)*

* Compensatory plan or arrangement of management required to be filed as an exhibit to this report on Form 8-K.

Cautionary Notice Regarding Forward Looking Statements

Some of the statements made by the Company in, or incorporated by reference in, this Current Report on Form 8-K are forward-looking. These statements include comments as to future events and trends affecting the Company's business, which are based upon management's current expectations and are necessarily subject to risks and uncertainties, many of which are outside the control of the Company. Forward-looking statements can be identified by such words as "anticipates," "estimates," "expects," "intends," "plans," "will" and similar expressions. The following are important factors that the Company believes could cause actual results to differ materially from those in the Company's forward-looking statements: changes in raw material and energy costs; market conditions; the success of the Company's growth, profitability and global manufacturing strategies; the effects of animal and food-related health issues; tax, interest and exchange rates; and legal proceedings. A more extensive list and description of these and other such factors can be found under the headings "Risk Factors" and "Cautionary Notice Regarding Forward-Looking Statements," which appear in the Company's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as filed with the Securities and Exchange Commission.

SIGNATURE

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

SEALED AIR CORPORATION

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

EXHIBIT INDEX

Exhibit Number	Description
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* Compensatory plan or arrangement of management required to be filed as an exhibit to this report on Form 8-K.

**FORM OF
SEALED AIR CORPORATION PERFORMANCE SHARE UNITS
AWARD GRANT
2008-2009**

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

Name:

Performance Period: January 1, 2008 through December 31, 2009

TARGET AWARD

You have been granted by Sealed Air Corporation (the "Company") a target Performance Share Units award under the Company's 2005 Contingent Stock Plan for the two-year performance period 2008 through 2009, comprised of the following:

Target Performance Share Units: units

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

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

PERFORMANCE GOALS

The number of Units you earn will depend on the performance of the Company relative to certain performance goals for the two-year performance cycle from January 1, 2008 through December 31, 2009 (the "Performance Period"). The performance goals and their relative weightings are attached as Appendix B hereto.

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

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OTHER IMPORTANT INFORMATION

- Units earned will receive dividend equivalents paid in cash (without interest) based on the dividend rates in effect during the Performance Period applied to the number of Units you earn, which will be subject to the performance goals and vesting provisions described above.
- You will not earn any Units if the Company's performance during the Performance Period is below threshold performance as set forth on Exhibit B.
- If actual performance equals or exceeds threshold performance, the number of Units earned will range from 50% to 200% of your Target Performance Share Units award based on attainment against the performance goals as set forth on Exhibit B.
- In order to receive any Units, you must remain employed with the Company through December 31, 2009, except in the case of death, disability or retirement as discussed below. If you terminate employment prior to December 31, 2009 for reasons other than death, disability or retirement, you will forfeit all Units. Other special rules apply in case of termination of employment following a Change in Control, as described below.
- Units earned at the end of the Performance Period, if any, will be paid in actual shares of Company common stock, less the number of shares that may be withheld to satisfy applicable withholding taxes. Shares in settlement for any Units earned will be issued on or before March 15, 2010. Cash dividend equivalents accrued on the earned Units will be paid in cash on or about the same time.
- If your employment terminates due to your death or Disability (as defined in the 2005 Contingent Stock Plan) or you retire (as defined below) during the Performance Period, you (or your estate, in the event of your death) will receive a pro rata payout following the end of the Performance Period, based upon the portion of the Performance Period during which you were employed. The actual payout will not occur until after the end of the Performance Period, at which time the performance and achievements during the Performance Period will be used to determine the number of Units that you would have earned if you had remained employed for the entire Performance Period prior to applying the pro rata factor. Any payout to you in case of termination of employment during the Performance Period due to death, Disability or retirement will be made at approximately the same time as payouts are made to Participants who are still employed by the Company. You are considered to have retired if your employment with the Company terminates when you have at least 5 years of service and your combined age and years of service equal at least 70, but excluding termination of employment due to your death or Disability or termination of employment by the Company for cause. "Cause" for this purpose means any of the following as determined by the Company: (i) an act of gross negligence or willful misconduct significantly injurious to the Company or any subsidiary, (ii) gross dereliction of duties after notice to you and failure to correct the deficiencies within a thirty (30) day period thereafter, or (iii) fraud in your capacity as an employee.

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

FOR MORE INFORMATION.

If you have any questions about your award or Units or need additional information, contact _____ at _____.

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

SEALED AIR CORPORATION

EMPLOYEE

By: _____
 Name: _____
 Title: _____

APPENDIX A

**SEALED AIR CORPORATION
 PERFORMANCE SHARE UNITS PROGRAM**

PURPOSE

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

ELIGIBILITY AND PERFORMANCE PERIODS

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

TARGET AWARDS

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

MAXIMUM AND THRESHOLD AWARDS

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

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

PERFORMANCE MEASURES

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

PERFORMANCE GOALS

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

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

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

PERFORMANCE CERTIFICATION

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

AWARD CALCULATION AND PAYMENT

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

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

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

TERMINATION OF EMPLOYMENT DUE TO DEATH, DISABILITY, RETIREMENT

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

OTHER TERMINATION OF EMPLOYMENT

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

NEW HIRES OR PROMOTIONS INTO ELIGIBLE POSITIONS

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

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

IMPACT OF A CHANGE IN CONTROL

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

PROGRAM ADMINISTRATION

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

MISCELLANEOUS

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

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

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

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

(v) Effective Date. While this Program is effective as of January 1, 2008, it is subject to approval of amendments to the 2005 Contingent Stock Plan by the Company's stockholders at the 2008 Annual Meeting.

APPENDIX B

Name:

Performance Period: January 1, 2008 through December 31, 2009

Target Award: Performance Share Units

Threshold Award Level: 50% of Target Award

Maximum Award Level: 200% of Target Award

Performance Goal: The percentage of the Target Award that will be earned will be based on cumulative operating income for the period 2008 through 2009, subject to the exclusions set forth below, as follows:

	<u>(millions)</u>	
	Under \$1,190	0%
Threshold:	\$1,190	50%
Target:	\$1,245	100%
	\$1,300	150%
Maximum:	\$1,335 and above	200%

Award levels based on cumulative operating income between any two of these levels would be based on a pro-rata calculation of the number of shares to be awarded, except that no award will be earned for cumulative operating income below \$1,190 million. Fractional shares earned will be rounded up to the nearest whole share.

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

- a. Sales in BRIC countries (Brazil, Russia, India, China) of at least \$327.4 million in 2009; and
- b. 2009 safety result (TRIR) of 1.43, excluding facilities acquired during the performance period.

Exclusions for calculation of cumulative operating income:

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

- a. All restructuring charges reported or accounted for in the 2008 through 2009 consolidated financial statements as "restructuring charges," and restructuring

programs (including all unbudgeted charges and all non-recurring expenses related to the company's global manufacturing strategy) and all non-operating charges associated with mergers and acquisitions, both if approved by the Board of Directors no later than December 31, 2009. This exclusion shall include all restructuring charges approved by the Board of Directors before 2008 that are recorded during 2008 through 2009;

- b. All charges related to goodwill impairment in the calculation of operating expense and operating profit;
 - c. All expenses (including litigation-related costs and expenses), liabilities and accruals related to or arising from: (i) any liabilities that W.R. Grace & Co. or any of its subsidiaries had agreed to assume or as to which any of them indemnified the Corporation or any of its subsidiaries under any of the agreements entered into in connection with the Cryovac Transaction (as defined in the Corporation's Financial Statements included in the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002); (ii) any claim or lawsuit alleging that the Corporation or any of its subsidiaries is or may be liable for any liabilities of W. R. Grace & Co., Fresenius Medical Care Holdings, Inc., or any of their respective affiliates under any legal theory, including without limitation any claim based on fraudulent transfer, fraudulent conveyance, successor liability, or contractual obligation; (iii) any securities class action litigation brought against the Corporation or any of its officers or directors, including without limitation the case of MPERS/Senn v. Hickey, et al.; (iv) any costs incurred to settle the aforementioned liabilities, claims and lawsuits; or (v) any payment that the Corporation or any of its subsidiaries may be required to make to any trust fund established under federal law providing for the resolution of claims for bodily injury caused by asbestos exposure.
 - d. All expenses related to capital markets transactions authorized by the Board of Directors. Such transactions will include the repurchase of bonds and stock.
 - e. The effect (including related expenses) of any acquisition or disposition transactions, whether or not closed during 2008 through 2009, provided that, as to transactions closed during 2008 through 2009 that were large enough to require Board of Director approval, the Board of Directors has approved such transactions. However, the effect of any acquisition or disposition that closed prior to 2008 shall not be excluded.
 - f. Any unbudgeted charges related to the implementation of SAP, including the SAP go-live in the United States scheduled for 2008.
-

**FORM OF
SEALED AIR CORPORATION PERFORMANCE SHARE UNITS
AWARD GRANT
2008-2010**

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

Name:

Performance Period: January 1, 2008 through December 31, 2010

TARGET AWARD

You have been granted by Sealed Air Corporation (the "Company") a target Performance Share Units award under the Company's 2005 Contingent Stock Plan for the three-year performance period 2008 through 2010, comprised of the following:

Target Performance Share Units: units

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

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

PERFORMANCE GOALS

The number of Units you earn will depend on the performance of the Company relative to certain performance goals for the three-year performance cycle from January 1, 2008 through December 31, 2010 (the "Performance Period"). The performance goals and their relative weightings are attached as Appendix B hereto.

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

1

OTHER IMPORTANT INFORMATION

- Units earned will receive dividend equivalents paid in cash (without interest) based on the dividend rates in effect during the Performance Period applied to the number of Units you earn, which will be subject to the performance goals and vesting provisions described above.
- You will not earn any Units if the Company's performance during the Performance Period is below threshold performance as set forth on Exhibit B.
- If actual performance equals or exceeds threshold performance, the number of Units earned will range from 50% to 200% of your Target Performance Share Units award based on attainment against the performance goals as set forth on Exhibit B.
- In order to receive any Units, you must remain employed with the Company through December 31, 2010, except in the case of death, disability or retirement as discussed below. If you terminate employment prior to December 31, 2010 for reasons other than death, disability or retirement, you will forfeit all Units. Other special rules apply in case of termination of employment following a Change in Control, as described below.
- Units earned at the end of the Performance Period, if any, will be paid in actual shares of Company common stock, less the number of shares that may be withheld to satisfy applicable withholding taxes. Shares in settlement for any Units earned will be issued on or before March 15, 2011. Cash dividend equivalents accrued on the earned Units will be paid in cash on or about the same time.
- If your employment terminates due to your death or Disability (as defined in the 2005 Contingent Stock Plan) or you retire (as defined below) during the Performance Period, you (or your estate, in the event of your death) will receive a pro rata payout following the end of the Performance Period, based upon the portion of the Performance Period during which you were employed. The actual payout will not occur until after the end of the Performance Period, at which time the performance and achievements during the Performance Period will be used to determine the number of Units that you would have earned if you had remained employed for the entire Performance Period prior to applying the pro rata factor. Any payout to you in case of termination of employment during the Performance Period due to death, Disability or retirement will be made at approximately the same time as payouts are made to Participants who are still employed by the Company. You are considered to have retired if your employment with the Company terminates when you have at least 5 years of service and your combined age and years of service equal at least 70, but excluding termination of employment due to your death or Disability or termination of employment by the Company for cause. "Cause" for this purpose means any of the following as determined by the Company: (i) an act of gross negligence or willful misconduct significantly injurious to the Company or any subsidiary, (ii) gross dereliction of duties after notice to you and failure to correct the deficiencies within a thirty (30) day period thereafter, or (iii) fraud in your capacity as an employee.

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

FOR MORE INFORMATION.

If you have any questions about your award or Units or need additional information, contact _____ at _____.

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

SEALED AIR CORPORATION

EMPLOYEE

By: _____
 Name: _____
 Title: _____

APPENDIX A

**SEALED AIR CORPORATION
 PERFORMANCE SHARE UNITS PROGRAM**

PURPOSE

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

ELIGIBILITY AND PERFORMANCE PERIODS

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

TARGET AWARDS

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

MAXIMUM AND THRESHOLD AWARDS

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

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

PERFORMANCE MEASURES

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

PERFORMANCE GOALS

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

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

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

PERFORMANCE CERTIFICATION

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

AWARD CALCULATION AND PAYMENT

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

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

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

TERMINATION OF EMPLOYMENT DUE TO DEATH, DISABILITY, RETIREMENT

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

OTHER TERMINATION OF EMPLOYMENT

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

NEW HIRES OR PROMOTIONS INTO ELIGIBLE POSITIONS

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

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

IMPACT OF A CHANGE IN CONTROL

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

PROGRAM ADMINISTRATION

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

MISCELLANEOUS

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

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

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

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

(v) Effective Date. While this Program is effective as of January 1, 2008, it is subject to approval of amendments to the 2005 Contingent Stock Plan by the Company's stockholders at the 2008 Annual Meeting.

APPENDIX B

Name:

Target Award: Performance Share Units

Threshold Award Level: 50% of Target Award

Maximum Award Level: 200% of Target Award

Performance Goal: The percentage of the Target Award that will be earned will be based on cumulative operating income for the period 2008 through 2010, subject to the exclusions set forth below, as follows:

	<u>(millions)</u>	
	Under \$1,825	0%
Threshold:	\$1,825	50%
Target:	\$1,935	100%
	\$2,045	150%
Maximum:	\$2,125 and above	200%

Award levels based on cumulative operating income between any two of these levels would be based on a pro-rata calculation of the number of shares to be awarded, except that no award will be earned for cumulative operating income below \$1,825 million. Fractional shares earned will be rounded up to the nearest whole share.

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

- a. Cumulative sales of new products commercially introduced during the performance period of at least \$70 million during the performance period; and
- b. 2010 safety result (TRIR) of 1.40, excluding facilities acquired during the performance period.

The terms "new product sales" and "commercially introduced" will be interpreted consistent with the definitions approved by the Organization and Compensation Committee.

Exclusions for calculation of cumulative operating income:

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

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- a. All restructuring charges reported or accounted for in the 2008 through 2010 consolidated financial statements as "restructuring charges," and restructuring programs (including all unbudgeted charges and all non-recurring expenses related to the company's global manufacturing

strategy) and all non-operating charges associated with mergers and acquisitions, both if approved by the Board of Directors no later than December 31, 2010. This exclusion shall include all restructuring charges approved by the Board of Directors before 2008 that are recorded during 2008 through 2010;

- b. All charges related to goodwill impairment in the calculation of operating expense and operating profit;
 - c. All expenses (including litigation-related costs and expenses), liabilities and accruals related to or arising from: (i) any liabilities that W.R. Grace & Co. or any of its subsidiaries had agreed to assume or as to which any of them indemnified the Corporation or any of its subsidiaries under any of the agreements entered into in connection with the Cryovac Transaction (as defined in the Corporation's Financial Statements included in the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002); (ii) any claim or lawsuit alleging that the Corporation or any of its subsidiaries is or may be liable for any liabilities of W. R. Grace & Co., Fresenius Medical Care Holdings, Inc., or any of their respective affiliates under any legal theory, including without limitation any claim based on fraudulent transfer, fraudulent conveyance, successor liability, or contractual obligation; (iii) any securities class action litigation brought against the Corporation or any of its officers or directors, including without limitation the case of MPERS/Senn v. Hickey, et al.; (iv) any costs incurred to settle the aforementioned liabilities, claims and lawsuits; or (v) any payment that the Corporation or any of its subsidiaries may be required to make to any trust fund established under federal law providing for the resolution of claims for bodily injury caused by asbestos exposure.
 - d. All expenses related to capital markets transactions authorized by the Board of Directors. Such transactions will include the repurchase of bonds and stock.
 - e. The effect (including related expenses) of any acquisition or disposition transactions, whether or not closed during 2008 through 2010, provided that, as to transactions closed during 2008 through 2010 that were large enough to require Board of Director approval, the Board of Directors has approved such transactions. However, the effect of any acquisition or disposition that closed prior to 2008 shall not be excluded.
 - f. Any unbudgeted charges related to the implementation of SAP, including the SAP go-live in the United States scheduled for 2008.
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