

**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): **February 18, 2010**

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.

Compensatory Arrangement (unwritten) between the Company and David B. Crosier

In a Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on November 30, 2009, Sealed Air Corporation (the "Company") reported that David B. Crosier, a Senior Vice President of the Company, advised the Company of his decision to resign from the Company effective November 30, 2009 for personal and family reasons. Mr. Crosier is a "named executive officer" for whom disclosure was required to be made by the Company in its most recent proxy statement pursuant to Item 402(c) of Regulation S-K.

On February 18, 2010, the Organization and Compensation Committee of the Board of Directors of the Company reviewed the circumstances of Mr. Crosier's departure from Sealed Air. As a result of his resignation, Mr. Crosier was at risk of forfeiting approximately \$1.7 million in incentive and deferred compensation, comprising his 2009 bonus under the Annual Incentive Plan, his Stock Leverage Opportunity award of 1,617 restricted stock units in connection with his 2008 bonus under the Annual Incentive Plan, his two-year and three-year performance share unit awards made in early 2009 under the 2005 Contingent Stock Plan, and an award of 16,000 shares of restricted stock awarded on April 12, 2007 under the 2005 Contingent Stock Plan. Based on his 2009 performance and his significant contributions to the Company's business over the last three years, the Company's President and Chief Executive Officer recommended, and the Organization and Compensation Committee approved, the award to Mr. Crosier of a special cash bonus of \$260,000 and the waiver by the Committee of the forfeiture of 10,000 shares of the total of 16,000 shares of restricted stock awarded to Mr. Crosier on April 12, 2007. The balance of Mr. Crosier's incentive and deferred compensation was forfeited.

Employment Agreement (written) between a subsidiary of the Company and Robert A. Pesci

In a Current Report on Form 8-K/A filed with the SEC on November 3, 2009, the Company reported that Mr. Pesci resigned as a Senior Vice President of the Company. Mr. Pesci is a "named executive officer" for whom disclosure was required to be made by the Company in its most recent proxy statement pursuant to Item 402(c) of Regulation S-K. As indicated in that filing, Mr. Pesci continued as an employee of the Company. Effective February 18, 2010, Mr. Pesci entered into an employment agreement with a subsidiary of the Company, Sealed Air Corporation (US) (the "Employment Agreement").

Under the terms of the Employment Agreement, Mr. Pesci shall continue his employment through December 31, 2010. The Employment Agreement may be extended by mutual agreement of the parties for an additional period of not more than six months at a reduced compensation level. During the term of the Employment Agreement, Mr. Pesci will provide such services as may be assigned by the President of Sealed Air Corporation (US) or his designee, which may include serving as the President and a Manager of an affiliated company, Biosphere Industries LLC. Mr. Pesci shall continue to receive the same salary as he was receiving at the end of 2009. He will also be entitled to participate in the employee benefits programs that he participated in at the end of 2009 on the terms that are offered to employees of the Company generally, with the exception of the programs that are specifically addressed in the Employment Agreement. Mr. Pesci shall be entitled to receive a 2009 bonus under the terms of the Company's Annual Incentive Plan, including the Stock Leverage Opportunity provision in accordance with his election made for the 2009 performance year. He shall be eligible to receive a cash bonus for his performance during 2010 that will not be provided under the Annual Incentive Plan. In consideration for his continued employment, Mr. Pesci agreed that, solely for the purposes of determining the pro rata portions that he will receive following the end of the respective performance periods for his two-year and three-year performance share unit awards made in early 2009 under the 2005 Contingent Stock Plan, he will be considered to have retired on December 31, 2009. Mr. Pesci also agreed to a non-compete provision for two years following termination of his employment.

A copy of the Employment Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Policy on Recoupment of Incentive Compensation

On February 18, 2010, the Organization and Compensation Committee approved a revised policy on recoupment of incentive compensation from executives in the event of certain restatements. The new recoupment policy is effective for periods beginning on or after January 1, 2010.

Under the new policy the Company will, to the extent permitted by governing law, require reimbursement to the Company of all or a portion of annual incentive compensation awarded to any executive officer of the Company or to the leader of any business unit or function of the Company where the payment or award was predicated upon the achievement of certain financial results that

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were subsequently the subject of a restatement due to error or misconduct (regardless of the executive officer's or leader's responsibility for such error or misconduct). Previously, the Company's policy provided for recoupment of the payment or award that was predicated upon the achievement of certain financial results that were subsequently the subject of a substantial restatement, if, in the view of the Board, the officer or leader engaged in fraud or misconduct, or recklessly or negligently failed to prevent the fraud or misconduct, that caused or significantly contributed to the need for the substantial restatement.

A copy of the Company's Policy on Recoupment of Incentive Compensation from Executives in the Event of Certain Restatements, as amended, is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Clarifying Amendment to the Company's Performance-Based Compensation Program

On February 18, 2010, the Company amended its Performance-Based Compensation Program to add the following language to the end of the first paragraph under the heading "Performance-based Awards of Common Stock" — "For purposes of clarification only, performance-based awards of common stock under this Performance-Based Compensation Program do not include "Performance Share Units," which are separately addressed under the terms of the 2005 Contingent Stock Plan."

The Company's principal executive officer, principal financial officer and other "named executive officers" for whom disclosure was required to be made by the Company in its most recent proxy statement pursuant to Item 402(c) of Regulation S-K are eligible to receive performance-based awards of common stock under the Performance-Based Compensation Program.

A copy of the Company's Performance-Based Compensation Program, as amended, is attached hereto as Exhibit 10.3 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Employment Agreement between Robert A. Pesci and Sealed Air Corporation (US), a subsidiary of the Company, effective February 18, 2010.
10.2	Sealed Air Corporation Policy on Recoupment of Incentive Compensation from Executives in the Event of Certain Restatements, as amended February 18, 2010.
10.3	Performance-Based Compensation Program of the Company, as amended February 18, 2010.

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SIGNATURE

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

SEALED AIR CORPORATION

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

Dated: February 24, 2010

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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10.2	Sealed Air Corporation Policy on Recoupment of Incentive Compensation from Executives in the Event of Certain Restatements, as amended February 18, 2010.
10.3	Performance-Based Compensation Program of the Company, as amended February 18, 2010.

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EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") by and between Sealed Air Corporation (US) ("SAC") with an office at 200 Riverfront Boulevard, Elmwood Park, NJ 07407 and Robert A. Pesci ("Pesci").

WHEREAS, Pesci resigned his positions as a Senior Vice President of Sealed Air Corporation, SAC's parent company, and as President of SAC's Protective Packaging Business Unit in 2009 but has continued as an employee of SAC since then;

WHEREAS, SAC desires Pesci to continue his employment through December 31, 2010, and Pesci desires to continue his employment during the same period;

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

1. The parties understand and agree that this Agreement is contingent on the approval of the Organization and Compensation Committee of the Board of Directors of Sealed Air Corporation, SAC's parent company, ("Sealed Air") and upon such approval the Agreement shall be effective upon such approval and will continue through December 31, 2010. This Agreement may be extended by mutual agreement for an additional period of not more than six months at a reduced compensation level.
2. SAC agrees to employ Pesci and Pesci accepts employment by SAC on the terms and conditions of this Agreement. During the term of this Agreement, Pesci will provide such services as may be assigned by the President of SAC or his designee, which may include serving as the President and a Manager of SAC affiliate Biosphere Industries LLC, subject to Pesci's performance of his duties and services in a manner acceptable to the President of SAC as determined in the President's sole discretion.
3. During the term of this Agreement Pesci shall continue to be entitled to receive the same salary as he was receiving at the end of 2009. He will also be entitled to participate in the employee benefits programs that he participated in at the end of 2009 on the terms that are offered to employees of SAC generally, with the exception of the programs that are specifically addressed in this Employment Agreement. Without limiting the foregoing, Pesci shall be entitled to receive a 2009 bonus under the terms of the Annual Incentive Plan, including the Stock Leverage Opportunity provision in accordance with his election made for the 2009 performance year. Pesci shall be eligible to receive a bonus for his performance during 2010 that will not be provided under the Sealed Air Corporation Annual Incentive Plan. The bonus target, performance metrics and goals applicable to Pesci's 2010 bonus shall be mutually agreed by Pesci and the President of SAC.
4. In consideration for SAC's agreement to continue to employ Pesci through the term of this Agreement, Pesci agrees that he will be considered to have retired on December 31, 2009 for the purposes of determining the pro rata portions of Pesci's Sealed Air Corporation Performance Share Units Award Grant 2009-2010 and Sealed Air Corporation Performance Share Units Award Grant 2009-2011 that Pesci will receive following the end of the respective Performance Periods under each of those Award Grants.
5. Pesci shall continue to have use of his Company car during the term of this Agreement.
6. Pesci agrees that, in consideration for SAC's agreement to employ Pesci through the term of this Agreement, while employed, and during and for two years following termination of the his employment with SAC and its affiliates, including Biosphere Industries LLC (collectively "the Company"), he shall not, without the written consent of the President of SAC or the President of Sealed Air, (i) either directly or indirectly compete with or in any way engage his talents for the benefit of a competitor of the Company in any capacity related directly or indirectly to any aspect of his past, present or future employment with the Company or (ii) act as an officer, director, employee, consultant, partner or stockholder owning more than five percent of a corporation, business or enterprise that is in the business of designing, developing, manufacturing, selling, servicing or promoting a product that competes with any of the products manufactured, sold or under development by the Company during Pesci's employment by the Company. Pesci acknowledges and represents that his background and experience adequately qualify him to engage in other profitable lines of endeavor and that he will not be subject to undue hardship by reason of this non-competition commitment. The Company, at its sole discretion, may elect to release Pesci from his obligations under this Paragraph 6 after termination

of employment by the Company, which election shall be provided in writing signed by the President of SAC or the President of Sealed Air no later than 60 days after the termination of Pesci's employment with the Company.

7. This Agreement shall be governed and conformed in accordance with the laws of the State of New Jersey without regard to that State's conflict of laws provision.

/s/ Robert A. Pesci

Robert A. Pesci

2/13/10

Date

For Sealed Air Corporation (US)

/s/ William V. Hickey

William V. Hickey

President

2/18/10

Date

SEALED AIR CORPORATION

POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION
FROM EXECUTIVES IN THE EVENT OF CERTAIN RESTATEMENTS
As amended for performance periods beginning on or after January 1, 2010

The Organization and Compensation Committee of the Board of Directors has approved the policy that the Company will, to the extent permitted by governing law, require reimbursement to the Company of all or a portion of any annual incentive compensation (whether payable in cash or by an award under the 2005 Contingent Stock Plan) and any Performance Share Units awards under the 2005 Contingent Stock Plan awarded to any executive officer of the Company or to the leader of any business unit or function of the Company for performance periods beginning on or after January 1, 2010, where:

- (a) the payment or award was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement due to error or misconduct (regardless of the executive officer's or leader's responsibility for such error or misconduct), and
- (b) either no payment or award, or a lower payment or award, would have been made to the officer or leader based upon the restated results.

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

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

In addition to these reimbursements, the Company may take any other actions that it deems appropriate to remedy any fraud or misconduct related to the restatement based on a consideration of the relevant facts and circumstances. These remedies would be in addition to any actions imposed by law enforcement agencies, regulators, or other authorities.

2/18/2010

SEALED AIR CORPORATION
 PERFORMANCE-BASED COMPENSATION PROGRAM
 (as amended for the 2008 fiscal year)
 (Revised February 18, 2010)

In order to entitle Sealed Air Corporation (the "Corporation") to deduct for U.S. income tax purposes the compensation expense resulting from certain performance-based compensation provided to certain officers and other eligible employees (as defined below) pursuant to awards under the Corporation's 2005 Contingent Stock Plan or under annual cash bonus arrangements, the following are the terms under which such awards may be granted to such eligible employees as provided in Internal Revenue Code Section 162(m) and the regulations thereunder, as the same may be amended from time to time ("Section 162(m)"):

I. Eligible Employees:

The class of employees eligible for awards under this program ("eligible employees") consists of the chief executive officer of the Corporation, the other four most highly compensated executive officers of the Corporation, and other officers and key employees of the Corporation or any of its subsidiaries selected by the committee of the Board of Directors (the "Committee") that is authorized by the Board of Directors to establish and administer performance goals under this program. The Committee will be comprised of "outside directors" as that term is defined in Section 162(m).

II. Performance-based Awards of Common Stock:

Performance-based awards payable in shares of the Corporation's Common Stock under the 2005 Contingent Stock Plan of Sealed Air Corporation or a successor plan can be made based upon achievement of pre-established objective goals during a performance period (which may be the calendar year) established by the Committee, consistent with the requirements of Section 162(m). If such goals are achieved, then an eligible employee may be granted one or more awards payable in shares of Common Stock under the 2005 Contingent Stock Plan during the 12-month period following the performance period in an aggregate amount up to the pre-established award level. For purposes of clarification only, performance-based awards of common stock under this Performance-Based Compensation Program do not include "Performance Share Units," which are separately addressed under the terms of the 2005 Contingent Stock Plan.

The maximum amount of performance-based awards payable in shares of the Corporation's Common Stock under the 2005 Contingent Stock Plan to any eligible employee under this program during any 12-month period may not exceed two-tenths of 1% (0.2%) of the issued and outstanding shares of the Corporation's Common Stock at the beginning of such period. The Committee retains the sole and exclusive discretion to set pre-established award levels for awards under the Corporation's 2005 Contingent Stock Plan at an amount less than the maximum level specified in the prior sentence and to reduce (including a reduction to zero) any award payable in shares of Common Stock under the 2005 Contingent Stock Plan that is otherwise payable under the program.

III. Performance-based Awards of Cash:

Performance-based awards of cash under the Corporation's annual cash bonus arrangements can be made to eligible employees based upon achievement of pre-established objective goals during a calendar year performance period. If such goals are achieved, the eligible employee may be granted an annual cash bonus for such year in an amount of up to the greater of one percent (1%) of the Corporation's net earnings for that fiscal year or \$2 million, provided, however, that the Committee in its sole and exclusive discretion may reduce (including a reduction to zero) any award to be made in cash to any eligible employee that is otherwise payable under the program for such year. At the sole and exclusive discretion of the Committee, an annual cash bonus may be paid although such goals have not been achieved if the eligible employee dies or becomes disabled during the performance period or a "change in control" (as defined in the 2005 Contingent Stock Plan) occurs during the performance period.

IV. Pre-established Objective Goals:

A. Performance-based awards under this program will require attainment of objective, pre-established goals based on one or more of the following criteria: growth in net sales; gross profit; operating profit; net earnings; measures of cash flow; measures of expense control; improvement in management of working capital items (inventory, accounts receivable or accounts payable); earnings before interest and taxes (commonly called EBIT); earnings before interest, taxes, depreciation and

amortization (commonly called EBITDA); earnings per share; sales from newly-introduced products; successful completion of strategic acquisitions, joint ventures or other transactions; measures of product quality, safety, productivity, yield or reliability (on time and complete orders); measures of return on assets, return on invested capital or return on equity; shareholder value added (net operating profit after tax (NOPAT), excluding non-recurring items, less the Corporation's cost of capital); and the ratio of net sales to net working capital; share price; or any combination of the foregoing goals. Goals may be established on a corporate-wide basis or with respect to one or more business units, divisions or subsidiaries, and may be either in absolute terms or relative to the performance of one or more comparable companies or an index covering multiple companies. For the purpose of determining whether a goal has been attained, the Committee may exclude the impact of charges, credits and related costs for restructurings, discontinued operations, extraordinary items, debt redemption or retirement, and the cumulative effects of accounting changes, each as defined by generally accepted accounting principles, and other unusual or non-recurring items as defined by the Committee when the goals are established.

B. Pre-established goals and award levels will be established by the Committee in writing during the first 90 days of the performance period (or during the first 25% of the performance period if the performance period is less than a year), provided that the outcome is substantially uncertain at the time the Committee establishes the goal. Except as specified in this program, performance goals may not be changed once set. No awards under the 2005 Contingent Stock Plan or cash payments will be made until the Committee has certified that the performance goals have been met.

V. Additional Provisions:

A. The limits on awards made under the 2005 Contingent Stock Plan and in cash are cumulative, that is, the Corporation may grant to any eligible employee in any year awards up to the specified limits both for Common Stock and for cash. While the limits are annual, performance-based awards need not be made every year, and the Committee shall have the discretion to determine the intervals between successive performance-based awards.

B. In the event of any change in the Corporation's capitalization, such as through a stock split, stock dividend, recapitalization, merger or consolidation, appropriate adjustments will be made by the Board of Directors to the maximum amount of performance-based awards payable in shares of the Corporation's Common Stock during any 12-month period to an eligible employee, to the pre-established award level for any award payable in shares of the Corporation's Common Stock, to the amount of any performance-based award payable in shares of the Corporation's Common Stock that has been approved by the Committee before such change occurred but not yet made as of such change, and to any pre-established goal that is based upon the Corporation's capitalization, such as earnings per share.

C. The Committee shall be entitled at its discretion to approve awards under the 2005 Contingent Stock Plan, cash bonuses or compensation under any other compensation plan or arrangement that does not meet the requirements of Section 162(m) and thus may be partly or fully non-deductible by the Corporation for U.S. income tax purposes.

D. Except as provided above and subject to the stockholder approval requirements of Section 162(m), the Committee shall have complete power and authority to amend, suspend or terminate any or all terms of the performance-based compensation program, except that it may not alter performance goals or increase pre-established award levels once they have been established for a performance period. The Committee shall have full authority to administer the performance-based compensation program and to interpret the program's terms and establish rules for the administration of the program, although the Committee may consider recommendations from the Chief Executive Officer of the Corporation or from directors who are not members of the Committee. The Committee's determinations under the program shall be final.

E. An eligible employee's rights and interests under the program may not be assigned or transferred by the eligible employee. To the extent an eligible employee acquires a right to receive an award under the program, such right shall be no greater than the right of any unsecured general creditor of the Corporation. Nothing contained in the program shall be deemed to create a trust of any kind or any fiduciary relationship between the Corporation and an eligible employee. Designation as an eligible employee under the program shall not entitle the employee to continued employment with or, if applicable, continuation as an officer of the Corporation or any of its subsidiaries.

F. The program shall be construed and governed in all respects under the laws of the United States to the extent applicable and, to the extent such laws are not applicable, under the laws of the State of New Jersey.

The foregoing terms of the amended performance-based compensation program shall become effective as of the Corporation's 2008 fiscal year, subject to the approval by the affirmative vote of a majority of votes cast by the stockholders of the Corporation at the 2008 annual meeting of stockholders.
