

Corporate governance report

Mondi is committed to strong ethical values and professionalism in all its activities. As an essential part of this commitment the boards of Mondi Limited and Mondi plc (together 'the Boards') support the highest standards of corporate governance and best practice and are committed to the principles of transparency, integrity and accountability.

Dual listed company structure

Mondi operates under a dual listed company (DLC) structure, which requires compliance with the corporate and accounting regulations of South Africa and the UK. Mondi Limited and Mondi plc (together 'the Mondi Group' or 'Mondi') have separate corporate identities and separate stock exchange listings. Mondi Limited has a primary listing on the JSE Limited (JSE), while Mondi plc has a primary listing on the London Stock Exchange and a secondary listing on the JSE. Under the DLC structure, any ordinary share held in either Mondi Limited or Mondi plc gives the holder an effective economic interest in the whole Mondi Group.

The relationship between Mondi Limited and Mondi plc is underpinned by the DLC structure principles, which provide that:

- Mondi Limited and Mondi plc and their subsidiaries must operate as if they are a single corporate group, with Mondi Limited and Mondi plc having boards of directors comprising the same individuals; and
- the directors of Mondi Limited and Mondi plc will, in addition to their duties to the company concerned, have regard to the interests of the Mondi Limited shareholders and the Mondi plc shareholders as if the two companies were a single unified economic enterprise and for that purpose the directors of each

company will take into account, in the exercise of their powers, the interests of the shareholders of the other.

Compliance statement

Mondi has complied throughout the year with the principles contained in the South African King II Code of Corporate Practices and Conduct (available at www.iodsa.co.za) and Section 1 of the UK Combined Code on Corporate Governance issued by the Financial Reporting Council (available at www.frc.org.uk) save in respect of the following matters:

- as explained further below, Cyril Ramaphosa, joint chairman, was not considered independent upon appointment;
- with the departure of Sir John Parker, joint chairman, on 4 August 2009 when he took up the chairmanship of Anglo American plc, and pending the appointment of John Nicholas on 2 October 2009, the Boards comprised three executive directors and three non-executive directors, excluding the joint chairmen. This was a temporary position and resulted from the need to undertake a thorough recruitment process to appoint an independent non-executive director who had the relevant financial experience to chair the DLC audit committee;
- David Williams was appointed joint chairman on 4 August 2009 in place of Sir John Parker as an internal candidate in light of his prior involvement in the demerger

of Mondi from Anglo American plc, his ongoing relationship with the Group and relevant business experience; and

- also as a result of the aforementioned need to undertake a thorough recruitment process, David Williams remained as chair of the DLC audit committee pending the appointment of John Nicholas on 2 October 2009. No DLC audit committee meetings were held during the period between August and October.

Boards of directors

In order to manage the DLC structure of Mondi effectively, the boards of Mondi Limited and Mondi plc are identical. The Boards manage Mondi as if it were a single unified economic enterprise and, in addition to their duties to the company concerned, have regard to the interests of the ordinary shareholders of both Mondi Limited and Mondi plc in the management of the Mondi Group.

As at 31 December 2009 there were nine directors: the joint chairmen, three executive directors and four independent non-executive directors. There is a strong mix of skills and industry experience, particularly of Europe and South Africa, locations important to Mondi's operations.

On appointment each non-executive director receives letters of appointment from each of Mondi Limited and Mondi

plc setting out, among other things, their term of appointment, the expected time commitment for their duties to Mondi and details of any DLC committees of which they are a member. Non-executive directors are initially appointed for a three-year term after which their appointment may be extended for a second term subject to mutual agreement and shareholder approval.

The directors holding office during the year ended 31 December 2009 are listed below, together with their attendance at Board meetings held during the year. Those in office as at the date of this report, together with their biographical details, can be found on pages 44 to 47.

During the year there were six combined DLC Mondi Limited and Mondi plc board meetings in accordance with the DLC structure and

arrangements. In addition, each company holds additional meetings to cover any specific local requirements. All Board meetings are convened by formal notice, incorporating a detailed agenda.

With the challenging economic environment experienced during 2009 the Boards have focused much of their time on reviewing financial performance and production capacity, rigorously controlling the cost base and maintaining the focus of the Group on its core strengths. The Boards have reacted to developments and provided leadership to the management, supporting some difficult decisions that had to be made during the year. There has been constructive challenge in the boardroom and discussions on the short term strategies and longer-term performance objectives. Key areas of focus have been the need to manage risk and fulfil their obligations to

shareholders through their oversight and challenge to management, to protect the Group's assets and to ensure that the Group operates within a framework of robust corporate governance and ethical behaviour.

The Boards have also regularly reviewed the major investment projects in Poland and Russia. In accordance with the matters reserved for the Boards, a number of other regular reviews of shareholder matters and the implementation of Group policies, including the code of business ethics and the share dealing code, have been considered. A copy of the full schedule of matters reserved for the Boards is available on the Mondi Group website at www.mondigroup.com. In view of the broad nature of the Boards' responsibilities, certain specific duties have been delegated to committees as detailed below.

Communication between directors outside formal meetings has increased during the year with additional information and financial updates provided to them in hard copy, by e-mail and telephone as appropriate.

Non-executive director meetings, chaired by the joint chairmen, are held twice a year. One meeting has no executive management in attendance and one is attended by the chief executive officer.

Directors	Mondi Limited board (one meeting)	Mondi plc board (one meeting) (six meetings)	DLC board
Sir John Parker*	1	1	4
Cyril Ramaphosa	1	1	6
David Williams	1	1	6
David Hathorn	1	1	6
Andrew King	1	1	6
Colin Matthews	1	1	6
Imogen Mkhize	1	1	6
Peter Oswald	1	1	6
John Nicholas**	n/a	n/a	2
Anne Quinn	1	1	6

* Sir John Parker resigned from the boards of both Mondi Limited and Mondi plc on 4 August 2009.

** John Nicholas was appointed a director of both Mondi Limited and Mondi plc on 2 October 2009.

For further information on the directors please go to page 44 of this report, or click on www.mondigroup.com/aboutus



A policy is in place pursuant to which each director may obtain independent professional advice at Mondi's expense in the furtherance of their duties as a director of either Mondi Limited or Mondi plc. No requests were received during the year.

Throughout the year to 31 December 2009, in line with market practice, Mondi maintained directors' and officers' insurance.

Joint chairmen and chief executive officer

Mondi has joint chairmen, Cyril Ramaphosa and David Williams, with the chief executive officer role held separately by David Hathorn. The division of responsibilities between the joint chairmen and the chief executive officer has been clearly defined and approved by the Boards.

The principal responsibilities of the joint chairmen include to:

- lead the Boards, ensuring their effectiveness and setting their agenda;
- ensure high standards of corporate governance;
- ensure that the Boards set a clear and appropriate strategy for the Group; and
- ensure effective communication with shareholders and other stakeholders.

The principal responsibilities of the chief executive officer include to:

- lead the business;
- chair the DLC executive committee

- and lead the management team;
- ensure that the Group has effective processes and controls; and
- ensure that the Boards receive accurate, timely and clear information about the Group's performance.

The joint chairmen and chief executive officer work together to ensure that there is effective co-ordination of their roles and responsibilities. In particular, they work closely together on matters such as the relationships with major shareholders, government, analysts, media and other external relationships at a senior level and on major acquisitions and disposals.

The joint chairmen maintain a regular dialogue with each other and manage the Boards through mutual agreement.

David Hathorn, chief executive officer, does not hold any directorships external to Mondi. The main positions held by Cyril Ramaphosa and David Williams outside the Mondi Group are detailed in their biographies set out on page 44. There has been no material change to the commitments of Cyril Ramaphosa during the year. David Williams was appointed joint chairman in August 2009 and is relinquishing his directorship of Taylor Wimpey plc on 31 March 2010. The Boards continue to consider that their external directorships do not interfere with the time they devote to Mondi, with both having made themselves available to management and other directors when required.

While David Williams was independent upon appointment, Cyril Ramaphosa was not considered independent upon appointment in view of his existing connection with Mondi as chairman of the Shanduka Group, which has shareholdings in Mondi Shanduka Newsprint (Proprietary) Limited and Mondi Packaging South Africa (Proprietary) Limited (see page 160). Notwithstanding this, Mondi benefits greatly from his considerable knowledge and experience, particularly of the South African business environment, and the Boards firmly believe that this justifies his appointment. In addition, David Williams, together with the four independent non-executive directors, provides the required level of independent oversight. Cyril excuses himself from any Board level discussions involving matters in which he may have an interest through the Shanduka Group.

Senior independent director

Anne Quinn was appointed senior independent director in August 2009, in place of David Williams. One of her key responsibilities since being appointed has been to chair a meeting of the non-executive directors at which the performance of the joint chairmen was considered. She will be available to shareholders should they have any concerns that contact through other channels has failed to resolve or for which such contact may be

inappropriate. No requests were received during the year from shareholders to meet with the senior independent director.

Company secretaries

Philip Laubscher is the company secretary of Mondi Limited and Carol Hunt the company secretary of Mondi plc. The appointment and removal of the company secretaries is a matter for the Boards. All directors have access to the advice and services of the company secretaries. Throughout the year the company secretaries have ensured compliance with the correct Board procedures. They report at each Board meeting on relevant corporate governance and regulatory matters and changes, including the provision of advice on the performance of directors' duties and the continuing obligations of the stock exchanges on which Mondi is listed. This was particularly important during 2009 when the governance and regulatory landscape in both South Africa and the UK changed substantially with the introduction of new Companies Acts and governance codes.

Under the direction of the joint chairmen, the company secretaries manage the provision of information and documentation to the Boards. In particular, meeting papers are issued one week in advance thereby allowing directors sufficient time to prepare fully for any Board or committee meetings.

Induction and professional development

John Nicholas, who joined the Boards in October 2009, received a tailored induction programme in accordance with established procedures. This included meetings with divisional business unit executives and other members of the DLC executive committee, site visits and meetings with key advisers, primarily the external audit partners of Deloitte in South Africa and the UK in view of his appointment as chairman of the DLC audit committee. In addition, a briefing from the UK company secretary was provided on the DLC structure and its implications for the Boards, as well as the corporate governance issues in South Africa and the UK affecting the Group, directors' duties and continuing obligations of the stock exchange listings. The company secretaries provide all directors with a handbook containing the committee remits and key Group policies together with other material to assist them in understanding and fulfilling their duties. This is regularly reviewed and updated.

Where the opportunity arises, site visits have been arranged in conjunction with Board meetings. During 2009 the Boards visited the Group's operations at Štětí in the Czech Republic and in Vienna. In addition, opportunities to introduce the Boards to local management teams are taken, using site visits, meetings and Board presentations.

Regular updates on developments in governance and regulation are provided to the Boards by the company secretaries, in addition to which function specialists present at Board meetings at regular intervals, to assist the directors to discharge their duties and responsibilities. Directors are also made aware of relevant external training courses and workshops which may support their position on the Boards or on a committee. As explained below, the directors wish to increase their focus on continuing professional development.

While it is acknowledged that valuable experience can be gained by executive directors serving as non-executive directors on the boards of other companies, the Boards have in place a policy setting out the parameters within which this is acceptable. The executive directors must seek the prior approval of the Boards on the appropriateness of any proposed appointment and ensure that the number of any such commitments is contained, with the respective time commitments manageable. A director will retain any fee paid to them in respect of directorships held that are external to Mondi. Peter Oswald is the only executive director holding an external position, being a non-executive director of Telekom Austria AG.

Performance evaluation

During the year the action plan from the previous evaluation was regularly reviewed to ensure that the objectives

set had been achieved. In particular, a questionnaire was circulated to members of the senior management team to enable the Boards to gain an insight into the effectiveness of communications from the Boards, the results of which were reviewed. The Group's brokers presented investor feedback to the Boards after the half-yearly and full-year results.

Following a review by the DLC nominations committee, it was agreed that an internally facilitated performance evaluation of the Boards, principal committees and individual directors remained appropriate for 2009. The evaluations were led by the joint chairmen and supported by the company secretaries and comprised a questionnaire completed by each director regarding various aspects of the performance of the Boards. In addition to covering the regular board matters, the questionnaire also covered specific areas highlighted in the 2008 evaluation. Questionnaires were also completed by each member of the principal DLC committees relating to the activities of each committee. The joint chairmen interviewed each director on a one-to-one basis. Cyril Ramaphosa interviewed those based in South Africa and David Williams interviewed the non-South African-based directors. Further input for these interviews was obtained through the use of an additional questionnaire completed by each director providing their views of their fellow directors in a number of areas such as preparedness for, and contribution at, meetings.

The key theme that emerged from the evaluation was the desire of directors, in the current fast moving regulatory and governance environment, with increasing emphasis being placed on board effectiveness, to ensure that they receive continuing professional development, with targeted training and development programmes for the Board and individual directors. Other matters raised were more procedural in nature. Action plans to address the matters raised in the review have been formulated and agreed with the Boards. In particular, the company secretaries will be agreeing with the joint chairmen a revised programme of training involving a number of different methods. This will include expanding on the governance and regulatory updates provided in-house, supplementing these with specifically targeted presentations from external advisers and, where appropriate, attendance at external training courses for individual directors to enhance their understanding of any matters that may arise during their work on the Boards or committees.

Anne Quinn, as senior independent director, led the review of the joint chairmen at a meeting of the non-executive directors. Having undergone a change during the year, the benefit gained from the continuity and stability provided by David Williams during the difficult economic environment experienced in 2009 was acknowledged. David, working alongside Cyril Ramaphosa, provides

the Group with sound leadership based on many years of industry experience and knowledge.

It was concluded that the leadership and combined business knowledge of the joint chairmen was invaluable to Mondi.

Procedure for conflicts of interest

The company law regime introduced in October 2008 by the UK Companies Act 2006 on directors' conflicts of interest and the articles of association of both Mondi Limited and Mondi plc allows directors to authorise potential conflicts. Procedures are in place to manage such situations.

The procedures include the following:

- an initial review by the company secretaries of the details of any potential conflicts of interest, or changes to previously authorised conflicts, notified by a director and presentation of the facts to the Boards for consideration;
- an unconflicted quorum of the Boards consider, in accordance with the articles of association and their other statutory duties, the details and, where considered appropriate, authorise the potential conflict. The director is advised of the outcome and the scope and limitations of the authorisation, where applicable;
- a record is maintained of all authorisations given, including the scope and any limitations to such authorisations; and

- all authorisations are reviewed on an annual basis by the Boards to ensure that it is appropriate for the relevant matter to remain authorised.

Board committees

The DLC committees, to which the Boards delegate specific areas of responsibility as described below, have authority to make decisions according to their terms of reference. Work programmes are agreed by each committee that are designed around the annual business calendar and their respective terms of reference. As part of the annual evaluation procedures, each committee reviews its terms of reference and these are available at the Mondi Group website. The committees are empowered, through their terms of reference, to seek independent professional advice at Mondi's expense in the furtherance of their duties.

While only committee members are entitled to attend committee meetings, the chairmen of each committee can invite, as they consider appropriate, management and advisers to meetings to provide information, answer questions and generally to assist the committees in carrying out their duties. To ensure that the Boards as a whole have an understanding of any key issues under consideration by a committee, each committee chairman provides a report to the Boards following each committee meeting.

The company secretaries of Mondi Limited and Mondi plc each act as

secretary to each of the DLC committees.

The membership of each of the DLC committees, together with the attendance at committee meetings held during the year, are detailed below.

Membership of each committee is kept under review and, in particular, will be considered when each committee undertakes its annual evaluation.

DLC audit committee

The DLC audit committee operates on a Group-wide basis. The committee met four times during the year and in 2010 has four meetings scheduled around the Group's financial cycle. The Group heads of internal audit and representatives from the external auditors, Deloitte & Touche and Deloitte LLP, are regularly in attendance at meetings.

The committee has responsibility, among other things, for monitoring the integrity of the Group's financial statements and reviewing the results announcements. It also has responsibility for reviewing the effectiveness of the Group's system of internal controls and risk management

systems, details of which can be found on pages 30 to 32 of this report. Time has been scheduled at one meeting each year for the committee to meet separately with the internal and external auditors without executive management present.

The DLC audit committee oversees the relationship with the external auditors; is responsible for their appointment, reappointment and remuneration; reviews the effectiveness of the external audit process; and ensures that the objectivity and independence of the external auditors is maintained. Deloitte & Touche and Deloitte LLP were appointed as Mondi's external auditors at the time of the demerger of Mondi from Anglo American plc in July 2007. As such, the DLC audit committee does not consider that it would be appropriate at this time to put the audit out to tender, but will continue to keep this under review. Representatives from Deloitte report to the committee on their independence and objectivity and the mechanisms employed to ensure this is maintained. The committee, having considered the Deloitte report which did not raise any matters of concern, has concluded that it is satisfied that auditor independence

Members	DLC audit committee (four meetings)
Colin Matthews	4
John Nicholas* (chairman)	1
Anne Quinn	4
David Williams* (former chairman)	3

* John Nicholas was appointed as chairman of the committee on 2 October 2009 and David Williams resigned from the committee on that date.

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and objectivity have been maintained. Following a review by the committee of the effectiveness of the external auditors, a recommendation was made to, and accepted by, the Boards that resolutions to reappoint Deloitte & Touche and Deloitte LLP be proposed at the annual general meetings of Mondi Limited and Mondi plc to be held in May 2010.

A policy that formalises the arrangements regarding the provision of non-audit services provided by the auditors of Mondi Limited and of Mondi plc to the Group sets out the procedures for the pre-approval of such services. All non-audit services provided by the auditors are pre-approved by either the Group chief financial officer or the DLC audit committee chairman under delegated approval authorities from the DLC audit committee. The policy also details those non-audit services, including financial information systems design, internal audit outsourcing and actuarial valuation services, that are prohibited. Reports are presented to the committee at each meeting detailing any non-audit services approved since the previous meeting, to enable the committee to monitor the provision of these services to ensure that they do not impair the external auditors' independence and objectivity. While there remains a number of historic matters where the external auditors will continue to be used to assist in the work, it is anticipated that the level of such services will diminish.

The head of internal audit has direct access and responsibility to the DLC audit committee and works closely with the committee in co-ordination with the external auditors. Internal audit reports are presented at each meeting of the committee and cover a range of matters relating to the work of the internal audit team. The reports include details of audits carried out, the results and management's response to matters raised during the audits. Maintaining sound oversight and control of activities through the use of internal audit reviews is considered by the committee to be a key element of its work. The structure and resources of the internal audit function are also regularly reviewed.

Following a review, and in accordance with the JSE Listings Requirements, the DLC audit committee has satisfied itself that Andrew King, Mondi's chief financial officer, has the appropriate expertise and experience. Andrew is a chartered accountant and throughout his career has held various finance and business development roles.

The Boards consider that John Nicholas, who replaced David Williams as chairman of the committee in October 2009, has appropriate, recent and relevant financial experience. He is a chartered accountant and a member of the UK Financial Reporting Review Panel. He was formerly the group finance director of Tate & Lyle plc and is currently the audit committee chairman of Ceres Power Holdings plc, Hunting PLC and Rotork p.l.c.. In

addition, each of the members of the DLC audit committee has appropriate knowledge and understanding of financial matters, sufficient to enable them to consider effectively the financial and accounting issues that are presented to the committee.

The committee has discharged its responsibilities as set out in its terms of reference to the extent appropriate during the year and specific matters reviewed by the committee included:

- reviewing the integrity of the Mondi Group half-yearly results, full-year results and interim management statements and annual report, including reports from the Group controller and the external auditors on the results;
- the review and approval of the external audit plan and proposed fees for the 2009 year-end;
- monitoring the effectiveness of the risk management process, including the review of specific Group risks both through the annual review of all key Group risks identified and a more detailed review of at least two of those risks at each meeting;
- monitoring the effectiveness of the Group's system of internal controls;
- a review of the non-audit services policy, services approved and how such fees could be reduced;
- monitoring and reviewing the effectiveness of internal audit activities, which included: a review of the internal audit charter; audits carried out and the results thereof; the programme for 2009 and 2010; reports received via Speakout (the

- Group's whistle-blowing facility); and on fraud;
- consideration, and recommendation to the Boards, of the implementation of new significant accounting policies, in particular IFRS8 and IAS1;
 - a review of new regulations introduced in South Africa regarding the responsibilities of audit committees; and
 - a review of the terms of reference of the committee and its performance against those terms.

DLC nominations committee

The DLC nominations committee operates on a Group-wide basis. The committee meets periodically as required to discharge its duties and met three times during the year. The chief executive officer is invited to attend meetings and provides information to support the work of the committee.

The committee is responsible for making recommendations to the Boards on the composition of each board and committee and on

retirements and appointments of additional and replacement directors. While one of the joint chairmen chairs this committee, he is not permitted to chair meetings during discussions regarding his performance or when the appointment of a successor is being discussed.

The main focus for the committee during the year was managing the appointment of a new joint chairman following the departure of Sir John Parker in August when he took on the chairmanship of Anglo American plc. The committee, recognising the position of Mondi in having joint chairmen (a condition of the South African Ministry of Finance) and the complexities of the dual listed structure, considered that the appointment of David Williams, then senior independent director, as the replacement for Sir John Parker, was appropriate. His appointment provided stability and continuity for the Group, especially during a difficult economic period. This recommendation was made to and accepted by the Boards. David

Williams will be standing for re-election at the next annual general meetings of Mondi Limited and Mondi plc.

As a consequence of David Williams being appointed joint chairman, the committee was then involved in a search for a new independent non-executive director with the requisite financial knowledge to take over from David as chairman of the DLC audit committee. David Williams led the search, as he had a thorough understanding of the requirements for the audit committee chairmanship having held that role within Mondi since its listing in 2007. A shortlist of three candidates were each interviewed by the joint chairmen, chief executive and chief financial officer. The non-executive directors then had the opportunity to speak with the preferred candidate ahead of the committee's formal consideration of the appointment of John Nicholas. His appointment was recommended to the Boards and accepted. John will be standing for election by shareholders at the next annual general meetings of Mondi Limited and Mondi plc.

As a result of the changes to the composition of the Boards, the committee also considered the composition of the other Board committees and the appointment of a new senior independent director. Having completed their review, the committee nominated the appointment of Anne Quinn as senior independent director and as a member of the DLC sustainable development committee.

Members	DLC nominations committee (three meetings)
Colin Matthews	3
Imogen Mkhize	3
John Nicholas*	1
Sir John Parker** (former chairman)	2
Anne Quinn	3
Cyril Ramaphosa	3
David Williams (chairman)	3

* John Nicholas was appointed as a committee member on 2 October 2009.

** Sir John Parker resigned on 4 August 2009 and David Williams took over as committee chairman.

The committee implemented the evaluation process for the Boards, the committees and the individual directors as explained in more detail above. A number of other regular matters were reviewed by the committee in accordance with its terms of reference. In particular, it was important during a challenging year to ensure the strength of management resource and succession planning together with a review of the time commitment from each director.

Pursuant to the Articles one-third of directors are required to stand for re-election in each year based on those who have been the longest serving since their election or last re-election. Having considered the results of the director evaluations and concluded that each continues to demonstrate appropriate commitment to their respective roles, the committee made recommendations to the Boards for the re-election of David Hathorn, Colin Matthews and David Williams at the next annual general meetings in addition to John Nicholas, who was appointed by the Boards during the year. The recommendations were endorsed by the Boards.

DLC remuneration committee

The DLC remuneration committee operates on a Group-wide basis. The committee met four times during the year and plans to meet four times in 2010 with additional meetings convened as required. The committee

has responsibility for making recommendations to each board on the Group's policy on remuneration of senior management, for the determination, within agreed terms of reference, of the remuneration of the joint chairmen and of specific remuneration packages for each of the executive directors and members of senior management, including pension rights and any compensation payments. In addition, the committee is responsible for the implementation of employee share plans.

The committee's full report on directors' remuneration is set out on pages 61 to 72.

DLC sustainable development committee

The DLC sustainable development committee operates on a Group-wide basis. The committee met six times during the year and plans to meet six times in 2010. The committee has responsibility for overseeing the Group's policy, targets and performance on safety, health, the environment, social responsibility, other sustainable development matters and business ethics. The committee reviewed the Group's key sustainable development policies, received detailed

reports of major incidents within the Group and monitored the senior management's response to such incidents.

A summary report from the directors on the Group's sustainability practices is set out on pages 34 to 43 and further details, including a full review of our sustainability activities and progress in 2009, can be found on the Mondi Group website.

DLC executive committee

The DLC executive committee operates on a Group-wide basis. The members of the DLC executive committee are detailed on page 48. The committee is chaired by David Hathorn and met ten times during the year, with nine meetings scheduled for 2010.

The DLC executive committee is responsible for the day-to-day management of the Group and its business operations within the limits set by the Boards, with particular focus on financial, operational and safety performance, together with policy implementation in line with the Group's strategy agreed by the Boards.

Members	DLC remuneration committee (four meetings)
Colin Matthews	4
Imogen Mkhize	4
Anne Quinn (chairman)	4
David Williams	4

Members	DLC sustainable development committee (six meetings)
David Hathorn	6
Colin Matthews (chairman)	6
Sir John Parker*	4
Anne Quinn*	2

*Sir John Parker resigned on 4 August 2009 and was replaced as a member of the committee by Anne Quinn.

Communication with shareholders

Ensuring that shareholders, be they institutional, private or employee shareholders, receive accurate and timely information about the Group's financial performance, operational and development activities, sufficient for them to make an informed judgement regarding their investments is considered by the Boards to be extremely important. To this end a variety of communication mechanisms are used, with the Mondi Group website providing a range of financial and business information about the Group, including an archive of past announcements and share price information as well as the Group's sustainability activities and practices.

The DLC structure requires Mondi to comply with the disclosure obligations forming part of the Listings Requirements of the JSE Limited and the Disclosure and Transparency Rules, Listing Rules and Prospectus Rules of the UK Listing Authority. The Boards review and monitor the procedures that are in place to ensure compliance and have agreed to apply on each issue

whichever is the higher standard of governance and regulation between South Africa and the UK.

The chief executive officer and chief financial officer have a programme of regular dialogue with institutional shareholders, analysts and fund managers. Periodically site visits are arranged to help increase the knowledge and understanding of the Group. Summaries of the feedback from these discussions and meetings are also presented to the Boards. The Boards also receive feedback directly from brokers and advisers which enables them to gain a clear understanding of the views and opinions of those interested in the Group. In addition, the Boards are supported by the Group corporate affairs manager. All contact with investors and other interested parties is strictly controlled through the application of Group guidelines to ensure that no price sensitive information is made available on a selective basis and that all shareholders are treated equally.

Throughout the year responses are given to letters and e-mails received

from shareholders and other interested parties on a variety of subjects. For those shareholders wishing to receive communications from the Group via electronic means, facilities are available for this, including for the submission of proxy votes for general meetings. Shareholders can also use the annual general meetings as an opportunity to question the directors directly regarding the Group.

Dealing in securities

The Boards have adopted a share dealing code for dealing in securities of Mondi Limited and Mondi plc which is based on regulatory and governance best practice. The code sets out the restrictions placed on directors, senior management and other key employees with regard to their share dealing to ensure that they do not abuse their access to information about the Group pending its public release and availability to shareholders and other interested parties. The code is reviewed regularly and updated as required to ensure continued compliance with regulation and best practice.

All dealings by directors and persons discharging managerial responsibilities and their connected persons are announced to the JSE Limited and the London Stock Exchange when they occur. Details of the directors' interests in the shares of both Mondi Limited and Mondi plc can be found in the remuneration report on pages 68 to 72.

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Business ethics

The Boards have adopted a Code of Business Ethics, which applies throughout the Group and sets clear principles for the conduct of the Group's business activities. The code has five key elements, three of which are monitored and reviewed by the DLC sustainable development committee (human rights, stakeholders and sustainability) and the other two by the DLC audit committee (legal compliance and honesty and integrity). The directors believe that the Group has robust compliance systems and procedures in place in relation to the code. The directors are not aware of any material non-compliance of the code. The code is available on the Mondi Group website.

The proxy voting results will be made available on the Mondi Group website.

The notices of the annual general meetings, which include explanations of each resolution, are contained in separate circulars which are being sent to all shareholders in advance of the meetings, in accordance with the corporate governance codes of South Africa and the UK.

Annual general meetings

The annual general meetings of Mondi Limited and Mondi plc will be held on 6 May 2010 in Johannesburg and London respectively. It is expected that all directors and, in particular, the chairmen of the principal committees will be present thereby providing an opportunity for shareholders to ask questions of the directors about Mondi's activities and prospects.

Separate resolutions will be proposed for each item of business to be considered at the annual general meetings. All resolutions at the meetings will be voted on by taking polls, with the verified results announced as soon as practicable following the close of both meetings.