

Prospectus dated 24 June 2015



## MONDI FINANCE PLC

*(incorporated with limited liability in England and Wales)*

### €2,500,000,000 Guaranteed Euro Medium Term Note Programme

guaranteed by

## MONDI PLC

*(incorporated with limited liability in England and Wales)*

Under the Guaranteed Euro Medium Term Note Programme described in this Prospectus (the "Programme"), Mondi Finance plc (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes (the "Notes"). The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Mondi plc (the "Guarantee" and the "Guarantor", respectively). The aggregate nominal amount of Notes outstanding will not at any time exceed €2,500,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 ("FSMA") (the "UK Listing Authority") for Notes issued under the Programme for the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") and for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "Market"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Each Series (as defined in "Overview of the Programme – Method of Issue") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "temporary Global Note") or a permanent global note in bearer form (each a "permanent Global Note"). If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("NGN") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche (as defined below) to a common safekeeper (the "Common Safekeeper") for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("Global Certificates"). If a Global Certificate is held under the New Safekeeping Structure (the "NSS") the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form ("Classic Global Notes" or "CGNs") and Global Certificates which are held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "Common Depository").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

The Programme has been rated Baa2 by Moody's Deutschland GmbH ("Moody's") and BBB by Standard & Poor's Credit Market Services Europe Limited ("S&P"). Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No.1060/2009 on credit rating agencies (the "CRA Regulation"). As such, each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Tranches of Notes (as defined in "Overview of the Programme") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued under the Programme. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

#### *Arranger for the Programme*

**BARCLAYS**

*Dealers*

**BARCLAYS**

**THE ROYAL BANK OF SCOTLAND**

**BNP PARIBAS**

**UNICREDIT BANK**

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (as defined below) and for the purpose of giving information with regard to the Issuer, the Guarantor and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor. "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the relevant Member State of the European Economic Area.

The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus and the Final Terms for each tranche of Notes issued. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Mondi Limited accepts responsibility for the information contained in this Prospectus with respect to itself and the Deed Poll Guarantee (as described in "*Description of the Group – DLC Structure*"). To the best of the knowledge of Mondi Limited (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus with respect to itself and the Deed Poll Guarantee is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer, the Guarantor nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Trustee or any of the Dealers or the Arranger (as defined in "*Overview of the Programme*"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Subject as provided in the relevant Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the relevant Final Terms as the relevant Dealer or the Managers, as the case may be.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the

Guarantor, the Trustee, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, (the “Securities Act”) or with any securities regulatory authority of any State or other jurisdiction of the United States, and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold or, in the case of Notes in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “*Subscription and Sale*”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers, the Trustee or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger, the Trustee or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger, the Trustee or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. None of the Dealers, the Trustee or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Trustee or the Arranger.

In connection with the issue of any Tranche (as defined in “*Overview of the Programme – Method of Issue*”), one or more Dealers (in such capacity, the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

The Notes are being offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Prospectus see “*Subscription and Sale*”.

The Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "EUR" and "euros" are to the single currency introduced at the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, to "U.S.\$" and "U.S. dollars" are to the currency of the United States of America, and to "£", "GBP" and "Pounds Sterling" are to the lawful currency of the United Kingdom, and to "ZAR" and "Rand" are to the currency of the Republic of South Africa.

## TABLE OF CONTENTS

	<b>Page</b>
OVERVIEW OF THE PROGRAMME.....	8
RISK FACTORS .....	14
TERMS AND CONDITIONS OF THE NOTES .....	27
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM.....	59
USE OF PROCEEDS.....	65
DESCRIPTION OF MONDI FINANCE PLC.....	66
DESCRIPTION OF THE GROUP.....	67
DIRECTORS AND SENIOR MANAGEMENT .....	84
TAXATION.....	86
SUBSCRIPTION AND SALE .....	89
FORM OF FINAL TERMS.....	93
GENERAL INFORMATION .....	99

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (i) the audited consolidated financial statements of the Guarantor, Mondi Limited and their subsidiaries (together, the “Group” or “Mondi”) for the financial years ended 31 December 2013 and 31 December 2014, respectively, together in each case with the audit report thereon as set out on pages 106 to 196 of the Mondi Group Integrated Report and Financial Statements 2013 and on pages 120 to 196 of the Mondi Group Integrated Report and Financial Statements 2014 respectively,
- (ii) the audited non-consolidated financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2014, respectively, together in each case with the audit report thereon as set out in the Mondi Finance plc Report and Financial Statements 31 December 2013 and the Mondi Finance plc Report and Financial Statements 31 December 2014 respectively,
- (iii) the terms and conditions set out on pages 25 to 53 of the prospectus dated 25 March 2010 relating to the Programme,
- (iv) the terms and conditions set out on pages 26 to 54 of the prospectus dated 15 April 2011 relating to the Programme,
- (v) the terms and conditions set out on pages 26 to 58 of the prospectus dated 4 May 2012 relating to the Programme,
- (vi) the terms and conditions set out on pages 25 to 56 of the prospectus dated 8 May 2013 relating to the Programme and
- (vii) the terms and conditions set out on pages 27 to 58 of the prospectus dated 25 June 2014 relating to the Programme,

which have each been previously published or are published simultaneously with this Prospectus and which have been approved by the Financial Conduct Authority (or its predecessor, the Financial Services Authority) or filed with it. Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the website of the Issuer at <http://www.mondigroup.com/desktopdefault.aspx/tabid-416/>. The Issuer’s website and its content are not incorporated into, and do not form part of, this Prospectus.

## **SUPPLEMENTARY PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Section 87G of the FSMA, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplementary prospectus as required by the UK Listing Authority and Section 87G of the FSMA.

Each of the Issuer and the Guarantor has given an undertaking to the Dealers that, unless the Issuer has notified the Dealers that it does not intend to issue Notes under the Programme for the time being, if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event a supplemental or drawdown Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in “Terms and Conditions of the Notes” and “Summary of the Provisions Relating to the Notes in Global Form” shall have the same meanings in this Overview.

<b>Issuer</b>	Mondi Finance plc
<b>Guarantor</b>	Mondi plc
<b>Description</b>	Guaranteed Euro Medium Term Note Programme
<b>Size</b>	Up to €2,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer and the Guarantor may increase the amount of the programme in accordance with the Dealer Agreement.
<b>Arranger</b>	Barclays Bank PLC
<b>Dealers</b>	Barclays Bank PLC BNP Paribas The Royal Bank of Scotland plc UniCredit Bank AG
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
<b>Trustee</b>	Deutsche Trust Company Limited
<b>Issuing and Paying Agent</b>	Deutsche Bank AG, London Branch
<b>Method of Issue</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series

may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “Final Terms”).

**Issue Price**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

**Form of Notes**

The Notes may be issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “*Selling Restrictions*” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.

**Clearing Systems**

Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.

**Initial Delivery of Notes**

On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

<b>Currencies</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealers.
<b>Maturities</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer and the relevant Dealer.
<b>Specified Denomination</b>	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Pounds Sterling) which have a maturity of less than one year or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
<b>Fixed Rate Notes</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes</b>	Floating Rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</li> <li>(ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin.</li> </ul> Interest periods will be specified in the relevant Final Terms.
<b>Zero Coupon Notes</b>	Zero Coupon Notes (as defined in “ <i>Terms and Conditions of the Notes</i> ”) may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Interest Periods and Interest Rates</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
<b>Step Down Rating Change or Step Up Rating Change</b>	The relevant Final Terms will state whether a Step Down Rating Change or Step Up Rating Change will apply to the Notes, in which case the rate of interest in respect of the Notes may be subject to adjustment as specified in the relevant Final Terms. See “ <i>Terms and Conditions of the Notes – Step Down Rating Change and Step Up Rating Change</i> ”.
<b>Redemption</b>	The relevant Final Terms will specify the basis for calculating

the redemption amount payable. Unless permitted by then current laws and regulations, Notes which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Optional Redemption**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, including by means of a change of control put option, and if so the terms applicable to such redemption.

**Redemption for Taxation Reasons**

The Notes may be redeemed prior to their stated maturity at the option of the Issuer (in whole only), if additional amounts would be payable under the Terms and Conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations.

**Status of Notes**

The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively, all as described in “*Terms and Conditions of the Notes – Status*”.

**Guarantee**

The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by the Guarantor.

In addition, Noteholders will have the benefit of a guarantee by Mondi Limited pursuant to a deed poll guarantee (the “Deed Poll Guarantee”) entered into by Mondi Limited.

**Negative Pledge**

See “*Terms and Conditions of the Notes – Negative Pledge*”.

**Cross Default**

See “*Terms and Conditions of the Notes – Negative Pledge*”.  
See “*Terms and Conditions of the Notes – Events of Default*”.

**Ratings**

Moody’s has rated the Programme Baa2 and S&P has rated the Programme BBB. Each of Moody’s and S&P is established in the European Union and is registered under the CRA Regulation. As such, each of Moody’s and S&P is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Tranches of Notes (as defined in “*Overview of the Programme*”) to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued under the Programme. Where a Tranche of Notes

is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Early Redemption**

Except as provided in “*Optional Redemption*” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “*Terms and Conditions of the Notes – Redemption, Purchase and Options*”.

**Withholding Tax**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of taxes of the United Kingdom, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, the Issuer or the Guarantor, as the case may be, will, subject to customary exceptions, be required to pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, all as described in “*Terms and Conditions of the Notes – Taxation*”.

**Governing Law**

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

**Listing and Admission to Trading**

Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the Market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly.

**Selling Restrictions**

The United States, the Public Offer Selling Restriction under the Prospectus Directive, the United Kingdom and Japan. See “*Subscription and Sale*”.

The Guarantor is Category 2 for the purposes of Regulation S under the Securities Act.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (the “D Rules”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute

“registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

## **RISK FACTORS**

The Issuer, the Guarantor and Mondi Limited believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme or the ability of Mondi Limited to fulfil its obligations under the Deed Poll Guarantee described in “*Description of the Group – DLC Structure*”. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor nor Mondi Limited are in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

### **Factors that may affect the Issuer’s and the Guarantor’s ability to fulfil their obligations under or in connection with Notes issued under the Programme**

#### **The Issuer is a finance vehicle**

The Issuer’s primary business is the raising of money for the purpose of on-lending to other members of the Group. Accordingly, substantially all of the Issuer’s assets are loans and advances made to other members of the Group and the ability of the Issuer to satisfy its obligations in respect of the Notes will depend upon payments made to it by other members of the Group in respect of loans and advances made by the Issuer.

#### **Product prices and raw material costs in the packaging and paper industry are subject to significant fluctuations**

Prices for Mondi’s products are affected by overall changes in capacity and production and by demand for packaging and paper products which is in turn influenced by general economic conditions, changes in consumer spending and inventory levels maintained by its customers. Changes in these factors have, in the past, resulted in significant fluctuations in the prices for Mondi’s products and can be expected to have a similar effect in the future. Changes in price differ between products and geographic regions and the timing and magnitude of such changes have varied significantly over time and are unpredictable. There can be no assurance that prices for Mondi’s products will increase or even remain at present levels. Any deterioration in prices, or an increase in raw material costs without a corresponding increase in the price Mondi is able to realise, could have a material adverse effect on Mondi’s business, financial condition and/or results of operations.

In particular, the creation of additional production capacity either by Mondi or its competitors building new mills or plants, expanding existing mills or plants or converting existing machines to a grade of paper in which Mondi operates could have a disruptive influence in the market as additional capacity can lead to excess supply. This is a particular risk for Mondi’s pulp and paper producing facilities, where the incremental capacity of a single new facility can be significant relative to the size of the market it serves. The impact on product prices brought about by additional capacity could have a material adverse effect on Mondi’s business, financial condition and/or results of operations.

### **Mondi operates in a highly competitive environment**

The markets for packaging and paper products are highly competitive with many participants. Competition in the markets in which Mondi operates is based principally on some or all of the following factors, depending on the product and market involved: price, quality, product specifications and design, location, overall product performance and service. Mondi principally competes with several large multinational manufacturers. Mondi also competes with numerous regional and/or specialised manufacturers in the markets for most of its products. Some of these competitors may have greater market presence, lower production costs, governmental support and/or financial and other resources than Mondi, allowing them to sell at lower prices, make product developments or investments in manufacturing facilities at levels that Mondi may not be able to match. Any failure by Mondi to compete successfully with other producers of packaging or paper products could result in a reduction in its sales and profitability and have a material adverse effect on Mondi's business, financial condition and/or results of operations.

In addition to competition from other manufacturers of paper and film-based packaging products, Mondi also faces competition from producers of alternative packaging materials, such as folding cartons, rigid plastic packaging, glass and metal. If the increasing use of such alternative materials for certain applications results in a corresponding decrease in demand for paper and film-based packaging products, or if Mondi is unable to compete successfully with producers of these competitive products, it could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

### **A period of high raw materials, energy or consumables costs could negatively affect Mondi's profitability**

Raw materials, energy and consumables used by Mondi include significant amounts of wood, pulp, paper for recycling, packaging papers, plastic resins and chemicals. Over the last three years, raw materials, energy and consumables accounted for approximately 60 per cent. of Mondi's total operating costs. The prices for many of these raw materials generally fluctuate in correlation with global commodity cycles. There can be no assurance that Mondi will be able to secure all of its future resource requirements at acceptable prices or that Mondi's margins for some or all of its products will not decline due to an inability to pass on the full impact of increased costs associated with resource inputs. An increase in the cost of raw materials, in particular wood, pulp, paper for recycling or plastic resins or, for the purposes of converting operations, packaging paper, films and other raw materials, to the extent not reflected in the prices for Mondi's products, could have a material adverse effect on Mondi's business, financial condition and/or results of operations. Furthermore, wood prices and availability may be adversely affected in some of the countries where Mondi is active due to reduced quantities of available wood supply or initiatives to promote increased use of wood as a renewable energy source. It may also be difficult to procure sufficient wood or other raw materials which meet changing legislative and regulatory requirements and/or customer requirements for the use of fibre from sustainable sources or sources which meet chain-of-custody requirements. Any difficulties in procuring wood or sustained increase in wood prices could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

Mondi is a significant consumer of electricity and it both purchases electricity from external suppliers and generates it internally. To the extent that Mondi generates its own electricity other than from biomass and other by-products of the pulp and paper production process, it is dependent on outside suppliers for raw materials such as gas, oil and coal used in the production of electricity. Consequently, increases in the prices of electricity and/or the raw materials used in the production of internally generated electricity could have a material adverse effect on Mondi's business, financial condition and/or results of operations. There can be no assurance that Mondi will be able to secure all of its future energy requirements at price levels that are comparable to those that have prevailed in the past or that Mondi's margins for some or all of its products will not decline due to an inability to pass on the full impact of costs associated with resource inputs. To the extent

Mondi generates electricity internally in excess of its own requirements; it may sell such surplus electricity externally.

Mondi may also generate revenues from the sale of green energy credits by certain of its operations. Consequently, decreases in prices of electricity or green energy credits could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

To the extent that Mondi relies on purchasing electricity from external suppliers, it may not be able to purchase a sufficient supply to meet its operational requirements. In particular, South Africa has faced shortages of electricity and increases in electricity prices in excess of CPI are forecast. As a result, Mondi may suffer significant price increases and/or interruptions of electricity supply, which could have a material adverse effect on its business, financial condition and/or results of operations.

**Adverse economic and credit market conditions may have a material adverse effect on Mondi's ability to raise future debt or equity**

Mondi's ability to raise debt and/or equity financing in the medium and longer term will be significantly influenced by, among other things, general economic conditions, developments in the credit markets, volatility in the equity markets, investors' desire to maintain cash and to assume additional levels of risk and its credit rating. There can be no assurance that Mondi will be able to raise debt and/or equity finance on attractive terms, or at all, and it may need to seek additional financing from alternative sources, which could be on unfavourable terms or at a higher cost than it currently pays. If this were to occur, it could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

Moreover, incurrence of additional debt financing would increase Mondi's interest expense and reduce cash available for other purposes and could involve restrictive covenants that could have a negative impact on its ability to operate its business in the desired manner. A failure to obtain funds could prevent Mondi from realising its strategy and could, in turn, have a negative impact on Mondi's competitive position and a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Mondi could be adversely affected by economic conditions in the markets in which we operate**

Mondi is an international packaging and paper group with more than 100 production operations across 30 countries. Consequently, our business, financial condition and/or results of operations are affected by changes in global economic conditions. Despite recent improvements in certain segments of the global economy, uncertainties remain concerning the future economic environment.

Political and economic structural weaknesses in the Eurozone's single currency framework have heightened uncertainty regarding the future of the Eurozone. This may result in substantial defaults on existing Euro sovereign debt and could lead to economic dislocation. It could also result in capital exchange controls being imposed or domestic banking failures. Changes of this type could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Exchange rate and/or interest rate fluctuations may have a material adverse effect on Mondi's financial results**

As a result of the global nature of Mondi's business, changes in foreign currency rates could have an adverse impact upon its business, financial condition and/or operating results. Currency fluctuations affect Mondi because of mismatches between the currencies in which operating costs are incurred and those in which revenues are received. Key operating cost currencies that are not fully offset by local currency denominated revenues include the South African rand, Polish zloty, Swedish krona and Czech koruna, while the revenues generated in U.S. dollar, Russian rouble and UK pound sterling are greater than operating costs incurred in those currencies.

Mondi's reported earnings may also be affected by fluctuations between the euro, which is its reporting currency, and the non-euro currencies in which many of its various subsidiaries report their results of operations. In addition, appreciation of the euro compared with the currencies of the other key paper producing regions or paper pricing currencies, notably the U.S. dollar, would reduce the competitiveness of the products Mondi produces in Europe compared to imports from such key paper producing regions which could potentially lead to lower revenues and earnings.

In addition, Mondi primarily funds its businesses in their local currencies to minimise currency translation risk. This exposes Mondi to interest rate risks associated with these currencies, the principal ones being the euro, Czech koruna, Russian rouble, Polish zloty and U.S. dollar. Mondi aims to manage this interest rate risk through interest rate swaps and borrowing at fixed interest rates. However, it is not Mondi's policy to hedge all of its interest rate exposure.

As a result, a change in exchange rates or interest rates could have a material adverse effect upon Mondi's business, financial condition and/or results of operations.

**Mondi's operations and the value of its investments in certain countries may be adversely affected by political, economic and legal developments in these countries**

Mondi has manufacturing operations in a number of countries where the political, economic and legal systems are less predictable than in countries with more developed institutional structures. Political or economic upheaval, inflation, changes in laws, nationalisation or expropriation of privately-held assets and other factors may have a material adverse effect on Mondi's operations in these countries and, in turn, the amount of income received from, and the value of, the investments Mondi has made in relation to its operations in such countries.

In addition, the United States of America, the European Union and a number of other countries have imposed sanctions, asset freezes, travel limitations and certain other measures on persons and corporate entities in Russia and Ukraine as a consequence of the ongoing tension in Ukraine. As at 31 December 2014, Mondi has approximately 11 per cent. of its net operating assets in Russia and a limited presence in Ukraine. The situation in Ukraine is unstable and unpredictable. Possible additional sanctions and/or other measures on Russia could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

A further risk of operating in emerging market countries arises from the establishment or enforcement of foreign exchange restrictions, which could effectively prevent Mondi from receiving profits from, or selling its investments in, these countries. Other than China, South Africa or Ukraine, which have exchange controls that regulate the movement of currency in and out of the country, none of the countries in which Mondi's operations are located currently has foreign exchange controls that have a significant effect on Mondi. However, various of these countries have imposed foreign exchange controls in the past, and no assurance can be given that these countries will not reinstate these controls in the future.

Significant assets of Mondi in certain countries, including Russia, Poland, Slovakia and the Czech Republic, were previously owned by state-owned entities and have been acquired after a privatisation procedure. Privatisations may be vulnerable to challenge, particularly to the extent that privatisation legislation is vague, inconsistent or in conflict with other legislation. No assurance can be given that any relevant privatisation procedure has been properly conducted, and therefore claims may be raised in the future concerning such privatisation procedures to the extent that applicable statutes of limitation have not expired. To the extent that Mondi is not successful in defeating any such claim, Mondi risks losing its ownership interest in the relevant assets, which could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

### **Changes in consumer preferences and Mondi's failure to develop new products to meet changing consumer demand could adversely affect demand for Mondi's products**

Changes in consumer preferences affect the demand for packaging and paper products in general, and demand for specific grades of packaging and paper products in particular. Some of the most significant changes in consumer preferences relating to paper usage have included interest in environmentally-friendly products and use of e-mail, electronic media and tablet computers.

In addition, customers may substitute packaging products currently produced by Mondi for products that Mondi does not currently produce.

Mondi's ability to meet shifts in consumer demand will depend upon its ability to correctly anticipate changes in consumer preferences and its ability to develop and produce new products on a competitive and cost-effective basis. There can be no assurances that Mondi will be able to meet changes in consumer preferences in the future, and the failure to do so could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

### **Mondi is exposed to the risk of default by its customers and suppliers**

Mondi has entered into a number of financial and other agreements with customers, suppliers and other counterparties. Mondi is exposed to the risk of default by customers who have agreed to purchase products from Mondi, suppliers who have agreed to supply goods or services to Mondi and others with whom Mondi has entered into financial and other arrangements. Mondi's customers and suppliers may be adversely affected by economic conditions, disruptions to the capital and credit markets and decreased demand for their products and services. Mondi's exposure to default by counterparties may increase if economic conditions deteriorate. If any of Mondi's key customers or suppliers, or a significant number of smaller customers and suppliers, are further adversely affected by these risks, Mondi may face further reductions in demand for its products, failure of customers to pay invoices when due and disruptions in supply or distribution channels which may have a material adverse effect on Mondi's business, financial condition and/or results of operations.

### **Significant interruption to the operations of any of Mondi's major facilities could have an adverse impact on Mondi's financial results**

Mondi has five major mills which together accounted for approximately 70 per cent. of the total pulp and paper production capacity of Mondi as at the date of this document. These are the Štětí mill in the Czech Republic, the Świecie mill in Poland, the Syktyvkar mill in Russia, the Ružomberok mill in Slovakia and the Richards Bay mill in South Africa. Mondi also has a significant consumer packaging manufacturing facility located in Gronau, Germany. If operations at any of these key facilities were interrupted for any significant length of time for any reason, including planned or unplanned maintenance, or work stoppages due to labour disputes, it could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

### **Capital investment in projects may require substantial funds and carry risks which might adversely affect Mondi's business**

Mondi's business is capital intensive and therefore requires ongoing capital investment to expand, maintain or upgrade existing facilities, to develop new facilities and to ensure compliance with new regulatory requirements. Projects that require significant capital expenditure carry risks that include, but are not limited to, failure to complete a project within the prescribed project timetable and/or within budget; failure of the project to perform according to prescribed operating specifications following its completion and significant, unforeseen changes in input costs or inability to sell the envisaged volumes or achieve envisaged price levels. Due to the significant amount of capital required and the long lead time between planning and completion of

these projects, project failure could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Mondi is subject to a growing number of environmental, health and safety laws and regulations, and the cost of compliance with, and any liabilities under, current and future laws and regulations could reduce profit margins and earnings**

Mondi's operations generate hazardous and non-hazardous waste and emissions into the air and water. Mondi is subject to a wide range of international, national, state and local environmental, health and safety laws and regulations in all the jurisdictions where it operates or where the relevant waste or emission occurs, including those governing the discharge of pollutants into the air and water, the use, storage and disposal of hazardous substances and wastes and the clean-up of contaminated properties. Other applicable environmental laws relate to, among other things, forestry management and the use of recycled material. Mondi could incur significant costs, including fines, penalties, civil and criminal sanctions, investigation and clean-up costs and third-party claims for property damage or personal injury, as a result of violations of or liabilities under environmental laws and regulations or otherwise. These requirements are complex, frequently change and have tended to become more stringent over time. The costs of complying with such laws and regulations, or future environmental laws and regulations, could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

While Mondi has procedures to comply with applicable environmental and health and safety requirements, there can be no assurance that it will be at all times in compliance with such requirements, that it will not incur material costs or liabilities in connection with such requirements in the future or that it will be able to obtain and maintain all licenses, consents or other permits necessary to operate its business. Similarly, there can be no assurance that it will not experience an environmental spill or accident or discover or otherwise become liable for environmental contamination in the future (including such liability for contamination resulting from historical activities relating to properties or businesses that we have sold). Mondi may incur significant expenditure in connection with the required remediation of past environmental conditions at both currently-owned and formerly-owned facilities.

**Mondi is subject to a wide range of laws and regulations**

Mondi is subject to a wide range of laws and regulations in all the jurisdictions in which it operates, including international, national, state and local laws and regulations. These include laws and regulations relating to environmental protection, including the management of natural resources and use of hazardous substances, greenhouse gas emissions, exports, price controls, repatriation of capital and exchange controls, taxation, anti-bribery, labour standards and occupational health and safety. These requirements are complex, frequently changing and have tended to become more stringent over time. For example, tax laws and tax rates around the world are constantly changing and Mondi is exposed to the risk of changes in tax legislation, and its interpretation and increases in the rate of corporate and other taxes in the jurisdictions in which Mondi operates. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations or changes to existing laws and regulations (including the imposition of higher taxes) could require Mondi to incur additional expenses or capital expenditures or result in restrictions on or suspensions of Mondi's operations. Any such cost increases could have a material adverse effect on Mondi's business, financial condition and/or results of operations. In particular, a number of the markets in which Mondi competes as a local supplier impose tariffs on imports. Reduction of such tariffs could affect the competitiveness of Mondi's products in these markets.

**Mondi is subject to land claims in South Africa**

In South Africa, the Restitution of Land Rights Act 1994 provides remedies for persons who were dispossessed of rights in land as a result of past racially discriminatory laws or practices. The Land Claims

Court is empowered to make orders requiring the restoration of land (or any portion thereof) or the payment of compensation (including to the landowner), compelling the state to include a claimant as a beneficiary in the state support programme for housing or granting the claimant an appropriate right in alternatively designated state land or any alternative or appropriate relief. Mondi is aware that a number of land claims have been lodged in relation to its owned and leased South African properties. Following the settlement of various of these claims, Mondi estimates that approximately a further 43 per cent. of its land holdings in South Africa remain subject to land claims. Despite Mondi having recently successfully settled land claims that it anticipates will provide a framework for settling future land claims, Mondi can give no assurance that these land claims, or any other land claims of which it is not aware, will not have an adverse effect on Mondi's rights to the properties that are subject to the land claims. Furthermore, there could be additional land claims once assent is given to recent amendments to the Restitution of Land Rights Act 1994. The South African Government recently reopened the land claims process with claimants having until June 2019 to lodge their claims. The Government has also proposed restrictions on foreign land ownership and a ceiling on land ownership, although draft legislation is still to be published. Adverse land claim rulings or limitations on the amount of land ownership could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Mondi may not be able to attract or retain high quality management resources**

Mondi's continued success is dependent on the experience, skills and knowledge of its executive directors, senior management and key employees who provide expertise crucial to Mondi's business and the implementation of Mondi's strategy. Residence requirements may restrict the size of the pool of talent which can be drawn on due to mobility constraints, and this may limit Mondi's ability to recruit, retain and relocate executive directors, senior management and key personnel with the necessary expertise and experience to lead an international listed group. The failure of Mondi to recruit and retain executive directors, senior management and key personnel may cause a significant disruption to Mondi's business, including its ability to implement Mondi's strategy, which could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Relocation of Mondi's packaging customers to lower-cost production regions where Mondi does not have operations in close proximity could negatively affect Mondi's profitability**

The manufacturing industry is an important customer segment for Mondi's packaging products. In recent years there has been a trend towards moving manufacturing into emerging markets with lower production costs, such as Emerging Europe,<sup>1</sup> Russia and Asia. There can be no assurance that Mondi will be able to adjust its operations to keep pace with such changes. As Mondi's customers relocate, Mondi may face additional competition from regional participants located in its customers' new geographic markets. This may affect the selling prices of Mondi's products or may result in Mondi losing customers to competitors. Should any of these risks materialise it could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Mondi may be adversely affected by increasing costs in maintaining its required level of workforce**

Mondi's workforce constitutes a significant proportion of its cost base. In addition, Mondi operates in certain jurisdictions where wages are typically significantly below levels in more mature markets. As the economies of such emerging markets develop, it is possible that there will be above inflationary pressures on wages. Any inflationary pressures, as well as changes in applicable laws and regulations or other factors resulting in increased labour costs could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

---

<sup>1</sup> Emerging Europe means Eastern Europe (including Turkey).

**Failure to maintain good employee relations may affect Mondi's operations and the success of its business**

Whilst Mondi believes that relations with its employees and work councils are currently satisfactory, there can be no assurance that future developments in relation to Mondi's businesses could not affect such relationships. A sustained labour dispute leading to a substantial interruption to the overall business of Mondi could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Failure to integrate successfully and manage acquired operations may adversely affect Mondi's business**

To the extent that Mondi seeks further growth through acquisitions of, or mergers with, other companies, it faces risks including unidentified liabilities of the companies which it may acquire or merge with, the possible inability to integrate successfully and manage acquired operations and personnel and the potential failure to achieve the economies of scale, synergies or other benefits sought. Any difficulties or delays in achieving successful integration of new acquisitions could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Mondi could be adversely affected by the application of competition laws**

In recent years, in a number of jurisdictions, antitrust investigations and actions have been launched against companies in industries in which Mondi participates, indicating that the sector in which Mondi operates may face continuing regulatory scrutiny. Therefore, Mondi faces the risk that its business could be adversely affected by the application of competition laws to any agreements or practices in which Mondi may have been engaged or to which it is party.

If Mondi is found to be or to have been party to any agreements or practices which infringe competition law, the relevant agreements could be void and unenforceable in whole or in part. A finding of infringement of competition law could have an impact on the manner in which Mondi conducts its business and could lead, among other things, to substantial fines being imposed and/or damages claims from third parties.

**Mondi's insurance coverage may be insufficient to cover losses or it could be subject to uninsured liabilities which could materially affect its business, results of operations or financial condition**

There are circumstances where insurance will not cover or be adequate to cover the consequences of an event, or where Mondi may become liable for costs incurred in events or incidents against which it either cannot insure or may have elected not to have insured (whether on account of prohibitive premium costs or for other commercial reasons). Although Mondi maintains insurance that it considers to be adequate, liabilities might exceed policy limits. Insurance fully covering environmental risks (including potential liability for pollution or other hazards as a result of disposal of waste products occurring from production and processing) is not generally available to Mondi. An uninsured loss could have a material adverse effect on Mondi's business, financial condition and/or results of operations.

**Forests are exposed to a number of natural risks and hazards which could cause disruptions to Mondi**

Forests are exposed to a number of natural risks and hazards which are outside the control of Mondi, including fire, insect infestation, epidemics, extreme weather, floods and other natural events which in each case may have an adverse impact on the timing of harvests, reduce the volume and value of wood harvested from Mondi's forests or impact Mondi's ability to produce wood internally. Any need to purchase additional wood from third parties could adversely affect Mondi's business, financial condition and/or results of operations.

**The DLC Structure results in significant compliance obligations and costs and future changes in the legal and regulatory environment may mean that the DLC Structure will no longer be viable**

The DLC Structure conforms to existing laws and policies of regulatory authorities in the UK and South Africa. There are significant governance and administration arrangements that are involved in the DLC Structure. In addition, the South African Ministry of Finance has imposed certain conditions in relation to the DLC Structure. In particular, it is a condition that the Chief Executive Officer and Chief Financial Officer of Mondi will have their ordinary residence in South Africa and that Mondi has Joint Chairmen, one of whom is based in South Africa. Changes to the laws or policies (including changes in tax law or policy) applicable to the DLC Structure may result in the DLC Structure no longer being viable. There can be no assurance that the conditions imposed on Mondi in connection with the DLC Structure might not be amended or varied or that any such changes will not result in significant additional costs for Mondi which could adversely affect Mondi's business, financial condition and/or results of operations.

**Changes in the tax residence of Mondi plc and Mondi Limited could have adverse tax consequences for Mondi**

The DLC Structure was established on the basis that Mondi plc is and will remain resident only in the UK for tax purposes and that Mondi Limited is and will remain resident only in South Africa for tax purposes. The management of Mondi plc, Mondi Limited and their subsidiaries has been and will be carried out so as to ensure that the current residence treatment of Mondi plc and Mondi Limited is preserved. However, if Mondi plc were to cease to be treated as resident solely in the UK and/or Mondi Limited were to cease to be treated as resident solely in South Africa for tax purposes (including as a result of changes in law or in HM Revenue & Customs and/or South African Revenue Service practice), this could have adverse tax consequences for Mondi.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

**Risks related to the structure of a particular issue of Notes**

Fixed Rate, Floating Rate and Zero Coupon Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

***Notes subject to optional redemption by the Issuer***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Inverse Floating Rate Notes***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only

decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### **Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

#### ***Modification, waivers and substitution***

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, or as guarantor of the Notes in place of the Guarantor, in the circumstances described in Condition 11 of the Terms and Conditions of the Notes.

#### ***EU Savings Directive***

Under Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), each EU Member State is required to provide to the tax authorities of other EU Member States details of payments of interest (and/or other similar income) paid by a person established within its jurisdiction to (or secured for the benefit of) an individual resident, or to (or secured for) certain other types of entities established, in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. A number of non-EU counties and territories have adopted similar measures to the EU Savings Directive.

The Council of the European Union has adopted a Directive (the "Amending Directive") amending the EU Savings Directive, which would, when implemented, amend and broaden the scope of the requirements of the EU Savings Directive described above. The Amending Directive would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For

example, payments made to (or secured for) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the European Union (and outside any third country or territory that has adopted similar measures to the EU Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the EU Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

The European Commission has published a proposal for a Council Directive repealing the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Directive.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the EU Savings Directive or any other law implementing or complying with, or introduced in order to conform to, such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. The Issuer is required, as provided in Condition 7(e) of the Notes, to maintain a Paying Agent in an EU Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive (as amended from time to time) or any other law implementing or complying with, or introduced in order to conform to, such Directive, which may mitigate an element of this risk if the Noteholder is able to arrange for payment through such a Paying Agent. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the EU Savings Directive, as amended.

Investors should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive and the Amending Directive on their investment.

### ***Change of law***

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

### ***Integral multiples of less than €100,000***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***U.S. Foreign Account Tax Compliance Withholding***

Whilst the Notes are in global form and held within Euroclear or Clearstream, Luxembourg (together the “ICSDs”), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“FATCA”) will affect the amount of any payment received by the ICSDs (see “*Taxation – Foreign Account Tax Compliance*”). Further, non-U.S. financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an “IGA”) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make on securities such as the Notes. However, if FATCA withholding were relevant with respect to payments on the Notes, FATCA could affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also could affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians and intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, the Guarantor, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

### **Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### ***The secondary market generally***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “Investor’s Currency”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent yield on the Notes,

(ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to an issue of the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measure being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover page of this Prospectus and will be disclosed in the Final Terms if applicable.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by a Trust Deed dated 25 March 2010 (as supplemented, amended and restated by a first supplemental trust deed dated 15 April 2011, a second supplemental trust deed dated 4 May 2012, a third supplemental trust deed dated 8 May 2013 and a fourth supplemental trust deed dated 25 June 2014 and as further amended or restated and/or supplemented as at the date of issue of the Notes (the “Issue Date”) or from time to time thereafter, the “Trust Deed”) between Mondi Finance plc (the “Issuer”), Mondi plc (the “Guarantor”), and Deutsche Trustee Company Limited (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Amended and Restated Agency Agreement dated 25 June 2014 (as further amended or restated and/or supplemented as at the Issue Date or from time to time, the “Agency Agreement”) has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Issuing and Paying Agent”, the “Paying Agents” (which expression shall include the Issuing and Paying Agent), the “Registrar”, the “Transfer Agents” (which expression shall include the Registrar) and the “Calculation Agent(s)”. Copies of the Trust Deed, the Agency Agreement and the deed poll guarantee dated 2 July 2007 entered into by Mondi Limited, whereby Mondi Limited agreed to guarantee certain obligations of the Guarantor (the “Deed Poll Guarantee”), are available for inspection during usual business hours at the office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

The Noteholders, the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) relating to Notes in bearer form are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “Tranche” means Notes which are identical in all respects.

## **1 Form, Denomination and Title**

The Notes are issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”) in each case in the Specified Denomination(s) shown hereon provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing depending upon the Interest Basis shown in the applicable Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2 No Exchange of Notes and Transfers of Registered Notes**

### **(a) No Exchange of Notes**

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

### **(b) Transfer of Registered Notes**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the

Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

**(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes***

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) *Delivery of New Certificates***

Each new Certificate to be issued pursuant to Condition 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

**(e) *Transfers Free of Charge***

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Guarantor, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

**(f) *Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3 Guarantee and Status

#### (a) Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons. Its obligations in that respect (the “Guarantee”) are contained in the Trust Deed.

#### (b) Status of Notes and Guarantee

The Notes and Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The Guarantee constitutes a direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligation of the Guarantor. The payment obligations of the Issuer under the Notes and the Coupons and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

Pursuant to the Deed Poll Guarantee, described in “*Description of the Group – DLC Structure*”, creditors of the Guarantor have the benefit of a guarantee from Mondi Limited of certain of the Guarantor’s obligations, including the obligations of the Guarantor under its guarantee of the Notes

### 4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, insofar as it is able to by the proper exercise of voting and other rights or powers of control exercisable by it, ensure that none of Mondi Limited or any subsidiary of the Guarantor or Mondi Limited will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, or other arrangement having a similar effect to a security interest (“Security”), upon all or any of its present or future revenues or assets to secure any Financial Indebtedness other than any Permitted Security without at the same time or prior thereto according to the Notes and the Coupons and all amounts payable under the Trust Deed, to the satisfaction of the Trustee, the same Security as is created or subsisting to secure any such Financial Indebtedness or such other security or other arrangement (whether or not comprising security) as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In this Condition:

- (i) “Consolidated Total Assets” means, at any time, the consolidated gross total assets of the Group as would be shown on a consolidated balance sheet of the Group as of such time.
- (ii) “Financial Indebtedness” means any indebtedness for or in respect of:
  - (a) moneys borrowed;
  - (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
  - (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debenture, loan stock or any similar instrument (other than notes issued in the ordinary course of trading which are outstanding for a period of not more than 180 days);

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
  - (e) receivables sold (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
  - (f) any amount raised under any transaction (including any forward sale or purchase agreement) required by IFRS to be shown as a borrowing in the audited consolidated balance sheet of the Group; and
  - (g) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (f) above.
- (iii) “Group” has the meaning given to it in Condition 10.
- (iv) “IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.
- (v) “Permitted Security” means, in respect of a member of the Group:
- (a) liens arising solely by operation of law (or by an agreement evidencing the same) in the ordinary course of its business;
  - (b) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of its business as security only for indebtedness directly relating to the goods or documents on or over which that pledge exists;
  - (c) any encumbrance arising out of title retention provisions in a supplier’s standard condition of supply of goods acquired by the relevant person;
  - (d) any encumbrance on or over any asset acquired by it after the Issue Date, or any renewal or extension of that encumbrance on or over such an asset, if such encumbrance was (in each case) not created in contemplation of or in connection with the acquisition of that asset except to the extent that the principal amount secured by such encumbrance is increased, unless such increase is by reason only of any fluctuation in the amount outstanding under, and within the limits and in accordance with the terms of, facilities expressed to be secured by such encumbrance or such renewed or extended encumbrance at the time such asset is acquired, and provided that any such encumbrance is removed or discharged within six months of the date of acquisition of such asset;
  - (e) in the case of any company which becomes a subsidiary of the Guarantor or Mondi Limited after the Issue Date, any encumbrance existing on or over its assets when it becomes a subsidiary or any renewal or extension of that security and not created in contemplation of or in connection with it becoming a subsidiary unless so created to replace similar security not created in such contemplation or connection which is simultaneously released except to the extent that the principal amount secured by such encumbrance is increased, unless such increase is by reason of any fluctuation in the amount outstanding under, and within the limits and in accordance with the terms of, facilities expressed to be secured by such encumbrance or such renewed or extended encumbrance at the time such company becomes a subsidiary, and provided that any such encumbrance is removed or discharged within six months of the date that company becomes a subsidiary of the Guarantor or Mondi Limited;
  - (f) any encumbrance in favour of a contractor or sub-contractor which is the subject of a bona fide dispute;

- (g) any encumbrance on or over all or any part of the interest of a member of the Group in any Joint Venture, including the revenues and assets derived by the subsidiary from such Joint Venture or employed by the subsidiary in such Joint Venture, in favour of its co-venturers and/or the manager or operator of the Joint Venture to secure the due payment of amounts payable under or in respect of such Joint Venture;
- (h) any encumbrances:
  - (A) arising in connection with Project Debt; or
  - (B) arising in connection with refinancing of Project Debt, except to the extent that (a) the principal amount of the indebtedness under such refinancing exceeds the principal amount of the indebtedness under the Project Debt which is refinanced thereby (the “refinanced Project Debt”) or (b) the indebtedness under such refinancing is outstanding beyond the original maturity date of the refinanced Project Debt; and
- (i) any other encumbrance created or outstanding to the extent not otherwise falling within this definition securing Financial Indebtedness provided that the amount of Financial Indebtedness in respect of which such other encumbrance is created or outstanding does not exceed 15 per cent. of Consolidated Total Assets.
- (vi) “Joint Venture” means a partnership, joint venture corporation, joint venture or unincorporated joint venture organisation or joint venture association which, in each case, the Guarantor or Mondi Limited (as applicable) is not required by IFRS to consolidate fully as if it were a subsidiary.
- (vii) “Project Debt” has the meaning given to it in Condition 10.
- (viii) “Project Financing” has the meaning given to it in Condition 10.
- (ix) A “subsidiary” of a company or corporation shall be construed as a reference to any company or corporation:
  - (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
  - (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
  - (c) which is a subsidiary of another subsidiary of the first-mentioned company or corporation,
 and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of a majority of its board of directors or equivalent body.

## 5 Interest and other Calculations

### (a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

**(b) Interest on Floating Rate Notes**

**(i) Interest Payment Dates**

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

**(ii) Business Day Convention**

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

**(iii) Rate of Interest**

The Rate of Interest for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

**(A) ISDA Determination**

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this paragraph (A), “ISDA Definitions” means the 2006 ISDA Definitions as updated and amended as at the Issue Date (as published by the International Swaps and Derivatives Association, Inc.) and “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

**(B) Screen Rate Determination**

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) If the Relevant Screen Page is not available or if paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal eurozone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which

such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London interbank market or, if the Reference Rate is EURIBOR, the eurozone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the eurozone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

**(C) Linear Interpolation**

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(c) ***Zero Coupon Notes***

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) ***Accrual of Interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(e) ***Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:***

- (i) If any Margin is specified hereon (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the countries of such currency.

(f) ***Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts***

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and repayable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) ***Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;
- (ii) in the case of euro, a day on which the TARGET2 system is operating (a “TARGET Business Day”); and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

- (i) if “Actual/Actual” or “Actual/Actual-ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:
- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{360 \times Y_2 - Y_1 + 360 \times M_2 - M_1 + D_2 - D_1}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{360 \times Y_2 - Y_1 + 360 \times M_2 - M_1 + D_2 - D_1}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

(vii) if “Actual/Actual-ICMA” is specified hereon:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s);

“eurozone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

“Interest Amount” means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon;

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon;

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal eurozone office of four major banks in the eurozone inter-bank market, in each case selected by the Calculation Agent or as specified hereon;

“Reference Rate” means the rate specified as such hereon;

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service);

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

**(i) Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final

Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

**(j) *Step Down Rating Change or Step Up Rating Change***

- (i) If the Step Down Rating Change or Step Up Rating Change is specified in the applicable Final Terms, the Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change, as follows:
  - (A) subject to paragraph (C) below, from and including the first Interest Payment Date falling on or after the date of a Step Up Rating Change, the Rate of Interest payable on the Notes shall be the Initial Rate of Interest plus the Step Up Margin specified hereon;
  - (B) subject to paragraph (C) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date falling on or after the date of such Step Down Rating Change, the Rate of Interest payable on the Notes shall be decreased by the Step Up Margin specified hereon so that it again becomes the Initial Rate of Interest; and
  - (C) if a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Interest Period, the Rate of Interest payable on the Notes shall neither be increased nor decreased as a result of either such event.
- (ii) The Issuer and the Guarantor shall use all reasonable efforts to maintain a credit rating for the Notes from each Adjustment Rating Agency.
- (iii) The Issuer will cause the occurrence of a Rate Adjustment to be notified to the Trustee, the Paying Agents and (in accordance with Condition 16) the Noteholders as soon as reasonably practicable after the occurrence of the relevant event but in no event later than the fifth London Business Day thereafter.
- (iv) Notwithstanding any other provision contained herein, there shall be no limit on the number of times that the Rate of Interest may be adjusted pursuant to a Step Up Rating Change or a Step Down Rating Change during the term of the Notes, provided that at no time during the term of the Notes will the Rate of Interest be less than the Initial Rate of Interest or more than the Initial Rate of Interest plus the Step Up Margin specified hereon.

In these Conditions:

“Adjustment Rating Agency” means each of Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. (“S&P”), or their respective successors or any rating agency (an “Adjustment Substitute Rating Agency”) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee.

“Initial Rate of Interest” means the initial Rate of Interest that is either specified hereon or calculated in accordance with the provisions hereon.

“Minimum Rating Requirement” means that the Notes have been publicly assigned an investment grade rating BBB- or above in the case of S&P, Baa3 or above in the case of Moody’s, or, where an

Adjustment Substitute Rating Agency has been substituted by the Issuer, a comparable rating or above (“Investment Grade”) by at least one of the Adjustment Rating Agencies.

“Rate Adjustment” means each of the events giving rise to an adjustment to the Rate of Interest payable on the Notes as described in (i)(A) and (i)(B) above.

“Step Down Rating Change” means the reinstatement of the Minimum Rating Requirement following the occurrence of a Step Up Rating Change.

“Step Up Rating Change” means a failure to meet the Minimum Rating Requirement at any time after the Issue Date. If the rating designations employed by either Moody’s or S&P are changed from those which are described in the definition of “Minimum Rating Requirement” above, or if a rating is procured from an Adjustment Substitute Rating Agency, the Issuer or the Guarantor shall determine, with the agreement of the Trustee, the rating designations of Moody’s or S&P or such Adjustment Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody’s or S&P and this Condition 5(j) shall be construed accordingly.

## **6 Redemption, Purchase and Options**

### **(a) Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date.

### **(b) Early Redemption**

#### *(i) Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in paragraph (B) above, except that such paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) ***Redemption for Taxation Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), the Trustee and the Issuing and Paying Agent, at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to (but excluding) the date fixed for redemption), if the Issuer satisfies the Trustee immediately before the giving of such notice that (i) on the occasion of the next payment due under the Notes it has or will become obliged to pay additional amounts as described under Condition 8, or the Guarantor would be unable to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer (or the Guarantor, as the case may be) stating that the condition in (i) above applies and the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) ***Redemption at the Option of the Issuer***

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), in accordance with Condition 16, and to the Trustee, redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

**(e) *Redemption at the Option of Noteholders***

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) *Redemption Following Change of Control***

If Change of Control Put Event is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a "Change of Control Put Option") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at its Change of Control Optional Redemption Amount (as specified in the Final Terms) together with interest accrued to (but excluding) the Change of Control Put Date.

A "Change of Control Put Event" will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Guarantor or (B) shares in the capital of the Guarantor carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Guarantor (each such event being a "Change of Control"); and
- (ii) on the date (the "Relevant Announcement Date") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), either:
  - (A) the Notes carry an Investment Grade rating from at least two Rating Agencies and any such rating is, within the Change of Control Period, downgraded to Non-Investment Grade and such rating is not within the Change of Control Period restored to an Investment Grade Rating by such Rating Agency or replaced by an Investment Grade Rating of another Rating Agency, or any such Rating Agency withdraws its rating of the

Notes and the rating of such Rating Agency is not within the Change of Control Period replaced by an Investment Grade rating of another Rating Agency; or

- (B) the Notes do not have an Investment Grade rating from at least two Rating Agencies and the Issuer and/or the Guarantor is unable to acquire and maintain an Investment Grade rating for the Notes during the Change of Control Period from at least two Rating Agencies;

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than two Rating Agencies, the Issuer shall be entitled to determine which two Rating Agencies shall be relevant for the purposes of this provision; and

- (iii) in making any decision to downgrade or withdraw any credit rating pursuant to paragraph (ii) above or to decline to confer on Investment Grade Rating, the relevant Rating Agency announces publicly or confirms in writing to the Issuer, the Guarantor or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred and in any case not later than 10 business days thereafter, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a “Change of Control Put Event Notice”) to the Trustee (in the case of a notice from the Issuer) to the Noteholders in accordance with Condition 16 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “Change of Control Put Period”) of 30 days (or such longer period as may be specified hereon) after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “Change of Control Put Notice”). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (“Unmatured Coupons”) (the “Change of Control Put Date”), failing which, in the case of Fixed Rate Notes only, the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 14) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. Unmatured Coupons relating to Notes other than Fixed Rate Notes (whether or not attached to them) will become void upon the Change of Control Put Date. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of

Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(f) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register, and in each case, the Transfer Agent will issue a receipt as evidence of such payment.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Notes outstanding immediately prior to the Change of Control Put Date have been redeemed or purchased pursuant to this Condition 6(f), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (or such other notice period as may be specified hereon), in accordance with Condition 16, and to the Trustee (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at 100 per cent. of their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control has occurred, or to seek any confirmation from any Rating Agency pursuant to paragraph (iii) above, and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

In this Condition 6(f):

“Change of Control Period” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

“Investment Grade” means, with respect to a rating given by a Rating Agency, an investment grade credit rating (Baa3 or BBB-, as the case may be, or equivalent, or better) from such Rating Agency;

“Non-Investment Grade” means, with respect to a rating given by a Rating Agency, that such rating is not Investment Grade;

“Rating Agency” means Moody's, Fitch Ratings Ltd. (“Fitch”) or S&P or any of their respective successors or any rating agency (a “Substitute Rating Agency”) substituted for any of them by the Issuer or the Guarantor from time to time with the prior written approval of the

Trustee but excluding any rating agency providing a rating of the Notes on an unsolicited basis; and

“Relevant Potential Change of Control Announcement” means any public announcement or statement by or on behalf of the Guarantor, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

If the rating designations employed by any of Moody’s, Fitch or S&P are changed from those which are described in the definition of “Negative Rating Event” above, or if a rating is procured from a Substitute Rating Agency, the Issuer or the Guarantor shall determine, with the agreement of the Trustee, the rating designations of Moody’s, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody’s, Fitch or S&P and this Condition 6(f) shall be construed accordingly.

**(g) Purchases**

Each of the Issuer, the Guarantor, Mondi Limited and their respective subsidiaries may at any time purchase Notes (provided that all Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, the Guarantor, Mondi Limited or the relevant subsidiary, surrendered for cancellation.

**(h) Cancellation**

All Notes purchased by or on behalf of the Issuer, the Guarantor, Mondi Limited or any of their respective subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## **7 Payments and Talons**

**(a) Bearer Notes**

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

**(b) *Registered Notes***

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register on the relevant Record Date. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

**(c) *Payments in the United States***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

**(d) *Payments subject to Laws***

Save as provided in Condition 8, all payments are subject in all cases to any applicable laws, regulations and directives in the place of payment and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(e) *Appointment of Agents***

The Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. Save as set out in the Trust Deed, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European

Council Directive 2003/48/EC (as amended from time to time) or any other law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

**(f) *Unmatured Coupons and unexchanged Talons***

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

**(g) *Talons***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

**(h) *Non-Business Days***

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

**8 Taxation**

All payments by or on behalf of the Issuer or the Guarantor in respect of the Notes and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

**(a) *Other connection***

to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or

**(b) *Lawful avoidance of withholding***

to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) or Coupon is presented for payment; or

**(c) *Presentation more than 30 days after the Relevant Date***

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the last day of such period of 30 days; or

**(d) *Payment to individuals***

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any other law implementing or complying with, or introduced in order to conform to, such Directive; or

(e) ***Payment by another Paying Agent***

(except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “Relevant Date” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Change of Control Optional Redemption Amounts, Amortised Face Amounts, amounts paid by the Issuer or the Guarantor to purchase the Notes, purchase monies paid by the Issuer, the Guarantor or on behalf of the Issuer or the Guarantor, as the case may be, in relation to redemption purchase to Condition 6(f) and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding anything to the contrary contained herein, any amounts to be paid by the Issuer or the Guarantor on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the “Code”), as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471 (b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a “FATCA Withholding Tax”), and neither the Issuer nor the Guarantor will be required to pay any additional amounts on account of any FATCA Withholding Tax.

## **9 Prescription**

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **10 Events of Default**

If any of the following events (“Events of Default”) occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and repayable at their Early Redemption Amount, determined in accordance with Condition 6(b) together with accrued interest (if any):

(a) ***Non-Payment***

default is made for more than 10 days (in the case of interest) or seven days (in the case of principal in the payment on the due date of interest or principal in respect of any of the Notes; or

(b) ***Breach of Other Obligations***

the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed or Mondi Limited does not comply with its obligations under the Deed Poll Guarantee, in respect of the Notes or the Trust Deed, which default is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer or the Guarantor or Mondi Limited by the Trustee; or

(c) ***Cross-Default***

any other present or future indebtedness of the Issuer or the Guarantor or any Material Company for or in respect of moneys borrowed or raised (other than any Project Debt) is not paid when due or within any applicable grace period, or any such indebtedness of the Issuer, the Guarantor or any Material Company is declared to be or otherwise becomes due and payable prior to its specified maturity by reason of an event of default (however described), provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €25,000,000 or its equivalent in any other currency; or

(d) ***Enforcement Proceedings***

any distress, execution, attachment or other process is levied or enforced against the assets of the Issuer, the Guarantor, or any Material Company such assets being worth, on an aggregate basis, at least €25,000,000 (or its equivalent) unless such proceedings are stayed within 30 days or are the subject of a bona fide dispute; or

(e) ***Security Enforced***

any encumbrance created over a material asset for an amount at the relevant time in excess of €25,000,000 (or its equivalent in any other currency) given by the Issuer, the Guarantor or any Material Company shall be enforced unless such enforcement is discharged within 30 days or is the subject of a bona fide dispute; or

(f) ***Winding up***

the Issuer, the Guarantor, or any Material Company takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, dissolution, administration or re-organisation (save, in each case, for a re-organisation, relating to the Issuer, the Guarantor or any Material Company while solvent and where such reorganisation includes the Guarantor or Mondi Limited, provided that the Guarantor or Mondi Limited is the surviving entity and, if such event relates to the Issuer, that a substitute obligor becomes obligor under the Notes in accordance with Condition 11(c)) or for the appointment of a receiver, liquidator, administrator, administrative receiver, trustee or similar officer of it or of all or a material part of its revenues and assets unless the Guarantor can demonstrate upon demand that, in the case only of such action having been commenced by a creditor, it is discharged within 30 days of the commencement of such action or proceedings, or a moratorium is declared in respect of any of its indebtedness; or

**(g) *Insolvency***

the Issuer, the Guarantor or any Material Company is unable to pay its debts as they fall due (by reason of financial difficulties), commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or

**(h) *Ownership***

the Issuer ceases to be wholly-owned and controlled by the Guarantor; or

**(i) *Guarantee and Deed Poll Guarantee***

the Guarantee and/or the Deed Poll Guarantee is not (or is claimed by the Guarantor (in the case of the Guarantee) or by Mondi Limited (in the case of the Deed Poll Guarantee) not to be) in full force and effect, provided that in the case of paragraph (b) above and, in the case of a Material Subsidiary only, paragraphs (f) and (g) above the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

In this Condition 10:

(i) “Group” means the Guarantor, Mondi Limited and their subsidiaries taken as a whole.

(ii) “Material Company” means Mondi Limited or any Material Subsidiary.

(iii) “Material Subsidiary” means any subsidiary of the Guarantor or Mondi Limited:

(a) which was a subsidiary of the Guarantor or Mondi Limited at the date of the latest published audited consolidated financial statements of the Group and whose consolidated total revenue and/or gross assets at the time of its latest financial statements exceeded 10 per cent. of the consolidated total revenue and/or gross assets of the Group at such date, taken as a whole; or

(b) which has been a subsidiary of the Guarantor or Mondi Limited for more than 180 days and which became a subsidiary of the Guarantor or Mondi Limited subsequent to the date of the latest published audited consolidated financial statements of the Group and whose consolidated total revenue and/or gross assets would if consolidated financial statements were prepared on it becoming a member of the Group, exceed 10 per cent. of the consolidated total revenue and/or gross assets of the Group; or

(c) any subsidiary of the Guarantor or Mondi Limited which, although not a Material Subsidiary at the date of the latest published audited consolidated financial statements of the Group, subsequently acquires or develops assets and/or generates revenues which would, when aggregated with its existing assets and/or revenues, constitute 10 per cent. or more of the consolidated total revenue and/or gross assets of the Group if at any relevant time consolidated financial statements were prepared, provided that if any Material Subsidiary shall at any relevant time cease to have revenue and/or gross assets which constitute more than 10 per cent. of the consolidated total revenues and/or gross assets of the Group if consolidated financial statements were prepared at that time, it shall at that time cease to be a Material Subsidiary, until such time as its revenues and/or gross assets subsequently exceed 10 per cent. of the consolidated total revenues and/or gross assets of the Group at any relevant time;

and a report by two Authorised Signatories of the Guarantor or Mondi Limited that, in its opinion, a subsidiary is not, or was or was not, at any particular time or during any particular period, a Material Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor, Mondi Limited, the Trustee and the Noteholders.

- (iv) “Project Debt” means any indebtedness in respect of borrowed moneys incurred by a member of the Group for the purposes of a Project Financing where the recourse of the provider of that indebtedness is limited to:
  - (a) the assets comprised in the project; and
  - (b) if the assets of that project comprise all or substantially all of the business of that member of the Group, the shareholding or other interest of any other member(s) of the Group in it; and
- (v) “Project Financing” means any original financing of the acquisition, construction, or development of any assets or properties in connection with a project involving or which has as a principal object the development and/or processing of pulp, paper or packaging resources and/or facilities related thereto.

## **11 Meetings of Noteholders, Modification, Waiver and Substitution**

### **(a) *Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor, the Trustee or by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding, and shall be convened by the Issuer at the written request of such proportion of Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-quarter, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly

passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Trust Deed provides that, for so long as Notes are held in global form through a clearing system, consents given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holder(s) of not less than three quarters in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

**(b) *Modification of the Trust Deed***

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of these Conditions, the Final Terms or the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable.

**(c) *Substitution***

The Trust Deed contains provisions requiring the Trustee to agree, at the request of the Issuer but without the consent of the Noteholders or the Couponholders, to the substitution of the Guarantor or its successor in business (as defined in the Trust Deed) in place of the Issuer as principal debtor under the Notes or to the substitution of the successor in business of the Guarantor in place of the Guarantor as guarantor under the Trust Deed and the Notes and also contains provisions permitting the Trustee to agree, without the consent of the Noteholders or the Couponholders, to the substitution of any subsidiary of the Guarantor or its successor in business in place of the Issuer or Guarantor, or of any subsidiary of the Guarantor or its successor in business in place of the Issuer or Guarantor, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Notes subject, in each case, to certain conditions set out in the Trust Deed (including that, unless the Guarantor or its successor in business is the substitute obligor under the Notes and Coupons, the Guarantor shall guarantee the obligations of the substitute obligor). In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. The Issuer will give notice of such a change of law to the Noteholders in accordance with Condition 16, and such a change of law will be binding on the Noteholders.

**(d) *Entitlement of the Trustee***

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

**12 Enforcement**

The Trustee may, at any time, at its discretion and without notice, institute such proceedings and/or any other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer and/or the Guarantor and/or Mondi Limited as it may think fit to enforce the terms of the Trust Deed, the Notes, the Coupons and the Deed Poll Guarantee or otherwise, but it need not take any such proceedings or other steps or action unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may (i) take any steps or action against the Issuer or the Guarantor or Mondi Limited to enforce the performance of any of the provisions of the Trust Deed, the Notes or the Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, the Guarantor or Mondi Limited, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails to do so within a reasonable time and such failure is continuing.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in the jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

**13 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a

monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor, Mondi Limited, the Trustee, the Noteholders and the Couponholders.

#### **14 Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in Luxembourg (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

#### **15 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

#### **16 Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

#### **17 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## **18 Governing Law**

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **1 Initial Issue of Notes**

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be) (i) the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper and (ii) the relevant clearing systems will be notified whether or not such Global Notes or the Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Such indication means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Global notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “Common Depository”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **2 Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“Alternative Clearing System”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer, the Guarantor or Mondi

Limited to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer, the Guarantor or Mondi Limited in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer, the Guarantor or Mondi Limited will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **3 Exchange**

#### **3.1 Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “*Overview of the Programme-Selling Restrictions*”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

If the Temporary Global Note is exchangeable for Definitive Notes at the option of the holder, the Notes shall be tradeable only in amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the Final Terms and multiples thereof

#### **3.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes if (i) the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or (ii) an Event of Default (as defined in Condition 10) has occurred and is continuing.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### **3.3 Permanent Global Certificates**

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### **3.4 Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions.

### **3.5 Delivery of Notes**

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **3.6 Exchange Date**

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## **4 Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

#### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(e)(ii) and Condition 8(e) will apply to the Definitive Notes only. For so long as the Notes are represented by a Global Certificate, notwithstanding the provisions of Condition 7(b)(ii), each payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 1 January and 25 December. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purposes of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h).

#### **4.2 Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

#### **4.3 Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall, at any meeting of Noteholders be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

#### **4.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

#### **4.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest.

#### **4.6 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

#### **4.7 Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the accountholders giving notice to the Issuing and Paying Agent, within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions, of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and at the same time presenting or procuring the presentation of the relevant Global Note to the Agent for notation accordingly, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered pro rata in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

#### **4.8 NGN Nominal Amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

#### **4.9 Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

#### **4.10 Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for

publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

## **5 Record Date in respect of Registered Notes**

Each payment in respect of Registered Notes whilst in global form will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes, which include making a profit.

## DESCRIPTION OF MONDI FINANCE PLC

Mondi Finance plc (the “Issuer”) is a wholly-owned subsidiary of Mondi plc. It was incorporated under the Companies Act 1985 on 25 August 2006 in England and Wales as a private company limited by shares under the name “Mondi Finance Limited” and under Registered Number 5916680, and re-registered as a plc on 15 March 2010. The Issuer’s registered office is at Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey KT15 2PG and its telephone number is +44 1932 826 300.

The issued share capital of the Issuer comprises €50,000,000, of which 100 per cent. is held by Mondi Investments Limited.

A special resolution was passed at a general meeting of the Issuer on 7 October 2011 to reduce its share capital by 833,757,188 shares, in accordance with the provisions set out in the Companies Act 2006. The capital was transferred to distributable reserves upon reduction. The capital reduction was confirmed by the High Court of Justice (Chancery Division) on 2 November 2011 and registered by the Registrar of Companies on 3 November 2011.

The Issuer is a finance vehicle and it principally participates in financial arrangements and transactions and issuing securities.

Directors of the Issuer are listed below:

<b>Name</b>	<b>Position</b>	<b>Other Principal Activities</b>
James Paterson	Director	None
Carol Hunt	Director and Company Secretary	None
Andrew King	Director	None
Maureen McHugh	Director	None

As at the date of this Prospectus, there are no potential conflicts of interest between the duties to the Issuer of the Directors and their private interests and/or other duties. The business address of James Paterson, Carol Hunt and Maureen McHugh is Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey KT15 2PG and the business address of Andrew King is 4th Floor, No. 3 Melrose Boulevard, Melrose Arch 2196, Gauteng, South Africa.

## DESCRIPTION OF THE GROUP

### 1 General

#### 1.1 Overview

The Guarantor was incorporated as HACKPLIMCO No.119 PLC under the Companies Act 1985 on 11 April 2007 in England and Wales as a public limited company with registered number 6209386 and its name was changed to Mondi plc on 17 April 2007. The Guarantor's registered office is at Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG and its telephone number is +44 1932 826 300.

The Guarantor and Mondi Limited are the dual holding companies of the Group. In this Prospectus, the Guarantor, Mondi Limited and their subsidiaries taken as a whole are referred to as "Mondi" or the "Group".

Mondi is an international packaging and paper group with more than 100 production operations across 30 countries and revenue of €6.4 billion for the year ended 31 December 2014. The Group's key operations are located in central Europe, Russia, North America and South Africa and as at the end of 2014, Mondi employed around 25,000 people.

Mondi is fully integrated across the packaging and paper value chain – from the management of its own forests and production of pulp, paper and compound plastic resins to the conversion of packaging paper, films and other raw materials into corrugated packaging, industrial bags, extrusion coatings, consumer goods packaging solutions, advanced films, hygiene product components and release liner.

#### 1.2 Group History

In 1967, Anglo American plc founded Mondi to build what became the Merebank mill near Durban in South Africa. In the early 1990s, Mondi entered Europe<sup>1</sup> with the acquisition of two Austrian based paper groups and subsequently expanded its operations through both acquisitions and organic growth to become one of the leading packaging and paper groups in central Europe, Russia, North America and South Africa.

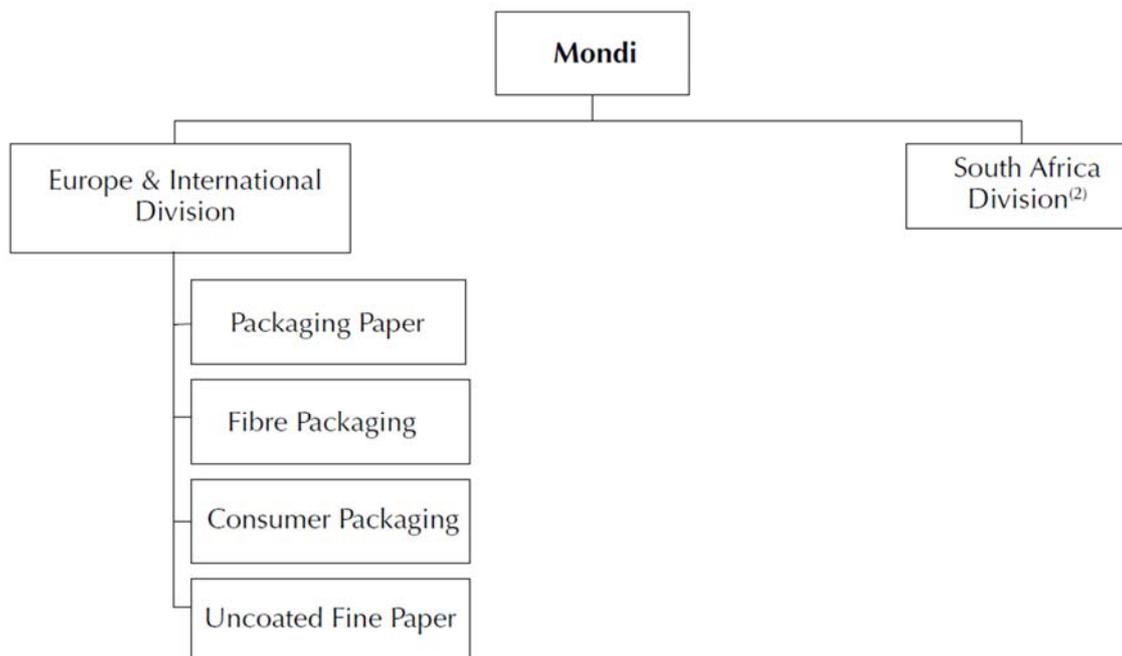
On 3 July 2007, Mondi was demerged from Anglo American plc (the "Demerger"). Mondi is an integrated corporate group established under a dual listed company ("DLC") structure with dual holding companies, the Guarantor, listed on the London Stock Exchange with a secondary listing on the Johannesburg Stock Exchange (the "JSE"), and Mondi Limited, listed on the JSE. The Group is organised into two primary divisions – the Europe & International Division (the "Europe & International Division") and the South Africa Division (the "South Africa Division").

---

<sup>1</sup> "Europe" means Western Europe, Emerging Europe and Russia.

## 2 Business Structure

The following chart summarises the Group's current business structure<sup>(1)</sup>:



Notes:

- (1) This is an organisational structure, it does not reflect the DLC Structure.
- (2) South Africa Division includes Mondi's 54 per cent. ownership interest in Mondi Shanduka Newsprint. Of the remaining 46 per cent., Shanduka Newsprint (Proprietary) Limited owns 42 per cent., and 4 per cent. has been set aside for Mondi Shanduka Community Trust.

The Europe & International Division comprises Mondi's packaging and uncoated fine paper operations which are located primarily in Europe with additional presence in North America, the Middle East, North Africa and Asia. The Europe & International Division is organised into four businesses grouped into upstream and downstream businesses with a separation between packaging and UFP: the Packaging Paper Business (the "Packaging Paper Business"), the Fibre Packaging Business (the "Fibre Packaging Business"), the Consumer Packaging Business (the "Consumer Packaging Business") and the Uncoated Fine Paper Business (the "UFP Business").

In the second half of 2014, the Group refined its organisational structure and adjusted its segmental reporting accordingly. The most significant change was the transfer of the release liner business from the Fibre Packaging Business to the Consumer Packaging Business to take advantage of identified synergies in customer relations, innovation and the global footprint of these businesses.

The South Africa Division combines the uncoated fine paper operations in Merebank as well as containerboard and pulp mill operations in Richards Bay, and related forestry operations. Since 2012 the South Africa Division also incorporates Mondi Shanduka Newsprint, a leading producer of newsprint in South Africa.

In the financial year ended 31 December 2014, prior to inter-segment elimination, the Europe & International Division generated 91 per cent. of the Group's revenues and the South Africa Division generated 9 per cent. of the Group's revenues.

For further detail in relation to the above, please also see Paragraph 5, below.

Mondi's production sites include the following paper mills:

Operation	Current capacity use <sup>(1)</sup>	Pulp capacity <sup>(1)</sup>	Paper capacity <sup>(1)</sup>
<i>('000 tonnes per annum)</i>			
<b>Europe &amp; International</b>			
<b>Packaging Paper Business</b>			
<i>Containerboard</i>			
Świecie, Poland .....	Production of pulp and containerboard	560	1,440
Syktyvkar, Russia <sup>(2)</sup> .....	Production of containerboard	—	285
Raubling, Germany .....	Production of containerboard	—	210
Tire Kutsan, Turkey <sup>(3)</sup> .....	Production of recycled containerboard	—	140
Štětí, Czech Republic .....	Production of containerboard	—	110
<i>Kraft paper</i>			
Štětí, Czech Republic <sup>(6)</sup> .....	Production of pulp and kraft paper	475	435
Frantschach, Austria .....	Production of pulp and kraft paper	300	290
Dynäs, Sweden .....	Production of pulp and kraft paper	260	260
Pine Bluff, USA .....	Production of pulp and kraft paper	160	135
Stambolijski, Bulgaria	Production of pulp and kraft paper	100	100
Ružomberok, Slovakia <sup>(5)</sup> .....	Production of kraft paper	—	66
<b>UFP Business</b>			
Syktyvkar, Russia <sup>(2)</sup> .....	Production of pulp, UFP and newsprint	1,000	720
Ružomberok, Slovakia <sup>(5)</sup> .....	Production of pulp and UFP	560	560
Hausmening, Austria .....	Production of UFP	—	246
Kematen, Austria .....	Production of pulp and UFP	50	79
<b>South Africa Division</b>			
Richards Bay, South Africa .....	Production of pulp and containerboard	780	270
Merebank, South Africa .....	Production of UFP	—	270
Merebank, South Africa <sup>(6)</sup> .....	Production of newsprint	120	120

Notes:

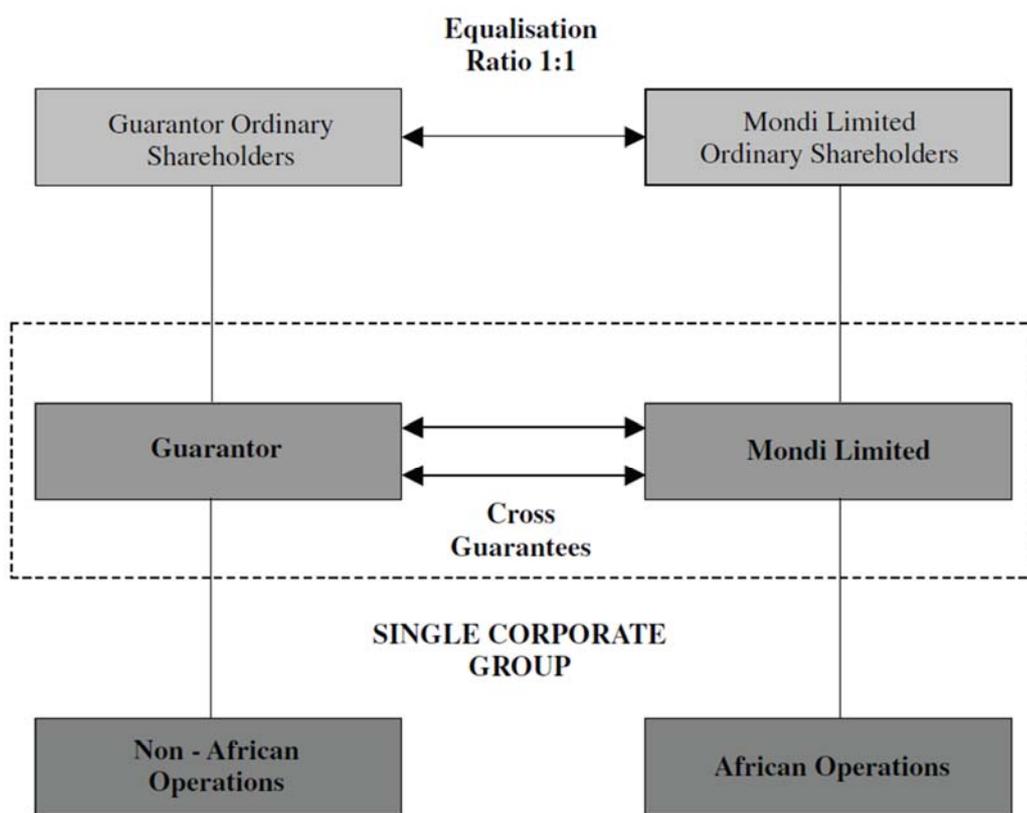
- (1) This table includes the full-year pulp and paper capacity for each mill as at the date of this document.
- (2) The Syktyvkar mill is operated by the UFP Business. 285,000 tonnes of packaging paper capacity is attributed to the Packaging Paper Business while the 720,000 tonnes of paper capacity within the UFP Business includes 204,000 tonnes of newsprint capacity. The Syktyvkar mill pulp capacity includes approximately 340,000 tonnes used by the Packaging Paper Business, either sold as air dried pulp or used in the production of containerboard.
- (3) Mondi has a 74.92 per cent. interest in the company that owns the mill.

- (4) The Štětí kraft paper capacity includes the full capacity of the new 155,000 tonnes machine which started production in the first half of 2014.
- (5) The Ružomberok mill is operated by the UFP Business. The financial results of the kraft paper machine are reported as part of the Packaging Paper Business. Mondi has a 51 per cent. interest in the mill. Approximately 40,000 tonnes per annum of pulp produced by the Ružomberok mill are utilised by the kraft paper machine on site for the production of kraft paper.
- (6) Includes Mondi Shanduka Newsprint's full newsprint capacity.

### 3 DLC Structure

Mondi is an integrated corporate group established under a dual listed company structure with dual holding companies, the Guarantor, listed on the London Stock Exchange with a secondary listing on the JSE, and Mondi Limited, listed on the JSE.

The following is a simplified illustration of the DLC Structure.



Mondi operates as a single corporate group. As the Guarantor and Mondi Limited are separate corporate entities each has a separate board of directors, but these boards are comprised of the same persons. The boards, in addition to their duties to the company concerned, have regard to the interests of both the shareholders of the Guarantor and Mondi Limited as if the two companies were a single economic enterprise.

Ordinary shareholders of the Guarantor and Mondi Limited have economic and voting interests in Mondi. The economic and voting interests represented by an ordinary share in one company relative to the economic and voting interests represented by an ordinary share in the other company are determined by reference to a ratio known as the Equalisation Ratio. As at the date of this Prospectus the Equalisation Ratio is 1:1 (i.e. an ordinary share in either the Guarantor or Mondi Limited gives the holder an equivalent effective economic and voting interest in Mondi).

As part of the DLC structure, Mondi Limited has entered into a deed poll guarantee dated 2 July 2007 (the “Deed Poll Guarantee”) whereby Mondi Limited guarantees certain obligations of the Guarantor to creditors of the Guarantor, which include the obligations of the Guarantor under its guarantee of the Notes, and undertakes to each of them that, if for any reason the obligation is not met on its due date, Mondi Limited shall pay the amount due and unpaid to the creditor upon written demand by the creditor.

A demand may not be made under the Deed Poll Guarantee without a demand first being made on the Guarantor.

Mondi Limited may at any time amend the Deed Poll Guarantee in respect of future guaranteed obligations upon giving not less than three months’ notice of such fact. Any such amendment will not be effective in respect of any existing guaranteed obligation of the Guarantor. Any such amendment will require the agreement of the Guarantor unless a resolution has been passed or an order made for the liquidation or winding up of the Guarantor.

For so long as Notes may be issued pursuant to this Prospectus, the Deed Poll Guarantee will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Guarantor.

In the event that any amendment is made to the Deed Poll Guarantee that affects the rights of holders of the Notes, the Issuer will publish a supplement to this Prospectus.

## **4 Strengths and Strategy**

The Group performed on average, better than its peers during the five year period 2010 to 2014 on the basis of return on capital employed<sup>1</sup>. Management believes that the key strengths which resulted in this performance are those outlined below.

### **4.1 Strong asset base:**

#### **4.1.1 Low-cost production**

Mondi’s ability to deliver returns above the average of its competitors is mainly driven by the low-cost production advantage enjoyed by a number of the Group’s operations. These include the Syktyvkar mill in Russia, the Richards Bay mill in South Africa, the Štetí mill in the Czech Republic, the Świecie mill in Poland and the Ružomberok mill in Slovakia. Cost advantages in these regions typically result from lower wood, energy and personnel costs. Net operating assets based in emerging markets amounted to approximately 61 per cent. of the Group’s total net operating assets as of 31 December 2014, whilst that proportion amounted to approximately 81 per cent. in the case of pulp and paper operations.

Management continues to emphasise maintaining and developing the Group’s asset base in lower operating cost environments by focusing capital spend on sites with sustainable cost advantages, which is particularly relevant for the Group’s upstream businesses. Over the five year period from 1 January 2010 to 31 December 2014, the Group invested a total of approximately €1.9 billion in its asset base, of which €1.4 billion was spent on its main sites located in lower-cost emerging markets such as Emerging Europe, Russia or South Africa. The remainder was spent in more mature markets such as Western Europe.

---

<sup>1</sup> Based on Annual reports of Amcor, Bemis, Billerud, DSSmith, Domtar, Holmen, International Paper, Mayr-Melnhof, Metsa Board, Portucel, Sappi, Smurfit Kappa, Stora Enso and UPM. ROCE (return on capital employed) measured as underlying profit before interest and tax (EBIT) divided by average capital employed.

Key projects completed during 2014 include:

- a 155,000 tonnes per annum bleached kraft paper machine at Steti, Czech Republic;
- a new recovery boiler at the 51 per cent. held Ruzomberok mill, Slovakia which provides additional pulp production capacity, makes the mill electricity self-sufficient and reduces its environmental footprint; and,
- a pulp dryer in Syktyvkar, Russia with capacity to dry 100,000 tonnes of pulp per annum.

Furthermore the Group has approved additional significant capital projects to be implemented in the next two years:

- a €166 million energy investment at the Świecie mill in Poland, replacing the recovery boiler and the mill's coal fired boilers. The investment will result in a reduction of ongoing maintenance costs, an improvement in overall energy efficiency and a reduction in CO<sub>2</sub> emissions;
- a €94 million second phase of the above project which will provide an additional 100,000 tonnes per annum of softwood pulp and 80,000 per annum of kraftliner capacity and further improve the mill's product mix flexibility;
- a €30 million upgrade of Richards Bay wood yard; and,
- approximately €30 million of projects intended to modernise some of the Group's kraft paper and converting operations, provide additional capacity and production flexibility and reduce ongoing operating and maintenance costs.

#### **4.1.2 Access to low-cost wood**

Wood is the principal raw material used in the production of pulp, which is in turn used to make packaging paper and uncoated fine paper. In South Africa and Russia, where the Group has its own forestry operations, the Group enjoys particularly a benefit from lower wood costs.

#### **4.1.3 High level of vertical integration and self-sufficiency**

Mondi's businesses are vertically integrated. The Group owns both "upstream assets", including forests from which to source wood, mills required to turn wood into pulp and paper mills to convert pulp into uncoated fine paper, containerboard and kraft paper. Mondi also owns "downstream converting assets", which convert paper, resins, films and other substrates into corrugated packaging, industrial bags, extrusion coatings, consumer goods packaging and advanced materials.

Mondi believes a high level of vertical integration provides a significant degree of self-sufficiency, which is particularly relevant in the case of its pulp, packaging paper and uncoated fine paper assets. Self-sufficiency refers, in the case of wood, to the Group's annual allowable cut expressed as a percentage of the Group's total wood requirements for pulp production and, in the case of pulp, to the Group's overall production of pulp as a percentage of the Group's overall pulp requirement for paper production. Mondi believes that a high level of integration of its upstream businesses allows the Group to benefit from improved security of supply and reduces its exposure to price volatility of the key raw materials, particularly wood and pulp. The Group intends to continue to pursue a high level of vertical integration.

Mondi's total wood consumption used for pulp production in the year ended 31 December 2014 was approximately 16 million m<sup>3</sup>. The Group has access to leased and owned forests in Russia and South Africa, which provide an annual allowable cut of around 9 million m<sup>3</sup>, which represents, potentially, 55 per cent. of the total amount of wood the Group currently requires for pulp production. The amount of wood actually procured from Mondi's own forests during any period can vary depending on commercial, logistic and sustainability considerations. In the year ended 31 December 2014, the consumption of wood from Mondi's forests amounted to 27 per cent. of the Group's total wood consumption. Mondi's total pulp consumption in the year ended 31 December 2014 was approximately 3.9 million tonnes. The Group's supply of pulp is sourced from a combination of the Group's own pulp mills and purchases from third party suppliers. In the year ended 31 December 2014, Mondi's own pulp production comprised ten integrated pulp mills which collectively produced approximately 4.0 million tonnes of pulp, giving the Group a small net long position in pulp required for paper production.

#### 4.1.4 Integration across the Consumer Packaging value chain

The Group operates manufacturing facilities across the entire Consumer Packaging production process, including resin compounding, blown and cast film extrusion, flexographic and rotogravure printing, laminating, coating (paper and film), slitting, bag making, embossing, laser cutting and incorporating special features. Mondi also operates a Research and Development ("R&D") centre dedicated to product development. Management believe this vertical integration and R&D centre enable Mondi to focus on the production of technologically advanced consumer goods packaging solutions , advanced films, advanced hygiene product components and release liner with emphasis on innovation and customisation.

## 4.2 Strong market position

### 4.2.1 Leading market positions

Based on the most recent available industry reports and internal estimates, Mondi believes that it is:

- the second largest producer of virgin containerboard in Europe based on production capacity<sup>1</sup>; RDA9.5.1.2
- the largest producer of containerboard<sup>2</sup> in Emerging Europe based on production capacity;
- the largest producer of kraft paper<sup>3</sup> and industrial bags<sup>4</sup> in Europe based on production capacity and sales volumes, respectively; RDA9.5.1.2
- the largest producer of industrial bags in North America<sup>5</sup> based on sales volumes;
- the leading producer of uncoated fine paper<sup>6</sup> in Europe based on sales volumes;

---

<sup>1</sup> Source: Based on RISI 2014 Capacity Report and management estimates.

<sup>2</sup> Source: Based on RISI 2014 Capacity Report and management estimates.

<sup>3</sup> Source: Based on Pöyry World of Paper Market up to 2025, RISI European Packaging Paper Capacity Report, RISI Mill Asset Database, Pöyry Smart Terminal Service and management estimates.

<sup>4</sup> Source: Eurosac, Freedonia World Industrial Bags 2011 study (revised in 2013) and management estimates.

<sup>5</sup> Source: Based on Paper Shipping Sack Manufacturers' Association and management estimates.

<sup>6</sup> Source: Based on EMGE Woodfree Report, Eurograph delivery statistics, Pyrabelisk and management estimates.

- the largest producer of uncoated fine paper, white top kraftliner, hardwood pulp and newsprint in South Africa based on sales volumes<sup>1</sup>.

In addition, based on AWA and its own estimates Mondi believes that it is the third largest supplier of release liner in Europe and will become the largest supplier of extrusion coating products (excluding liquid packaging board) in Europe if the announced acquisition of two of Walki Oy extrusion coating plants is completed.

#### **4.2.2 Exposure to high-growth markets**

The Group continues to position its operations to take advantage of growth opportunities in a number of emerging markets in which it operates, such as Emerging Europe, Russia and South Africa, as the Group believes that emerging markets provide the most opportunity for growth.

In the financial year ended 31 December 2014, revenues from emerging markets accounted for approximately 50 per cent. of total Group revenue.

### **4.3 Innovation across the value chain**

Mondi is focused on contributing to its customers' success by creating innovative products and solutions to meet their specific needs and building long lasting relationships with them. Working in co-operation with its customers, Mondi aims to increase its exposure to more value added, innovative, technologically advanced products and to grow with its customers in high-growth markets.

Mondi's vertical integration combined with its five business competence centres focused on research and development enable the Group to be innovative across the value chain and to develop new and improved solutions tailored to its customer requirements.

### **4.4 Focus on performance**

In order to maintain the Group's position as one of the lowest-cost producers in the sectors in which it operates, management continually reviews the financial and operational performance of its operations.

#### **4.4.1 Business excellence and rigorous cost control programmes**

The Group has established business excellence programmes aimed at reducing costs and improving the profitability of the Group. They specifically focus on operational performance and prudent asset management. These programmes target continuous improvement of productivity, efficiency and reliability of operations through cost reduction programmes and profit improvement initiatives. These programmes also encompass sustainability, human resources development and innovation.

These business excellence and rigorous cost control programmes are important in maintaining the Group's low cost production assets in the sectors in which it operates.

#### **4.4.2 Pro-active restructuring**

The Group is committed to closing or divesting sites which it considers to be underperforming and proactively closes or sells sites that do not meet or are not deemed capable of meeting the Group's performance criteria. In recent years, Mondi has closed or sold various of its high cost operations and has continued to streamline its portfolio of businesses.

---

<sup>1</sup> Source: Based on management estimates.

#### 4.4.3 Experienced management team

Mondi's senior management team have extensive packaging and paper industry experience and a proven record of managing international businesses, acquiring and integrating new businesses and implementing cost reduction programmes and profit improvement initiatives. The Group continues to ensure it has an experienced and skilled management team.

#### 4.5 Strategy

Mondi continues to refine its product and geographic mix in line with its strategic focus. The Group's emphasis is on growing its packaging interests, which currently account for 72 per cent. of total revenues, while at the same time investing appropriately to maintain and improve the competitiveness of the uncoated fine paper businesses. Within the broader packaging sector, Mondi sees greater opportunities to develop those segments offering exposure to consumer related packaging. This includes both Mondi's Consumer Packaging business as well as the corrugated packaging value chain.

Mondi pursues growth underpinned by the following strategic value drivers:

- *Invest in a high-quality, low-cost asset base* by selectively investing in production capacity enjoying sustainable cost advantages;
- *Continue to focus on performance* through continuous productivity improvement and cost reduction, delivered through business excellence programmes and rigorous asset management; and
- *Work with customers to find innovative solutions* according to their requirements and by following customers into growth markets.

Mondi continues to evaluate opportunities in line with its strategy of investing in businesses based around a low-cost production base as well as acquisition targets that offer clear operating and market synergies.

### 5 Description of the business

#### 5.1 Europe & International Division

##### 5.1.1 Overview

The Europe & International Division achieved external revenues of €5.9 billion for the year ended 31 December 2014, which (prior to inter-segment elimination) accounted for 91 per cent. of the Group's revenues. The Europe & International Division comprises four businesses:

- The Packaging Paper Business, which manufactures and sells a wide range of virgin and recycled containerboard as well as kraft paper for conversion into fibre based packaging products by the Fibre Packaging Business, the Consumer Packaging Business or external customers. The Packaging Paper Business (including inter-segment revenue) represented 31 per cent. of the Europe & International Division's revenues for the year ended 31 December 2014.
- The Fibre Packaging Business, which manufactures and sells a range of corrugated packaging products, industrial bags and extrusion coating products for a variety of consumer and industrial applications. The Fibre Packaging Business (including inter-segment revenue) represented 28 per cent. of the Europe & International Division's revenues for the year ended 31 December 2014.

- The Consumer Packaging Business, which develops, manufactures and sells innovative consumer goods packaging solutions, advanced films, hygiene product components and release liner. The Consumer Packaging Business (including inter-segment revenue) represented 21 per cent. of the Europe & International Division's revenues for the year ended 31 December 2014.
- The Uncoated Fine Paper Business, which manufactures uncoated fine paper that is converted into office papers (cut size) and professional printing papers sold in folio form or large reels. The UFP Business (including inter-segment revenue) represented 19 per cent. of the Europe & International Division's revenues for the year ended 31 December 2014.

### 5.1.2 Packaging Paper

The Packaging Paper Business manufactures and sells a wide range of virgin and recycled containerboard as well as kraft paper.

#### (i) Products

##### *Containerboard*

Containerboard refers to kraftliner (including unbleached kraftliner and white top kraftliner) and semi-chemical fluting made from wood pulp (also known as virgin fibre-based containerboard), as well as testliner and fluting made from recovered paper (also known as recycled fibre-based containerboard).

These products are mainly used to make corrugated board, which is then converted into corrugated boxes, trays and displays by the Fibre Packaging Business and external customers. The Packaging Paper Business' total containerboard production in the year ended 31 December 2014 amounted to 2.2 million tonnes. Internal consumption to make packaging products was approximately 0.8 million tonnes during the year, giving the business a net long market exposure of 1.4 million tonnes in 2014.

In addition to producing containerboard, the Packaging Paper Business sells containerboard produced by the South Africa Division.

##### *Kraft paper*

Kraft paper products include various grades of high-strength paper made out of virgin fibre, from sack kraft paper to speciality kraft paper, which are the main raw material for the production of industrial bags mainly used in the construction, chemical and agricultural industries, and for conversion into wrappings, consumer flexible packaging and paper-based speciality products. The Packaging Paper Business sells kraft paper to the Fibre Packaging Division, the Consumer Packaging Division and to third parties. In the year ended 31 December 2014, the Packaging Paper Business' production of kraft paper was approximately 1.1 million tonnes, while consumption of kraft paper by the Group was approximately 0.7 million tonnes, giving a net long market exposure in kraft paper of approximately 0.4 million tonnes in 2014.

#### (ii) Operations

The Packaging Paper Business manufactures containerboard and kraft paper at the following integrated and non-integrated mills:

Operation	Current capacity use <sup>(1)</sup>	Pulp capacity	Paper capacity
		(1)	(1)
(‘000 tonnes per annum)			
<b>Europe &amp; International</b>			
<b>Packaging Paper Business</b>			
<i>Containerboard</i>			
Świecie, Poland.....	Production of pulp and containerboard	560	1,440
Sykytyvkar, Russia <sup>(2)</sup> .....	Production of containerboard	—	285
Raubling, Germany.....	Production of containerboard	—	210
Tire Kutsan, Turkey <sup>(3)</sup> .....	Production of recycled containerboard	—	140
Štětí, Czech Republic.....	Production of containerboard	—	110
<i>Kraft paper</i>			
Štětí, Czech Republic <sup>(4)</sup> .....	Production of pulp and kraft paper	475	435
Frantschach, Austria.....	Production of pulp and kraft paper	300	290
Dynäs, Sweden.....	Production of pulp and kraft paper	260	260
Pine Bluff, USA.....	Production of pulp and kraft paper	160	135
Stambolijski, Bulgaria.....	Production of pulp and kraft paper	100	100
Ružomberok, Slovakia <sup>(5)</sup> .....	Production of kraft paper	—	66

Notes:

- (1) This table includes the full-year pulp and paper capacity for each mill as at the date of this document.
- (2) The Sykytyvkar mill is operated by the UFP Business. 285,000 tonnes of packaging paper capacity is attributed to the Packaging Paper Business. The Sykytyvkar mill pulp capacity includes approximately 340,000 tonnes used by the Packaging Paper Business, either sold as air dried pulp or used in the production of containerboard.
- (3) Mondi has a 74.92 per cent. interest in the company that owns the mill.
- (4) The Štětí kraft paper capacity includes the full capacity of the new 155,000 tonnes machine which started production in the first half of 2014.
- (5) The Ružomberok mill is operated by the UFP Business and the financial results of the entire mill are reported as part of the UFP Business. Mondi has a 51 per cent. interest in the mill. Approximately 40,000 tonnes per annum of pulp produced by the Ružomberok mill are utilised by the kraft paper machine on site for the production of kraft paper.

### 5.1.3 Fibre Packaging

The Fibre Packaging Business consists of Mondi’s paper based downstream packaging operations in Europe, North America, Middle East, North Africa and Asia. It manufactures and sells a range of corrugated packaging products, industrial bags and extrusion coatings for a variety of consumer and industrial applications.

(i) **Products**

*Corrugated Packaging*

The core corrugated packaging products are corrugated board and converted corrugated products such as regular cases, die cut cases, folded-glued cases, litho-laminated products and trays and displays for the automotive, food, agriculture, household,

toiletries and electronics industries. The Fibre Packaging Business' production of corrugated board amounted to approximately 1.3 billion m<sup>2</sup> in 2014.

#### *Industrial Bags*

The Fibre Packaging Business manufactures and sells a range of industrial bags, such as valve and open mouth, for use in building and construction, chemical, food, pet food, animal feed, farming and agriculture and chemical industries. It produced approximately 4.4 billion industrial bags in the year ended 31 December 2014.

#### *Extrusion Coatings*

The Fibre Packaging Business produces extrusion-coated and laminated protective materials (consisting of polymer-coating on paper, board, aluminium and nonwoven fabrics) which provide barriers against moisture, light, oxygen, grease, odours, aromas and gas diffusion for a wide range of custom made applications across the food, medical, pharmaceutical, industrial paper and packaging and building industries. For example, extrusion-coated products include enhanced barrier materials applied in reel wrapping, ream wrapping, transport packaging and consumer packaging products. The Fibre Packaging Business produced approximately 1.4 billion m<sup>2</sup> of extrusion-coated products in the year ended 31 December 2014.

### **(ii) Operations**

#### *Corrugated Packaging*

The Fibre Packaging Business has a network of 14 plants across Europe that produce corrugated packaging products. Ten of these plants are located in Emerging Europe (five in Poland, one in Czech Republic and four in Turkey). The remaining plants are located in Austria and Germany.

#### *Industrial Bags*

The Fibre Packaging Business converts kraft paper and other materials into industrial bags at 45 converting operations including those acquired in 2014 from Graphic Packaging Holding Company. 17 plants are in Western Europe, nine are in Eastern Europe, 12 are in North America, six are in the Middle East and North Africa and one is in Asia.

#### *Extrusion Coatings*

The Fibre Packaging Business operates five extrusion coatings plants, four of which are located in Western Europe and one in Eastern Europe. On 22 May 2015 the Group announced it had signed an agreement with Walki Oy for the acquisition of two extrusion coatings plants located in Pietarsaari, Finland and Wroclaw, Poland. The transaction is subject to competition clearance and is expected to complete by the third quarter of 2015.

### **5.1.4 Consumer Packaging**

The Consumer Packaging Business develops, manufactures and markets innovative consumer goods packaging solutions and advanced materials.

#### **(i) Products**

##### *Consumer Goods Packaging*

The Consumer Packaging Business converts films, paper and other substrates into consumer goods packaging solutions such as stand-up pouches, pre-made bags, laminates and printed films for the packaging of food, homecare, personal care, food and other consumer products and for certain industrial applications.

#### *Advanced Materials*

The Consumer Packaging Business develops and produces advanced films, components for hygiene products and release liner. Advanced films consist mainly of laminating films, barrier films and surface protection films for consumer and industrial applications. The core hygiene product components being manufactured by the Consumer Packaging Business are elastic laminates, elastic films and frontal tapes for diapers as well as siliconised films for the packaging of feminine hygiene products.

The release liner products manufactured by the business are used in pressure sensitive adhesive industries for tapes, labels, graphic arts, hygienic, medical, fibre composite and industrial applications.

The Consumer Packaging Business produced approximately 6.4 billion m<sup>2</sup> of consumer packaging products in the year ended 31 December 2014.

### **(ii) Operations**

#### *Consumer Goods Packaging*

Consumer goods packaging products are manufactured in 12 plants, four in Western Europe, five in Emerging Europe, one in Russia and two in North America.

#### *Advanced Materials*

Advanced materials are produced in 16 plants, eight in Western Europe, five in North America and three in Asia.

### **5.1.5 Uncoated Fine Paper**

As a manufacturer of pulp and uncoated fine paper, the UFP Business is vertically integrated across the paper value chain.

#### **(i) Products**

The UFP Business produced 1.4 million tonnes of uncoated fine paper in the year ended 31 December 2014, the UFP Business's core product. It also produced 0.2 million tonnes of newsprint in the year ended 31 December 2014 mainly for the domestic Russian market. The UFP Business sells uncoated fine paper as a full range of office paper (cutsizes) and professional printing paper in folio form or reels. Revenues generated from these products represent the majority of the UFP Business sales.

The UFP Business has a number of branded products which include Color Copy, a leading colour laser paper brand in Western Europe, and Snegurochka, a leading office paper brand in Russia.

Furthermore, the UFP Business produces pulp which is mainly used in its paper-making operations and generates energy during the production process, some of which is sold to third parties.

#### **(ii) Production and forestry operations**

### *Production operations*

The UFP Business operates the following integrated and non-integrated mills:

<b>Operation</b>	<b>Current capacity use<sup>(1)</sup></b>	<b>Pulp capacity<sup>(1)</sup></b>	<b>Paper capacity<sup>(1)</sup></b>
		<i>( '000 tonnes per annum )</i>	
Sykytyvkar, Russia <sup>(2)</sup> .....	Production of pulp, UFP and newsprint	1,000	720
Ružomberok, Slovakia <sup>(3)</sup> .....	Production of pulp and UFP	560	560
Hausmening, Austria.....	Production of UFP	—	246
Kematen, Austria .....	Production of pulp and UFP	50	79

#### Notes:

- (1) This table includes the full-year pulp and paper capacity for each mill as at the date of this document.
- (2) Paper capacity includes 204,000 tonnes of newsprint capacity. The Sykytyvkar mill pulp capacity includes approximately 340,000 tonnes used by the Packaging Paper Business.
- (3) The Ružomberok mill is operated by the UFP Business. Mondi has a 51 per cent. interest in the mill. Approximately 40,000 tonnes per annum of pulp produced by the Ružomberok mill are utilised by the kraft paper machine on site for the production of kraft paper.

### *Forestry operations*

The UFP Business leases approximately 2.1 million hectares of forests in the Komi Republic, Russia, on a long-term basis. The trees in these forests are softwood species, including spruce and pine, and hardwood species, such as birch and aspen. The leased forests in Russia provide a current annual allowable cut of approximately 5.1 million m<sup>3</sup>.

## **5.2 South Africa Division**

### **5.2.1 Overview**

The South Africa Division is a vertically integrated business which manages forests and manufactures pulp, containerboard and uncoated fine paper.

The South Africa Division also incorporates Mondi Shanduka Newsprint, a producer of newsprint supplying mainly the domestic market from its sole operation in Merebank, South Africa.

In the year ended 31 December 2014, the South Africa Division achieved revenues of €0.6 billion, which (including inter-segment revenue) accounted for 9 per cent. of the Group's revenues.

### **5.2.2 Products**

The South Africa Division produces softwood and hardwood pulp, uncoated fine paper and containerboard whilst Mondi Shanduka Newsprint produces newsprint.

#### *Pulp, containerboard and uncoated fine paper*

In the year ended 31 December 2014, the South Africa Division produced 0.8 million tonnes of kraft pulp, of which approximately 0.5 million tonnes were used in its paper making operations and the remainder was sold in the market. It also produced approximately 0.3 million tonnes of

uncoated fine paper, the majority of which was office paper. The South Africa Division has a number of branded products, including ROTATRIM, a leading office paper brand in South Africa. Additionally, in the year ended 31 December 2014, the South Africa Division produced approximately 0.3 million tonnes of white top kraftliner.

#### *Newsprint*

In the year ended 31 December 2014, Mondi Shanduka Newsprint produced approximately 0.1 million tonnes of newsprint (100 per cent. of production, not only the portion attributable to Mondi).

### 5.2.3 Production and forestry operations

#### (i) *Production operations*

The South Africa Division operates an integrated pulp and paper mill located in Richards Bay and a paper mill located in Merebank:

Operation	Current capacity use <sup>(1)</sup>	Pulp capacity <sup>(1)</sup>	Paper capacity <sup>(1)</sup>
		('000 tonnes per annum)	
Richards Bay, South Africa....	Production of pulp and containerboard	780	270
Merebank, South Africa.....	Production of UFP	—	270
Merebank, South Africa <sup>(2)</sup> .....	Production of newsprint	120	120

Notes:

- (1) This table includes the full-year pulp and paper capacity for each mill as at the date of this document.  
(2) Includes Mondi Shanduka Newsprint's full newsprint capacity, not just the capacity attributable to Mondi.

#### (ii) *Forestry operations*

In South Africa, Mondi has forestry operations in the KwaZulu-Natal and Mpumalanga provinces. The South Africa Division manages 317,000 hectares of which 197,000 hectares are owned by the South Africa Division, 78,000 hectares are leased mainly from third parties and the remaining 42,000 hectares are managed for third parties.

In South Africa, the Restitution of Land Rights Act 1994 provides remedies for persons who were dispossessed of rights in land as a result of past racially discriminatory laws or practices. The Land Claims Court is empowered to make orders requiring the restoration of land (or any portion thereof), the payment of compensation (including to the landowner), compelling the state to include a claimant as a beneficiary in the state support programme for housing or granting the claimant an appropriate right in alternatively designated state land or any alternative or appropriate relief. As at 31 December 2014, 18 claims regarding Mondi holdings have been settled, with 33,000 hectares transferred to community beneficiaries. Under the settlements, structured as sale and leaseback arrangements, the South Africa Division retains ownership of the forests while ownership of the land is transferred to the claimant communities. It is anticipated that the claims settled to date will continue to provide a framework for settling future land claims. With the settlement of these 18 land claims, approximately a further 85,000 hectares of Mondi's owned forestry land in South Africa remains subject to 45

unresolved land claims, of which 25 claims covering 46,000 hectares have been published in the South Africa Government Gazette. Mondi is permitted to continue maintaining and harvesting the forests throughout the settlement process for the land claims.

The 78,000 hectares of leased land have leases with remaining terms varying from 1 to 57 years. Management believes, based on precedent in the agricultural sector in South Africa, that up to half of this leased land may also be subject to land claims. Under South African law, these leases will remain unaffected by the land claims, and the Group will continue as lessee of the properties regardless of whether or not the land claims are successful. In certain instances, where feasible, Mondi is facilitating land claims settlements relating to the leased land on similar terms to those included in its own land claims settlements.

The South Africa Division sets annual wood harvesting targets based on good forestry management and using both commercial and sustainability considerations. The wood harvested from the South Africa Division's plantation forests are primarily eucalyptus, a hardwood species as well as pine, a softwood species.

Of the total 275,000 hectares of owned and leased land by the South Africa Division (which excludes land managed for third parties), 198,000 hectares are forested (including infrastructure), while the remainder is open area set aside as part of the criteria for the Forestry Stewardship Council Certification.

## **6 Intellectual Property Rights**

Mondi owns a significant number of registered trade marks, has made several additional trade mark applications and owns several patents and registered designs relevant to its packaging and office paper businesses in the various jurisdictions in which the Group conducts such business. Its patents and patent applications principally cover inventions relating to packaging and containers (including containers with reinforced components, stacking formulations or locking mechanisms). The Group's registered design rights protection relates to various box and container designs. The Group intends to maintain its patent and trade mark portfolios and to file further applications for any patents or trade marks which it deems to be important to its business operations. Consistent with the industry in which it operates, the Group's operations are not dependent to a significant extent on its patents, registered designs or trade marks or on any licences of any intellectual property rights from third parties.

## **7 Recent Developments**

Operating profit before special items for the first quarter of 2015 was €236 million, 29 per cent. above the comparable prior year period (€183 million) and 9 per cent. above the fourth quarter of 2014 (€216 million).

Average selling prices in Europe for all key paper grades were broadly in line with those in the previous quarter (Q4 2014) and, with the exception of recycled containerboard, also in line with the comparable prior year period (Q1 2014). Average benchmark recycled containerboard prices were around 6% lower than the first quarter of 2014.

On a like-for-like basis, sales volumes were up across most businesses on both the comparable prior year period (Q1 2014) and the previous quarter (Q4 2014).

The Group benefited from generally lower input costs relative to the comparable prior year period (Q1 2014), driven in part by currency impacts. Wood costs, paper for recycling, resin, energy and chemicals costs were

all lower than the comparable prior year period (Q1 2014). Inflationary pressures in a number of the emerging markets in which the Group operates are expected to increase going forward. In addition, the recent recovery in the oil price is expected to negatively affect the cost of energy, resin and chemicals.

The strengthening of the US dollar versus the Euro provided a net benefit to the Group, both through translation of dollar-denominated sales and through the support provided to European selling prices for a number of the Group's key paper grades. The weaker Russian rouble in the early part of the year had a net negative impact on the domestically focused uncoated fine paper business offset in part by the export-oriented Russian packaging paper operations. However, during the first quarter of 2015, the rouble strengthened sharply from its lows.

There have been no significant changes in the Group's borrowing facilities since 31 December 2014.

On 11 May 2015, Standard & Poor's announced that it had upgraded the Group's credit rating from BBB- to BBB stable outlook. This follows the upgrade from Moody's Investors Service to Baa2, announced in October 2014.

On 22 May 2015 the Group announced it had signed an agreement with Walki Oy ("Walki") for the acquisition of two extrusion coatings plants located in Pietarsaari, Finland and Wroclaw, Poland (the "Operations"). The consideration to be paid for 100% of the Operations amounts to EUR60m on a debt- and cash-free basis and will be paid in cash at completion. The transaction remains subject to competition clearance and other customary closure conditions and is expected to complete by the third quarter of 2015.

## DIRECTORS AND SENIOR MANAGEMENT

### 1 Directors and Senior Management

#### 1.1 The Board

The Boards of the Guarantor and Mondi Limited are separate and subject to separate legal obligations to each respective company but comprise the same persons who are authorised, as Boards, to manage the Guarantor and Mondi Limited as if it were a unified economic enterprise. In addition to their duties to the company concerned, the Boards of the Guarantor and Mondi Limited have regard to the interests of the shareholders of both the Guarantor and Mondi Limited in the management of Mondi.

As at the date of this document, the names and positions of each of the Directors of the Guarantor and Mondi Limited are as follows:

Name	Nationality	Position	Other principal Activities
David Williams	British	Chairman (Non-executive Director)	Non-executive director of Meggitt plc
David Hathorn	South African and Austrian	Chief Executive Officer (Executive Director)	None
Andrew King	South African and British	Chief Financial Officer (Executive Director)	None
Peter Oswald	Austrian	Chief Executive Officer Europe & International Division (Executive Director)	Non-executive director of OMV AG and MIBA AG
Anne Quinn CBE	New Zealand and Irish	Senior Independent Non-executive Director	Non-executive director of Smiths Group plc
Imogen Mkhize	South African	Independent Non-executive Director	Director of energy group Sasol Limited, and the Ethics Institute of South Africa
John Nicholas	British	Independent Non-executive Director	Non-executive director of Hunting PLC, Rotork p.l.c. and Diploma PLC
Stephen Harris	British	Independent Non-executive Director	Chief Executive of Bodycote plc
Fred Phaswana	South African	Chairman (Non-executive Director)	Non-executive director of Naspers Limited

The business address of the Directors listed above is Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey KT15 2PG, United Kingdom in the case of the Guarantor and 4th Floor, No.3 Melrose Boulevard, Melrose Arch 2196, Gauteng, South Africa in the case of Mondi Limited.

#### 1.2 Senior Management

As at the date of this document, the names and positions of the Guarantor's and Mondi Limited's senior management are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Position</b>	<b>Business address</b>	<b>Other Principal Activities</b>
John Lindahl	Finnish	Group Technical Director	Building 1 1st Floor Aviator Park Station Road Addlestone Surrey KT15 2PG United Kingdom	None
Ron Traill	Scottish	Chief Executive Officer South Africa Division	Merebank Mill Travancore Drive Merebank KwaZulu Natal 4052 South Africa	None

There are no potential conflicts of interest between any duties to the Guarantor or Mondi Limited of the directors and senior management referred to above and their private interests and/or other duties. RDA9.9.2

## TAXATION

### General

The comments below are of a general nature and are not intended to be exhaustive. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.

### 1 United Kingdom

The comments in this part apply only to persons who are the beneficial owners of Notes and are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may or may not be binding on HM Revenue & Customs) relating only to the United Kingdom withholding tax treatment of payments of interest in respect of the Notes and payments under the Guarantee, and to certain information reporting requirements. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules apply. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The United Kingdom tax treatment of Noteholders depends on their individual circumstances and may be subject to change in the future. Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who are in doubt as to their own tax position should consult their professional advisers.

#### Interest on the Notes

The Notes issued will constitute “quoted Eurobonds” provided they carry a right to interest and are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List by the United Kingdom Listing Authority and are admitted to trading on the London Stock Exchange.

Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of United Kingdom tax.

In other cases, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs or exemptions or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

#### Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments made by the Guarantor under the terms of the Guarantee is uncertain. Accordingly, if the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes), such payments may be subject to United Kingdom withholding tax at the basic rate, subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provision of any applicable double taxation treaty. In particular, the “quoted Eurobond” exemption described above may not be available in relation to such payments.

#### Information Reporting

Information relating to securities may be required to be provided to HM Revenue & Customs in certain circumstances. This may include the value of the Notes, amounts paid or credited with respect to the Notes, details of the holders or beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons who exercise control over entities that are, or are treated as, holders of the Notes, details of the persons to whom payments derived from the Notes are or may be paid and information and documents in

connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the Issuer, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HM Revenue & Customs may be provided to tax authorities in other countries.

## **2 EU Directive on the Taxation of Savings Income**

Under the EU Savings Directive, each EU Member State is required to provide to the tax authorities of other EU Member States details of payments of interest (and/or other similar income) paid by a person established within its jurisdiction to (or secured by such person for the benefit of) an individual resident or to (or secured for) certain other types of entities established, in that other EU Member State. However, for a transitional period, Austria will instead (unless during that period it elects otherwise) apply a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). A number of non-EU countries and territories have adopted similar measures to the EU Savings Directive.

The Council of the European Union has adopted a Directive (the “Amending Directive”), which would, when implemented, amend and broaden the scope of the requirements of the EU Savings Directive described above. The Amending Directive would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or secured for) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the European Union (and outside any third country or territory that has adopted similar measures to the EU Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the EU Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

The Council of the European Union has also adopted a Directive (the “Amending Cooperation Directive”) amending Council Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014. The Amending Cooperation Directive requires EU Member States to adopt national legislation necessary to comply with it by 31 December 2015, which legislation must apply from 1 January 2016 (1 January 2017 in the case of Austria). The Amending Cooperation Directive is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes, and provides that to the extent there is overlap of scope, the Amending Cooperation Directive prevails. The European Commission has therefore published a proposal for a Council Directive repealing the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Directive. Information reporting and exchange will however still be required under Council Directive 2011/16/EU (as amended).

Investors should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive and the Amending Directive on their investment.

### **3 The Proposed Financial Transactions Tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### **4 Foreign Account Tax Compliance**

Certain provisions of U.S. law, commonly known as FATCA impose reporting requirements and a withholding tax of 30 per cent. on, among other things, certain payments by non-U.S. financial institutions (“foreign passthru payments”) made to persons that fail to meet certain certification or reporting requirements. A number of jurisdictions (including the UK) have entered into, or have agreed in substance to and are treated as having in effect, intergovernmental agreement with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions.

Withholding under FATCA is expected to begin January 1, 2017 (at the earliest) in respect of “foreign passthru payments”. FATCA withholding in respect of foreign passthru payments is not required for “obligations” that are not treated as equity for U.S. federal income tax purposes and that have a fixed term unless such obligations are issued or materially modified more than six months after the date on which the final regulations defining “foreign passthru payments” are filed with the Federal Register.

In order to avoid becoming subject to FATCA withholding, non-U.S. financial institutions must submit to certain reporting requirements (generally pursuant to an agreement with the IRS or under local law implementing an IGA (“IGA Legislation”) or otherwise be exempt from the requirements of FATCA. Specifically, non-U.S. financial institutions that are not exempt from the requirements of FATCA may be required to identify and report to the government of the United States or another relevant jurisdiction certain information regarding “financial accounts” held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime.

In addition, in order a financial institution may be required withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person

is compliant with FATCA or otherwise exempt from FATCA withholding. Non-U.S. financial institutions in jurisdictions that have entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any IGA Legislation) from payments that they make on securities such as the Notes. However, the full impact of IGAs and IGA Legislation on reporting and withholding responsibilities under FATCA is unclear at this time and no assurance can be given that withholding under FATCA, IGAs or IGA Legislation will not become relevant with respect to payments made on or with respect to the Notes in the future.

Even in the event that FATCA withholding were relevant with respect to payments on the Notes, while the Notes are in global form and held within Euroclear or Clearstream, Luxembourg (together the “ICSDs”), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, the Guarantor, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain from (but excluding) the Issuer to (and including) the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding. However, definitive Notes will only be printed in remote circumstances.

If any amount were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, the Guarantor, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

The application of FATCA to Notes issued or materially modified more than six months after the date on which the final regulations defining “foreign passthru payments” are filed with the Federal Register, (or whenever issued, in the case of Notes treated as equity for U.S. federal income tax purposes or that do not have a fixed term) may be addressed in a supplement to this Base Prospectus, as applicable.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUE, THE NOTES AND THE HOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCES.**

## **SUBSCRIPTION AND SALE**

### **Summary of Dealer Agreement**

Subject to the terms and on the conditions contained in an Amended and Restated Dealer Agreement dated 25 June 2014 (the “Dealer Agreement”) between the Issuer, the Guarantor, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### **Selling Restrictions**

#### **United States**

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. Each of the Dealers has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver a Note in bearer form within the United States or to U.S. persons except as permitted by the Dealer Agreement. The Notes are being offered and sold outside the United States in reliance on Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations promulgated thereunder. The applicable Final Terms for Bearer Notes will identify whether the C Rules or the D Rules apply to the Notes or whether TEFRA is not applicable.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell or, in the case of Bearer Notes, deliver Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified by the relevant Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by the relevant lead managers within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent)

for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

### **General**

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms in all cases at its own expense.

## FORM OF FINAL TERMS

Final Terms dated [●]

Mondi Finance plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by Mondi plc

under the €2,500,000,000

Euro Medium Term Note Programme

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing [at [http://www.mondigroup.com/desktopdefault.aspx/tabid-1570]] [and] during normal business hours at [address] [and copies may be obtained from [address]].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] and incorporated by reference into the Prospectus dated [original date] and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus dated [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [original date] [as so supplemented]. The Prospectuses [and the supplemental Prospectus] are available for viewing [at [http://www.mondigroup.com/desktopdefault.aspx/tabid-1570]] [and] during normal business hours at [address] [and copies may be obtained from [address]].]

- |   |                                    |  |
|---|------------------------------------|--|
| 1 | (i) Issuer:                        | Mondi Finance plc  |
|   | (ii) Guarantor:                    | Mondi plc  |
| 2 | (i) Series Number:                 | [●]  |
|   | (ii) Tranche Number:               | [●]  |
| 3 | Specified Currency or Currencies:  | [●]  |
| 4 | Aggregate Nominal Amount of Notes: |  |
|   | [[i)] Series:                      | [●]]   |
|   | [[ii) Tranche:                     | [●]]   |
| 5 | Issue Price:                       | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]  |
| 6 | (i) Specified Denominations:       | [●] and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with |

- a denomination above [●].
- (ii) Calculation Amount: [●]
- 7 (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]
- 8 Maturity Date: [●]
- 9 (i) Interest Basis: [[●] per cent. Fixed Rate]  
[EURIBOR]/[LIBOR] +/- [●] per cent. Floating Rate] [Zero  
Coupon]  
(further particulars specified at [14]/[15]/[16] below)  
[Applicable/Not Applicable]
- (ii) Step Down Rating Change or Step Up Rating Change: [[●] per cent. Fixed Rate]
- (iii) [Step Up Margin:
- 10 Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
- 11 Change of Interest or Redemption/Payment Basis: [●]/[Not Applicable]
- 12 Put/Call Options: [Investor Put]  
[Issuer Call]  
[Not Applicable]  
[(further particulars specified at [17]/[18] below)]
- 13 [Date Board approval for issuance of Notes obtained: [●] [and [●] respectively]]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
- 14 Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/other] [] in each year [Applicable/Not Applicable]
- (vi) [Determination Dates: [●] in each year
- 15 Floating Rate Note Provisions: [Applicable/Not Applicable]
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- First Interest Payment Date: [●]

- (iii) Interest Period Date: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (v) Business Centre(s): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): [●]
- (viii) Screen Rate Determination:
- Reference Rate: [EURIBOR]/[LIBOR]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (x) [Linear Interpolation]
- (xi) Margin(s): Not Applicable/Applicable – the Rate of Interest of the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)  
[+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [●]
- 16 Zero Coupon Note Provisions: [Applicable/Not Applicable]  
Amortisation Yield: [●] per cent. per annum

**PROVISIONS RELATING TO REDEMPTION**

- 17 Call Option: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount: [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
  - (b) Maximum Redemption [●] per Calculation Amount

- Amount:
- (iv) Notice period: [●]
- 18 Put Option: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount: [●]
- (iii) Notice period: [●]
- 19 Change of Control Put Option: [Applicable/Not Applicable]
- (i) Change of Control Optional Redemption Amount: [●] per Calculation Amount
- 20 Final Redemption Amount of each Note: [100] per cent.
- 21 Early Redemption Amount: Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same: [●] per Calculation Amount

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22 Form of Notes: [Registered] [Bearer Notes:  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]  
[Global Certificate registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]
- 23 New Global Note: [Yes] [No]
- 24 Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details.  
*Note that this paragraph relates to the date of payment, and not the end dates of interest period for the purposes of calculating the amount of interest, to which paragraph 15(v) relates]*
- 25 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No.]

**[THIRD PARTY INFORMATION]**

*(Relevant third party information)* has been extracted from *(specify source)*. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by *(specify source)*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of MONDI FINANCE PLC:

By: \_\_\_\_\_  
Duly authorised

Signed on behalf of MONDI PLC:

By: \_\_\_\_\_  
Duly authorised

## **PART B – OTHER INFORMATION**

### **1 LISTING**

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc and admitted to the official list of the UK Listing Authority with effect from [●].]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc and admitted to the official list of the UK Listing Authority with effect from [●].]
- (ii) Estimate of total expenses related to admission to trading: [●]

### **2 RATINGS**

- Ratings: The Notes to be issued have been rated:  
[S & P: [●]]  
[Moody's: [●]]  
[[Other]: ]]

### **3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved the offer of the Notes has an interest material to the offer.]

### **4 [Fixed Rate Notes only – YIELD**

- Indication of yield: [●]  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### **5 OPERATIONAL INFORMATION**

- ISIN: [●]  
Common Code: [●]  
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/[●]]  
Delivery: Delivery [against/free of] payment  
Names and addresses of initial Paying Agent(s): [●]  
Names and addresses of additional Paying Agent(s) (if any): [●]

## GENERAL INFORMATION

- (1) It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or about 29 June 2015. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.
- (2) Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment of the Programme and the Guarantee. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 22 June 2015 and the giving of the Guarantee by the Guarantor was authorised by a resolution of the Board of Directors of the Guarantor passed on 12 May 2015 and a resolution of a committee of the Board of Directors of the Guarantor passed on 22 June 2015.

Mondi Limited has obtained all of the necessary consents, authorisations and approvals required for its execution of the Deed Poll Guarantee. The entry by Mondi Limited into the Deed Poll Guarantee was authorised by a resolution of the Board of Directors of Mondi Limited passed on 25 May 2007.
- (3) Save as disclosed under “*Description of the Group – 7. Recent Developments*” on pages 82 to 83 of this Prospectus, there has been no significant change in the financial or trading position of the Issuer or Mondi Limited or its subsidiaries since 31 December 2014 and no material adverse change in the prospects of the Issuer, the Guarantor or Mondi Limited since 31 December 2014.
- (4) Save as disclosed under “*Description of the Group – 7. Recent Developments*” on pages 82 to 83 of this Prospectus, there has been no significant change in the financial or trading position of the Guarantor or its subsidiaries since 31 December 2014.
- (5) Mondi Limited was incorporated as Main Paper Company Limited under the Republic of South Africa’s Companies Act 1926, in the Republic of South Africa as a company limited by shares with registered number 1967/013038/06 on 11 December 1967. Its name was changed to Mondi Valley Paper Company Limited on 30 December 1968, to Mondi Paper Company Limited on 16 January 1970, to Mondi Limited on 21 October 1994, to Mondi South Africa Limited on 2 November 2004 and back to Mondi Limited on 18 May 2007. Mondi Limited’s registered office is at 4th Floor, No.3 Melrose Boulevard, Melrose Arch 2196, Gauteng, Republic of South Africa and its telephone number is +27 (0)11 994 5400.
- (6) There are no governmental, legal or arbitration proceedings which the Issuer, the Guarantor, Mondi Limited or any of their respective subsidiaries is, or has been, involved in (including any such proceedings which are pending or threatened of which the Issuer, Guarantor or Mondi Limited is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (7) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (8) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International

Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

- (9) There are no material contracts entered into other than in the ordinary course of the Issuer's, the Guarantor's or Mondi Limited's business, which could result in the Issuer, the Guarantor or Mondi Limited being under an obligation or entitlement that is material to the Issuer's, the Guarantor's or Mondi Limited's ability to meet its obligations to Noteholders in respect of the Notes being issued.
- (10) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer, the Guarantor and Mondi Limited are aware and are able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (11) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes, save as set out in the relevant Final Terms.
- (12) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Guarantor:
  - (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, and the Talons);
  - (ii) the Agency Agreement;
  - (iii) the Deed Poll Guarantee;
  - (iv) the Articles of Association of the Issuer and the Guarantor and the Memorandum of Incorporation of Mondi Limited;
  - (v) the audited non-consolidated annual accounts of the Issuer for the two years ended 31 December 2013 and 31 December 2014 and the audited consolidated annual accounts of the Group for the two years ended 31 December 2013 and 31 December 2014;
  - (vi) each Final Terms;
  - (vii) a copy of this Prospectus together with any supplement to this Prospectus or further prospectus; and
  - (viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.
- (13) Copies of the latest non-consolidated accounts of the Issuer and consolidated accounts of the Group and copies of the Trust Deed (including the Guarantee) will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

- (14) The consolidated accounts of the Group for the years ended 31 December 2013 and 31 December 2014 incorporated by reference in this document do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 (the “Act”). Statutory accounts for the financial years ended 31 December 2013 and 31 December 2014 have been delivered to the Registrar of Companies in England and Wales. The Group’s auditors have made a report under Section 495 of the Act on the last statutory accounts that was not qualified within the meaning of Section 539 of the Act and did not contain a statement made under Section 498(2) or Section 498(3) of the Act. The report of the Group’s auditors contained the following statement: “To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed”.
- (15) Deloitte LLP of 2 New Street Square, London, EC4A 3BZ, (Chartered Accountants) and a member of the Institute of Chartered Accountants in England and Wales have audited, and rendered unqualified audit reports on, the accounts of the Issuer in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework for the two years ended 31 December 2013 and 31 December 2014. For the accounts of the Group, Deloitte LLP has rendered unqualified audit reports in accordance with International Financial Reporting Standards for the two years ended 31 December 2013 and 31 December 2014.
- (16) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantor and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and/or the Guarantor routinely hedge their credit exposure to the Issuer and/or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**REGISTERED OFFICE OF THE ISSUER**

**Mondi Finance plc**  
Building 1, 1st Floor  
Aviator Park, Station Road  
Addlestone  
Surrey KT15 2PG  
United Kingdom

**REGISTERED OFFICE OF THE GUARANTOR**

**Mondi plc**  
Building 1, 1st Floor  
Aviator Park, Station Road  
Addlestone  
Surrey KT15 2PG  
United Kingdom

**TRUSTEE**

**Deutsche Trustee Company Limited**  
Winchester House  
1 Great Winchester Street  
London EC2N2DB  
United Kingdom

**ISSUE AND PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**REGISTRAR, PAYING AGENT AND TRANSFER AGENT**

**Deutsche Bank Luxembourg S.A.**  
2 Boulevard Konrad Adenauer  
L-115 Luxembourg

**ARRANGER**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**DEALERS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M3UR  
United Kingdom

**UniCredit Bank AG**  
Arabellastr. 12  
81925 Munich  
Germany

**AUDITORS TO THE ISSUER AND THE GUARANTOR**

**Deloitte LLP**  
2 New Street Square  
London EC4A3BZ  
United Kingdom

**LEGAL ADVISERS TO THE ISSUER AND THE GUARANTOR**

*in respect of English law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ  
United Kingdom

**LEGAL ADVISERS TO THE DEALERS**

*in respect of English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom