

# **Mondi Limited**

## **Notice of Annual General Meeting**

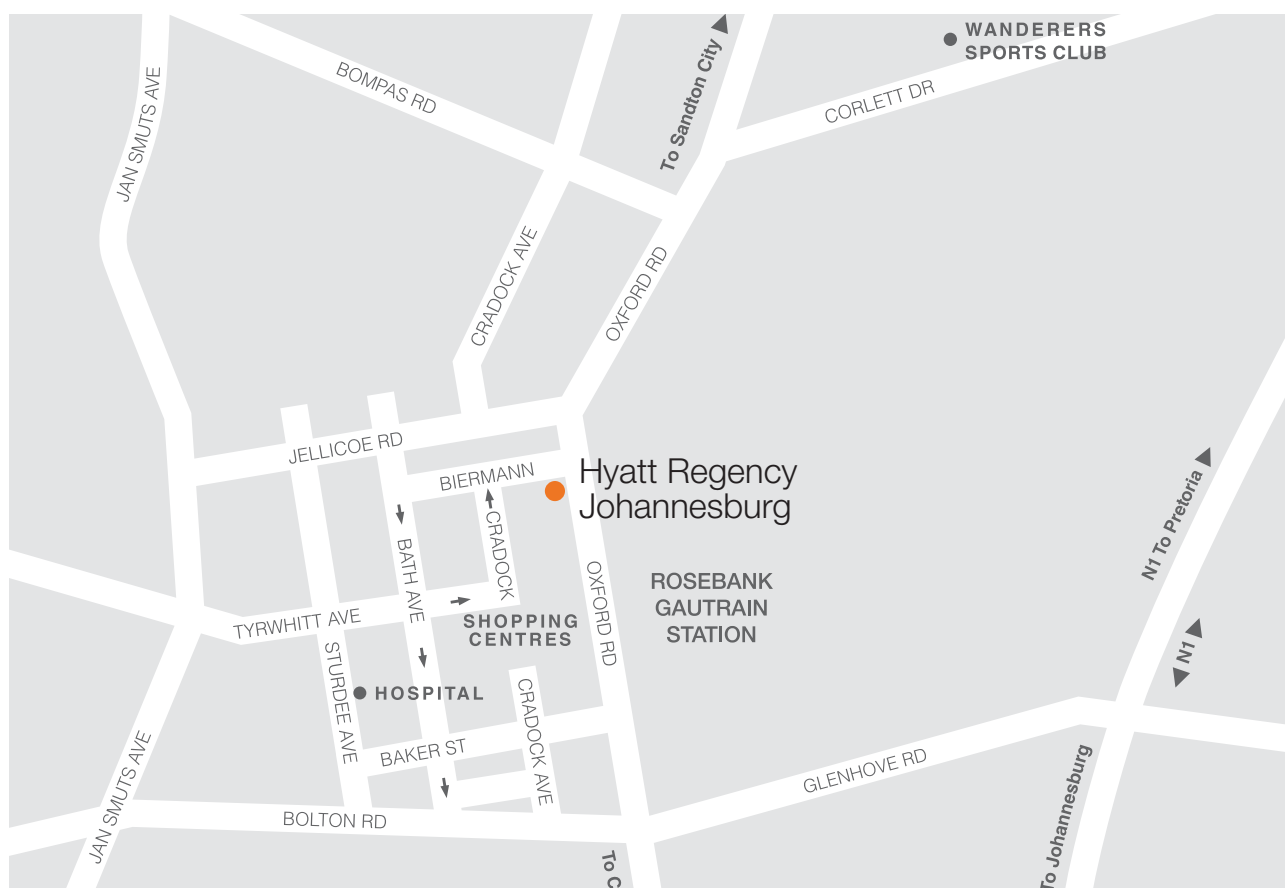
### **on Thursday 12 May 2016**

**This document is important and requires your immediate attention**

If you are in any doubt as to what action you should take, you are recommended to seek your own advice from a stockbroker, CSDP, attorney, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents at once to the purchaser or transferee, or the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

# Mondi Limited Annual General Meeting 2016



**Date**

Thursday 12 May 2016

**Time**

11:30 (SA time)

**Place**

Hyatt Regency  
191 Oxford Road  
Rosebank  
Johannesburg 2132  
Republic of South Africa

**Key dates**

10 May 2016  
Last date for submission of  
form of proxy  
  
12 May 2016  
Annual General Meeting

**Voting**

With the exception of ordinary resolutions 22, 24 and 25, each ordinary resolution requires the support of a simple majority of the total votes cast. The adoption of ordinary resolutions 22, 24 and 25 requires the support of 75% of the total votes cast, as does each special resolution.

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# Joint chairmen's letter

## To the holders of Mondi Limited shares

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Mondi Limited  
4th Floor  
No. 3 Melrose Boulevard  
Melrose Arch 2196  
Gauteng  
Republic of South Africa

Incorporated in the Republic of South Africa  
Registration No. 1967/013038/06

### Annual General Meeting 2016

We have pleasure in inviting you to the Annual General Meeting of Mondi Limited which will be held at the Hyatt Regency, 191 Oxford Road, Rosebank, Johannesburg 2132, Republic of South Africa at 11:30 (SA time) on Thursday 12 May 2016.

The Notice of Annual General Meeting is set out on pages 2 to 5, followed on pages 6 to 20 by an explanation of each resolution proposed and notes about your rights as a shareholder and information regarding the appointment of proxies. All voting at the meeting will be conducted on a poll.

Enclosed with this Notice of Annual General Meeting is the Mondi Group Integrated report and financial statements 2015 containing the audited combined and consolidated financial information for Mondi Limited and Mondi plc for the year ended 31 December 2015.

### Renewal of share plans

Mondi Limited's and Mondi plc's existing long-term incentive plans (LTIP) and bonus share plans (BSP) for executive directors and other selected senior employees were approved for 10 years in May 2007. The DLC remuneration committee recently conducted a review of the existing plans and considered the practical implications of the expiry of those plans in 2017. The committee concluded that through resolutions 24, 25, 34 and 35 shareholder authority should be sought to in effect renew the LTIP and BSP plans in advance of their expiry.

The terms of the renewed plans have been designed to materially continue the elements of the existing plans that have been operated to date but with flexibility to take account of prevailing best practice expectations e.g. post award retention periods for LTIPs. A summary of the principal terms of the renewed plans is set out in appendix 2 to this Notice.

### Final dividend

Shareholders are being asked to give their consent for Mondi Limited and Mondi plc to pay final dividends of 650.55664 rand cents per ordinary share and 37.62 euro cents per ordinary share, respectively. If the recommended final dividends are approved, the dividends will be paid on Thursday 19 May 2016 to all ordinary shareholders on each share register on Friday 22 April 2016.

### Action to be taken

Your involvement in the meeting is valued either in person or by proxy and is an important part of our dialogue with shareholders. If you are entitled to but are unable to attend the Annual General Meeting in person you can submit your voting instruction using the enclosed proxy form as explained in the notes to the Notice of Annual General Meeting on page 19. Please ensure that your proxy appointment reaches the transfer secretaries by no later than 11:30 (SA time) on Tuesday 10 May 2016. A proxy need not be a shareholder of Mondi Limited or Mondi plc but must attend the meeting to represent you.

Shareholders who have dematerialised their shares and are not registered as 'own name' dematerialised shareholders who wish to attend the Annual General Meeting, must instruct their CSDP or broker to provide them with the relevant letter of representation to enable them to attend such meeting, or alternatively, should they wish to vote but not to attend the Annual General Meeting, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Such shareholders must not complete a form of proxy.

To be entitled to attend and vote at the Annual General Meeting shareholders must be registered in the share register of Mondi Limited on Friday 6 May 2016.

Submission of a proxy appointment will not prevent you from attending and voting in person should you wish to do so. You or your proxy must bring reasonably satisfactory identification with you to the Annual General Meeting. Forms of identification include valid identity documents, driver's licences and passports.

### Recommendation

The board of Mondi Limited believes that all the proposals to be considered at the Annual General Meeting of Mondi Limited are in the best interests of Mondi Limited and its shareholders as a whole. The directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

Yours sincerely

**Fred Phaswana**   **David Williams**  
Joint chairman   Joint chairman

5 April 2016

# Notice of Annual General Meeting of Mondi Limited

## Mondi Limited

Incorporated in the Republic of South Africa  
Registration No. 1967/013038/06  
JSE share code: MND ISIN: ZAE000156550

Notice is hereby given that the Annual General Meeting of Mondi Limited will be held at 11:30 (SA time) on Thursday 12 May 2016 at the Hyatt Regency, 191 Oxford Road, Rosebank, Johannesburg 2132, Republic of South Africa.

The Annual General Meeting will transact the following business:

## Common business: Mondi Limited and Mondi plc

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions of Mondi Limited and Mondi plc:

1. To elect Dominique Reiniche as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
2. To re-elect Stephen Harris as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
3. To re-elect David Hathorn as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
4. To re-elect Andrew King as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
5. To re-elect John Nicholas as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
6. To re-elect Peter Oswald as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
7. To re-elect Fred Phaswana as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
8. To re-elect Anne Quinn as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
9. To re-elect David Williams as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
10. Subject to his re-election as a director pursuant to resolution 2, to elect Stephen Harris, who fulfils the requirements of section 94(4) of the South African Companies Act 71 of 2008, as a member of the DLC audit committee of Mondi Limited and Mondi plc, to hold office until the conclusion of the Annual General Meetings of Mondi Limited and Mondi plc to be held in 2017.
11. Subject to his re-election as a director pursuant to resolution 5, to elect John Nicholas, who fulfils the requirements of section 94(4) of the South African Companies Act 71 of 2008, as a member of the DLC audit committee of Mondi Limited and Mondi plc, to hold office until the conclusion of the Annual General Meetings of Mondi Limited and Mondi plc to be held in 2017.
12. Subject to her re-election as a director pursuant to resolution 8, to elect Anne Quinn, who fulfils the requirements of section 94(4) of the South African Companies Act 71 of 2008, as a member of the DLC audit committee of Mondi Limited and Mondi plc, to hold office until the conclusion of the Annual General Meetings of Mondi Limited and Mondi plc to be held in 2017.

## Mondi Limited business

To consider and, if deemed fit, to pass, with or without modification, the following resolutions of Mondi Limited:

### Ordinary resolutions

13. To receive the audited financial statements of Mondi Limited for the year ended 31 December 2015, together with the reports of the DLC audit committee, the directors and the auditors of Mondi Limited.
14. To endorse Mondi Limited's remuneration policy as set out in the remuneration report of Mondi Limited for the year ended 31 December 2015.

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### Special resolution number 1

15. That the remuneration of the non-executive directors be approved, in terms of the Mondi Limited Memorandum of Incorporation and section 66(9) of the South African Companies Act 71 of 2008, at the level of fees paid in respect of the 2015 financial year escalated by a maximum of 2.1% with effect from the date of this Annual General Meeting.

### Ordinary resolutions

16. Subject to the passing of resolution 28, to declare a final dividend of 650.55664 rand cents per ordinary share in Mondi Limited for the year ended 31 December 2015.
17. To reappoint Deloitte & Touche as auditors, and Shelly Nelson as the registered auditor responsible for the audit, of Mondi Limited to hold office until the conclusion of the Annual General Meeting of Mondi Limited to be held in 2017.
18. To authorise the DLC audit committee to fix the remuneration of Deloitte & Touche.

### Special resolution number 2

19. That, to the extent required by the South African Companies Act 71 of 2008 (the 'SA Companies Act') and subject to compliance with the requirements of the Memorandum of Incorporation of Mondi Limited, the SA Companies Act and the Listings Requirements of the JSE Limited (each as presently constituted and as amended from time to time), the directors of Mondi Limited may authorise Mondi Limited to provide direct or indirect financial assistance, including by way of lending money, guaranteeing a loan or other obligation, and securing any debt or obligation, or otherwise to any related or inter-related company or corporation (or to any future related or inter-related company or corporation), and/or to a present or future member of a related or inter-related company or corporation, and/or to a person related to any such company, corporation or member all as contemplated in section 44 and/or 45 of the SA Companies Act, for such amounts and on such terms and conditions as the Mondi Limited directors may determine. This authority will expire at the earlier of the second anniversary of the date on which this special resolution is adopted and the date of the Annual General Meeting of Mondi Limited to be held in 2017.

### Ordinary resolutions

20. That the directors of Mondi Limited be authorised to allot and issue and/or to grant options to subscribe for, a number of authorised but unissued shares equal to 5% of the issued ordinary shares of Mondi Limited, at their discretion until the Annual General Meeting of Mondi Limited to be held in 2017, subject to the provisions of the South African Companies Act 71 of 2008, the Listings Requirements of the JSE Limited and the Memorandum of Incorporation of Mondi Limited (each as presently constituted and as amended from time to time).
21. That the directors of Mondi Limited be authorised to allot and issue and/or to grant options to subscribe for, a number of authorised but unissued shares equal to 5% of the issued special converting shares of Mondi Limited, at their discretion until the Annual General Meeting of Mondi Limited to be held in 2017, subject to the provisions of the South African Companies Act 71 of 2008, the Listings Requirements of the JSE Limited and the Memorandum of Incorporation of Mondi Limited (each as presently constituted and as amended from time to time).
22. That, subject to the passing of resolution 20, in accordance with the Memorandum of Incorporation of Mondi Limited, the South African Companies Act 71 of 2008 and the Listings Requirements of the JSE Limited (each as presently constituted and as amended from time to time), the directors of Mondi Limited are authorised by way of a general authority to allot and issue up to 5,915,648 Mondi Limited ordinary shares (representing 5% of Mondi Limited's issued ordinary shares) for cash as and when suitable situations arise, subject to the specific limitations as required by the Listings Requirements of the JSE Limited.

### Special resolution number 3

23. That, in accordance with the Memorandum of Incorporation of Mondi Limited and with effect from 12 May 2016, Mondi Limited hereby approves as a general authority contemplated in paragraph 5.72 of the Listings Requirements of the JSE Limited, the acquisition by Mondi Limited, or any of its subsidiaries from time to time, of the issued ordinary shares of Mondi Limited, upon such terms and conditions and in such amounts as the directors of Mondi Limited or any of its subsidiaries may from time to time decide, but subject to the provisions of the Memorandum of Incorporation of Mondi Limited, the South African Companies Act 71 of 2008 and the Listings Requirements of the JSE Limited (each as presently constituted and as amended from time to time).

### Ordinary resolutions

24. That the rules of the Mondi Limited 2016 Long-Term Incentive Plan (the 'MLTD 2016 LTIP') referred to in appendix 2 to this Notice and in the explanation of resolutions section of this document and produced in draft to this meeting and, for the purposes of identification, initialled by the chairman of the meeting, be approved and the directors of Mondi Limited be authorised to:
- make such modifications to the MLTD 2016 LTIP as they may consider appropriate to take account of the requirements of relevant best practice and for the implementation of the MLTD 2016 LTIP and to adopt the MLTD 2016 LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the MLTD 2016 LTIP; and
  - establish further plans based on the MLTD 2016 LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the MLTD 2016 LTIP.



# Notice of Annual General Meeting of Mondi Limited continued

25. That the rules of the Mondi Limited 2016 Bonus Share Plan (the 'MLTD 2016 BSP') referred to in appendix 2 to this Notice and in the explanation of resolutions section of this document and produced in draft to this meeting and, for the purposes of identification, initialled by the chairman of the meeting, be approved and the directors of Mondi Limited be authorised to:
- i. make such modifications to the MLTD 2016 BSP as they may consider appropriate to take account of the requirements of relevant best practice and for the implementation of the MLTD 2016 BSP and to adopt the MLTD 2016 BSP as so modified and to do all such other acts and things as they may consider appropriate to implement the MLTD 2016 BSP; and
  - ii. establish further plans based on the MLTD 2016 BSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the MLTD 2016 BSP.

## Mondi plc business

To consider and, if deemed fit, to pass, with or without modification, the following resolutions of Mondi plc:

### Ordinary resolutions

26. To receive the audited financial statements of Mondi plc for the year ended 31 December 2015, together with the reports of the DLC audit committee, the directors and the auditors of Mondi plc.
27. To approve the directors' remuneration report of Mondi plc, other than the part containing the directors' remuneration policy, for the year ended 31 December 2015 as set out on pages 122 to 131 of the Mondi Group Integrated report and financial statements 2015.
28. Subject to the passing of resolution 16, to declare a final dividend of 37.62 euro cents per ordinary share in Mondi plc for the year ended 31 December 2015.
29. To reappoint Deloitte LLP as auditors of Mondi plc to hold office until the conclusion of the Annual General Meeting of Mondi plc to be held in 2017.
30. To authorise the DLC audit committee to fix the remuneration of Deloitte LLP.
31. That the directors of Mondi plc be generally and unconditionally authorised pursuant to and in accordance with section 551 of the UK Companies Act 2006 to exercise all the powers of Mondi plc to allot shares or grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of €4,855,537.60. Such authority to apply in substitution for all previous authorities pursuant to section 551 of the UK Companies Act 2006 and to expire at the conclusion of the next Annual General Meeting of Mondi plc to be held in 2017 or, if earlier, 30 June 2017, but so that Mondi plc may make offers or enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any shares to be granted after the authority expires.

### Special resolution number 4

32. That, subject to the passing of resolution 31, the directors of Mondi plc be empowered to allot equity securities (as defined in section 560(1) of the UK Companies Act 2006) wholly for cash pursuant to the authority given in resolution 31 in connection with:
- i. a Rights Issue to ordinary shareholders (excluding any holding of treasury shares) where the rights of each shareholder are, as nearly as practicable, proportionate to the number of shares held. The directors of Mondi plc may exclude certain shareholders, deal with fractions and generally manage the Rights Issue as they think fit; and
  - ii. the allotment of equity securities up to an aggregate nominal value of €3,672,408, as if section 561(1) of the UK Companies Act 2006, to the extent applicable, did not apply to any such allotment;

such power to expire at the conclusion of the next Annual General Meeting of Mondi plc to be held in 2017 or, if earlier, 30 June 2017, but so that Mondi plc may make offers and enter into agreements which would, or might, require equity securities to be allotted after the power expires.

For the purposes of this resolution 32, 'Rights Issue' has the meaning given to the term in the Articles of Association of Mondi plc.

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### Special resolution number 5

- 33.** That Mondi plc is generally and unconditionally authorised for the purpose of section 701 of the UK Companies Act 2006 to make market purchases (as defined in section 693 of the UK Companies Act 2006) of its own ordinary shares of €0.20 each in the capital of Mondi plc provided that:
- i.** the maximum number of ordinary shares which may be purchased is 18,362,040 (representing 5% of Mondi plc's issued ordinary share capital);
  - ii.** the minimum price which may be paid for any ordinary share is €0.20;
  - iii.** the maximum price which may be paid for any ordinary share is no more than 5% above the average of the middle market quotations of the ordinary shares of Mondi plc as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which such share is contracted to be purchased; and
  - iv.** this authority will expire at the conclusion of the Annual General Meeting of Mondi plc to be held in 2017 or, if earlier, 30 June 2017 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which may be executed wholly or partly after such expiry).

### Ordinary resolutions

- 34.** That the rules of the Mondi plc 2016 Long-Term Incentive Plan (the 'MPLC 2016 LTIP') referred to in appendix 2 to this Notice and in the explanation of resolutions section of this document and produced in draft to this meeting and, for the purposes of identification, initialled by the chairman of the meeting, be approved and the directors of Mondi plc be authorised to:
- i.** make such modifications to the MPLC 2016 LTIP as they may consider appropriate to take account of the requirements of relevant best practice and for the implementation of the MPLC 2016 LTIP and to adopt the MPLC 2016 LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the MPLC 2016 LTIP; and
  - ii.** establish further plans based on the MPLC 2016 LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the MPLC 2016 LTIP.
- 35.** That the rules of the Mondi plc 2016 Bonus Share Plan (the 'MPLC 2016 BSP') referred to in appendix 2 to this Notice and in the explanation of resolutions section of this document and produced in draft to this meeting and, for the purposes of identification, initialled by the chairman of the meeting, be approved and the directors of Mondi plc be authorised to:
- i.** make such modifications to the MPLC 2016 BSP as they may consider appropriate to take account of the requirements of relevant best practice and for the implementation of the MPLC 2016 BSP and to adopt the MPLC 2016 BSP as so modified and to do all such other acts and things as they may consider appropriate to implement the MPLC 2016 BSP; and
  - ii.** establish further plans based on the MPLC 2016 BSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the MPLC 2016 BSP.

By order of the board

**Philip Laubscher**

Company secretary, Mondi Limited

5 April 2016

**Registered office:**

4th Floor  
No. 3 Melrose Boulevard  
Melrose Arch 2196  
Gauteng  
Republic of South Africa

Incorporated in the Republic of South Africa No. 1967/013038/06

# Explanation of resolutions

## **Resolutions 1 to 9 – re-election of directors**

Dominique Reiniche has been appointed by the Boards as an independent non-executive director since the Annual General Meeting in 2015. She therefore retires from office at this year's Annual General Meeting in accordance with the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc and has agreed to offer herself for election.

Dominique is recommended for election as the Boards consider she has extensive business experience of operating in Europe and has international consumer marketing and innovation experience as well as strong customer awareness. She brings important additional skills that will benefit Mondi as we continue to grow our packaging interests in line with our stated strategy.

In accordance with governance best practice the Boards have decided that all other directors will stand for re-election in 2016. The DLC nominations committee reviewed and recommended to the Boards the re-election of each of the directors. The committee has considered the collective skills, experience and independence of each of the non-executive directors. The committee and Boards confirm that there continues to be an appropriate balance of skills and knowledge and that all non-executive directors are independent in character and judgement. The 2015 board evaluation confirmed that each of the directors make an effective and valuable contribution to the Boards and demonstrate commitment to their respective roles, including as they relate to committees, and are therefore recommended for re-election.

Full biographical details of each director are set out in the Mondi Group Integrated report and financial statements 2015 on pages 74 and 75 and in appendix 1 to this Notice.

## **Resolutions 10 to 12 – election of DLC audit committee members**

South African company law requires that, at each Annual General Meeting, the shareholders elect the members of an audit committee. The three members proposed, each an independent non-executive director of both Mondi Limited and Mondi plc, are Stephen Harris, John Nicholas and Anne Quinn. The DLC nominations committee reviewed the suitability and qualifications of each director as members of the DLC audit committee and considers that each of Stephen Harris, John Nicholas and Anne Quinn has adequate relevant financial knowledge and experience to fulfil their duties as members of the DLC audit committee.

Full biographical details of each director are set out in the Mondi Group Integrated report and financial statements 2015 on page 75 and in appendix 1 to this Notice.

## **Resolutions 13 and 26 – 2015 Integrated report and financial statements**

The directors of Mondi Limited and Mondi plc are required by company law to present the audited financial statements, together with the reports of the DLC audit committee, the directors and the auditors for the financial year ended 31 December 2015 of the respective company to the meeting.

Enclosed with this Notice of Annual General Meeting is a copy of the Mondi Group Integrated report and financial statements 2015 containing the audited combined and consolidated financial information of Mondi Limited and Mondi plc for the year ended 31 December 2015.

## **Resolutions 14 and 27 – directors' remuneration**

Regulation in South Africa and the UK requires that the directors present a report on their remuneration during the period under review. The report for the year ended 31 December 2015 is set out on pages 115 to 131 of the Mondi Group Integrated report and financial statements 2015.

Due to Mondi's DLC structure and our need to comply with both South African and UK regulation, the structure of the remuneration report has been left largely unchanged from last year and comprises the directors' remuneration policy and the annual report on remuneration. The annual report on remuneration is being put to a non-binding advisory vote to Mondi plc shareholders, resolution 27. The directors' remuneration policy, which remains unchanged since it was approved by shareholders at the 2014 Annual General Meetings, is being tabled for a non-binding advisory vote to Mondi Limited shareholders in accordance with South African regulations, resolution 14. Under UK regulations the policy report is required to be put to a binding shareholder vote every three years (or sooner if changes are proposed) and is not being presented for Mondi plc shareholder approval at this meeting.



### Resolution 15 – Special resolution number 1 – director fees

Regulation in South Africa requires that shareholders approve, by special resolution, the fees paid to directors for their services as directors. Resolution 15 is seeking approval to increase these fees for the non-executive directors by a maximum of 2.1% with effect from the date of this meeting.

The current and proposed level of fees for the non-executive directors are set out in the table below and explained more fully in the Mondi Group Integrated report and financial statements 2015 on page 121.

Item	Current fee	Proposed fee
Joint chairman fee <sup>1</sup>	£278,000	£283,600
Non-executive base fee	£44,400	£45,300
Supplement per meeting in home country (per day)	£1,660	£1,695
Supplement per meeting outside home country (per meeting)	£5,560	£5,675
Supplement for senior independent director and DLC remuneration committee chair	£16,680	£17,020
Supplement for DLC audit committee chair	£11,100	£11,320
Supplement for DLC sustainable development committee chair	£8,870	£9,050
Supplement for Mondi Limited social and ethics committee chair	£8,870	£9,050

<sup>1</sup> No supplement is payable for additional commitments in relation to this role.

### Resolutions 16 and 28 – final dividend

Final dividends for the year ended 31 December 2015 for Mondi Limited and Mondi plc of 650.55664 rand cents per ordinary share and 37.62 euro cents per ordinary share, respectively, are recommended by the directors. Shareholder approval for the declaration of these final dividends is required. If approved, the dividends will be paid on Thursday 19 May 2016 to shareholders on each share register on Friday 22 April 2016.

The directors of Mondi Limited have applied the solvency and liquidity tests contemplated in the South African Companies Act 71 of 2008 in terms of which it has been concluded that Mondi Limited will satisfy such tests immediately after completing the proposed distribution.

### Resolutions 17, 18, 29 and 30 – reappointment and remuneration of auditors

South African and UK company law requires that, at each general meeting at which accounts are laid, Mondi Limited and Mondi plc appoint auditors who will remain in office until the next general meeting at which accounts are laid. The boards of Mondi Limited and Mondi plc, having accepted the recommendation of the DLC audit committee, propose that Deloitte & Touche and Deloitte LLP be reappointed as Mondi Limited and Mondi plc's auditors, respectively. Resolutions 17 and 29 relate to the reappointment and resolutions 18 and 30 will authorise the DLC audit committee to agree the auditors' remuneration.

### Resolution 19 – Special resolution number 2 – financial assistance

This resolution is being proposed in order to comply with the requirements of sections 44 and 45 of the South African Companies Act 71 of 2008, to the extent that, on an interpretation thereof, the approval of shareholders is required for the directors to authorise any financial assistance by Mondi Limited. Sections 44 and 45 of the Act both provide, *inter alia*, that such financial assistance must be approved by a special resolution of the shareholders, adopted within the previous two years. Following such shareholder approval the directors may not authorise any such financial assistance unless they are satisfied that:

- i. immediately after providing the financial assistance, Mondi Limited would satisfy the solvency and liquidity test contemplated in the South African Companies Act 71 of 2008; and
- ii. the terms under which the financial assistance is proposed to be given are fair and reasonable to Mondi Limited.

In the normal course of business Mondi Limited is required to grant financial assistance to subsidiaries and other juristic persons in the Mondi Group, including but not limited to financial assistance in the form of loans, guarantees in favour of third parties, such as financial institutions, service providers and counterparties (in respect of the provision of banking facilities, acquisition transactions, project financing, debt capital and structured financing transactions) for the obligations of such subsidiaries and any persons related to such subsidiaries. This resolution will enable Mondi Limited to provide financial assistance within the Mondi Group which may be required from time to time in the normal course of business.

During the period since the passing of the equivalent resolution at the 2015 Annual General Meeting, the directors approved financial assistance relating to Mondi Shanduka Newsprint Proprietary Limited (ZAR206 million) and Mondi Zimele Proprietary Limited (ZAR65 million).

# Explanation of resolutions continued

## **Resolution 20 – general authority to the directors to issue Mondi Limited ordinary shares**

This authority, in accordance with the Listings Requirements of the JSE Limited, grants the directors the authority to allot and issue or grant options to subscribe for, a number of shares equal to 5% of the issued ordinary shares of Mondi Limited.

## **Resolution 21 – general authority to the directors to issue Mondi Limited special converting shares**

This authority, in accordance with the Listings Requirements of the JSE Limited, grants the directors the authority to allot and issue or grant options to subscribe for, a number of shares equal to 5% of the issued special converting shares of Mondi Limited.

The special converting shares are very specific to the Mondi dual listed company (DLC) administration and can only be used upon termination of the DLC arrangements.

The special converting shares are shares issued by Mondi Limited that are held by a South African trust and which convert into ordinary shares only in the event of and upon termination of the DLC structure so as to ensure economic equalisation for shareholders. Mondi plc also has a number of special converting shares in issue to a UK trust. The two companies are required under the DLC agreements to ensure that the correct number of special converting shares is always in issue. Therefore, should the authority under resolution 31 (relating to the number of Mondi plc ordinary shares in issue) be used, an equivalent authority is required in respect of the special converting shares of Mondi Limited in order to maintain the protection for shareholders. Equalisation on termination is achieved by ensuring that the shareholders of each company receive such shares in the other company as will ensure that they have the same proportionate holding in each of the companies as they previously had in the combined group. Prior to termination of the DLC structure the special converting shares have limited rights.

## **Resolution 22 – authority to allot Mondi Limited shares for cash**

Resolution 22 provides authority to the directors to allot shares for cash other than by way of rights issue in respect of Mondi Limited up to the limit specified in the resolution. In such circumstances, the directors confirm that, as and when they exercise such authority, they intend to follow emerging best practice as regards its use as recommended by the Investment Association.

The directors also confirm that the exercise of any such authority would be subject to the following specific limitations as required by the Listings Requirements of the JSE Limited:

- i. this authority shall not extend beyond the next Annual General Meeting of Mondi Limited to be held in 2017;
- ii. the equity securities which are the subject of the issue for cash shall be of a class already in issue, or where this is not the case, shall be limited to such securities or rights that are convertible into a class already in issue;
- iii. a paid press announcement giving full details, as prescribed by the Listings Requirements of the JSE Limited, will be published at the time of an issue representing, on a cumulative basis within one financial year, 5% or more of the number of ordinary shares in issue prior to such issue;
- iv. the issue in the aggregate in any one financial year will not exceed 15% of Mondi Limited's listed equity securities as at the date of the Notice of Annual General Meeting (although it should be noted that the resolution limits the directors to a maximum of 5% of the ordinary shares in issue);
- v. in determining the price at which an allotment and issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the ordinary shares in question as determined over the 30 business days prior to the date the price of the issue is determined or agreed between Mondi Limited and the party subscribing for the securities; and
- vi. the equity securities/shares must be issued to public shareholders and not to related parties.

In terms of the Listings Requirements of the JSE Limited, the approval of 75% of the votes cast in favour of this resolution by all equity securities holders present or represented by proxy at the Annual General Meeting is required to approve this resolution.

## **Resolution 23 – Special resolution number 3 – Mondi Limited purchase of own shares**

The reason and effect of resolution 23 is to grant a renewable general authority to Mondi Limited, or a subsidiary of Mondi Limited, to acquire ordinary shares in Mondi Limited which are in issue from time to time in terms of the following Listings Requirements of the JSE Limited (JSE) (as presently constituted and as amended from time to time):

- i. any such acquisition of ordinary shares be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Mondi Limited and the counterparty;
- ii. authorisation thereto is given by Mondi Limited's Memorandum of Incorporation;
- iii. this general authority shall be valid until Mondi Limited's next Annual General Meeting or 15 months from the date of passing this special resolution, whichever is earlier;

- iv. an announcement will be published as soon as Mondi Limited or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions;
- v. acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of Mondi Limited's issued ordinary share capital of that class as at the date of passing of this resolution (although it should be noted that the directors will limit any purchase to a maximum of 5% of the issued ordinary share capital);
- vi. the number of ordinary shares purchased and held by a subsidiary or subsidiaries of Mondi Limited shall not exceed 10% in aggregate of the number of issued shares of Mondi Limited at the relevant time;
- vii. in determining the price at which ordinary shares issued by Mondi Limited are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such ordinary shares by Mondi Limited or any of its subsidiaries;
- viii. at any point in time, Mondi Limited or any of its subsidiaries may only appoint one agent to effect any repurchase on Mondi Limited's behalf;
- ix. Mondi Limited or any of its subsidiaries may not repurchase any shares during a prohibited period as defined by the Listings Requirements of the JSE, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing. Mondi Limited must instruct an independent third party, which makes its investment decisions in relation to its securities independently of and uninfluenced by Mondi, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- x. the directors have passed a resolution authorising the repurchase, confirming that Mondi Limited, and its subsidiaries, have passed the solvency and liquidity test contemplated in the South African Companies Act 71 of 2008 and that from the time the test was done there were no material changes to the financial position of the Group.

The directors of Mondi Limited have no present intention of making any repurchases but believe that Mondi Limited should retain the flexibility to take action if future repurchases were considered desirable and in the best interests of shareholders. The directors of Mondi Limited are of the opinion that, after considering the effect of such acquisition of ordinary shares, if implemented and on the assumption that Mondi Limited acquires the maximum of 5% of the current issued ordinary share capital of Mondi Limited at the last practical date prior to the date of the Notice of Annual General Meeting of Mondi Limited convened for 12 May 2016 or during a period of 12 months after the date of the Notice of Annual General Meeting of Mondi Limited:

- Mondi Limited and its subsidiaries will be able, in the ordinary course of business, to pay its debts;
- the consolidated assets of Mondi Limited and its subsidiaries, fairly valued in accordance with Generally Accepted Accounting Practice, will be in excess of the consolidated liabilities of Mondi Limited and its subsidiaries;
- Mondi Limited and its subsidiaries will have adequate capital and reserves for ordinary business purposes; and
- the working capital of Mondi Limited and its subsidiaries will be adequate for ordinary business purposes. Mondi Limited will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the Listings Requirements of the JSE, prior to the commencement of any purchase of Mondi Limited's shares on the open market.

### **Directors' responsibility statement**

The directors, whose names appear on pages 74 and 75 of the Mondi Group Integrated report and financial statements 2015, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the Listings Requirements of the JSE.

### **Material changes**

Other than the facts and developments reported on in the Mondi Limited 2015 statutory accounts, there have been no material changes in the affairs or financial position of Mondi Limited and its subsidiaries since the date of signature of the audit report and up to the date of this Notice.

The following additional information, some of which may appear elsewhere in the Mondi Group Integrated report and financial statements 2015, is provided in terms of the Listings Requirements of the JSE for purposes of the general authority:

- major beneficial shareholders – integrated report and financial statements pages 132 and 133; and
- share capital of Mondi Limited – integrated report and financial statements page 169.

# Explanation of resolutions continued

## Resolutions 24, 25, 34 and 35 – renewal of Mondi Limited and Mondi plc share plans

Mondi Limited's and Mondi plc's existing long-term incentive plans and bonus share plans for executive directors and other selected senior employees are the Mondi Limited Long-Term Incentive Plan (the 'MLTD LTIP'), the Mondi Limited Bonus Share Plan (the 'MLTD BSP'), the Mondi plc Long-Term Incentive Plan (the 'MPLC LTIP') and the Mondi plc Bonus Share Plan (the 'MPLC BSP') respectively (together the 'Existing Plans').

Approved for 10 years in May 2007, the MLTD LTIP and MPLC LTIP have provided for annual share-based awards ordinarily vesting three years from grant subject to the grantee's continued service and to the extent to which objective performance criteria are met over a three year measurement period.

Also approved for 10 years in May 2007, the MLTD BSP and MPLC BSP have provided a framework for Mondi Limited's and Mondi plc's discretionary annual bonus arrangements with flexibility for cash bonus awards and deferred bonus share awards, the latter ordinarily vesting after a three year deferral period subject to the grantee's continued service.

The DLC remuneration committee of the board of directors of Mondi Limited and Mondi plc (the 'Committee') has recently conducted a review of the Existing Plans and considered the practical implications of the expiry of those plans in 2017.

The Committee concluded from its review that through resolutions 24, 25, 34 and 35 shareholder authority should be sought to in effect renew the Existing Plans one year in advance of their expiry by seeking shareholder approval for: the MLTD 2016 LTIP, the MLTD 2016 BSP, the MPLC 2016 LTIP and MPLC 2016 BSP respectively (the 'Renewed Plans').

The terms of the Renewed Plans have been designed to materially continue with the elements of the Existing Plans that have been operated to date but with flexibility to take account of prevailing best practice expectations e.g. post award retention periods for LTIPs.

Subject to shareholder approval for the Renewed Plans, no further awards would be made under the Existing Plans following a last round of awards under those plans timetabled for grant in 2016 on the normal annual grant timetable.

A summary of the principal terms of the Renewed Plans is set out in appendix 2 to this Notice.

In terms of the Listings Requirements of the JSE Limited, the approval of 75% of the votes cast in favour of resolutions 24 and 25 by all equity securities holders present or represented by proxy at the Annual General Meeting is required to approve these resolutions.

## Resolution 31 – directors' authority to allot Mondi plc shares

The purpose of resolution 31 is to renew the directors of Mondi plc's power to allot shares. The authority will allow the directors of Mondi plc to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a maximum nominal amount of €4,855,537.60, as set out in the table below and exclusive of treasury shares, which is equivalent to approximately 5% of the issued capital:

	Number of shares	Par value	Relative part of section 551 amount
Ordinary shares	18,362,040	€0.20	€3,672,408.00
Special converting shares	5,915,648	€0.20	€1,183,129.60
<b>Total</b>			<b>€4,855,537.60</b>

This authority covers the issued ordinary share capital of Mondi plc, as would normally be the case for a UK company at its Annual General Meeting, but also the issued special converting shares of Mondi plc. An authority is included for the special converting shares to enable the directors of Mondi plc to issue these as and when required in accordance with the agreements which constitute Mondi's dual listed company structure (this is explained in more detail on page 8).

At 15 March 2016 (being the latest practicable date prior to the publication of this Notice), Mondi plc did not hold any shares in treasury.

There are no present plans to undertake a rights issue or to allot new shares. The directors of Mondi plc consider it desirable to have the flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

Although UK companies would generally seek an authority over 33.3% of issued capital, Mondi plc is aware that the investment community in South Africa prefers to see this authority restricted to no more than 5% of issued capital. In view of the dual listed company structure, Mondi plc has decided to limit the authority to 5%.

If the resolution is passed, the authority will expire at the end of the Annual General Meeting of Mondi plc to be held in 2017 or, if earlier, 30 June 2017.

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### **Resolution 32 – Special resolution number 4 – disapplication of Mondi plc pre-emption rights**

If the directors of Mondi plc wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), UK company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of resolution 32 is to authorise the directors of Mondi plc to allot new shares pursuant to the authority given by resolution 31, or to sell treasury shares, for cash (i) in connection with a Rights Issue (as defined in the Mondi plc Articles of Association) or (ii) otherwise up to a maximum aggregate nominal value of €3,672,408, which is equivalent to 5% of the issued ordinary share capital of Mondi plc as at 15 March 2016 (being the latest practicable date prior to publication of this Notice), in each case without the shares first being offered to existing shareholders in proportion to their existing holdings. The authority will expire at the end of the next Annual General Meeting of Mondi plc to be held in 2017 or, if earlier, 30 June 2017.

The directors confirm that, as and when they exercise such authorities, they intend to follow emerging best practice as regards its use as recommended in the Investment Association guidelines.

In accordance with the provisions of the Pre-emption Group's Statement of Principles, the directors do not intend to issue more than 7.5% of the total issued ordinary share capital of Mondi plc for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in any rolling three year period without prior consultation with shareholders and the investment committees of the Investment Association and the Pensions and Lifetime Savings Association.

The directors also confirm that pursuant to the dual listed company structure, the exercise of any such authority would be subject to the following specific limitations as required by the Listings Requirements of the JSE Limited:

- i.** this authority shall not extend beyond the next Annual General Meeting of Mondi plc to be held in 2017;
- ii.** the equity securities which are the subject of the issue for cash shall be of a class already in issue or, where this is not the case, shall be limited to such securities or rights that are convertible into a class already in issue;
- iii.** a paid press announcement giving full details, as prescribed by the Listings Requirements of the JSE Limited, will be published at the time of an issue representing, on a cumulative basis within one financial year, 5% or more of the number of ordinary shares in issue prior to such issue;
- iv.** the issue in the aggregate in any one financial year will not exceed 15% of Mondi plc's listed equity securities as at the date of the Notice of Annual General Meeting (although it should be noted that the resolution limits the directors to a maximum of 5% of the ordinary shares in issue);
- v.** in determining the price at which an allotment and issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the ordinary shares in question as determined over the 30 business days prior to the date that the price of the issue is determined or agreed between Mondi plc and the party subscribing for the securities; and
- vi.** the equity securities/shares must be issued to public shareholders and not to related parties.

The directors of Mondi plc consider the authority in resolution 32 to be appropriate in order to allow Mondi plc flexibility to finance business opportunities without the need to comply with the strict requirements of the statutory pre-emption provisions.

Although UK companies are permitted to seek an authority over 10% of issued capital, subject to certain conditions, Mondi plc is aware that the investment community in South Africa prefers to see this authority restricted to no more than 5% of issued capital. In view of the dual listed company structure, Mondi plc has decided to limit the authority to 5%.



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## Explanation of resolutions continued

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### **Resolution 33 – Special resolution number 5 – Mondi plc purchase of own shares**

The directors of Mondi plc consider it may, in certain circumstances, be in the best interests of shareholders generally for Mondi plc to purchase its own ordinary shares. Accordingly, the effect of this resolution is to renew the general authority, subject to specified limits, granted to Mondi plc to purchase its own ordinary shares, until the Annual General Meeting in 2017 or, if earlier, 30 June 2017. You are asked to consent to the purchase by Mondi plc of up to a maximum of 18,362,040 ordinary shares of €0.20 each. This represents 5% of the ordinary shares in issue as at 15 March 2016 and Mondi plc's exercise of this authority is subject to the stated upper and lower limits on the price payable.

As of 15 March 2016 (the latest practicable date prior to publication of this Notice), there were options outstanding over 1,847,300 ordinary shares, representing 0.50% of Mondi plc's issued ordinary share capital at that date. If the authority to buy back shares was exercised in full, the total number of options to subscribe for ordinary shares would represent 0.53% of Mondi plc's reduced issued ordinary share capital.

The directors of Mondi plc have no present intention of making any purchases of its own ordinary shares, but believe that Mondi plc should retain the flexibility to take further action if future purchases were considered desirable and in the best interests of shareholders. Pursuant to the UK Companies Act 2006, Mondi plc can hold the shares which have been repurchased itself as treasury shares and either resell them for cash, cancel them, either immediately or at a point in the future, or use them for the purposes of its employee share schemes. The directors of Mondi plc believe that it is desirable for Mondi plc to have this choice and therefore intend to hold any shares purchased under this authority as treasury shares. Holding the repurchased shares as treasury shares will give Mondi plc the ability to resell them or transfer them in the future, and so provide Mondi plc with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares.

# Appendix 1

Biographies of directors standing for re-election pursuant to resolutions 1 to 9 and for the election of members of the DLC audit committee pursuant to resolutions 10 to 12.

## **Dominique Reiniche, 60**

Non-executive director

**Appointed:** October 2015

**Committee memberships:** nominations, remuneration

**Qualifications:** MBA from ESSEC Business School in Paris

**Experience:** Dominique has extensive business understanding of operating in Europe and has international consumer marketing and innovation experience. She started her career with Procter & Gamble before moving to Kraft Jacobs Suchard as director of marketing and strategy where she was also a member of their executive committee. After helping Jacobs Suchard through its acquisition by Kraft, Dominique joined The Coca-Cola System in 1992, starting in sales and marketing and then holding various roles of increasing responsibility up to general manager France. From 2002 to early 2005 she was president Europe for Coca-Cola Enterprises and from 2005 on she was president Europe for the Coca-Cola Company and then chairman from 2013 until stepping down in 2014.

Until December 2015 Dominique was a non-executive director of Peugeot-Citroen SA.

**External appointments:** non-executive director of AXA SA, Chr. Hansen Holdings A/S and Paypal (Europe).

## **Stephen Harris, 57**

Non-executive director

**Appointed:** March 2011

**Committee memberships:** audit, nominations, remuneration, sustainable development (chairman), social & ethics (chairman)

**Qualifications:** chartered engineer, graduated in engineering from Cambridge University, master's degree in business administration from the University of Chicago, Booth School of Business

**Experience:** Stephen has extensive experience in engineering and manufacturing having spent his early career with Courtaulds plc and then moved to the USA to join APV Inc from 1984 until 1995, where he held several senior management positions. He was appointed to the board of Powell Duffryn plc as an executive director in 1995 and then went on to join Spectris plc as an executive director from 2003 until 2008. He was also a non-executive director of Brixton plc from 2006 to 2009.

**External appointments:** chief executive officer of Bodycote plc.

## **David Hathorn, 53**

Chief executive officer

**Appointed:** May 2007

**Committee memberships:** executive (chairman), sustainable development, social & ethics

**Qualifications:** graduated in commerce from the University of Natal, chartered accountant (South Africa)

**Experience:** David has more than 24 years' experience in the packaging and paper industry with strong financial and commercial experience of the sector. He completed articles with Deloitte & Touche in Johannesburg in 1987. He joined Anglo American plc in 1989 as a divisional finance manager, moving to Mondi in 1991 and going on to serve as finance director and then general manager of Mondi Europe until 2000, when he was appointed chief executive officer of the Mondi Group. He has led Mondi through major change, especially the demerger from Anglo in 2007.

At Anglo American plc, David was a member of the executive committee from 2003 and an executive director from 2005 and served on the boards of a number of group companies.

**External appointments:** chairman of Elemental Minerals Limited.

## **Andrew King, 46**

Chief financial officer

**Appointed:** October 2008

**Committee membership:** executive

**Qualifications:** graduated in commerce from the University of Cape Town, chartered accountant (South Africa)

**Experience:** Andrew has more than 13 years' experience with Mondi in various strategy, business development and finance roles. He has played a key role in defining the Group's strategic direction and re-shaping the capital structure since listing.

Andrew completed articles with Deloitte & Touche in Johannesburg in 1994. In 1995 he joined Minorco, part of Anglo American, as a financial analyst, before assuming responsibility for the group's investment management activities, and transferring to their corporate finance department in 1998. He worked on a number of group M&A activities before being appointed a vice president of Anglo American Corporate Finance in 1999. He was appointed Mondi's vice president of business development in 2002 and corporate development director in 2004. He served as chief financial officer of Mondi from June 2005 to May 2006. He was then appointed as Group strategy and business development director before becoming the chief financial officer of the Mondi Group in 2008.

**External appointments:** none.

# Appendix 1 continued

## John Nicholas, 59

Non-executive director

**Appointed:** October 2009

**Committee memberships:** audit (chairman), nominations

**Qualifications:** master's degree in business administration from Kingston University, chartered accountant (UK)

**Experience:** John has business and commercial experience having spent his early career in technology-focused international manufacturing and service companies involved in analytical instruments, fire protection and food processing. He became group finance director of Kidde plc on its demerger from Williams Holdings and was group finance director at Tate & Lyle plc from 2006 to 2008. He was a non-executive director of Ceres Power Holdings plc until December 2012, chairing the audit committee.

At the end of April 2015 John completed his tenure as a member of the UK Financial Reporting Review Panel, which seeks to ensure that the provision of financial information by public and large private companies complies with relevant reporting requirements. He had served as a member for six years.

**External appointments:** non-executive director of Hunting PLC where he chairs the audit committee and of Rotork p.l.c. where he is the senior independent director and chairman of Diploma PLC where he was previously the senior independent director and chair of the remuneration committee.

## Peter Oswald, 53

Chief executive officer: Europe & International Division

**Appointed:** January 2008

**Committee membership:** executive

**Qualifications:** graduated in law from the University of Vienna and in business administration from WU-Vienna Business School

**Experience:** Peter has over 23 years' experience of the sector with detailed knowledge of operations and extensive experience of the acquisition, disposal, restructuring and turnaround of businesses. He began his career with Deutsche Bank and automotive company KTM. He joined the Frantschach Group in 1992 as the head of internal audit, later becoming corporate controller.

After serving as chief executive of the bag and flexibles business from 1995 to 2001, he was appointed chief executive of Mondi Packaging Europe in 2002, leading its subsequent integration with Frantschach into the new Mondi packaging division. Having held a number of senior executive roles within Mondi, Peter was appointed chief executive officer of the Europe & International Division in January 2008. He was a non-executive director of Telekom Austria AG between 2008 and 2014 and of MIBA AG between 2014 and 2015.

**External appointments:** chairman of the supervisory board of OMV AG.

## Fred Phaswana, 71

Joint chairman

**Appointed:** June 2013

**Committee memberships:** nominations, social & ethics

**Qualifications:** MA (Unisa), BCom (Hons) (RAU), BA (Philosophy, Politics and Economics) (Unisa)

**Experience:** Fred has a wealth of experience in African and global businesses with well developed strategic and commercial skills having previously been regional president of BP Africa, a non-executive director of Anglo American plc and chairman of Anglo American South Africa, Anglo Platinum, Transnet, Ethos Private Equity, the South African Energy Association and the Advisory Board of the Cape Town Graduate School of Business. Fred retired as chairman of Standard Bank group and The Standard Bank of South Africa at the end of May 2015. He was also the former vice chairman of WWF South Africa and Business Leadership of South Africa and was the honorary president of the Cape Town Press Club.

**External appointments:** chairman of the South African Institute of International Affairs and non-executive director of Naspers Limited.

## Anne Quinn CBE, 64

Senior independent director

**Appointed:** May 2007 and as senior independent director in August 2009

**Committee memberships:** audit, nominations, remuneration (chairman), sustainable development

**Qualifications:** BCom from Auckland University and MSc in management science from the Massachusetts Institute of Technology. Awarded a CBE for services to the natural gas industry

**Experience:** Anne has extensive experience in the natural resources sector. She spent her early career with NZ Forest Products Limited and the US management consulting company Resource Planning Associates. She has wide-ranging oil and gas global experience having joined Standard Oil of Ohio, which was subsequently acquired by BP plc, following which she went on to work for BP in the US, Belgium, Colombia and the UK and held a number of executive positions, including group vice president. Previously a managing director of Riverstone Holdings (Europe), a private equity investment firm specialising in the renewable and conventional energy and power industries and a former non-executive director of The BOC Group plc from 2004 to 2006.

**External appointments:** non-executive director of Smiths Group plc.

## David Williams, 70

Joint chairman

**Appointed:** May 2007 and as joint chairman in August 2009

**Committee memberships:** nominations (chairman), remuneration

**Qualifications:** graduated in economics from Manchester University, chartered accountant (UK)

**Experience:** David has significant experience in senior financial roles held across a range of multinational companies, with board experience as both an executive and non-executive director. He retired as finance director of Bunzl plc in January 2006, having served on the board for 14 years. He was previously a member of the Tootal management board and finance director of Tootal plc. Until December 2015 David was senior independent director of Meggitt plc where he also chaired the audit committee. Formerly a non-executive director of the Peninsular & Oriental Steam Navigation Company, Dewhirst Group plc, Medeva plc, George Wimpey plc, Taylor Wimpey plc, Tullow Oil plc and Dubai-based DP World Limited.

**External appointments:** none.

## Appendix 2

### Summary of the principal terms of the Mondi Limited and Mondi plc Renewed Plans

#### Supervision of the Renewed Plans

The DLC remuneration committee of the boards of directors (or any duly authorised committee) of Mondi Limited and Mondi plc respectively (the 'Committee') will supervise the operation of the MLTD 2016 LTIP and MLTD 2016 BSP or MPLC 2016 LTIP and MPLC 2016 BSP as relevant.

#### The MLTD 2016 LTIP and MPLC 2016 LTIP (the 'Renewed LTIP')

##### Outline

The Renewed LTIP allows selected employees worldwide to receive awards over shares in Mondi Limited or Mondi plc as appropriate. It is intended that awards would normally be granted to senior executives and other senior management.

Please note that references in this summary to 'executive directors' should be taken as references to the Mondi Limited and Mondi plc executive directors.

##### Individual limits

The aggregate market value of all shares awarded to an employee under the Renewed LTIP in respect of any year must not exceed twice their base salary (or twice of their base salary equivalent as relevant) save that this limit may increase to such higher policy limit if approved by shareholders for executive directors as relevant. Market value for such purposes shall be calculated at the time of grant typically by reference to the average of the closing prices of the three day period commencing with the date of the announcement of annual results last preceding the award.

In no circumstances (including if the above market value limit would otherwise allow) shall the number of shares under awards granted in the same year to any one participant in the MLTD 2016 LTIP exceed 370,000 Mondi Limited shares less such number of Mondi plc shares (if any) granted under MPLC 2016 LTIP awards in the same year to such participant.

##### Performance conditions

The vesting of awards granted to Mondi Limited and Mondi plc executive directors will be subject to appropriately challenging performance conditions set by the Committee and in line with the relevant prevailing shareholder approved directors' remuneration policy in place for such awards.

The current policy for such awards gives the Committee the authority to select suitable performance metrics, aligned to Mondi's strategy and shareholders' interests.

For example, the performance conditions for the awards granted to executive directors most recently under the Existing LTIPs in 2015 comprise a measure of total shareholder return against a peer group, and a measure of percentage ROCE growth, each with a 50% weighting and measured over three calendar years.

The Committee may set such performance conditions over such measurement period as it considers appropriate for awards to other employees or set no performance conditions for such awards.

The Committee may vary the performance conditions applying to existing awards if events happen which would, in the opinion of the Committee, make such a variation necessary or desirable, or would make the amended performance conditions a fairer measure of performance.

##### Vesting of awards

Awards subject to performance conditions will normally vest further to the assessment of performance against the award's performance conditions following the end of the relevant performance period. The performance period for awards to Mondi Limited and Mondi plc executive directors shall not normally be less than three years in length.

Awards not subject to performance conditions will normally vest on a specified vesting date (or a number of dates in the event the award comprises a number of tranches).

##### Leavers

Except for the limited exceptions described below, awards will lapse upon a participant ceasing to hold employment or be a director within the Group.

In the case of cessation of service by reason of redundancy, ill health, injury, disability or any other circumstances which the Committee considers appropriate, awards may at the discretion of the Committee continue in the Plan. In such circumstances the Committee has discretion to specify the terms of such continued participation, including the number of shares to remain within the award, the length of the remaining performance period (or vesting period as relevant) and the terms of the performance conditions (as relevant).

## Appendix 2 continued

In the case of death, awards will vest early to a time pro rated extent and subject to the application of the performance conditions (as relevant) assessed over a curtailed performance period. In such circumstances the Committee shall retain discretion to pro rate awards to a lesser extent (or as to nil).

In the case of retirement, awards will continue in the Plan on the normal timetable and vest to a time pro rated extent and subject to the application of the performance conditions measured over the normal measurement period (subject to earlier vesting under the Plan). In such circumstances the Committee shall retain discretion to pro rate awards to a lesser extent (or as to nil).

### Corporate events

On a reconstruction or takeover (however effected) all awards will vest early subject to: (i) the extent that the performance conditions have been satisfied at that time (as relevant); and (ii) the pro rating of the awards to reflect the reduced period of time elapsed into the performance period (or vesting period as relevant), although the Committee can decide not to pro rate an award (or pro rate to a lesser extent) if it regards it as inappropriate to do so in the particular circumstances.

If there is an internal reconstruction or other event which does not involve any substantial change in ultimate control, the Committee may take such action as it considers appropriate to protect the interests of participants, including converting awards into equivalent awards in respect of shares in one or more other companies.

### Holding period

The Committee may decide that the terms of an award granted to an executive director (and/or to such other individuals as the Committee requires) include a requirement for them to retain the vested shares (if any) delivered under the award (net of such number of value equal to the income tax and social tax liability for such vested shares) for a holding period of at least two years (including in the case of leavers) from the time of the vesting of the award.

Where such terms apply the Committee may, in its discretion, allow the affected participants to sell, transfer, assign or dispose of some or all of such shares before the end of the holding period, subject to such additional terms and conditions that the Committee may specify.

### Clawback (withholding the vesting of awards or the recovery of vested awards)

The Committee may decide no later than three years from the vesting of an award that the award will be subject to clawback where there has been a material misstatement of the Group's performance or a miss-assessment of any applicable performance condition.

The clawback may be satisfied by way of a reduction in the amount of any future annual bonus, the size or vesting of any subsisting award or future share awards, and/or a requirement to make a cash payment.

### The MLTD 2016 BSP and MPLC 2016 BSP (the 'Renewed BSP')

#### Outline

The Renewed BSP allows for bonus awards in the form of a cash payment and/or in the form of awards over shares in Mondi Limited or Mondi plc as relevant, known as bonus shares.

#### Individual limits

The value of bonus awards awarded to an employee under the Renewed BSP in respect of any year shall be such level as the Committee determines appropriate, which in the case of executive directors shall be no more than 150% of base salary (or 150% of their base salary equivalent as relevant) save that this limit may increase to such higher policy limit approved by shareholders for executive directors as relevant.

For the purposes of the above, bonus shares shall be valued at the time of grant typically by reference to the average of the closing prices of the three day period commencing with the date of the announcement of annual results last preceding the award.

In no circumstances (including if the above value limit would otherwise allow) shall the number of shares under bonus awards granted in the same year to any one participant in the MLTD 2016 BSP exceed 140,000 Mondi Limited shares less such number of Mondi plc shares (if any) granted under MPLC 2016 BSP awards in the same year to such participant.

Under the current shareholder approved policy for executive directors any bonus award is payable one half in cash and one half in the form of bonus shares.

#### Vesting of bonus shares

Bonus shares will normally vest on a specified vesting date (or a number of dates in the event the award comprises a number of tranches).



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Under the current shareholder approved policy for executive directors the specified vesting date for awards to Mondi Limited and Mondi plc executive directors shall provide for a minimum three year deferral period from determination of bonus.

### **Leavers and bonus share awards**

Except for the limited exceptions described below awards will lapse upon a participant ceasing to hold employment or be a director within the Group.

In the case of cessation of service by reason of redundancy, ill health, injury, disability, retirement, transfer of employing company (or business) out of the Group (or the participant's employing company otherwise ceasing to be under the control of Mondi Limited or Mondi plc as relevant) or any other circumstances which the Committee considers appropriate, awards shall vest early in full. In such circumstances the Committee shall retain discretion to time pro rate awards to such extent if any as it considers appropriate.

In the case of death, awards will vest early in full.

### **Corporate events and bonus share awards**

On a reconstruction or takeover (however effected) all bonus share awards will vest early in full.

If there is an internal reconstruction or other event which does not involve any substantial change in ultimate control the Committee may take such action as it considers appropriate to protect the interests of participants, including converting awards into equivalent awards in respect of shares in one or more other companies.

### **Clawback (withholding the vesting of awards or the recovery of vested awards)**

The Committee may decide no later than three years from the grant or payment of a bonus award that the award will be subject to clawback where there has been a material misstatement of the Group's performance or a miss-assessment of any applicable performance condition.

The clawback may be satisfied by way of a reduction in the amount of any future bonus, the vesting or size of any subsisting award or future share awards and/or a requirement to make a cash payment.

### **Common terms applying to the Renewed Plans**

#### **Structure and timing of awards**

The Committee may grant awards within six weeks following the Mondi Limited and Mondi plc announcement of results for any period. The Committee may also grant awards within six weeks of shareholder approval of the Renewed Plans or at any other time when the Committee considers there are sufficiently exceptional circumstances which justify the granting of awards.

The Committee may grant share based awards as conditional share awards or nil (or nominal) cost options. The Committee may decide to satisfy share-based awards in cash, although it does not currently intend to do so.

An award may not be granted more than 10 years after shareholder approval of the Renewed Plans.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

#### **Plan limits and types of shares**

The number of new shares which may be issued under awards granted under the Renewed Plans on any day and when added to the number of shares issued or issuable under any other share schemes adopted by Mondi Limited and Mondi plc in the previous 10 years may not exceed the lower of (i) 10% of the issued share capitals on that day and (ii) 17,800,000 new shares in the case of Mondi Limited and 55,100,000 new shares in the case of Mondi plc (the 'Maximums'). The Maximums are inclusive of the limits for executive share schemes in terms of which shares issued under the Renewed Plans and any other executive share schemes in the previous 10 years may not exceed the lower of (i) 5% of the issued share capitals on that day and (ii) 8,900,000 new shares in the case of Mondi Limited and 27,600,000 new shares in the case of Mondi plc.

These limits do not include rights to shares which have lapsed or have been surrendered or shares issued pursuant to commitments made before Mondi Limited's and Mondi plc's respective listings in 2007 to trading on the JSE Limited and London Stock Exchange.

Treasury shares will count as new issue shares for the purposes of these limits unless institutional investors decide that they need not count.

The Renewed Plans may operate over newly issued shares, treasury shares and existing shares purchased in the market. Existing shares purchased in the market shall not count towards the dilution limits referred to above.

## Appendix 2 continued

### **Reversion of Mondi Limited shares back to the MLTD 2016 LTIP and MLTD 2016 BSP**

For regulatory compliance reasons the terms of the MLTD 2016 LTIP and MLTD 2016 BSP include that any shares which are specifically allocated to the benefit of a participant under such plans but which are not subsequently issued to such participant shall revert back for potential use for the purposes of the relevant plan.

In practice it is likely that shares shall only be specifically allocated at the time of the satisfaction of awards and the aforementioned requirement shall not become relevant.

### **Amendments to the Renewed Plan rules**

The Committee may amend the Renewed Plans as it considers appropriate. However, the approval of shareholders is required to amend certain provisions to the advantage of participants.

These provisions relate to: eligibility; individual and plan limits; nil or nominal option price (where applicable); and the adjustment of awards on variation in the share capital of Mondi Limited and Mondi plc.

The Committee can without shareholder approval adopt further plans, based on the Renewed Plans, to take account of tax, exchange control or securities laws which apply to overseas employees, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Renewed Plans.

### **Dividend equivalents**

The Committee may decide that participants will receive a payment (in cash and/or shares) on or shortly following the vesting of their awards, of an amount equivalent to the dividends payable on vested shares between the date of grant and the vesting of an award. This amount may assume the reinvestment of dividends.

### **Participants' rights**

Awards settled in shares will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their shares.

### **Rights attaching to shares**

Any shares allotted when an award vests or is exercised will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

### **Variation of capital**

In the event of a sub-division or consolidation of shares, the number of shares generally available for use under the Renewed Plans shall be adjusted to maintain the original constraints on a proportionate basis.

In the event of a capitalisation issue, a special dividend, a rights issue or reduction of capital the Committee may make such adjustment to the number of shares comprised in awards as it thinks appropriate to give the relevant participants the same proportion of equity capital under their awards as that to which they were previously entitled immediately prior to the relevant event.

In the event of a capitalisation issue, a special dividend, a rights issue or reduction of capital the Committee may also change the Renewed Plans stated individual participation limits on share usage to such alternative figure(s) that will equal the same proportion of equity capital as immediately prior to the relevant event.

# Notes to the Notice of Annual General Meeting

## Joint Electorate Actions

1. All of the resolutions are Joint Electorate Actions under the Memorandum of Incorporation of Mondi Limited and, accordingly, both the holders of ordinary shares in Mondi Limited and the holder of the special converting shares in Mondi Limited are entitled to vote. Voting will be on a poll which will remain open for sufficient time to allow the Mondi plc Annual General Meeting to be held and for the votes of the holder of the Mondi Limited special converting shares to be ascertained on a poll.

On the poll:

- i. each fully paid ordinary share in Mondi Limited (other than those subject to voting restrictions) will have one vote;
- ii. the holder of the Mondi Limited special converting shares will cast the same number of votes as were validly cast for and against the equivalent resolution by Mondi plc shareholders on the poll at the Mondi plc Annual General Meeting;
- iii. the holder of the Mondi Limited special converting shares will be obliged to cast these votes for and against the relevant resolution in accordance with the votes cast for and against the equivalent resolution by Mondi plc shareholders on the poll at the Mondi plc Annual General Meeting;
- iv. through this mechanism, the votes of the Mondi plc shareholders at the Mondi plc Annual General Meeting will be reflected at Mondi Limited's Annual General Meeting in respect of each Joint Electorate Action; and
- v. the results of the Joint Electorate Actions will be announced after both polls have closed.

## Proxy appointment

2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, to speak and to vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of either Mondi Limited or Mondi plc but must attend the meeting to represent you. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein 2001, Republic of South Africa or PO Box 4844, Johannesburg 2000, Republic of South Africa in each case so as to be received no later than 11:30 (SA time) on Tuesday 10 May 2016.
4. Shareholders who have dematerialised their shares and are not registered as 'own name' dematerialised shareholders who wish to vote but not to attend the Annual General Meeting must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Such shareholders must not complete a proxy form.
5. The return of a completed proxy form will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

# Notes to the Notice of Annual General Meeting continued

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## Entitlement to attend and vote

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by Mondi Limited of the votes that may be cast), shareholders must be registered in the share register of Mondi Limited as at 18:00 (SA time) on Friday 6 May 2016 (or, in the event of any adjournment, at 18:00 (SA time) on the date which is three days before the day of the adjourned meeting). Changes to the share register after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. Shareholders who have dematerialised their ordinary shares through Strate, other than those whose shareholding is recorded in their 'own name' in the sub-register maintained by their CSDP, and who wish to attend the meeting in person, will need to request their CSDP or broker to provide them with the authority to do so in terms of the custody agreement entered into between the dematerialised shareholder and their CSDP or broker.
8. In accordance with the South African Companies Act 71 of 2008, shareholders will be able to participate in the meeting by means of electronic communication, by dialling +27 (0)11 535 3600, providing the password, which is 667205, and identifying themselves. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the meeting (see item 2 above). Access to the means of electronic participation will be at the expense of the shareholder.

## Documents available for inspection

9. Copies of the executive directors' service contracts and the terms of appointment of the non-executive directors will be available at the registered offices of Mondi Limited and Mondi plc during normal business hours on any business day (excluding public holidays) and also at the Annual General Meeting venues for at least 15 minutes prior to and during the meetings.
10. Copies of the draft rules of the Mondi Limited 2016 Long-Term Incentive Plan, Mondi Limited 2016 Bonus Share Plan, Mondi plc 2016 Long-Term Incentive Plan and Mondi plc 2016 Bonus Share Plan will be available for inspection at the registered offices of Mondi Limited and Mondi plc and at the offices of New Bridge Street at 10 Devonshire Square, London EC2M 4YP, UK during normal business hours on any business day (excluding public holidays) until the close of the Annual General Meetings and also at the Annual General Meeting venues for at least 15 minutes prior to and during the meetings.









**Mondi Limited**

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