

TAXATION INFORMATION

South African taxation

The following is a general summary of the South African tax implications for Ordinary Shares held by South African tax residents included in the Odd-lot Offer, for both Shareholders of Mondi Limited and Mondi plc. The following summary is only a guide and should not be construed as formal advice. Any Shareholder who has any doubts as to their tax position is encouraged to seek independent advice.

Purchases of Ordinary Shares by the Mondi Incentive Schemes Trust Trustees

i. **Mondi Limited**

The transfer of securities in Mondi Limited will be subject to Securities Transfer Tax ('STT') at a rate of 0.25%. The STT will be payable by the acquirer and will only be payable in respect of Ordinary Shares held on the SA Register.

ii. **Shareholders**

Where a holder of Odd-lots is exempt from paying income tax in terms of the South African Income Tax Act, No.58 of 1962, as amended ('Income Tax Act'), for instance in the case of a pension, provident or retirement annuity fund, the consideration received should not be subject to the Capital Gains Tax discussed below.

If the Ordinary Shares in question are held on capital account by the relevant Shareholder, the sale and transfer of those Ordinary Shares by the holder will be subject to South African Capital Gains Tax ('SA CGT'). In order to quantify the SA CGT that arises from the disposal of the Odd-lot shares, the holder will need to identify the following:

- the proceeds arising from the disposal, which will be equal to the consideration received for the Ordinary Shares sold as part of the Odd-lot Offer; and
- the base cost of those Ordinary Shares, which in terms of the Income Tax Act will constitute the expenditure actually incurred in respect of the cost of acquiring the Ordinary Shares and allowable expenses.

In the event that the proceeds exceed the base cost, a capital gain will have been realised which will be subject to SA CGT.

If it is established that there is a capital gain and it has been quantified, the holder will then need to apply the relevant SA CGT rate to this amount to determine the tax due. For companies the effective rate of SA CGT is 18.6%, and for trusts it is 26.7% (for years of assessment commencing on or after 1 March 2012). The maximum effective rate of SA CGT for natural persons is 13.3%. When determining its liability, a holder is allowed to take into account any capital losses, arising from other transactions concluded in the relevant tax year, if any, as well as any income and capital loss carried forward from a previous tax year that may be taken into account in determining the actual tax liability of the holder.

Additionally, in the event that the Ordinary Shares in question are held by an entity that is trading in them (for instance as a share dealer) or holding them as part of a profit-making scheme, the consideration should be included in the calculation of that entity's net profits/losses arising from such activities and instead of being subject to SA CGT, should be subject to income tax.

Purchase of Ordinary Shares by Mondi plc

i. Mondi plc

The transfer of securities in Mondi plc will be subject to STT at a rate of 0.25%. The STT will be payable by Mondi plc and will only be payable in respect of Ordinary Shares held on the SA Branch Register.

ii. Shareholders

To the extent that the amount received constitutes a receipt of a capital nature, the relevant shareholder who holds for investment purposes (ie not with a trading or speculative intention) will need to determine the relevant capital gains tax implications. This calculation would need to be done per the conventional determination of the difference between the base cost of the Ordinary Shares and the proceeds received, as detailed above, in order to determine whether a capital gain or capital loss is derived.

Exchange control

The following is a summary of the South African Exchange Control Regulations which are relevant to Shareholders on the SA Register and the SA Branch Register. If in doubt, Shareholders should consult their professional advisers without delay.

Emigrants from the common monetary area

Cash arising from the sale of Odd-lots is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

All CSDPs and brokers with whom Ordinary Shares have been dematerialised should note that they are required to comply with the South African Exchange Control Regulations set out above.

All other non-residents of the common monetary area

Cash arising from the sale of Odd-lots will, at the election of the non-resident Shareholder concerned, be dealt with as follows:

- i. a cheque for the amount due will be posted, at the risk of the Shareholder, to the address in the share register on the Second Record Date; or
- ii. an electronic funds transfer will be made should the Shareholder have a bank account in South Africa; or
- iii. a banker's draft for the amount due in the currency of the Shareholder's choice will be purchased on the instruction and at the expense of the Shareholder at the rate of exchange ruling or the receipt of the instruction, whichever is the later.

All CSDPs and brokers with whom Ordinary Shares have been Dematerialised should note that they are required to comply with the South African Exchange Control Regulations set out above.

UK taxation

The comments set out below are based on current UK tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) as at the date of this document, both of which are subject to change (with the result that these comments may not be applicable on the date that any Odd-lot Offer is implemented), possibly with retrospective effect, and relate only to the consequences of purchases of Ordinary Shares pursuant to any proposed Odd-lot Offer. They are intended as a general guide and apply only to Shareholders that are either individuals resident and domiciled for tax purposes in the UK (except insofar as express reference is made to the treatment of non-UK residents) or companies that are for UK tax purposes resident in the UK, who hold Ordinary Shares as an investment and who are the absolute beneficial owners thereof. The discussion does not address all possible tax consequences relating to the disposal of Ordinary Shares pursuant to the Odd-lot Offer and does not cover certain categories of Shareholders such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organisations, persons

connected with Mondi plc, Mondi Limited or any other company forming part of Mondi, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, and Shareholders who are or have been officers or employees of Mondi plc, Mondi Limited or any other company forming part of Mondi all of whom may be subject to special rules.

Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.

Purchases of Ordinary Shares by Mondi plc pursuant to the Odd-lot Offer

Distribution Component

If the Offer Price exceeds the amount that represents the capital on the relevant Mondi plc Ordinary Shares for the purpose of the distribution rules in Part 22 of the Corporation Tax Act 2010, the excess will be treated as an income distribution for UK tax purposes (the 'distribution component'). UK resident individual Mondi plc Shareholders will also make a disposal for UK Capital Gains Tax ('UK CGT') purposes of their Ordinary Shares that are purchased pursuant to any proposed Odd-lot Offer (please see the section below entitled 'UK CGT treatment' for further details). Shareholders within the charge to UK corporation tax on chargeable gains will also make a disposal for chargeable gains purposes of their Ordinary Shares that are purchased (please see the section below entitled 'Corporation Tax on Chargeable Gains' for further details).

Income Tax Treatment

i. UK resident individual Shareholders

A holder of Mondi plc Odd-lots, participating in the Odd-lot Offer, who is an individual resident for tax purposes in the UK will be entitled to a tax credit in respect of the distribution component, which may be set off against the Shareholder's total income tax liability on the distribution component. The tax credit will be equal to 10% of the aggregate of the distribution component and the tax credit (the 'gross distribution'), which is also equal to one-ninth of the distribution component. A holder of Mondi plc Odd-lots, participating in the Odd-lot Offer, who is a UK resident individual liable to income tax at the starting or basic rate will be subject to tax on the distribution component at the rate of 10% of the gross distribution, so that the tax credit will satisfy in full such Shareholder's liability to income tax on the distribution component. A holder of Mondi plc Odd-lots, participating in the Odd-lot Offer, who is a UK resident individual but not liable to income tax in respect of the gross distribution will not be entitled to repayment of the tax credit. In the case of a holder of Mondi plc Odd-lots, participating in the Odd-lot Offer, who is a UK resident individual liable to income tax at the higher rate, the tax credit will be set against, but not fully match, the Shareholder's tax liability on the gross distribution and such Shareholder will have to account for additional tax equal to 22.5% of the gross distribution (which is also equal to 25% of the distribution component) to the extent that the gross distribution when treated as the top slice of the Shareholder's income falls above the threshold for higher rate income tax. In the case of a holder of Mondi plc Odd-lots, participating in the Odd-lot Offer, who is a UK resident individual liable to income tax at the additional rate, the tax credit will also be set against, but not fully match the Shareholder's tax liability on the gross distribution and such Shareholder will have to account for additional income tax equal to 27.5% of the gross distribution (which is also equal to approximately 30.6% of the distribution component) to the extent that the gross distribution when treated as the top slice of the Shareholder's income falls above the threshold for additional rate income tax.

ii. Non-UK resident Shareholders

Holders of Mondi plc Odd-lots, participating in the Odd-lot Offer, who are not resident in the UK will not generally be able to claim repayment from HM Revenue & Customs of any part of the tax credit attaching to the distribution component. A Shareholder resident outside the UK may also be subject to foreign taxation in respect of the purchase of their Ordinary Shares pursuant to any proposed Mondi plc Odd-lot Offer under local law.

UK CGT treatment

The purchases of Ordinary Shares by Mondi plc pursuant to any proposed Odd-lot Offer will have the following UK CGT consequences:

i. UK-resident individual Shareholders

In the case of holders of Mondi plc Odd-lots, participating in the Odd-lot Offer, who are UK-resident, the purchase of Ordinary Shares pursuant to any proposed Mondi plc Odd-lot Offer will be treated as a disposal of those Ordinary Shares for UK CGT purposes. This may (depending on the Shareholder's individual circumstances, including the availability of exemptions, reliefs or allowable losses) give rise to a UK CGT liability. In calculating the taxable gain, the Shareholder's disposal proceeds for UK CGT purposes will be reduced by the amount of the distribution component.

ii. Shareholders temporarily non-resident in the UK

A holder of Mondi plc Odd-lots, participating in the Odd-lot Offer, who is an individual and who is only temporarily non-resident in the UK for tax purposes, may, under anti-avoidance legislation and depending on their circumstances (including any available exemptions or reliefs), still be liable to UK tax on any capital gain realised on the purchase of their Ordinary Shares.

Corporation Tax Treatment

i. Distribution Component

Holders of Mondi plc Odd-lots, participating in the Odd-lot Offer, that are within the charge to UK corporation tax will, unless the distribution component falls within an exempt class, be subject to corporation tax on the distribution component. Each Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the distribution component would fall within an exempt class. Such Shareholders will not be able to claim repayment of the tax credit attaching to the distribution component.

ii. Corporation Tax on Chargeable Gains

In the case of holders of Mondi plc Odd-lots, participating in the Odd-lot Offer, that are within the charge to UK corporation tax, the purchase of Mondi plc Ordinary Shares pursuant to any proposed Mondi plc Odd-lot Offer will be treated as a disposal of those Mondi plc Ordinary Shares for UK chargeable gains purposes. This may (depending on the Shareholder's individual circumstances, including the availability of exemptions, reliefs and allowable losses) give rise to a liability to UK corporation tax in respect of chargeable gains. In calculating the chargeable gain, the amount of the distribution component will not reduce the Shareholder's disposal proceeds.

Stamp Duty

Stamp duty at the rate of 0.5% of the Offer Price (rounded up to the nearest £5) will be payable in respect of the purchase of Mondi plc Ordinary Shares pursuant to any Mondi plc Odd-lot Offer (save in respect of purchases of Mondi plc Ordinary Shares held on the SA Branch Register in relation to which no UK stamp duty should be payable on the assumption that the return which relates to the Ordinary Shares that are repurchased and which is to be delivered to Companies House is executed outside of the UK but in respect of which transfer duty is expected to be payable in South Africa, see the paragraph entitled 'South African taxation' above). Any UK stamp duty arising in respect of the purchase of Mondi plc Ordinary Shares pursuant to the Odd-lot Offer will be payable by Mondi plc rather than the relevant Odd-lot Holder.

No UK stamp duty reserve tax should be payable in connection with the purchase of Mondi plc Ordinary Shares pursuant to any proposed Mondi plc Odd-lot Offer.

Purchases of Mondi Limited Ordinary Shares

The summary below assumes that the Odd-lot Offer carried out by Mondi Limited will be implemented by way of a direct acquisition of the Mondi Limited Ordinary Shares by Mondi Incentive Schemes Trust Trustees, acting as principal.

Income Tax Treatment

No UK income tax should be payable by UK resident individual Mondi Limited Odd-lot Holders, participating in the Odd-lot Offer, on the purchase of Mondi Limited Ordinary Shares pursuant to any proposed Odd-lot Offer.

Capital Gains Tax Treatment

i. UK-resident individual Shareholders

In the case of holders of Mondi Limited Odd-lots who are UK-resident, the purchase of Mondi Limited Ordinary Shares pursuant to any proposed Odd-lot Offer will be treated as a disposal of those Mondi Limited Ordinary Shares for UK CGT purposes. This may (depending on the Shareholder's individual circumstances, including the availability of exemptions, reliefs or allowable losses) give rise to a UK CGT liability.

ii. Shareholders temporarily non-resident in the UK

A holder of Odd-lots who is an individual and who is only temporarily non-resident in the UK for tax purposes, may, under anti-avoidance legislation and depending on their circumstances (including any available exemptions or reliefs), still be liable to UK tax on any capital gain realised on the purchase of their Ordinary Shares.

Corporation Tax

No corporation tax charge should arise under Part 9A of the Corporation Tax Act 2009 in the case of Mondi Limited Shareholders, participating in the Odd-lot Offer, that are within the charge to UK corporation tax. However the purchase of Mondi Limited Ordinary Shares pursuant to any proposed Odd-lot Offer will be treated as a disposal of those Mondi Limited Ordinary Shares for UK chargeable gains purposes. This may (depending on the Shareholder's individual circumstances, including the availability of exemptions, reliefs and allowable losses) give rise to a liability to UK corporation tax in respect of chargeable gains.

Stamp Duty

No UK stamp duty should be payable in connection with the purchase of Mondi Limited Ordinary Shares pursuant to any proposed Odd-lot Offer provided that any instrument of transfer is not executed in the UK, and does not relate to any property situate or to any matter or thing done or to be done, in the UK. No UK SDRT will be payable in connection with the purchase of Mondi Limited Ordinary Shares pursuant to any proposed Odd-lot Offer provided that the shares are not registered in any register kept in the UK.

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