

**Mondi Limited**

# Notice of Annual General Meeting

and adoption of a mechanism to permit odd-lot  
offers to shareholders on Friday 3 May 2013

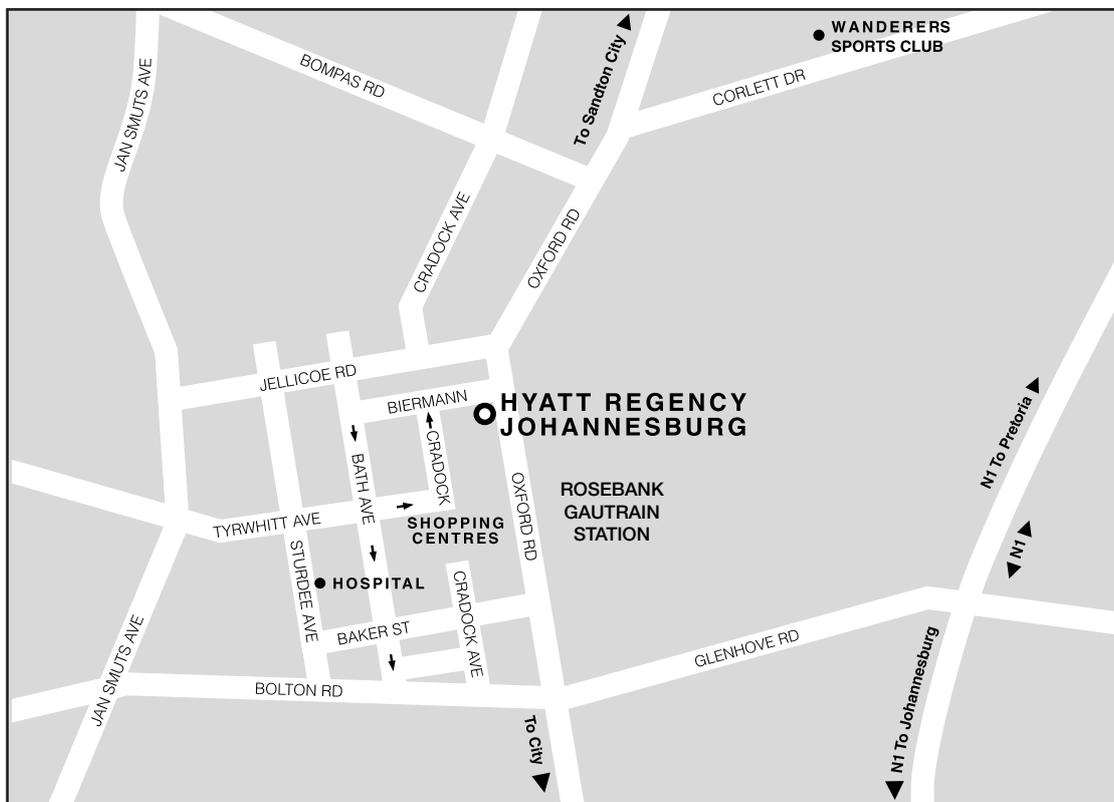
**This document is important and requires your immediate attention**

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



Date

Friday 3 May 2013

Time

11:30 (SA time)

Place

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

### Key dates

30 April 2013

3 May 2013

Last date for submission of form of proxy

Annual General Meeting

# Joint chairmen's letter

To the holders of Mondi Limited shares

**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 2013

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 Friday 3 May 2013.

The Notice of Annual General Meeting is set out on pages 6 to 9, followed on pages 10 to 34 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 2012 containing the audited combined and consolidated financial information for Mondi Limited and Mondi plc for the year ended 31 December 2012.

## Adoption of mechanism to permit odd-lot offers to Shareholders

The Directors of the Mondi Group, subject to receiving the prior approval of Mondi Shareholders as required under the Listings Requirements of the JSE, are proposing to implement an offer at any time within the next 18 months to facilitate a reduction in the number of Ordinary Shareholders in Mondi in an equitable manner (the 'Odd-lot Offer'). In broad terms, the Odd-lot Offer is a means by which Mondi can facilitate the purchase of shares from those Shareholders who hold less than 100 Ordinary Shares in Mondi Limited and/or Mondi plc and who do not expressly elect to retain their holding. Subject to approval from its Shareholders, Mondi proposes the acquisition of the shares that are the subject of the Odd-lot Offer at a 5% premium to the volume weighted average market price for the five trading days prior to the date on which the Odd-lot Offer is announced.

In order for Mondi Limited to implement its portion of the Odd-lot Offer, Mondi Limited is seeking from its Shareholders:

- i. to authorise its Directors to make and implement the Odd-lot Offer in accordance with the terms and conditions set out herein at any time during the 18 month period after the date of the Annual General Meeting; and
- ii. to specifically authorise Mondi Limited to facilitate the purchase through the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, of the Ordinary Shares of Mondi Limited Shareholders holding less than 100 Mondi Limited Ordinary Shares pursuant to the Odd-lot Offer, who do not make an express election to retain such Ordinary Shares.

In addition to the proposals for Mondi Limited to implement the Odd-lot Offer, the Mondi Group is asking its Shareholders to approve equivalent proposals for the portion of the Odd-lot Offer to be implemented by Mondi plc in respect of those Shareholders who hold less than 100 Ordinary Shares in Mondi plc (refer to resolutions 35 to 37 inclusive).

Shareholders that hold less than 100 Mondi Limited Ordinary Shares and less than 100 Mondi plc Ordinary Shares may participate in both the Mondi Limited and the Mondi plc portion of the Odd-lot Offer.

The rationale for seeking the authority to implement an Odd-lot Offer is that Mondi has an unusually large number of Shareholders for a group of its size, with a total of more than 67,800 Shareholders across the Mondi Limited and Mondi plc share registers. Of this number approximately 77.5% hold fewer than 100 shares, which represents 0.14% of the total number of shares in issue. The Directors attribute the relatively large number of Shareholders to Mondi's history, which includes a demerger from Anglo American plc in 2007. The recurring costs of administration resulting from the relatively large number of Shareholders (for example, the costs of printing and distributing financial statements, circulars and notices) affect Shareholders of the Mondi Group as a whole. The Odd-lot Offer will enable Mondi to identify active Shareholders and repurchase the holdings of those Shareholders who hold less than 100 shares and who do not expressly elect to retain their shares, and thereby reduce overall administration costs. The Odd-lot Offer will also enable holders of relatively small numbers of shares in Mondi to exit their shareholding in a cost-effective manner and at a 5% premium to the volume weighted average market price for the five trading days prior to the date on which the Odd-lot Offer is announced.

# Joint chairmen's letter

continued

The Directors believe that the implementation of an Odd-lot Offer would be in the interests of Shareholders as a whole and will facilitate a reduction in the number of Shareholders in the Group in an equitable manner.

It is important to note that any Shareholder who is eligible for the Odd-lot Offer and who wishes to remain a Shareholder of Mondi at the time of the Odd-lot Offer may elect to do so.

Where a Shareholder does not make an express election to retain their shares, Mondi will buy back the shares at the Offer Price. This will be the default election for those Odd-lot Holders who do not respond to the Odd-lot Offer.

Further information on the Odd-lot Offer, including background to and reasons for the Odd-lot Offer, and how it will operate, is set out on pages 19 to 29 of this Notice.

## Changes in relation to the LTIP

Both Mondi Limited and Mondi plc operate Long-Term Incentive Plans (together the 'LTIP') as their primary share based long-term incentive arrangement for selected senior employees (including the Mondi Group executive Directors).

Implemented in 2007, the LTIP provides for the grant of conditional awards or nil cost options over Ordinary Shares in the capital of Mondi Limited or Mondi plc as relevant. Awards under the LTIP ordinarily vest three years from grant subject to the award holder's continued service and the satisfaction of performance conditions. Details of the current performance condition policy and of the grant history of awards to the Mondi Group executive Directors can be found in the remuneration report in the Mondi Group Integrated report and financial statements 2012.

Following a review of the current terms of the LTIP, the DLC remuneration committee (the 'Committee') has proposed a change in relation to the current terms of the LTIP to provide for 'dividend equivalent' provisions to be available for operation in relation to LTIP awards, commencing with awards granted during the calendar year 2013.

The proposed change to the rules of the LTIP would enable a term of such LTIP awards to include that participants will receive a payment (in cash and/or shares) on or shortly following the delivery of shares vesting under their awards, of an amount equivalent to the dividends that would have been paid on those shares between the time when the awards were granted and the time when they vest (or if later, the time of the exercise of the awards in the case of awards structured as nil cost options). The change to the rules of the LTIP would include scope for such payments to be calculated assuming the reinvestment of dividends.

The Committee considers that such dividend equivalent provisions are in line with market practice and help further align the interests of participants with Shareholders.

Other than appropriate amendments to the rules of the LTIP to accommodate the changes described above, the rules of the LTIP would in all other respects remain identical.

Resolution 26 seeks Shareholders' approval in relation to the changes required to the rules of the LTIP operated by Mondi Limited to accommodate the changes described above.

Resolution 38 seeks Shareholders' approval in relation to the changes required to the rules of the LTIP operated by Mondi plc to accommodate the changes described above.

## Final dividend

Shareholders are being asked to give their consent for Mondi Limited and Mondi plc to pay final dividends of 225.16629 Rand cents per Ordinary Share and 19.1 Euro cents per Ordinary Share, respectively. If the recommended final dividends are approved, the dividends will be paid on Thursday 16 May 2013 to all Ordinary Shareholders on each share register on Friday 19 April 2013.

## 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 30. Please ensure that your proxy appointment reaches the SA Registrar by no later than 11:30 (SA time) on Tuesday 30 April 2013. 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 26 April 2013.

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 present reasonably satisfactory identification at the Annual General Meeting. Forms of identification include valid identity documents, driver's licences and passports.

## Recommendation

The Board of Mondi Limited believe 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

**Cyril Ramaphosa**  
Joint chairman

**David Williams**  
Joint chairman

26 March 2013

# 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 Friday 3 May 2013 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 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.
2. 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.
3. 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.
4. To re-elect Imogen Mkhize 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 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.
8. 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.
9. Subject to his re-election as a Director pursuant to resolution 1, 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 2014.
10. 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 2014.
11. Subject to her re-election as a Director pursuant to resolution 7, 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 2014.

## **Mondi Limited business**

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

### **Ordinary resolutions**

12. To receive the audited financial statements of Mondi Limited for the year ended 31 December 2012, together with the reports of the DLC audit committee, the Directors and the auditors of Mondi Limited.
13. To endorse Mondi Limited's remuneration policy as set out in the remuneration report of Mondi Limited for the year ended 31 December 2012.

### **Special resolution number 1**

14. That Mondi Limited be and is hereby authorised to pay remuneration to the chairman of the Mondi Limited social and ethics committee, as set out on page 89 of the Mondi Group Integrated report and financial statements 2012, with effect from the establishment of the committee in February 2012.

### **Special resolution number 2**

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 2012 financial year escalated by 2.9% with effect from the date of this meeting.

### **Ordinary resolutions**

16. Subject to the passing of resolution 29, to declare a final dividend of 225.16629 Rand cents per Ordinary Share in Mondi Limited for the year ended 31 December 2012.
17. To reappoint Deloitte & Touche as auditors, and Bronwyn Kilpatrick 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 2014.
18. To authorise the DLC audit committee of Mondi Limited to fix the remuneration of Deloitte & Touche.

### **Special resolution number 3**

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, and/or to a 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 2014.

### **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 2014, 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 2014, 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 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 4**

23. That, in accordance with the Memorandum of Incorporation of Mondi Limited and with effect from 3 May 2013, 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 Listings Requirements of the JSE Limited (as presently constituted and as amended from time to time).

### **Ordinary resolution**

24. That, subject to the passing of resolutions 25 and 35 to 37 inclusive, the Directors be and are hereby authorised to make and implement the Odd-lot Offer to Shareholders holding less than 100 Ordinary Shares in Mondi Limited as envisaged in and in accordance with the terms and conditions of the Odd-lot Offer set out on pages 19 to 29 of this Notice of Annual General Meeting, but so that such authority shall expire 18 months after the date on which this resolution is passed.

# Notice of Annual General Meeting of Mondi Limited

continued

## Special resolution number 5

25. That, subject to the passing of resolutions 24 and 35 to 37 inclusive and in accordance with 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), Mondi Limited or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, be and is hereby authorised to acquire, at a 5% premium to the volume weighted average price of Mondi Limited Ordinary Shares traded on the JSE Limited over the five trading days prior to the date on which the Offer Price is finalised, as determined by the Directors, the Ordinary Shares of Shareholders holding less than 100 Ordinary Shares in Mondi Limited who do not make an express election to retain such Ordinary Shares in Mondi Limited pursuant to the terms of the Odd-lot Offer.

## Ordinary resolution

26. That the amendments to the terms of the Long-Term Incentive Plan operated by Mondi Limited (the 'Mondi Limited LTIP') as shown in the marked version of the rules of the Mondi Limited LTIP a draft of which has been tabled at the Annual General Meeting and initialled by the chairman for the purposes of identification, be approved and the Directors of Mondi Limited be authorised to adopt such amendments into the Mondi Limited LTIP.

## Mondi plc business

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

### Ordinary resolutions

27. To receive the audited financial statements of Mondi plc for the year ended 31 December 2012, together with the reports of the DLC audit committee, the Directors and the auditors of Mondi plc.
28. To approve the remuneration report of Mondi plc for the year ended 31 December 2012.
29. Subject to the passing of resolution 16, to declare a final dividend of 19.1 Euro cents per Ordinary Share in Mondi plc for the year ended 31 December 2012.
30. 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 2014.
31. To authorise the DLC audit committee of Mondi plc to fix the remuneration of Deloitte LLP.
32. 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 2014 or, if earlier, 30 June 2014, 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 6

33. That, subject to the passing of resolution 32, 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 32 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 2014 or, if earlier, 30 June 2014, 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 33, 'Rights Issue' has the meaning given to the term in the Articles of Association of Mondi plc.

### **Special resolution number 7**

34. 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 2014 or, if earlier, 30 June 2014 (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).

### **Special resolution number 8**

35. That the addition of a new Article 45A to the Mondi plc Articles of Association, as set out in Appendix 1 on page 18 of this Notice of Annual General Meeting, be and is hereby approved.

### **Ordinary resolution**

36. That, subject to the passing of resolutions 24, 25, 35 and 37, the Directors be and are hereby authorised to make and implement the Odd-lot Offer to Shareholders holding less than 100 Ordinary Shares in Mondi plc as envisaged in and in accordance with the terms and conditions of the Odd-lot Offer set out on pages 19 to 29 of this Notice of Annual General Meeting, and in particular are authorised to repurchase Ordinary Shares in Mondi plc from Shareholders holding less than 100 Ordinary Shares in Mondi plc who do not make an express election to retain such Ordinary Shares in Mondi plc pursuant to the terms of the Odd-lot Offer, but so that such authority shall expire 18 months after the date on which this resolution is passed.

### **Special resolution number 9**

37. That, subject to the passing of resolutions 24, 25, 35 and 36, the terms of the draft contract, tabled at the Annual General Meeting and initialled by the chairman for the purposes of identification, which it is proposed would be entered into between (i) participating Shareholders of Mondi plc and (ii) Mondi plc providing for the purchase by Mondi plc of certain of its own shares, be and are hereby approved and authorised for the purposes of section 694 of the UK Companies Act 2006 and otherwise, but so that such approval and authority shall expire 18 months after the date on which this resolution is passed.

### **Ordinary resolution**

38. That the amendments to the terms of the Long-Term Incentive Plan operated by Mondi plc (the 'Mondi plc LTIP') as shown in the marked version of the rules of the Mondi plc LTIP a draft of which has been tabled at the Annual General Meeting and initialled by the chairman for the purposes of identification, be approved and the Directors of Mondi plc be authorised to adopt such amendments into the Mondi plc LTIP.

By order of the board

**Philip Laubscher**

Company secretary, Mondi Limited

26 March 2013

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 8 – re-election of Directors

In accordance with governance best practice, the boards of Mondi Limited and Mondi plc (the 'Boards') have decided that all Directors will stand for re-election in 2013. The DLC nominations committee reviewed and recommended to the Boards the re-election of each of the Directors. The independence of each of Stephen Harris, Imogen Mkhize, John Nicholas, Anne Quinn and David Williams as non-executive Directors was reviewed and confirmed. The recent board evaluation also confirmed that each of the Directors make an effective and valuable contribution to the Boards and demonstrate commitment to their respective roles and are therefore recommended for re-election.

Cyril Ramaphosa has given notice that he wishes to retire at the conclusion of the Annual General Meeting and does not wish to stand for re-election.

Full biographical details of each Director are set out in the Mondi Group Integrated report and financial statements 2012 on pages 62 to 64.

## Resolutions 9 to 11 – 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 2012 on pages 63 and 64.

## Resolutions 12 and 27 – 2012 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 2012 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 2012 containing the audited combined and consolidated financial information of Mondi Limited and Mondi plc for the year ended 31 December 2012.

## Resolutions 13 and 28 – Directors' remuneration

Regulation in South Africa and the UK requires that the Directors present a report on their remuneration during the period under review and details of the remuneration policy, for approval by Shareholders. The report for the year ended 31 December 2012 is set out on pages 80 to 94 of the Mondi Group Integrated report and financial statements 2012.

## Resolutions 14 – Special resolution number 1 – fees for chairman of the social and ethics committee

Regulation in South Africa requires that Shareholders approve the fees paid to Directors for their services as Directors. In accordance with the SA Companies Act, every listed company was required to establish a social and ethics committee before 1 May 2012. Mondi Limited established such a committee in February 2012 and appointed the chairman and members of the committee in compliance with the requirements of the SA Companies Act. It is proposed that the chairman be compensated for his/her services in accordance with the remuneration set out in the Mondi Group Integrated report and financial statements 2012 on page 89.

## **Resolution 15 – Special resolution number 2 – Director fees**

Regulation in South Africa requires that Shareholders approve the fees paid to Directors for their services as Directors. The base level of fees for the Directors are set out in the Mondi Group Integrated report and financial statements 2012 on page 89. Resolution 15 is seeking approval to increase these fees for the non-executive Directors by 2.9% with effect from the date of this meeting. Save for the fees in respect of the social and ethics committee which are the subject matter of resolution 14, the fees have remained unchanged for the last two years having last been increased in May 2011.

## **Resolutions 16 and 29 – final dividend**

Final dividends for the year ended 31 December 2012 for Mondi Limited and Mondi plc of 225.16629 Rand cents per Ordinary Share and 19.1 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 16 May 2013 to Shareholders on each register on Friday 19 April 2013.

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

## **Resolutions 17, 18, 30 and 31 – 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 30 relate to the reappointment and resolutions 18 and 31 will authorise the DLC audit committee to agree the auditors' remuneration.

## **Resolution 19 – Special resolution number 3 – financial assistance**

This resolution is being proposed in order to comply with the requirements of sections 44 and 45 of the SA Companies Act, 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; 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.

## **Resolution 20 – general authority to the Directors to issue Ordinary Shares**

This authority, in accordance with the Listings Requirements of the JSE, 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.

# Explanation of resolutions

continued

## Resolution 21 – general authority to the Directors to issue special converting shares

This authority, in accordance with the Listings Requirements of the JSE, 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 32 (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 – allot 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 Association of British Insurers.

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:

- i. this authority shall not extend beyond the next Annual General Meeting of Mondi Limited;
- 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, including the impact on the net asset value and earnings per Ordinary Share, 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 the number of Ordinary Shares in issue (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 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, 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 4 – to purchase 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 (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 counter party;
- 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. 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;
- vii. 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;
- viii. 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 full details of the programme have been disclosed in an announcement over the JSE's Security Exchange News Service (SENS) prior to the commencement of the prohibited period; and
- ix. the Directors have authorised the repurchase, that Mondi Limited passes the solvency and liquidity test and that from the time the test is done there are no material changes to the financial position of the Group.

Save for the Odd-lot Offer which is subject to separate authorisation (resolutions 24 and 25) and will not form part of this authorisation or the parameters for this authorisation specified herein, 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 3 May 2013 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.

### **Litigation statement**

In terms of section 11.26 of the Listings Requirements of the JSE, the Directors, whose names appear on pages 62 to 64 of the Mondi Group Integrated report and financial statements 2012, are not aware of any litigation proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on Mondi Limited and its subsidiaries' financial position.

### **Directors' responsibility statement**

The Directors, whose names appear on pages 62 to 64 of the Mondi Group Integrated report and financial statements 2012, 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 2012 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.

# Explanation of resolutions

continued

The following additional information, some of which may appear elsewhere in the Mondi Group Integrated report and financial statements 2012, is provided in terms of the Listings Requirements of the JSE for purposes of the general authority:

- Directors and management – Integrated report and financial statements pages 62 to 65;
- major beneficial Shareholders – Integrated report and financial statements page 95;
- Directors' interests in Ordinary Shares – Integrated report and financial statements page 90; and
- share capital of Mondi Limited – Integrated report and financial statements pages 156 and 157.

## **Resolutions 24, 25 Special resolution number 5, 35 Special resolution number 8, 36 and 37 Special resolution number 9 – Odd-lot Offer**

Details of the background to and reasons for the Odd-lot Offer, and the way in which the Odd-lot Offer will operate, including details of those Shareholders who will be eligible to participate in the Odd-lot Offer, are set out in Appendix 2 on pages 19 to 29 of this Notice of Annual General Meeting.

The reason and effect of resolution 25 is to grant specific authority to Mondi Limited or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, to acquire the Ordinary Shares of Shareholders holding less than 100 Ordinary Shares in Mondi Limited who do not make an express election to retain such Ordinary Shares in Mondi Limited pursuant to the terms of the Odd-lot Offer.

Likewise, the reason and effect of resolution 37 is to grant specific authority to Mondi plc to acquire the Ordinary Shares of Shareholders holding less than 100 Ordinary Shares in Mondi plc who do not make an express election to retain such Ordinary Shares in Mondi plc pursuant to the terms of the Odd-lot Offer.

The authorities sought by both resolution 25 and resolution 37 are in terms of the following Listings Requirements of the JSE (as presently constituted and as amended from time to time):

- authorisation thereto is given by Mondi Limited's Memorandum of Incorporation and, subject to the passing of resolution 35, the Articles of Association of Mondi plc;
- approval being given in terms of a special resolution of Mondi Limited Shareholders excluding, in the case of a specific offer, the votes of any Mondi Limited Shareholder and its associates that are participating in the repurchase;
- Mondi Limited or any of its subsidiaries and Mondi plc 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 full details of the programme have been disclosed in an announcement over the JSE's Security Exchange News Service (SENS) prior to the commencement of the prohibited period; and
- the Directors have authorised the repurchase, that Mondi Limited and Mondi plc both pass the solvency and liquidity test and that from the time the test is done there are no material changes to the financial position of the Group.

Mondi Limited will ensure that the working capital statement will be provided by Mondi Limited's sponsor to the JSE prior to the launch of the Odd-lot Offer.

If Mondi were to implement the Odd-lot Offer immediately after the Annual General Meeting, based on the holdings of Odd-lots as at 4 March 2013, being the last practicable date prior to publication of this document, the maximum number of Ordinary Shares that could be purchased pursuant to such an Odd-lot Offer would be 257,798 (0.22%) of the Mondi Limited Ordinary Shares and 440,796 (0.12%) of the Mondi plc Ordinary Shares in issue as at 4 March 2013. On the basis of this information, the Directors of Mondi Limited are of the opinion that, after considering the effect of the proposed acquisition of Ordinary Shares in terms of the Odd-lot Offer, if implemented and on the assumption that the maximum number of Ordinary Shares that could be purchased pursuant to such an Odd-lot Offer would be 257,798 (0.22%) of the Mondi Limited Ordinary Shares, and that such number of Ordinary Shares in Mondi Limited is acquired in terms of the Odd-lot Offer at the last practicable date prior to the date of the Notice of Annual General Meeting of Mondi Limited convened for 3 May 2013 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.

### **Litigation statement**

In terms of section 11.23 of the Listings Requirements of the JSE, the Directors, whose names appear on pages 62 to 64 of the Mondi Group Integrated report and financial statements 2012, are not aware of any litigation proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on Mondi Limited and its subsidiaries' financial position.

### **Directors' responsibility statement**

The Directors, whose names appear on pages 62 to 64 of the Mondi Group Integrated report and financial statements 2012, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 5 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 2012 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 2012, is provided in terms of the Listings Requirements of the JSE for purposes of the specific authority:

- Directors and management – Integrated report and financial statements pages 62 to 65;
- major beneficial Shareholders – Integrated report and financial statements page 95;
- Directors' interests in Ordinary Shares – Integrated report and financial statements page 90; and
- share capital of Mondi Limited – Integrated report and financial statements pages 156 and 157.

The Mondi Incentive Schemes Trust Trustees shall not be entitled to exercise any voting rights arising from the Mondi Incentive Schemes Trust's shareholding in Mondi Limited in respect of special resolution number 5 in accordance with paragraph 5.69(b) of the Listings Requirements of the JSE.

## **Resolutions 26 and 38 – amendment to LTIP rules**

Both Mondi Limited and Mondi plc operate Long-Term Incentive Plans (together the 'LTIP'). The LTIP was implemented in 2007 and provides for the grant of conditional awards or nil cost options over Ordinary Shares in the capital of Mondi Limited or Mondi plc as relevant. Awards under the LTIP ordinarily vest three years from grant subject to the award holder's continued service and the satisfaction of performance conditions, as explained in the remuneration report set out on pages 82 and 83 of the Mondi Group Integrated report and financial statements 2012. In line with market practice and to further align the interests of participants with Shareholders, the DLC remuneration committee has proposed a change in relation to the current terms of the LTIP to provide for 'dividend equivalent' provisions to be available for operation in relation to LTIP awards, commencing with awards granted during 2013.

The proposed change to the rules of the LTIP would enable a term of such LTIP awards to include that participants will receive a payment (in cash and/or shares) on or shortly following the delivery of shares vesting under their awards, of an amount equivalent to the dividends that would have been paid on those shares between the time when the awards were granted and the time when they vest (or if later, the time of the exercise of the awards in the case of awards structured as nil cost options). The change to the rules of the LTIP would include scope for such payments to be calculated assuming the reinvestment of dividends.

Other than appropriate amendments to the rules of the LTIP to accommodate the changes described above, the rules of the LTIP would in all other respects remain identical.

# Explanation of resolutions

continued

## Resolution 32 – Directors' authority to allot shares

The purpose of resolution 32 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 12).

At 4 March 2013 (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 2014 or, if earlier, 30 June 2014.

## Resolution 33 – Special resolution number 6 – disapplication of 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 33 is to authorise the Directors of Mondi plc to allot new shares pursuant to the authority given by resolution 32, or to sell treasury shares, for cash (i) in connection with a Rights Issue (as defined in the 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 4 March 2013 (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 2014 or, if earlier, 30 June 2014.

The Directors confirm that, as and when they exercise such authorities, they intend to follow emerging best practice as regards its use as recommended by the Association of British Insurers.

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 Association of British Insurers and the National Association of Pension Funds.

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:

- i. this authority shall not extend beyond the next Annual General Meeting of Mondi plc;
- 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, including the impact on net asset value and earnings per Ordinary Share, 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 the number of Ordinary Shares in issue (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 days prior to the date that the price of the issue is determined or agreed by the Directors of Mondi plc; 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 33 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.

### **Resolution 34 – Special resolution number 7 – 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 2014 or, if earlier, 30 June 2014. 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 4 March 2013 and Mondi plc's exercise of this authority is subject to the stated upper and lower limits on the price payable.

As of 4 March 2013 (the latest practicable date prior to publication of this Notice), there were options outstanding over 4,730,711 Ordinary Shares, representing 1.29% 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 1.36% of Mondi plc's reduced issued Ordinary Share capital.

Save for the Odd-lot Offer which is subject to separate authorisation (resolutions 35 to 37 inclusive) and will not form part of this authorisation or the parameters for this authorisation specified herein, 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, 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

## Resolution 35 – Special resolution number 8 – amendment to the Mondi plc Articles of Association for proposed Odd-lot Offer

A new Article 45A is to be added to the Mondi plc Articles of Association as follows:

### 45A Odd-lot Offers

45A.1 For the purposes of this article:

- i. **'Odd-lot Offer'** shall mean an offer by the Company to Odd-lot Holders (as defined in this Article 45A) to purchase all of their PLC Ordinary Shares on the terms and conditions set out in such offer;
- ii. **'Odd-lot'** shall mean (a) a holding in aggregate of less than 100 PLC Ordinary Shares (whether on the main register or on the South African branch register); or (b) in relation to the South African branch of the register, a holding of a member where such holding is held by the member either directly or indirectly on behalf of a person with a beneficial interest in less than 100 PLC Ordinary Shares as a nominee in accordance with the rules and procedures of Strate Limited (and that holding is recorded as such in the relevant beneficial shareholder records maintained by a CSDP or broker);
- iii. **'Odd-lot Holder'** shall mean a member of the Company who holds an Odd-lot.

45A.2 Subject to the members of the Company passing an ordinary resolution to give a specific authority for such Odd-lot Offer and the provisions of any Applicable Regulation, the Company may at any time make and implement an Odd-lot Offer on such terms as the Directors shall determine. Upon the implementation of any Odd-lot Offer, unless Odd-lot Holders have, in accordance with the terms of the Odd-lot Offer, expressly elected to retain their Odd-lots, such Odd-lot Holders shall, subject to Applicable Regulation, be deemed to have agreed to sell any Odd-lots so held on the terms of the Odd-lot Offer and the Directors shall be entitled to cause such Odd-lots to be sold (including to the Company) on such basis as the Directors may determine and (subject to Article 45A.3) the Company shall account to such Odd-lot Holders for the proceeds attributable to them pursuant to the sale of such Odd-lots.

45A.3 The Company shall retain all unclaimed proceeds from the sales of Odd-lots, which unclaimed proceeds of Odd-lots shall, at the Directors' discretion, be held by the Company until claimed. No trust shall be created in respect of such unclaimed proceeds and no interest shall be payable in respect of the same. All unclaimed proceeds of sales of Odd-lots may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be required to account for any money earned on the unclaimed proceeds of Odd-lots.

# Appendix 2

## The Odd-lot Offer

### Overview

The Directors of the Mondi Group are seeking authority, at the Annual General Meeting, to implement an Odd-lot Offer at any time within the next 18 months to facilitate a reduction in the number of Shareholders in Mondi in an equitable manner.

In broad terms, an Odd-lot Offer is a means by which Mondi can facilitate the purchase of Ordinary Shares held by those Shareholders who hold less than 100 Ordinary Shares in Mondi Limited and/or Mondi plc and who do not expressly elect to retain their holding. In addition to the proposals for Mondi Limited to implement the Odd-lot Offer, the Mondi Group is proposing an equivalent Odd-lot Offer to be implemented by Mondi plc in respect of those Shareholders who hold less than 100 Ordinary Shares in Mondi plc (please refer to resolutions 35 to 37 inclusive). Subject to Shareholder approval, Mondi proposes to facilitate the acquisition of the shares that are the subject of the Odd-lot Offer at a 5% premium to the volume weighted average market price for the five trading days prior to the date on which the Odd-lot Offer is announced.

Shareholders that hold less than 100 Mondi Limited Ordinary Shares and less than 100 Mondi plc Ordinary Shares at both the First Record Date and the Second Record Date may participate in both the Mondi Limited and Mondi plc portion of the Odd-lot Offer.

In order for Mondi Limited to implement its portion of the Odd-lot Offer, Mondi Limited is seeking authority from its Shareholders:

- i. to authorise its Directors to make and implement the Odd-lot Offer in accordance with the terms and conditions set out herein at any time during the 18 month period after the date of the Annual General Meeting (resolution 24); and
- ii. to specifically authorise Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, to acquire the Ordinary Shares of Shareholders holding less than 100 Mondi Limited Ordinary Shares pursuant to the Odd-lot Offer, who do not make an express election to retain such Ordinary Shares (resolution 25).

In order for Mondi plc to implement its portion of the Odd-lot Offer, Mondi plc is seeking authority from its Shareholders:

- i. to amend the Articles of Association to facilitate the Odd-lot Offer in respect of Mondi plc Ordinary Shares (resolution 35);
- ii. to authorise its Directors to make and implement the Odd-lot Offer in accordance with the terms and conditions set out herein at any time during the 18 month period after the date of the Annual General Meeting (resolution 36); and
- iii. to make an off-market repurchase of Mondi plc Ordinary Shares in accordance with section 694 of the UK Companies Act in order to implement the Odd-lot Offer (resolution 37).

This section:

- i. explains the background to, and reasons for, making the Odd-lot Offer;
- ii. provides an explanation of the terms upon which any Odd-lot Offer will be made if resolutions 24, 25, 35, 36 and 37 in this Notice of Annual General Meeting are passed;
- iii. provides an explanation as to why the Directors unanimously consider the Odd-lot Offer to be in the interests of Mondi and Shareholders as a whole; and
- iv. includes the Directors' recommendation that you vote in favour of resolutions 24, 25, 35, 36 and 37 set out in this Notice of Annual General Meeting.

**It is important to note that any Shareholder who is eligible for the Odd-lot Offer and who wishes to remain a Shareholder of Mondi at the time of the Odd-lot Offer may elect to do so.**

### Background to and reasons for the Odd-lot Offer

Mondi has an unusually large number of Shareholders for a group of its size, with a total of more than 67,800 Shareholders across the Mondi Limited and Mondi plc share registers. Of this number, approximately 87.4% on the SA Register, 50.0% on the UK Register and 74.1% on the SA Branch Register, are small Shareholders who hold fewer than 100 Ordinary Shares, which in aggregate represents 0.14% of the total number of Ordinary Shares in issue. The Directors attribute the relatively large number of Shareholders to Mondi's history, which includes a demerger from Anglo American plc in 2007. The recurring costs of administration resulting from the relatively large number of Shareholders (for example, the costs of printing and distributing financial statements, circulars and notices) are disproportionate to the size of a holding of Odd-lots and affect Shareholders of Mondi as a whole. By carrying out an Odd-lot Offer, the Directors will be able to facilitate the acquisition of the shares of those Shareholders who do not expressly elect to retain their shares pursuant to the Odd-lot Offer so as to reduce overall administration costs.

# Appendix 2

## The Odd-lot Offer continued

The Directors believe that the costs to Odd-lot Holders of selling their Ordinary Shares are generally disproportionate to the size of their holdings, putting them in a different position to larger Shareholders. This is particularly the case in South Africa where many small Shareholders hold their Ordinary Shares in certificated form. Ordinary Shares held in certificated form cannot be traded on the JSE and, accordingly, for such small Shareholders to trade they must first establish an account with a CSDP or broker, then Dematerialise their Ordinary Shares, before disposing of the Ordinary Shares. Fees are incurred at each stage of this process, including broker's fees, Dematerialisation costs and trading fees. An Odd-lot Offer therefore provides Odd-lot Holders who wish to participate in such Odd-lot Offer an affordable exit strategy. Odd-lot Holders who do not expressly elect to retain their shares will be given the opportunity to realise the maximum possible proceeds from the sale of their Ordinary Shares as such Shareholders will not have to pay the transaction costs typically payable on a disposal of Ordinary Shares.

Shareholders are directed to the section entitled 'Further terms and conditions of the Odd-lot Offer' for further information on the Mondi Group's proposals in respect of Ordinary Shares acquired pursuant to the Odd-lot Offer.

### Recommendation

The Board believes that an Odd-lot Offer would be in the interests of Shareholders as a whole and will facilitate a reduction in the number of Shareholders in the Mondi Group in an equitable manner.

### Odd-lot Offer terms

#### Record date and last day to trade

Shareholders who are Odd-lot Holders on the First Record Date (being 12 April 2013) and who remain Odd-lot Holders on the Second Record Date (being the record date announced by the Directors when the Odd-lot Offer is declared) will be entitled to participate in the Odd-lot Offer in respect of their Odd-lots. The last day to trade in order to qualify as an Odd-lot Holder on the First Record Date and so be eligible to participate in such Odd-lot Offer is 5 April 2013. Shareholders who become Odd-lot Holders between the First Record Date and the Second Record Date will not be entitled to participate in the Odd-lot Offer.

Odd-lot Holders will be those Shareholders who:

- i. are recorded on either the SA Register, UK Register or the SA Branch Register as holding, in aggregate, less than 100 Ordinary Shares in each of Mondi Limited and/or Mondi plc on the First Record Date and the Second Record Date; or
- ii. in relation to the SA Register and SA Branch Register only, hold a beneficial interest in less than 100 Ordinary Shares through a member where such member holds such Ordinary Shares as a nominee in accordance with the rules and procedures of Strate (and that holding is recorded as such in the relevant beneficial Shareholder records maintained by a CSDP or broker) on the First Record Date and the Second Record Date.

Holdings of Ordinary Shares either (i) in certificated and uncertificated form or (ii) on different registers will be treated as separate holdings for the purposes of determining whether Shareholders will be entitled to participate in the Odd-lot Offer. Therefore, Shareholders that hold less than 100 Mondi Limited Ordinary Shares and less than 100 Mondi plc Ordinary Shares may participate in both the Mondi Limited and Mondi plc portion of the Odd-lot Offer.

Persons who are direct clients of CSDPs or brokers and are either registered Shareholders or hold their Ordinary Share interests directly through a Strate approved nominee and are recorded as holding less than 100 Ordinary Shares on the records maintained by such CSDPs or brokers will be entitled to participate in the Odd-lot Offer. Persons who are not recorded directly on the records maintained by such CSDPs or brokers and are neither registered Shareholders nor hold their Ordinary Share interests directly through a Strate approved nominee, but who may otherwise hold a beneficial interest in Ordinary Shares indirectly through such CSDPs or brokers, will not be entitled to participate in the Odd-lot Offer.

Shareholders that are eligible to participate in the Odd-lot Offer will receive further communications from Mondi Limited in respect of the Odd-lot Offer at the relevant time.

### **Mechanism for the acquisition of Odd-lot holdings**

Under the terms of the Odd-lot Offer Mondi Limited Odd-lot Holders will be able:

- i. by making no election, to have their shares acquired by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, at the Offer Price (this being the default election for those Odd-lot Holders that do not respond to the Odd-lot Offer); or
- ii. to expressly elect to retain their shareholding.

If the purchase of Ordinary Shares of Mondi Limited pursuant to the Odd-lot Offer is carried out by Mondi Limited, or a subsidiary of Mondi Limited, it will be treated as an acquisition of Mondi Limited Ordinary Shares in terms of section 48 of the SA Companies Act and as a specific repurchase of Mondi Limited Ordinary Shares in terms of the Listings Requirements of the JSE. If, as proposed, the purchase of Ordinary Shares of Mondi Limited pursuant to the Odd-lot Offer is carried out by the Mondi Incentive Schemes Trust Trustees, the acquisition will not be subject to section 48 of the SA Companies Act.

Any purchase of Ordinary Shares pursuant to the Odd-lot Offer will be funded by available cash resources.

**If you are a Shareholder holding an Odd-lot and you do not take any action, your Odd-lot holding will automatically be acquired under the terms of the Odd-lot Offer and the proceeds of the sale will be remitted to you in accordance with and subject to the terms and conditions set out in this Notice of Annual General Meeting and the Memorandum of Incorporation of Mondi Limited or the Articles of Association of Mondi plc (as applicable).**

**No interest will be paid on payments regardless of any delay in making such payments.**

### **Action required**

If you are eligible to participate in the Odd-lot Offer at the time such offer is made, details of the action you should take, including details of the Form of Election to be used to elect to retain your shareholding, will be communicated to you at the time of that Odd-lot Offer.

The Memorandum of Incorporation of Mondi Limited contains a general power for Mondi Limited Directors to implement Odd-lot Offers in respect of Ordinary Shares in Mondi Limited, but subject to a further specific Shareholder approval being obtained for any particular Odd-lot Offer in accordance with the Listings Requirements of the JSE. These authorities will be obtained for this Odd-lot Offer by means of the Shareholder resolutions of Mondi Limited (resolutions 24 and 25 in this Notice of Annual General Meeting) described above.

**It is a term of the Odd-lot Offer that Mondi Limited shall be entitled to refuse to implement the purchase of Mondi Limited Ordinary Shares pursuant to the Odd-lot Offer in respect of any Odd-lot Holder whom Mondi reasonably believes has become an Odd-lot Holder in order to take advantage of the Odd-lot Offer and such Odd-lot Holder shall have no claim against Mondi arising out of or in connection with such refusal.**

### **Offer Price**

If an Odd-lot Offer is made by Mondi Limited, the Offer Price will in the case of Mondi Limited Ordinary Shares held on the SA Register, be at a 5% premium to the volume weighted average price of Mondi Limited Ordinary Shares traded on the JSE over the five trading days prior to the date on which the Offer Price is finalised, as determined by the Directors.

The Offer Price will be published on SENS and on a RIS on the day it is finalised.

### **Timetable**

The detailed timetable, including the date of the Second Record Date, for the implementation of any proposed Odd-lot Offer will be communicated to you once any such Odd-lot Offer is approved and subsequently made. The Directors shall be able to determine the details of such timetable at their sole discretion.

# Appendix 2

## The Odd-lot Offer continued

### Transaction costs

Given the nature of the Odd-lot Offer, Shareholders eligible to participate in the Odd-lot Offer will not bear any transaction costs with respect to any proposed Odd-lot Offer.

### Financial effects and effects on share capital

It is anticipated that any Odd-lot Offer that is announced by the Directors and any potential acquisition of Ordinary Shares pursuant to such Odd-lot Offer will not have a significant effect on earnings, headline earnings per Ordinary Share, net asset value or tangible net asset value per Ordinary Share of either Mondi Limited or Mondi plc.

If Mondi were to implement an Odd-lot Offer immediately after the Annual General Meeting, based on the holdings of Odd-lots as at 4 March 2013, being the last practicable date prior to publication of this document, the maximum number of Ordinary Shares that could be purchased pursuant to such an Odd-lot Offer would be 257,798 (0.22%) of the Mondi Limited Ordinary Shares and 440,796 (0.12%) of the Mondi plc Ordinary Shares in issue as at 4 March 2013.

### Action to be taken by Shareholders

For the purpose of the Annual General Meeting of Mondi Limited, Shareholders are requested, at this stage, to vote on whether or not they would like to:

- i. authorise the Directors of Mondi Limited to make and implement the Odd-lot Offer in accordance with the terms and conditions set out in this Notice of Annual General Meeting at any time during the 18 month period after the date of the Annual General Meeting;
- ii. specifically authorise Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, to acquire the Ordinary Shares of Shareholders holding less than 100 Mondi Limited Ordinary Shares pursuant to the Odd-lot Offer, who do not make an express election to retain such Ordinary Shares;
- iii. approve the amendment to the Mondi plc Articles of Association to facilitate an Odd-lot Offer in respect of Mondi plc Ordinary Shares;
- iv. authorise the Directors of Mondi plc to make and implement the Odd-lot Offer in accordance with the terms and conditions set out in this Notice of Annual General Meeting at any time during the 18 month period after the date of the Annual General Meeting; and
- v. authorise Mondi plc to make an off-market repurchase of Ordinary Shares in Mondi plc on the terms of the Purchase Contract in accordance with section 694 of the UK Companies Act in order to implement the Odd-lot Offer.

Subject to resolutions 24, 25, 35, 36 and 37 in this Notice of Annual General Meeting being passed, the Directors will then have the authority to determine when and whether to carry out an Odd-lot Offer at any time in the next 18 months.

### Recommendation

The Board of Mondi Limited consider that an Odd-lot Offer would be in the best interests of Mondi Limited and Shareholders of Mondi Limited as a whole and unanimously recommend that Shareholders of Mondi Limited vote in favour of resolutions 24, 25, 35, 36 and 37 to be proposed at the Annual General Meeting of Mondi Limited to be held on Friday 3 May 2013.

### Further terms and conditions of the Odd-lot Offer

#### Tenders

Shareholders who hold Odd-lots will be invited to tender their Ordinary Shares for purchase by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, by taking no action, on the terms and subject to the conditions set out in this document and the Form of Election (which will be sent to Certificated Odd-lot Holders in due course). The consideration to be paid for each Ordinary Share pursuant to the Odd-lot Offer will be the Offer Price, which will be calculated on the basis set out in the paragraph entitled 'Offer Price' above.

Unless the Odd-lot Offer has been terminated in accordance with the termination provisions set out in the paragraph entitled 'Additional provisions' below, Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, will accept the tenders of Odd-lots validly made in accordance with the terms of such Odd-lot Offer.

Ordinary Shares purchased by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, pursuant to the Odd-lot Offer will be acquired as soon as practicable following the close of the Odd-lot Offer free and clear from all liens, charges and encumbrances and together with all rights attaching thereto. Odd-lot Holders who do not expressly elect to retain their shares will not, therefore, be entitled to receive any dividends paid by Mondi Limited on or after the date of such purchase.

Each Odd-lot Holder who tenders (or is deemed to have tendered) or procures the tender of Ordinary Shares will thereby be deemed to have agreed that, in consideration of Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, agreeing to process his/her tender, such Shareholder will not revoke or withdraw his/her tender by electing to retain their shares pursuant to the Odd-lot Offer. Holders of Odd-lots should note that once tendered, Ordinary Shares may not be sold or otherwise transferred.

### **Availability of the Odd-lot Offer**

To be eligible to participate in the Odd-lot Offer, in respect of his/her holding of Odd-lots, a Shareholder must be an Odd-lot Holder on the First Record Date and must remain an Odd-lot Holder on the Second Record Date.

The Directors, in their absolute discretion, reserve the right to withdraw any proposed Odd-lot Offer from any Shareholder at any time.

The Directors shall be entitled to refuse to implement the purchase of Ordinary Shares pursuant to the Odd-lot Offer in respect of any Shareholder whom the Directors in their absolute discretion believe has either (i) become a holder of an Odd-lot in order to take advantage of such Odd-lot Offer or (ii) split their existing shareholding in order to participate in such Odd-lot Offer, and such Shareholder will have no claim against Mondi Limited or any Director arising out of or in connection with such refusal.

### **Purchased Ordinary Shares**

#### **Mondi plc**

Any Ordinary Shares acquired by Mondi plc pursuant to the Odd-lot Offer will not be cancelled and will instead be held in treasury by Mondi plc. The current proposal is that, following the Odd-lot Offer, these treasury shares may then be acquired by the Mondi Employee Share Trust Trustees in respect of the UK Register and the SA Branch Register. Accordingly, any buyback of Ordinary Shares by Mondi plc pursuant to the Odd-lot Offer will have no effect on the issued Ordinary Share capital of Mondi plc.

#### **Mondi Limited**

Any Ordinary Shares acquired by the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, pursuant to the Odd-lot Offer will not be cancelled in respect of the SA Register. Accordingly, any acquisition of Ordinary Shares pursuant to the Odd-lot Offer, if effected through the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, will have no effect on the issued Ordinary Share capital of Mondi Limited.

### **Representations and warranties from holders of Odd-lots**

Each holder of Odd-lots whose Ordinary Shares are purchased pursuant to any proposed Odd-lot Offer irrevocably undertakes, represents, warrants and agrees to and with Mondi Limited and, if applicable, any party nominated by Mondi Limited, so as to bind such holder and their personal or legal representatives, heirs, successors and assigns to the effect that:

- i. a failure to execute and return a Form of Election shall constitute an offer to sell to Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, the number of Ordinary Shares comprising such holder's entire holding of Odd-lots on and subject to the terms and conditions set out or referred to in this document and the Form of Election;
- ii. such holder of Odd-lots has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, will acquire such

# Appendix 2

## The Odd-lot Offer continued

Ordinary Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights on or after the date of such purchase attaching thereto and such representation and warranty will be in all respects at the time Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, purchases such Ordinary Shares as if it had been entered into afresh at such time and shall not be extinguished by such purchase;

- iii. such holder of Odd-lots is the owner of the Ordinary Shares in respect of which such offer is accepted and is capable of delivering good and valid title to such Ordinary Shares;
- iv. any Director or other person nominated by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, will be irrevocably appointed as the attorney and agent of such participating holder of Odd-lots with authority to complete and execute all or any contracts and/or other documents at the attorney's discretion in relation to the Ordinary Shares for the purchase of such Ordinary Shares by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purchase of such Ordinary Shares, or in connection with, such Odd-lot Offer.
- v. such holder of Odd-lots agrees to ratify and confirm each and every act or thing which may be done or effected by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, or any of their Directors or any person nominated by Mondi Limited in the proper exercise of their, his or her powers and/or authorities hereunder;
- vi. such holder of Odd-lots shall do all such acts and things as shall be necessary and execute any additional documents deemed by Mondi Limited, or the Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited, as determined by Mondi Limited, to be desirable, in each case to complete the purchase of the Ordinary Shares and/or perfect any of the authorities expressed to be given hereunder; and
- vii. such holder of Odd-lots, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under such Odd-lot Offer may be made to him under the laws of the relevant jurisdiction.

### Additional provisions

The failure of any person to receive a copy of this document or the Form of Election shall not invalidate any aspect of any proposed Odd-lot Offer.

Any Odd-lot Offer by Mondi Limited, including the Form of Election and all contractual and non-contractual obligations arising out of or in connection with any such Odd-lot Offer by Mondi Limited, shall be governed by and construed in accordance with South African law or regulation.

No Odd-lot Holder shall be entitled to make a partial election in respect of an Odd-lot Offer. To the extent that an Odd-lot Holder attempts to make a partial election in respect of an Odd-lot Offer, such Odd-lot Holder shall be deemed to have elected to participate in the Odd-lot Offer in respect of their entire Odd-lot Holding without anything further being required.

### Payment

Shareholders who hold their Ordinary Shares in certificated form and wish to retain their shares are requested to complete, duly execute and return to the SA Registrar (SA Register) a Form of Election.

Mondi Limited will procure payment of the Offer Price to Shareholders for whom it has up-to-date address or relevant payment details in respect of any Ordinary Shares purchased from those Shareholders pursuant to the Odd-lot Offer.

With respect to those Shareholders that participate in the Odd-lot Offer but for whom Mondi Limited does not have an up-to-date address or relevant payment details, the proceeds of the Odd-lot Offer will be retained by Mondi Limited as described in the section entitled 'Unclaimed proceeds' below.

Delivery of cash for the Ordinary Shares to be purchased pursuant to any proposed Odd-lot Offer will be made by the SA Registrar (SA Register) who will act as agent for tendering Odd-lots for the purpose of receiving the cash and transmitting such cash to Shareholders who are tendering Odd-lots. Under no circumstances will interest be paid on the cash to be paid by Mondi Limited or the SA Registrar regardless of any delay in making such payment.

Shareholders who do not make an express election to retain their shares, and who hold their Ordinary Shares in Strate through a CSDP or broker will have their accounts with their CSDP or broker updated automatically on completion of the Odd-lot Offer.

Shareholders on the SA Register will be paid in South African Rand.

### **Unclaimed proceeds**

All unclaimed proceeds from the sale of Odd-lots may be invested or otherwise made use of by the Directors for the benefit of Mondi Limited until claimed. No trust shall be created in respect of the unclaimed proceeds, no interest shall be payable in respect of the same and Mondi Limited shall not be required to account for any money earned on the unclaimed proceeds, which may be employed in the business of Mondi or invested in such investments as the Directors may from time to time think fit. Any such proceeds unclaimed for a period of 12 years from the date of sale of the Odd-lots may be declared forfeited by the Directors for the benefit of Mondi Limited.

## **Tax**

### **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 or a subsidiary of Mondi Limited**

##### **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 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.

# Appendix 2

## The Odd-lot Offer continued

In the event that the proceeds exceed the base cost, a capital gain will have been realised which will be subject to 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 CGT rate to this amount to determine the tax due. For companies the effective rate of 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 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 entities net profits/losses arising from such activities and instead of being subject to CGT, should be subject to income tax.

### Purchase of Ordinary Shares by Mondi Limited

#### 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 Mondi Limited and will only be payable in respect of Ordinary Shares held on the SA Register.

#### ii. **Shareholders**

The portion of the repurchase consideration that constitutes a dividend, if any, will be subject to dividend withholding tax at a rate of 15%, unless such a dividend qualifies for an exemption.

Any amount of the proceeds which does not constitute a dividend will be treated, if the Odd-lots were held on capital account, as subject to potential capital gains tax or CGT. The calculation of this is discussed above under the description of the Purchase of Ordinary Shares by Mondi Incentive Schemes Trust Trustees or a subsidiary of Mondi Limited.

## 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 '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

# Appendix 2

## The Odd-lot Offer continued

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 32.5% (or 27.5% with effect from 6 April 2013) of the gross distribution (which is also equal to approximately 36.1% of the distribution component or approximately 30.6% with effect from 6 April 2013) 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.

### **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 any 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. This is the way that it is currently envisaged any such Odd-lot Offer would take place.

#### **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.

#### **Failure to provide information**

If the information regarding South African authorised dealers in foreign exchange and authorised banks is not given in terms of the paragraph above, the share certificates or share statements and any cash will be held in trust for the members concerned pending receipt of the necessary information or instruction. No interest will be paid on any cash so held in trust.

#### **Overseas Shareholders**

On any implementation of an Odd-lot Offer, as regards persons resident in, or citizens of, jurisdictions outside the UK or South Africa, such Odd-lot Offer may be affected by the laws of the relevant jurisdictions.

Before participating in any Odd-lot Offer, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of Overseas Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

# 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 30 April 2013.
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.

## 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 26 April 2013 (or, in the event of any adjournment, at 18:00 (SA time) on the date which is two 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 SA Companies Act, Shareholders will be able to participate in the meeting by means of electronic communication, by dialing +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. A copy of the Purchase Contract will be available at the registered offices of Mondi Limited and Mondi plc during normal business hours on any Business Day (excluding public holidays) from the date hereof until the close of the Annual General Meeting and also at the Annual General Meeting venues for at least 15 minutes prior to and during the meetings.
11. A copy of the rules of the Mondi Limited and Mondi plc Long-Term Incentive Plans incorporating draft amendments proposed by resolutions 26 and 38 will be available for inspection at the registered offices of Mondi Limited and Mondi plc and at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, UK, during normal business hours on any Business Day (excluding public holidays) from the date hereof until the close of the Annual General Meeting and also at the Annual General Meeting venues for at least 15 minutes prior to and during the meetings.

# Definitions

Capitalised terms used in this Notice of Annual General Meeting and not otherwise defined have the meaning set out below.

<b>£, p, pence, Pounds Sterling or pounds</b>	The lawful currency of the UK
<b>Annual General Meeting</b>	The Annual General Meetings of Mondi Limited and Mondi plc to be held on Friday 3 May 2013
<b>Articles of Association</b>	The articles of association of Mondi plc from time to time
<b>Business Day</b>	A day other than a Saturday, Sunday or public holiday in South Africa or the UK, as the context requires
<b>Capital Gains Tax or CGT</b>	A tax on capital gains, the profit realised on the sale of a non-inventory asset that was purchased at a cost amount that was lower than the amount realised on the sale
<b>Certificated or in certificated form</b>	Not in uncertificated form or dematerialised form
<b>Corporation Tax</b>	The tax on the income or capital of legal entities
<b>CSDP</b>	A person that holds in custody and administers securities or an interest in securities and that has been accepted by a central securities depository as a participant in terms of the Securities Services Act (Act 36 of 2004)
<b>Dematerialised</b>	The process whereby paper share certificates are replaced with electronic records of ownership of shares or securities under Strate with a CSDP or broker
<b>Directors</b>	The directors of Mondi Limited and of Mondi plc
<b>the DLC</b>	The dual listed company structure put in place by Mondi
<b>€ or Euro</b>	The lawful currency of the European Union
<b>Exchange Control Regulations</b>	The Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, No.9 of 1933, as amended
<b>First Record Date</b>	12 April 2013, being the first date on which a Shareholder must be an Odd-lot Holder to be eligible to participate in the Odd-lot Offer
<b>Form of Election</b>	The form of election to be sent to holders of Odd-lots, that hold their Odd-lots in certificated form, pursuant to the terms of the Odd-lot Offer
<b>FSMA</b>	The UK Financial Services and Markets Act 2000, as amended
<b>Joint Electorate Action</b>	Any of the matters in Article 63.1 of the Articles of Association of Mondi plc or Article 60.1 of the Memorandum of Incorporation of Mondi Limited other than any matter which the boards of Mondi Limited and Mondi plc have from time to time agreed will be treated as a Class Rights Action
<b>JSE</b>	JSE Limited (Registration number 2005/022939/06), a company incorporated in South Africa and licensed as an exchange under the Securities Services Act, 2004
<b>Listings Requirements</b>	The Listings Requirements of the JSE
<b>London Stock Exchange</b>	The London Stock Exchange plc
<b>Memorandum of Incorporation</b>	The memorandum of incorporation of Mondi Limited

<b>Mondi or the Mondi Group</b>	Mondi Limited and Mondi plc operating as a single economic entity under the 'dual listed company' (DLC) structure
<b>Mondi Employee Share Trust</b>	The trust established pursuant to the trust deed entered into on 1 August 2007 by Mondi plc in respect of the employees of Mondi plc and its Group and governed by English law
<b>Mondi Employee Share Trust Trustees</b>	The trustees for the time being of the Mondi Employee Share Trust
<b>Mondi Incentive Schemes Trust</b>	The trust created and duly registered in accordance with the laws of South Africa (Master's reference number IT 869/2008) pursuant to the trust deed entered into on 28 March 2008 by Mondi Limited in respect of the employees of Mondi Limited and its Group
<b>Mondi Incentive Schemes Trust Trustees</b>	The Trustees for the time being of the Mondi Incentive Schemes Trust
<b>Notice of Annual General Meeting</b>	The notice of the Annual General Meeting as set out in this document
<b>Odd-lot</b>	A holding in aggregate of less than 100 Ordinary Shares (whether on the UK Register, SA Register or the SA Branch Register) or, in relation to the SA Register and SA Branch Register, a holding of a member where such holding is held by the member either directly or indirectly on behalf of a person with a beneficial interest in less than 100 Ordinary Shares as a nominee in accordance with the rules and procedures of Strate (and that holding is recorded as such in the relevant beneficial Shareholder records maintained by a CSDP or broker)
<b>Odd-lot Holders</b>	Shareholders that hold Odd-lots
<b>Odd-lot Offer</b>	The Odd-lot offer being made to Odd-lot Holders as described in this document
<b>Offer Price</b>	The price per Ordinary Share to be paid to holders of Odd-lots whose Ordinary Shares are to be purchased pursuant to the Odd-lot Offer as described in the paragraph entitled 'Offer Price' above
<b>Ordinary Shares</b>	Ordinary Shares of no par value in the capital of Mondi Limited or Ordinary Shares of €0.20 each in the capital of Mondi plc, as the context requires
<b>Overseas Shareholders</b>	Shareholders resident in jurisdictions other than the UK or South Africa
<b>PLC Ordinary Shares</b>	The Ordinary Shares in the capital of Mondi plc from time to time
<b>Purchase Contract</b>	The purchase contract to be entered into between Mondi plc and those Shareholders who are Odd-lot Holders on the First Record Date pursuant to which Mondi plc will purchase the Odd-lot holdings of those Shareholders who were Odd-lot Holders on the First Record Date and who remain Odd-lot Holders on the Second Record Date (and who do not elect to retain their Odd-lot holding), a draft of which is to be tabled at the Annual General Meeting and initialled by the chairman for the purposes of identification
<b>R or Rand</b>	The lawful currency of South Africa
<b>Registrars</b>	Together the UK Registrar and the SA Registrar and Registrar means either one, as the context may require

# Definitions

continued

<b>RIS</b>	One of the regulatory information services authorised by the UKLA to receive, process and disseminate regulatory information in respect of listed companies
<b>SA Branch Register</b>	The register of members of Mondi plc in South Africa
<b>SA Companies Act</b>	The South African Companies Act No.71 of 2008 as amended
<b>SA Register</b>	The share register of Mondi Limited
<b>SA Registrar</b>	Link Market Services South Africa (Proprietary) Limited (Registration number 2000/007239/07)
<b>Second Record Date</b>	The date or dates on which a Shareholder who was an Odd-lot Holder on the First Record Date must remain an Odd-lot Holder in order to be eligible to participate in an Odd-lot Offer, such date or dates to be determined by the Directors and communicated to the Shareholders at the time of making such Odd-lot Offer
<b>SENS</b>	The Securities Exchange News Service of the JSE
<b>Shareholders</b>	Holder(s) of Ordinary Shares
<b>South Africa or SA</b>	Republic of South Africa
<b>Strate</b>	Strate Limited (Registration number 1998/022242/06), a public limited company incorporated in South Africa and a registered central securities depository in terms of the Securities Services Act (Act 36 of 2004), as amended, and being the clearing and settlement system used by the JSE for share transactions to be settled and transfer of ownership to be recorded electronically
<b>UK</b>	The United Kingdom of Great Britain and Northern Ireland
<b>UK Companies Act</b>	The UK Companies Act 2006, as amended
<b>UKLA</b>	The UK Financial Authority in its capacity as the competent authority for the purposes of Part VI of FMSA and in the exercise of its functions in respect of the admission to the official list of the UK Financial Services Authority pursuant to Part VI of FSMA otherwise than in accordance with Part VI of FSMA
<b>UK Receiving Agent</b>	Capita Registrars
<b>UK Register</b>	The register of members of Mondi plc in the UK, excluding, for the avoidance of doubt, the SA Register and SA Branch Register
<b>UK Registrar</b>	Capita Registrars
<b>Uncertificated form</b>	Recorded on a sub-register maintained by a CSDP, title to which may be transferred by means of Strate





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