



# Mondi Limited

Notice of Annual General Meeting  
on Thursday 3 May 2012

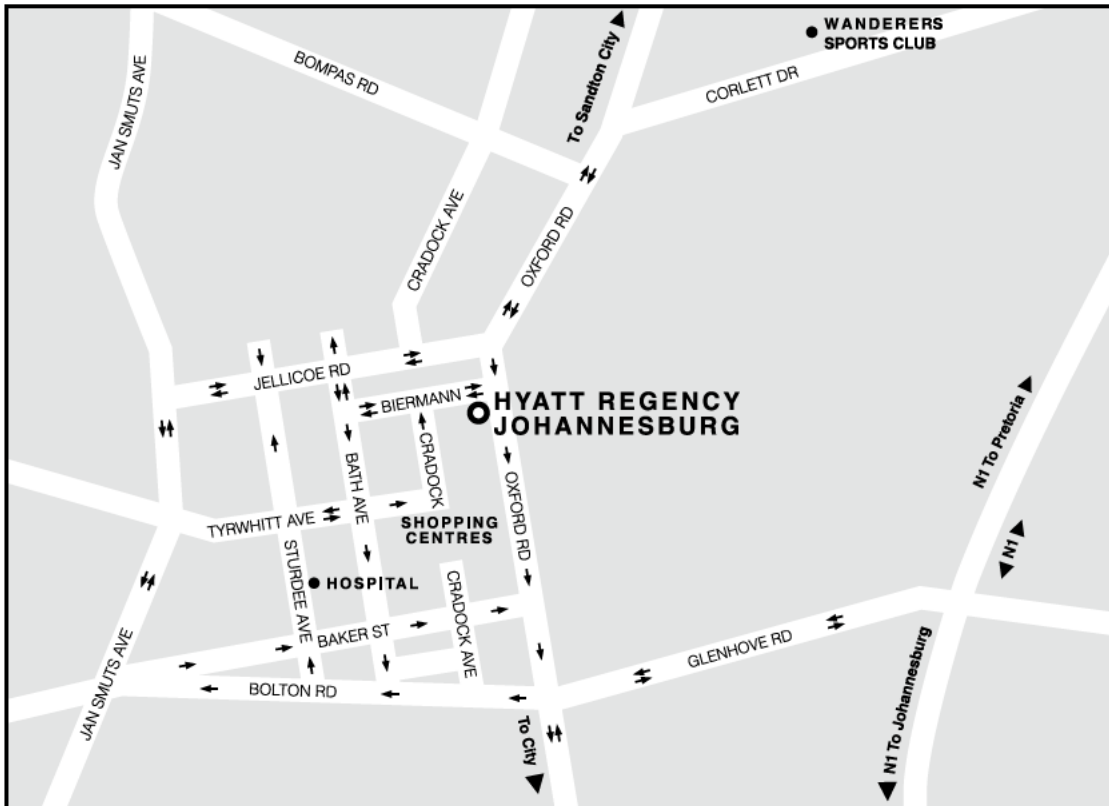
**This document is important and  
requires your immediate attention**

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

**Thursday 3 May 2012**

Time

**12:00 (SA time)**

Place

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

### Key dates

**30 April 2012**

Last date for submission of form of proxy

**3 May 2012**

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  
Registered No. 1967/013038/06

### Annual General Meeting 2012

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 12:00 (SA time) on Thursday 3 May 2012.

The Notice of Annual General Meeting is set out on pages 2 to 12, followed on pages 13 to 21 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 2011 containing the audited combined and consolidated financial information for Mondi Limited and Mondi plc for the year ended 31 December 2011.

### Adoption of a new Memorandum of Incorporation

While much of the business at the meeting will be ordinary business regularly proposed at annual general meetings we are, in addition, proposing the adoption of a new Memorandum of Incorporation. The new South African Companies Act came into effect during 2011 and the Mondi Limited Memorandum of Incorporation has been updated to reflect the new company law. The Articles of Association of Mondi plc, as far as reasonably possible, are being brought into line with the Mondi Limited Memorandum of Incorporation to reflect the Mondi Group's dual listed company status.

A summary of the material changes is set out on pages 16 and 17.

In addition, a separate resolution is being proposed relating to the replacement of Article 104 (Borrowing Powers) with a revised Article 104 (Borrowing Powers). The change does not result in an increase in the overall borrowing powers of the Group but provides the Group with flexibility in line with the DLC structure. A full explanation can be found on page 17.

### Final dividend

Shareholders are being asked to give their consent for Mondi Limited and Mondi plc to pay final dividends of 181.38548 rand cents per ordinary share and 17.75 euro cents per ordinary share, respectively. If the recommended final dividends are approved, the dividends will be paid on Thursday 10 May 2012 to all ordinary shareholders on each share register on Friday 13 April 2012.

### 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 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 20. Please ensure that your proxy appointment reaches the transfer secretaries by no later than 12:00 (SA time) on Monday 30 April 2012. A proxy need not be a shareholder of Mondi Limited or Mondi plc but must attend the meeting to represent you.

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

### Recommendation

The directors 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 and are likely to promote the success of Mondi Limited for the benefit of 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

22 March 2012

# Notice of Annual General Meeting of Mondi Limited

Mondi Limited  
(Incorporated in the Republic of South Africa)  
(Registered 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 12:00 (SA time) on Thursday 3 May 2012 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 Cyril Ramaphosa as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
9. To re-elect David Williams as a director of Mondi Limited and Mondi plc in accordance with the provisions of the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc.
10. Subject to his re-election as a director pursuant to ordinary resolution 1, to elect Stephen Harris 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 2013.
11. Subject to his re-election as a director pursuant to ordinary resolution 5, to elect John Nicholas 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 2013.
12. Subject to her re-election as a director pursuant to ordinary resolution 7, to elect Anne Quinn 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 2013.

## Mondi Limited business

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

### Ordinary resolutions

13. To receive the audited financial statements of Mondi Limited for the year ended 31 December 2011, together with the reports of the DLC audit committee, the directors and the auditors of Mondi Limited.
14. To approve Mondi Limited's remuneration policy set out in the remuneration report of Mondi Limited for the year ended 31 December 2011.

### **Special resolution number 1**

15. To resolve that Mondi Limited be and is hereby authorised to pay remuneration to its directors for their services as directors, for the period of two years from the passing of this special resolution, as set out on page 73 of the Mondi Group integrated report and financial statements 2011.

### **Ordinary resolutions**

16. Subject to the passing of resolution 28, to declare a final dividend of 181.38548 rand cents per ordinary share in Mondi Limited for the year ended 31 December 2011.
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 2013.
18. To authorise the DLC audit committee of Mondi Limited to fix the remuneration of Deloitte & Touche.

### **Special resolution number 2**

19. That, to the extent required by the South African Companies Act 71 of 2008 (the 'SA Act') and subject to compliance with the requirements of the Memorandum of Incorporation of Mondi Limited, the SA 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:
  - i. to any person for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by Mondi Limited or a related or inter-related (as defined in the SA Act) company, or for the purchase of any securities of Mondi Limited or a related or inter-related company; and
  - ii. to any related or inter-related company or corporation, and/or to a member of a related or inter-related 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 Act, for such amounts and on such terms and conditions as the 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 2013.

### **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 2013, 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 2013, 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 3**

23. That, in accordance with the Memorandum of Incorporation of Mondi Limited and with effect from 3 May 2012, 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).

# Notice of Annual General Meeting of Mondi Limited

continued

## Special resolution number 4

24. That the amended Memorandum of Incorporation of Mondi Limited produced to the meeting and initialled by the chairman of the meeting for the purposes of identification be adopted as the Memorandum of Incorporation of Mondi Limited in substitution for, and to the exclusion of, the existing Memorandum of Incorporation of Mondi Limited, with effect from the date of filing of the Notice of Amendment.

## Special resolution number 5

25. That the Memorandum of Incorporation of Mondi Limited be altered by deleting the present Article 104 (Borrowing Powers) and replacing it with the new Article 104 (Borrowing Powers) included at Schedule 1 hereto.

## Mondi plc business

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

### Ordinary resolutions

26. To receive the audited financial statements of Mondi plc for the year ended 31 December 2011, together with the reports of the DLC audit committee, the directors and the auditors of Mondi plc.
27. To approve the remuneration report of Mondi plc for the year ended 31 December 2011.
28. Subject to the passing of resolution 16, to declare a final dividend of 17.75 euro cents per ordinary share in Mondi plc for the year ended 31 December 2011.
29. To reappoint Deloitte LLP as auditors of Mondi plc to hold office until the conclusion of the Annual General Meeting of Mondi plc to be held in 2013.
30. To authorise the DLC audit committee of Mondi plc to fix the remuneration of Deloitte LLP.
31. That the directors of Mondi plc be generally and unconditionally authorised pursuant to and in accordance with section 551 of the UK Companies Act 2006 to exercise all the powers of Mondi plc to allot shares or grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of €4,855,537.60. Such authority to apply in substitution for all previous authorities pursuant to section 551 of the UK Companies Act 2006 and to expire at the conclusion of the next Annual General Meeting of Mondi plc to be held in 2013 or, if earlier, 30 June 2013, 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

32. That, subject to the passing of resolution 31, the directors of Mondi plc be empowered to allot equity securities (as defined in section 560(1) of the UK Companies Act 2006) wholly for cash pursuant to the authority given in resolution 31 in connection with:
- i. a Rights Issue to ordinary shareholders (excluding any holding of treasury shares) where the rights of each shareholder are, as nearly as practicable, proportionate to the number of shares held. The directors of Mondi plc may exclude certain shareholders, deal with fractions and generally manage the Rights Issue as they think fit; and
  - ii. the allotment of equity securities up to an aggregate nominal value of €3,672,408, as if section 561(1) of the UK Companies Act 2006, to the extent applicable, did not apply to any such allotment;
- such power to expire at the conclusion of the next Annual General Meeting of Mondi plc to be held in 2013 or, if earlier, 30 June 2013, but so that Mondi plc may make offers and enter into agreements which would, or might, require equity securities to be allotted after the power expires.

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

### **Special resolution number 7**

33. That Mondi plc is generally and unconditionally authorised for the purpose of section 701 of the UK Companies Act 2006 to make market purchases (as defined in section 693 of the UK Companies Act 2006) of its own ordinary shares of €0.20 each in the capital of Mondi plc provided that:
- i. the maximum number of ordinary shares which may be purchased is 18,362,040 (representing 5% of Mondi plc's issued ordinary share capital);
  - ii. the minimum price which may be paid for any ordinary share is €0.20;
  - iii. the maximum price which may be paid for any ordinary share is no more than 5% above the average of the middle market quotations of the ordinary shares of Mondi plc as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which such share is contracted to be purchased; and
  - iv. this authority will expire at the conclusion of the Annual General Meeting of Mondi plc to be held in 2013 or, if earlier, 30 June 2013 (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**

34. That the Articles of Association of Mondi plc produced to the meeting and initialled by the chairman of the meeting for the purposes of identification be adopted as the Articles of Association of Mondi plc in substitution for, and to the exclusion of, the existing Articles of Association of Mondi plc, with effect from the end of this meeting.

### **Special resolution number 9**

35. That the Articles of Association of Mondi plc be altered by deleting the present Article 108 (Borrowing Powers) and replacing it with the new Article 108 (Borrowing Powers) included at Schedule 2 hereto.

By order of the board

**Philip Laubscher**

Company secretary, Mondi Limited

22 March 2012

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

# Mondi Limited – Article 104 (Borrowing Powers)

## Schedule 1

### 104 Borrowing powers

- 104.1 Subject to the provisions of this MOI and of the Legislation, the Directors may exercise all the powers of the Company to:
- 104.1.1 borrow money;
  - 104.1.2 indemnify, guarantee, mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part or parts thereof; and
  - 104.1.3 issue any debentures (whether secured, unsecured or subordinated and whether convertible into shares of any class) and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 104.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights, powers of control or rights of influence exercisable by the Company in relation to its Subsidiaries and Associated Companies (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group and for the time being owing to persons outside the Group less the aggregate amount of Current Asset Investments shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to two and a half times the Adjusted Capital and Reserves.
- 104.3 For the purpose of this Article:
- 104.3.1 the **'Adjusted Capital and Reserves'** shall mean at any material time a sum equal to the aggregate, as shown by the relevant balance sheet, of the amount paid up on the issued or allotted share capital of both the Company and PLC and the amount standing to the credit of the reserves (including the profit and loss account and any share premium account or capital redemption reserve) of both:
    - (i) the Company and its Subsidiaries and Associated Companies; and
    - (ii) PLC and its Subsidiary Undertakings,included in the consolidation in the relevant balance sheet but after:
    - 104.3.1.1 deducting any debit balance on profit and loss account or on any other reserve;
    - 104.3.1.2 excluding any amount included in such reserves but set aside for taxation (including deferred taxation) less any sums properly added back in respect of any such amount;
    - 104.3.1.3 making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital and/or any such reserves (other than profit and loss account) subsequent to the date of the relevant balance sheet and so that for this purpose if any issue or proposed issue of shares by the Company or PLC for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect of them (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
    - 104.3.1.4 making such adjustments as may be appropriate in respect of any distribution declared, recommended or made by the Company or PLC or their respective Subsidiaries, Associated Companies and Subsidiary Undertakings, as applicable, (to the extent not attributable directly or indirectly to the Company or PLC) out of profits earned up to and including the date of the relevant balance sheet to the extent that such distribution is not provided for in such balance sheet;
    - 104.3.1.5 making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its Subsidiaries and Associated Companies (including a variation whereby a Subsidiary or Associated Company becomes or ceases to be a Subsidiary or Associated Company) or any variation in the interests of PLC in its Subsidiary Undertakings (including a variation whereby a Subsidiary Undertaking becomes or ceases to be a Subsidiary Undertaking) since the date of the relevant balance sheet;
    - 104.3.1.6 if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any undertaking is to become or cease to be a Subsidiary or Associated Company of the Company, or is to become or cease to be a Subsidiary Undertaking of PLC, making all such adjustments as would be appropriate if such transaction had been carried into effect;
    - 104.3.1.7 excluding minority interests in Subsidiaries, Associated Companies and Subsidiary Undertakings (as applicable) to the extent not already excluded;



- 104.3.2 **‘Current Asset Investments’** means the aggregate of:
- 104.3.2.1 cash in hand of the Group;
  - 104.3.2.2 sums standing to the credit of any current or other account of any member of the Limited Group or PLC Group with banks in South Africa, the United Kingdom or elsewhere to the extent that remittance of the same to South Africa or the United Kingdom is not prohibited by any law, regulation, treaty or official directive or, where remittance of the same to South Africa or the United Kingdom is so prohibited, to the extent that the same may be set off against or act as security for any moneys borrowed by such member;
  - 104.3.2.3 the amount of such assets as would be included in ‘Current Assets Investments’ in a consolidated balance sheet of the Limited Group and/or the PLC Group prepared as at the date of the relevant calculation in accordance with the principles used in the preparation of the relevant balance sheet;  
less:
  - 104.3.2.4 in the case of a partly-owned Subsidiary, Associated Company or Subsidiary Undertaking (as applicable), a proportion thereof equal to the minority proportion; and
  - 104.3.2.5 an amount equal to any amount excluded from Article 104.3.5 by virtue of sub-Article 104.3.5.9.
- 104.3.3 the **‘Group’** means both the Limited Group and the PLC Group for the time being;
- 104.3.4 the **‘Auditors’** means the auditors of both the Limited Group and the PLC Group (as applicable);
- 104.3.5 **‘moneys borrowed’** shall be deemed to include (to the extent that the same would not otherwise fall to be taken into account):
- 104.3.5.1 the amount of all debentures allotted or issued (whether or not for cash) by any member of the Group which are not for the time being beneficially owned by a company within the Group;
  - 104.3.5.2 the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
  - 104.3.5.3 the nominal amount (to the extent applicable) of any allotted or issued and paid up share capital (other than equity share capital) of any Subsidiary, Associated Company or Subsidiary Undertaking which is a body corporate of the Company or PLC (as applicable) not for the time being beneficially owned by other members of the Group;
  - 104.3.5.4 the amount of any other allotted or issued and paid up share capital and of any other debentures or other borrowed moneys (not being shares or debentures which, or borrowed moneys the indebtedness in respect of which, is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed (or is the subject of an indemnity granted) by any member of the Group or which any member of the Group may be required to purchase;
  - 104.3.5.5 the minority proportion of moneys borrowed and owing to a partly-owned Subsidiary, Associated Company or Subsidiary Undertaking by another member of the Group;
  - 104.3.5.6 the aggregate amount owing by any member of the Group under finance leases (as determined in accordance with any then current International Financial Reporting Standards);
  - 104.3.5.7 the principal amount of any book debts of any member of the Group which have been sold or agreed to be sold, to the extent that any member of the Group is for the time being liable to indemnify or reimburse the purchaser in respect of any non-payment in respect of such book debts;
  - 104.3.5.8 any part of the purchase price of any movable or immovable assets acquired by any member of the Group, the payment of which is deferred beyond the date of completion of the conveyance, assignment or transfer of the legal estate to such assets or, if no such conveyance, assignment or transfer is to take place within six months after the date on which the contract for such purchase is entered into or (if later) becomes unconditional, beyond that date;  
but shall be deemed not to include:
  - 104.3.5.9 moneys borrowed by any member of the Group for the purpose of repaying, redeeming or purchasing (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof pending the application for such purpose or, if earlier, the end of such period;
  - 104.3.5.10 any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business; and

# Mondi Limited – Article 104 (Borrowing Powers)

continued

- 104.3.5.11 the minority proportion of moneys borrowed by a partly-owned Subsidiary, Associated Company or Subsidiary Undertaking (as applicable) and not owing to another member of the Group;  
and so that:
- 104.3.5.12 no amount shall be taken into account more than once in the same calculation but subject thereto 104.3.5.1 to 104.3.5.11 above shall be read cumulatively; and
- 104.3.5.13 in determining the amount of any debentures or other moneys borrowed or of any share capital for the purpose of this Article 104 there shall be taken into account (to the extent applicable) the nominal or principal amount of them (or, in the case of partly-paid debentures or shares, the amount for the time being paid up on them) together with any fixed or minimum premium payable on final redemption or repayment, **provided that** if moneys are borrowed or shares are issued on terms that they may be repayable or redeemable (or that any member of the Group may be required to purchase them) earlier than their final maturity date (whether by exercise of an option on the part of the issuer or the creditor (or a trustee for the creditor) or the shareholder, by reason of a default or for any other reason) at a premium or discount to their nominal or principal amount (to the extent applicable) then there shall be taken into account the amount (or the greater or greatest of two or more alternative amounts) which would, if those circumstances occurred, be payable on such repayment or, redemption or purchase at the date as at which the calculation is being made;
- 104.3.6 in relation to a partly-owned Subsidiary, Associated Company or Subsidiary Undertaking the **'minority proportion'** is a proportion equal to the proportion of its issued equity share capital which is not attributable to the Company or PLC (as applicable);
- 104.3.7 the **'relevant balance sheet'** means at any time the latest audited consolidated balance sheet dealing with the state of affairs of:
- 104.3.7.1 the Company and (with or without exceptions) its Subsidiaries and Associated Companies; and/or
- 104.3.7.2 PLC and (with or without exceptions) its Subsidiary Undertakings.
- 104.4 For the purposes of this Article 104 borrowed moneys expressed in or calculated by reference to a currency other than Rand shall be converted into Rand at the relevant rate of exchange used for the purposes of the relevant balance sheet save that moneys borrowed (or first brought into account for the purposes of this Article) since the date of such balance sheet shall be converted at the rate of exchange or approximate rate of exchange (determined on such basis as the Auditors may determine or approve) ruling on the date on which such moneys are borrowed (or first taken into account as aforesaid): **provided that** in the case of any bank overdraft or other borrowing of a fluctuating amount (together an **'Overdraft Account'**) the following further provisions shall apply:
- 104.4.1 if the amount outstanding on an Overdraft Account on a date as at which a calculation is being made for the purpose of the foregoing limit is not more than the amount outstanding on such Overdraft Account at the date of the relevant balance sheet, the whole of such amount shall be converted at the rate of exchange used for the purpose of such balance sheet;
- 104.4.2 if the amount outstanding on an Overdraft Account on a date as at which the calculation is being made for such purpose exceeds the amount which was outstanding on the same Overdraft Account at the date of the relevant balance sheet (or if the latter amount is nil), an amount equal to the excess shall be converted at the rate of exchange or approximate rate of exchange (determined on such basis as the Auditors may determine or approve) on the last Business Day preceding the date as on which the calculation is being made for such purpose and the balance shall be converted at the rate of exchange used for the purpose of the relevant balance sheet.
- 104.5 The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned and for the purposes of their computation the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless the Directors may act in reliance on a good faith estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the borrowing limit contained in these Articles is inadvertently exceeded an amount of borrowed moneys equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the Directors became aware that such a situation has or may have arisen.
- 104.6 No person dealing with the Company, PLC or any of their Subsidiaries, Associated Companies or Subsidiary Undertakings (as applicable) shall be concerned to see or enquire whether the borrowing limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the borrowing limit had been or would thereby be exceeded.

# Mondi plc – Article 108 (Borrowing Powers)

## Schedule 2

### 108 Borrowing powers

- 108.1 Subject to the provisions of these Articles and of the Legislation, the Directors may exercise all the powers of the Company to:
- 108.1.1 borrow money;
  - 108.1.2 indemnify, guarantee, mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part or parts thereof; and
  - 108.1.3 issue any debentures (whether secured, unsecured or subordinated and whether convertible into shares of any class) and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 108.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights, powers of control or rights of influence exercisable by the Company in relation to its Subsidiary Undertakings (if any) so as to secure (so far, as regards Subsidiary Undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group and for the time being owing to persons outside the Group less the aggregate amount of Current Asset Investments shall not at any time without the previous sanction of an ordinary resolution exceed an amount equal to two and a half times the Adjusted Capital and Reserves.
- 108.3 For the purpose of this Article 108:
- 108.3.1 the **'Group'** means both the PLC Group and the Limited Group for the time being;
  - 108.3.2 the **'Auditors'** means the auditors of both the PLC Group and the Limited Group (as applicable);
  - 108.3.3 the **'relevant balance sheet'** means at any time the latest audited consolidated balance sheet dealing with the state of affairs of:
    - (i) the Company and (with or without exceptions) its Subsidiary Undertakings; and/or
    - (ii) Limited and (with or without exceptions) its Subsidiaries and Associated Companies.
  - 108.3.4 the **'Adjusted Capital and Reserves'** means at any material time a sum equal to the aggregate, as shown by the relevant balance sheet, of the amount paid up on the issued or allotted share capital of both the Company and Limited and the amount standing to the credit of the reserves (including the profit and loss account and any share premium account or capital redemption reserve) of both
    - (i) the Company and its Subsidiary Undertakings; and
    - (ii) Limited and its Subsidiaries and Associated Companies,included in the consolidation in the relevant balance sheet but after:
    - (iii) deducting any debit balance on profit and loss account or on any other reserve;
    - (iv) excluding any amount included in such reserves but set aside for taxation (including deferred taxation) less any sums properly added back in respect of any such amount;
    - (v) making such adjustments as may be appropriate in respect of any variation in the amount of such paid-up share capital and/or any such reserves (other than profit and loss account) subsequent to the date of the relevant balance sheet and so that for this purpose if any issue or proposed issue of shares by the Company or Limited for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect of them (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
    - (vi) making such adjustments as may be appropriate in respect of any distribution declared, recommended or made by the Company or Limited and their respective Subsidiary Undertakings, Subsidiaries and Associated Companies, as applicable, (to the extent not attributable directly or indirectly to the Company or Limited) out of profits earned up to and including the date of the relevant balance sheet to the extent that such distribution is not provided for in such balance sheet;
    - (vii) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its Subsidiary Undertakings (including a variation whereby an undertaking becomes or ceases to be a subsidiary undertaking) or any variation in the interests of Limited in its Subsidiaries or Associated Companies (including a variation whereby a Subsidiary or Associated Company becomes or ceases to be a Subsidiary or Associated Company) since the date of the relevant balance sheet;
    - (viii) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any undertaking is to become or cease to be a Subsidiary Undertaking of the Company, or is to become or cease to be either a Subsidiary or Associated Company of Limited, making all such adjustments as would be appropriate if such transaction had been carried into effect; and

# Mondi plc – Article 108 (Borrowing Powers)

## continued

- (ix) excluding minority interests in Subsidiary Undertakings, Subsidiaries and Associated Companies (as applicable) to the extent not already excluded;
- 108.3.5 **'moneys borrowed'** shall be deemed to include (to the extent that the same would not otherwise fall to be taken into account):
- (i) the amount of all debentures allotted or issued (whether or not for cash) by any member of the Group which are not for the time being beneficially owned by a company within the Group;
  - (ii) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
  - (iii) the nominal amount (to the extent applicable) of any allotted or issued and paid-up share capital (other than equity share capital) of any Subsidiary Undertaking, Subsidiary or Associated Company which is a body corporate of the Company or Limited (as applicable) not for the time being beneficially owned by other members of the Group;
  - (iv) the amount of any other allotted or issued and paid-up share capital and of any other debentures or other borrowed moneys (not being shares or debentures which, or borrowed moneys the indebtedness in respect of which, is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed (or is the subject of an indemnity granted) by any member of the Group or which any member of the Group may be required to purchase;
  - (v) the minority proportion of moneys borrowed and owing to a partly-owned Subsidiary Undertaking, Subsidiary or Associated Company by another member of the Group;
  - (vi) the aggregate amount owing by any member of the Group under finance leases (as determined in accordance with any then current International Financial Reporting Standards);
  - (vii) the principal amount of any book debts of any member of the Group which have been sold or agreed to be sold, to the extent that any member of the Group is for the time being liable to indemnify or reimburse the purchaser in respect of any non-payment in respect of such book debts; and
  - (viii) any part of the purchase price of any movable or immovable assets acquired by any member of the Group, the payment of which is deferred beyond the date of completion of the conveyance, assignment or transfer of the legal estate to such assets or, if no such conveyance, assignment or transfer is to take place within six months after the date on which the contract for such purchase is entered into or (if later) becomes unconditional, beyond that date;
- but shall be deemed not to include:
- (ix) moneys borrowed by any member of the Group for the purpose of repaying, redeeming or purchasing (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof pending the application for such purpose or, if earlier, the end of such period;
  - (x) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business; and

- (xi) the minority proportion of moneys borrowed by a partly-owned Subsidiary Undertaking, Subsidiary or Associated Company and not owing to another member of the Group; and so that:
    - (xii) no amount shall be taken into account more than once in the same calculation but subject thereto (i) to (xi) above shall be read cumulatively; and
    - (xiii) in determining the amount of any debentures or other moneys borrowed or of any share capital for the purpose of this Article 108.3.5, there shall be taken into account (to the extent applicable) the nominal or principal amount of them (or, in the case of partly-paid debentures or shares, the amount for the time being paid up on them) together with any fixed or minimum premium payable on final redemption or repayment, **provided that** if moneys are borrowed or shares are issued on terms that they may be repayable or redeemable (or that any member of the Group may be required to purchase them) earlier than their final maturity date (whether by exercise of an option on the part of the issuer or the creditor (or a trustee for the creditor) or the shareholder, by reason of a default or for any other reason) at a premium or discount to their nominal or principal amount (to the extent applicable) then there shall be taken into account the amount (or the greater or greatest of two or more alternative amounts) which would, if those circumstances occurred, be payable on such repayment or, redemption or purchase at the date as at which the calculation is being made;
- 108.3.6 in relation to a partly-owned Subsidiary Undertaking, Subsidiary or Associated Company the **'minority proportion'** is a proportion equal to the proportion of its issued equity share capital which is not attributable to the Company or Limited (as applicable); and
- 108.3.7 **'Current Asset Investments'** means the aggregate of:
- (i) cash in hand of the Group;
  - (ii) sums standing to the credit of any current or other account of any member of the PLC Group or the Limited Group with banks in the United Kingdom, South Africa or elsewhere to the extent that remittance of the same to the United Kingdom or South Africa is not prohibited by any law, regulation, treaty or official directive or, where remittance of the same to the United Kingdom or South Africa is so prohibited, to the extent that the same may be set off against or act as security for any moneys borrowed by such member; and
  - (iii) the amount of such assets as would be included in 'Current Assets – Investments' in a consolidated balance sheet of the PLC Group and/or the Limited Group prepared as at the date of the relevant calculation in accordance with the principles used in the preparation of the relevant balance sheet;
- less:
- (iv) in the case of a partly-owned Subsidiary Undertaking, Subsidiary or Associated Company, a proportion thereof equal to the minority proportion; and
  - (v) an amount equal to any amount excluded from Article 108.3.5 by virtue of Article 108.3.5(ix).
- 108.4 For the purposes of this Article 108, borrowed moneys expressed in or calculated by reference to a currency other than sterling shall be converted into sterling at the relevant rate of exchange used for the purposes of the relevant balance sheet save that moneys borrowed (or first brought into account for the purposes of this Article 108) since the date of such balance sheet shall be converted at the rate of exchange or approximate rate of exchange

# Mondi plc – Article 108 (Borrowing Powers)

## continued

(determined on such basis as the Auditors may determine or approve) ruling on the date on which such moneys are borrowed (or first taken into account as aforesaid), **provided that**, in the case of any bank overdraft or other borrowing of a fluctuating amount (together, an **'Overdraft Account'**), the following further provisions shall apply:

- 108.4.1 if the amount outstanding on an Overdraft Account on a date as at which a calculation is being made for the purpose of the foregoing limit is not more than the amount outstanding on such Overdraft Account at the date of the relevant balance sheet, the whole of such amount shall be converted at the rate of exchange used for the purpose of such balance sheet; and
- 108.4.2 if the amount outstanding on an Overdraft Account on a date as at which the calculation is being made for such purpose exceeds the amount which was outstanding on the same Overdraft Account at the date of the relevant balance sheet (or if the latter amount is nil), an amount equal to the excess shall be converted at the rate of exchange or approximate rate of exchange (determined on such basis as the Auditors may determine or approve) on the last Business Day preceding the date as on which the calculation is being made for such purpose and the balance shall be converted at the rate of exchange used for the purpose of the relevant balance sheet.
- 108.5 The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned and for the purposes of their computation the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless the Directors may act in reliance on a good faith estimate of the amount of the Adjusted Capital and Reserves at any time and if, in consequence the borrowing limit contained in these Articles is inadvertently exceeded, an amount of borrowed moneys equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the Directors became aware that such a situation has or may have arisen.
- 108.6 No person dealing with the Company, Limited or any of their Subsidiary Undertakings, Subsidiaries or Associated Companies (as applicable) shall be concerned to see or enquire whether the borrowing limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the borrowing limit had been or would thereby be exceeded.

# Explanation of resolutions

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

In accordance with governance best practice the Boards have decided that all directors will stand for re-election in 2012. 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.

Full biographical details of each director are set out in the Mondi Group integrated report and financial statements 2011 on pages 52 to 54.

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

South African company law requires that, at each Annual General Meeting, the shareholders elect the members of an audit committee. The three members proposed, each an independent non-executive director of both Mondi Limited and Mondi plc, are Stephen Harris, John Nicholas and Anne Quinn. The DLC nominations committee reviewed the suitability and qualifications of each director as members of the DLC audit committee and considers that each of Stephen Harris, John Nicholas and Anne Quinn has adequate relevant financial knowledge and experience to fulfill 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 2011 on pages 53 and 54.

## Resolutions 13 and 26 – 2011 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 2011 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 2011 containing the audited combined and consolidated financial information of Mondi Limited and Mondi plc for the year ended 31 December 2011.

## Resolutions 14 and 27 – directors' remuneration

Regulation in South Africa and the UK requires that the directors present a report on their remuneration during the period under review and details of the remuneration policy, for approval by shareholders. The report for the year ended 31 December 2011 is set out on pages 68 to 78 of the Mondi Group integrated report and financial statements 2011.

## Resolutions 15 – Special resolution 1 – director fees

Regulation in South Africa requires that shareholders approve the fees paid to directors for their services as directors. Resolution 15 ratifies and confirms the base level of fees for the directors as set out in the Mondi Group integrated report and financial statements 2011 on page 73 and the continued payment of fees at the same level going forward. No increase in fees is proposed.

## Resolutions 16 and 28 – final dividend

Final dividends for the year ended 31 December 2011 for Mondi Limited and Mondi plc of 181.38548 rand cents per ordinary share and 17.75 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 10 May 2012 to shareholders on each register on Friday 13 April 2012.

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

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

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



# Explanation of resolutions

continued

## Resolution 19 – Special resolution 2 – financial assistance

This resolution is being proposed in order to comply with the requirements of sections 44 and 45 of the South African Companies Act 71 of 2008, to the extent that, on an interpretation thereof, the approval of shareholders is required for the directors to authorise any financial assistance by Mondi Limited. Sections 44 and 45 of the Act both provide *inter alia* that such financial assistance must be approved by a special resolution of the shareholders, adopted within the previous two years. 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 to persons and/or subsidiaries in 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 Limited, grants the directors the authority to allot and issue or grant options to subscribe for, a number of shares equal to 5% of the issued ordinary shares of Mondi Limited.

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

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

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

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

## Resolution 22 – 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 Limited:

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

### **Resolution 23 – Special resolution 3 – 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 Limited (JSE) (as presently constituted and as amended from time to time):

- i. any such acquisition of ordinary shares be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Mondi Limited and the 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.

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 2012 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 52 to 54 of the Mondi Group integrated report and financial statements 2011, are not aware of any legal or arbitration 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.

# Explanation of resolutions

## continued

### Directors' responsibility statement

The directors, whose names appear on pages 52 to 54 of the Mondi Group integrated report and financial statements 2011, 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 2011 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 2011, 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 52 to 55;
- major beneficial shareholders – integrated report and financial statements page 79;
- directors' interests in ordinary shares – integrated report and financial statements page 75; and
- share capital of Mondi Limited – integrated report and financial statements page 140.

### Resolutions 24 and 34 – Special resolutions 4 and 8 – adoption of new Memorandum of Incorporation of Mondi Limited and new Articles of Association of Mondi plc

Resolutions 24 and 34 propose the adoption of a new Memorandum of Incorporation for Mondi Limited (the New MOI) and new Articles of Association for Mondi plc.

The directors propose that Mondi Limited's existing Memorandum of Incorporation (previously referred to as Mondi Limited's memorandum and articles of association) (the Current MOI) be replaced with the New MOI, which will bring it in line with the provisions of the South African Companies Act 71 of 2008 (the SA Act) and the Listings Requirements of the JSE Limited (JSE).

The SA Act requires that a company's pre-existing MOI (in other words, its memorandum and articles of association) be amended to be brought in line with the provisions of the SA Act by 30 April 2013, failing which, any provision of the company's MOI which contravenes or is inconsistent with the SA Act, shall be void after that date. The MOI must also reflect the amendments to the Listings Requirements of the JSE made to bring the latter in line with the new SA Act.

The proposed New MOI is not materially different from the Current MOI. A summary of the key changes in the New MOI are set out below in the order in which they appear in the New MOI. Other changes that are of a minor, technical or clarifying nature and also changes which merely reflect changes made by the SA Act have not been explained below.

The constitutional documents of Mondi Limited and Mondi plc are broadly identical, the differences being due to variances in applicable law in South Africa and the UK. The proposed changes to the Articles of Association of Mondi plc reflect the changes made in the New MOI of Mondi Limited as far as UK law and regulation permits in order to maintain the principles of Mondi's dual listed company structure.

The key changes in the New MOI are:

### Definitions

The New MOI has been amended to reflect changes in terminology used in the SA Act. By way of example, the term 'member' no longer applies to shareholders in a public company and so this term has been replaced throughout with the term 'shareholder'.

### Article 9: Shares and special rights

The amendment to Article 9 provides for the issue of shares in Mondi Limited with such rights and restrictions as determined by the directors and the company, by special resolution, rather than by ordinary resolution (as was previously the requirement).

### Article 13: Purchase of own shares

This amendment to Article 13 references the sections of the SA Act relating to share repurchases.

## **New Articles 37, 38 and 39: Odd Lot Offers**

These articles provide a mechanism to facilitate the reduction in the number of registered shareholders holding in aggregate less than 100 shares (or such higher number as determined and/or agreed by the JSE as amounting to an odd lot) in Mondi Limited, in an equitable manner. There is no equivalent change in the Articles of Association of Mondi plc.

## **Article 47: Quorum**

The amendment to Article 47 provides that a general meeting may not begin or a matter be considered until there are present (or represented) at least three shareholders entitled to vote and sufficient members entitled to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on a single matter before the general meeting. Additionally, a matter to be decided at the general meeting may not be considered unless shareholders entitled to exercise at least 25% of the voting rights entitled to be exercised on that matter, are present or represented.

The opportunity has also been taken to update the articles relating to the manner of payment of dividends (Article 116 in the New MOI and Article 120 in the new Articles of Association of Mondi plc) to provide flexibility for the directors to determine the way in which dividends can be paid, for example electronically. Although it should be noted that there is no current intention to change the dividend payment methods presently available to shareholders.

The complete New MOI of Mondi Limited and new Articles of Association of Mondi plc will be available for inspection as set out in Note 9 of the notes to this Notice of Annual General Meeting on page 21.

## **Resolutions 25 and 35 – Special resolutions 5 and 9 – borrowing powers**

The proposed amendment to the Mondi Group's borrowing powers is neither prohibited nor required by any law, or regulation of, or decision by any regulatory body in South Africa, the UK or elsewhere. The proposed amendment and corresponding separate resolution is in line with the guidance on borrowing powers and resolutions issued by the Association of British Insurers.

Mondi operates under a dual listed company (DLC) structure and the relationship between Mondi Limited and Mondi plc is underpinned by the DLC structure principles. These principles provide that Mondi Limited and Mondi plc and their subsidiaries must operate as if they are a single corporate group. Also, any ordinary share held in either Mondi Limited or Mondi plc gives the holder an effective economic interest in the whole Mondi Group and consequently, exposure to the borrowing of the whole Mondi Group. The Group's principal financing facilities have been provided on consideration of the Group financial position which is supported by the Mondi Limited Deed Poll Guarantee and the Mondi plc Deed Poll Guarantee.

It is therefore considered appropriate that the Memorandum of Incorporation of Mondi Limited and the Articles of Association of Mondi plc reflect the DLC structure principles. The change to the borrowing powers is intended to clarify that it is the position of the Group that is considered. This change does not result in an increase in the overall borrowing powers of the Group but provides the Group with flexibility in line with the DLC structure to arrange its borrowings between the two parent companies as appropriate for the circumstances.

## **Resolution 31 – directors' authority to allot shares**

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

	<b>Number of shares</b>	<b>Par value</b>	<b>Relative part of section 551 amount</b>
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

# Explanation of resolutions

## continued

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 14).

At 6 March 2012 (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 2013 or, if earlier, 30 June 2013.

### Resolution 32 – Special resolution 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 32 is to authorise the directors of Mondi plc to allot new shares pursuant to the authority given by resolution 31, or to sell treasury shares, for cash (i) in connection with a Rights Issue (as defined in the Articles) 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 6 March 2012 (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 2013 or, if earlier, 30 June 2013.

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 Limited:

- i. this authority shall not extend beyond the next Annual General Meeting of Mondi plc;
- ii. 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;
- iii. 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);
- iv. 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
- v. the equity securities/shares must be issued to public shareholders and not to related parties.

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

### **Resolution 33 – Special resolution 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 2013 or, if earlier, 30 June 2013. 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 6 March 2012 and Mondi plc's exercise of this authority is subject to the stated upper and lower limits on the price payable.

As of 6 March 2012 (the latest practicable date prior to publication of this Notice), there were options outstanding over 8,415,126 ordinary shares, representing 2.29% 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 2.41% of Mondi plc's reduced issued ordinary share capital.

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

# 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, speak and 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 of 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 P O Box 4844, Johannesburg 2000, Republic of South Africa in each case so as to be received no later than 12:00 (SA time) on Monday 30 April 2012.
4. 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

5. 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 at 18:00 (SA time) on Thursday 26 April 2012 (or, in the event of any adjournment, at 18:00 (SA time) on the date which is two working days before the time 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.
6. 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.
7. In accordance with the South African Companies Act 71 of 2008 shareholders will be able to participate in the meeting by means of electronic communication, by dialling +27 (0)11 535 3600, providing the password, which is 667205, and identifying themselves. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the meeting (see item 2 above). Access to the means of electronic participation will be at the expense of the shareholder.

## Documents available for inspection

8. 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.
9. Copies of the existing Memorandum of Incorporation and new Memorandum of Incorporation of Mondi Limited and the existing Articles of Association and new Articles of Association of Mondi plc 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 of this notice 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.

## Appraisal rights

10. At any time before a resolution proposing an amendment to Mondi Limited's Memorandum of Incorporation, altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, is to be voted on, a dissenting shareholder shall have the appraisal rights contained in section 164 of the South African Companies Act 71 of 2008. Such shareholder may give Mondi Limited a written notice objecting to such resolution and any such dissenting shareholder (to the extent he has not withdrawn his notice or voted in favour of the resolution) must be sent notice within 10 days of the general meeting if the resolution is adopted. Such qualifying dissenting shareholder may demand that Mondi Limited pay him the fair value for all of the shares of Mondi Limited held by him.



**Mondi Limited**

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