

Remuneration report

Introduction from the DLC remuneration committee chairman

I am pleased to present the report of the remuneration committee ('the Committee') for the year to 31 December 2012. The report also includes the remuneration policy for the 2013 year. The Committee has chosen to introduce the general structure and format of remuneration reporting that will apply under the UK Government's forthcoming reform of the regulations.

Mondi has again delivered strong financial performance in 2012, as detailed in other parts of the Integrated report and financial statements 2012. Mondi's Total Shareholder Return for the three years to 31 December 2012 was more than 140%, placing it above the upper quartile for companies in its sector, and Return on Capital Employed for 2012 was 13.7%. This robust financial performance is reflected in the annual bonus payments and long-term incentive vesting for executive directors. Half of the annual bonus is awarded in Mondi shares, deferred for three years.

Base salary increases for executive directors effective 1 January 2012 were below 3%. Base salary increases effective 1 January 2013 will once again not exceed 3% for the chief executive and chief executive officer Europe & International. After careful consideration, and consultation with major shareholders, the Committee has awarded the chief financial officer an exceptional, one-off increase in base salary of 8% effective 1 January 2013. This sets his base salary at £500,000, which results in overall compensation that is consistent with the median for companies of Mondi's size and international scope. This recognises Andrew's strong track record of performance in the role and the value of his contribution to the Group and its shareholders.

Despite Mondi's share price growth, the Committee has continued to set the LTIP grant sizes as a percentage of base salary for Mondi's executive directors below the market median for companies of Mondi's size, and also lower than the maximum permitted under the Plan rules.

The Committee has increased the Return on Capital Employed performance requirement to 16% (from 14%), at the top end of the scale, for LTIP grants in 2013. This is the second time the Committee has raised this 'bar' in the last three years. Half of the LTIP award is dependent on Return on Capital Employed, while the other half depends on Mondi's relative Total Shareholder Return, both measured over three years.

Currently, share awards under the LTIP do not qualify for the dividends shareholders receive. The Committee is seeking approval at the annual general meetings to apply, effective from the 2013 LTIP grant, dividend accrual equivalent to other shareholders, but only to the extent that LTIP awards meet the performance conditions.

The Committee maintains a dialogue with major shareholders on remuneration matters, and aims to ensure that pay policy for executives is clear and simple, supports the business strategy and is closely aligned to the interests of Mondi's shareholders.

The Committee would be pleased to have your support.

Anne C Quinn

Chairman of the DLC remuneration committee

The report

The following report has been prepared by the DLC remuneration committee and approved by the boards of Mondi Limited and Mondi plc (together 'the Boards'). Deloitte & Touche and Deloitte LLP have audited the following items stipulated in law for their review:

- the tables of executive directors' and non-executive directors' remuneration and associated footnotes on pages 89 and 94;
- the table of pension contributions in respect of executive directors on page 94; and
- the table of share awards granted to executive directors and associated footnotes on pages 91 and 92.

Structure of the report

This report has three sections. The first section deals with the structure and role of the DLC remuneration committee. The second and third sections – the remuneration policy report and the remuneration implementation report respectively – represent a new way of structuring the remuneration report and have been introduced in accordance with forthcoming UK reporting regulations applicable to financial reporting periods ending on or after 1 October 2013.

The remuneration policy report, which will in future years be subject to a binding shareholder vote, includes: a description of the Group's remuneration policy; a policy table which outlines the features of key elements of remuneration; an outline of remuneration scenarios for executive directors at different performance levels; executive directors' shareholding requirements; the terms of executive directors' service contracts; the Group's policy on exit payments; and descriptions of how shareholder views, and the conditions of other employees in the Group, are taken into account in the Committee's deliberations about executive pay.

The remuneration implementation report details the earnings of directors in respect of the year under review.

The DLC remuneration committee

The DLC remuneration committee ('the Committee') is a formal committee of the Boards. Its remit is set out in terms of reference adopted by the Boards. A copy of the terms of reference is available on the Group's website at www.mondigroup.com. The primary purposes of the Committee, as set out in its terms of reference, are:

- to make recommendations to the Boards on the Group's framework of executive remuneration;
- to determine individual remuneration packages within that framework for the executive directors and certain senior executives;
- to determine the remuneration of the joint chairmen; and
- to oversee the operation of the Group's share schemes.

The members of the Committee are Anne Quinn (chairman of the Committee), Stephen Harris, Imogen Mkhize and David Williams, all of whom are independent non-executive directors. David Williams is joint chairman of Mondi Limited and Mondi plc and Anne Quinn is senior independent director. Philip Laubscher and Carol Hunt act as secretary to the Committee.

The Group head of reward, Paul Wessels, provides advice on remuneration policies and practices and is usually invited to attend meetings of the Committee, along with David Hathorn, the chief executive officer and Cyril Ramaphosa, joint chairman.

No director or other attendee takes part in any discussion regarding his or her personal remuneration.

Remuneration policy report

The Group's remuneration policy has been set with the objective of attracting, motivating and retaining high calibre directors, managers and employees in a manner that is consistent with best practice and aligned with the interests of the Group's shareholders.

Remuneration policy for executive directors and other senior managers is framed around the following key principles:

- remuneration packages should be set at levels that are competitive in the relevant market;
- the structure of remuneration packages and, in particular, the design of performance-based remuneration schemes, should be aligned with shareholders' interests and should support the achievement of the Group's business strategy and the management of risk;
- a significant proportion of the remuneration of executive directors and other senior executives should be performance-based;
- the performance-based element of remuneration should be appropriately balanced between the achievement of short-term objectives and longer-term objectives; and
- the remuneration of executive directors and other senior executives will be set taking appropriate account of remuneration and employment conditions elsewhere in the Group.

Remuneration report continued

Remuneration policy table

The executive directors throughout the period under review were David Hathorn, Andrew King and Peter Oswald.

The following table illustrates key elements of the remuneration policy for executive directors in accordance with reporting regulations applicable to financial reporting periods ending on or after 1 October 2013:

	Purpose and link to strategy	Operation	
Base salary	Provides core reward for the role, to attract and retain individuals with the talent and experience needed to deliver the strategy, without paying more than is necessary.	Reviewed annually, normally from 1 January. Review takes into account market median pay levels in companies of similar size and complexity, and levels of pay inflation in the market and for other employees in the Group.	
Annual bonus	Incentive and recognition for achievements relative to the annual business plan. Deferred component provides sustained alignment with shareholders.	A discretionary Bonus Share Plan (BSP) is operated. Under the BSP, executive directors may receive both cash and deferred awards of Mondi shares. The current practice is to deliver half of any award in cash and half in deferred shares, which vest after three years subject to remaining in service, and with no matching element. Claw-back provisions apply to payments or awards made since January 2011.	
Long-term incentive	Incentive and recognition for achievement of three year growth and return objectives.	A discretionary Long-Term Incentive Plan (LTIP) is operated. Individuals are considered each year for an award of shares that vest after three years subject to remaining in service, to the extent that performance conditions are met, and in accordance with the Plan rules as approved by shareholders. Claw-back provisions apply to awards made since January 2011.	
Pension	Helps ensure a market-competitive package, to support recruitment and retention of talent.	Defined contribution to pension or a cash allowance of equivalent value. Only base salary is pensionable.	
Benefits	Helps ensure a market-competitive package, to support recruitment and retention of talent.	Benefit provision is aligned to relevant market practice. Current benefits include: car allowance or company car; life insurance; medical insurance; financial planning advice. Relocation assistance is considered if an executive is required by the Group to move home locations.	

Discretionary Share Option Plans and all-employee share plans

In addition to the LTIP and BSP, Mondi Limited and Mondi plc have both adopted Discretionary Share Option Plans. No grants have been made under these plans and there is no current intention to make such grants. The Group currently operates two HM Revenue & Customs approved all-employee share plans in the UK. Details of these plans, and the participation of eligible directors, are presented on page 93.

	Maximum opportunity	Performance metrics	Changes in year
	There is no maximum base salary. However, salaries are targeted at the mid-market range for equivalent roles, in similar companies.	Base salary increases are not determined by performance metrics. However, in determining whether any increase should be awarded, Group and individual performance is taken into account alongside other factors.	No change to policy.
	Maximum total annual bonus is 150% of base salary for the chief executive and 120% of base salary for other executive directors.	Corporate performance metrics as determined by the Committee from time to time, such as EBITDA, percentage Return on Capital Employed (ROCE), and safety. These have the main weighting (currently 70% of the total). Individual performance is also assessed, currently with a 30% weighting. The policy gives the Committee the authority to select suitable performance metrics, aligned to Mondli's strategy and shareholders' interests.	No change to policy.
	The maximum award under the Plan is 200% of base salary to any individual in a single year. Individual awards, within this limit, are determined each year by the Committee.	Corporate performance conditions are set by the Committee for each grant. These currently comprise Total Shareholder Return against a peer group and percentage ROCE, each with a 50% weighting. The vesting outcome can also be reduced, if necessary, to reflect the general or underlying performance of the Group. Performance is measured over three calendar years, starting with the year of grant. The policy gives the Committee the authority to select suitable performance metrics, aligned to Mondli's strategy and shareholders' interests.	Shareholder approval sought at 2013 AGMs to permit dividend value to accrue on awards granted from 2013 onwards, with value released only to the extent that awards vest.
	Company contributions: 30% of base salary for chief executive; 25% of base salary for other executive directors.	Pension contributions are not subject to performance metrics.	No changes to policy.
	Maximum determined by reference to market practice, avoiding paying more than is necessary.	Benefits are not subject to performance metrics.	No changes to policy.

Remuneration report continued

The most senior executives in the Group participate in the LTIP and the BSP. Both of these plans deliver part of the remuneration in Mondi shares, thereby enhancing alignment of the interests of executives with those of shareholders.

The principle of performance based pay is well-established in Mondi: more than 60% of Mondi's employees participate in a variable pay programme.

Share ownership requirements

The chief executive officer is required to build a shareholding equivalent to 150% of base salary, and other executive directors a shareholding equivalent to at least 100% of base salary, over a period of not more than five years from the date of appointment to the Boards. As at 31 December 2012, all executive directors had met the shareholding requirements.

Executive directors' service contracts

David Hathorn and Andrew King are employed under service contracts with both Mondi Limited and Mondi plc. Peter Oswald is employed in Austria under a service contract with Mondi Services AG.

The Group's policy is that executive directors' service contracts should provide for one year's notice by either party, except where a longer notice period is appropriate as a transitional measure, in which case the notice period would reduce automatically to one year within a reasonable period of time.

The service contracts for David Hathorn and Andrew King provide for one year's notice by either party.

The service contract for Peter Oswald is required under Austrian law to be for a fixed period, which expires on 30 April 2016. However, the contract has been structured in such a manner that it can be terminated on one year's notice by either party.

Details of the service contracts of the executive directors who served during the period under review are as follows:

Executive director	Effective date of contract	Unexpired term/notice period
David Hathorn	3 July 2007	Terminable on 12 months' notice
Andrew King	23 October 2008	Terminable on 12 months' notice
Peter Oswald	1 January 2008	A fixed term expiring on 30 April 2016 but terminable at any time on 12 months' notice

Exit payments

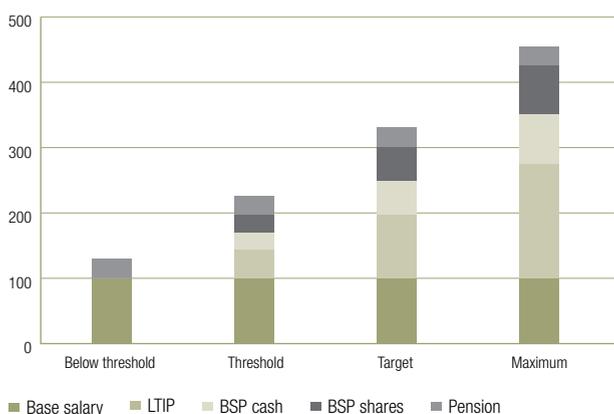
In the event of early termination of service contracts, the Group's policy is to act fairly in all circumstances. The duty to mitigate is taken into account and the Group has due regard to the requirements of legislation, regulation and good governance.

The service contracts for David Hathorn and Andrew King contain pay in lieu of notice provisions which may be invoked at the discretion of the Group. The payment in lieu of notice would comprise salary, car allowance and pension contributions for the notice period and an amount in respect of the bonus for that part of the financial year worked.

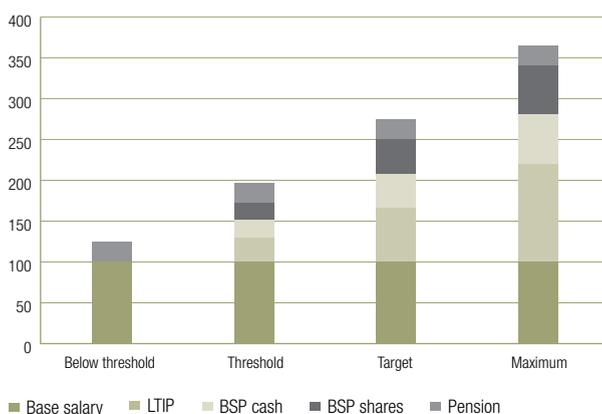
The service contract for Peter Oswald does not contain a pay in lieu of notice provision. The contract provides, in addition to such other rights as he may have on termination of the contract by his employer other than for cause, for a payment which reflects an entitlement he had in Austrian law under his previous service contract.

Remuneration scenarios at different performance levels (with total earnings expressed as a percentage of base salary)

CEO



Executive directors



Employee context

In accordance with the Group's remuneration policy, the remuneration of executive directors and other senior executives is set taking appropriate account of remuneration and employment conditions of other colleagues in the Group.

The Committee annually receives a report from management on pay practices across the Group, including salary levels and trends, collective bargaining outcomes and bonus participation. At the time that salary increases are considered, the Committee additionally receives a report on the approach management propose to adopt to general staff increases. Both these reports are taken into account in the Committee's decisions about the remuneration of executive directors and other senior executives.

Shareholder context

At the 2012 annual general meetings of Mondi Limited and Mondi plc 98.8% of votes were cast in favour of the Mondi Limited resolution to approve the remuneration policy and 98.79% of votes were cast in favour of the Mondi plc resolution to approve the remuneration report.

The Committee considers the views of shareholders in its deliberations about the remuneration of executive directors and other senior executives, and consults directly with major shareholders when any material changes to policy are being considered. In December 2012 the Committee consulted with Mondi's 20 largest shareholders about changes that were being considered.

Remuneration report continued

Implementation report

2012 remuneration of executive directors¹

	Base salary	Cash benefits ²	Non-cash benefits	Pension contribution	Annual cash bonus	Grant value of BSP award	Value of 2009 LTIP vesting (valued at grant price) ³	Share price gain on vesting LTIP award between grant and vesting dates ⁴	Total
David Hathorn	€1,013,129	€95,716	€20,122	€303,939	€612,390	€612,390	€1,402,231	€5,154,452	€9,214,369
Andrew King	€570,656	€51,045	€16,424	€142,664	€272,519	€272,519	€496,274	€1,824,250	€3,646,351
Peter Oswald	€847,000	€49,812	€39,964	€211,753	€403,816	€403,816	€883,487	€3,496,635	€6,336,283

¹ This table reports executive directors' remuneration in accordance with forthcoming UK reporting regulations applicable to financial reporting periods ending on or after 1 October 2013. Mondi is, for the current report, required also to disclose executive directors' remuneration under existing regulations. This table is on page 94 of this report.

² Includes cash amounts of equivalent value to dividends on vested BSP shares over the vesting period. See table of share awards granted to executive directors on pages 91 and 92.

³ Value of the award made at the start of the three year performance cycle, based on the number of shares (92.03% of the total awarded) that vested.

⁴ Enhanced value in the 2009 LTIP award that vested based on share price appreciation during the holding period. The value of Mondi plc shares increased from £1.29 to £6.04, and the value of Mondi Limited shares from R23.01 to R71.19 during this time.

Current salary levels, and increases awarded in January 2013, are as follows:

	From 1 January 2013	From 1 January 2012	Increase
David Hathorn ¹	£846,000	£822,000	2.9%
Andrew King ^{1,2}	£500,000	£463,000	8.0%
Peter Oswald	€872,000	€847,000	3.0%

¹ David Hathorn's and Andrew King's salaries are denominated in pounds sterling. In the remuneration tables on pages 86 and 94 euro amounts are reported based on exchange rates on the dates actual payments were made.

² After consultation with major shareholders, the Committee implemented a one-off exceptional base salary increase for Andrew King. The Committee examined market data for UK-listed and dual-listed companies with comparable sales turnover to Mondi and which, like Mondi, have the majority of their operations and sales outside the UK. The new base salary places Andrew approximately at market median for this peer group. However, Andrew's total target and maximum remuneration remain below the market median. Andrew has a strong track record of performance in the role, and his experience and skills have significant value for Mondi and its shareholders.

Performance measures used for variable pay, and performance against these measures

For the BSP in respect of 2012 performance (which determines the value of the annual cash bonus and the deferred shares awarded in the table on page 86) the performance measures and achievement levels were:

	BSP performance measures					Total
	EBITDA (Fin)	ROCE (Fin)	Safety	Personal	Weight	
Weight	30	30	10	30		100
Outcomes:						
David Hathorn	24.46	30	0	26		80.46
Andrew King	24.46	30	0	25		79.46
Peter Oswald	24.46	30	0	25		79.46

Detail of variable pay awarded in the year

Annual Bonus (BSP)

One half of the value of the 2012 bonus was deferred in Mondi shares for three years in accordance with the BSP provisions outlined in the remuneration policy report table on pages 82 and 83.

David Hathorn remains eligible for a bonus of up to 150% of salary in respect of 2013 and the other executive directors for a bonus of up to 120% of salary. Half of any bonus earned will be paid out in cash and the other half will be deferred for three years in conditional Mondi shares.

For 2013, the existing bonus structure will be retained.

Long-Term Incentive Plan (LTIP)

The LTIP awards that were made in 2009, with a three year performance period that ended on 31 December 2011, were reviewed by the Committee in February 2012 against the (equally weighted) relative Total Shareholder Return (TSR) and Return on Capital Employed (ROCE) performance conditions. Maximum performance was achieved against the TSR target and 84.06% of maximum was achieved against the ROCE target. 92.03% of the shares under award therefore vested in March 2012 and the remainder lapsed.

The maximum award that can be made to any LTIP participant in any year is equal to two times salary. For 2012, the award made to David Hathorn was 175% of salary and the awards made to Andrew King and Peter Oswald were 120% of salary.

For the LTIP awards made in 2012, the performance conditions are based on two performance measures of equal weight – TSR and ROCE, measured over a three year performance period ending on 31 December 2014. The Committee believes that this combination of metrics provides an appropriate means of aligning the operation of the LTIP with shareholders' interests and the Group's business strategy.

Remuneration report continued

The TSR performance condition is based on the Group's TSR relative to a group of competitor companies. For the 2009, 2010, 2011 and 2012 LTIP awards, the following group of companies was selected:

Billerud	Norske Skog
David S Smith	Portucel
Holmen	Sappi
International Paper	SCA (2009, 2010, 2011) ²
Mayr-Melnhof	Smurfit Kappa
MeadWestvaco	Stora Enso
M-Real	UPM
Domtar (2010, 2011 and 2012) ¹	Weyerhaeuser (2009) ¹

¹ As previously reported, Weyerhaeuser was replaced with Domtar in 2010 as its business structure is considered closer to Mondi's.

² SCA was removed from the peer group for 2012 and subsequent awards following the sale of SCA Packaging to DS Smith.

For the 50% of awards attributable to TSR: If the Group's TSR is below the median when ranked against the comparator group, this part of the award will lapse in full. For TSR at the median, 25% of this part of the award (i.e. 12.5% of the total award) will vest, with a straight-line progression to the upper quartile, at which point 100% of this part of the award (i.e. 50% of the total award) will vest in full.

For the 50% of awards attributable to ROCE: This part will lapse in full if ROCE is below 10%. 25% of this part of the award (i.e. 12.5% of the total award) will vest for achievement of ROCE of 10%, with a straight-line progression to full vesting of this part of the award for achievement of ROCE of 14% (i.e. 50% of the total award).

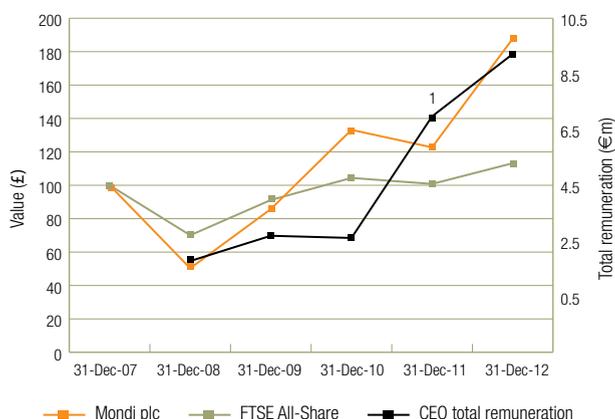
The Committee intends to retain these performance conditions for the LTIP awards to be made in 2013, with a more demanding ROCE performance range of 10% to 16% rather than 10% to 14%. For 2013, the Committee intends to make an award to David Hathorn of 185% of salary and of 130% of salary to Andrew King and Peter Oswald.

For the 2013 LTIP awards, following the acquisition of Nordenia and the Duropack operations in Germany and the Czech Republic and the disposal of Aylesford Newsprint, Norske Skog will be excluded from the peer group and Amcor and Bemis will be added.

Comparison of CEO pay with Mondi's TSR performance

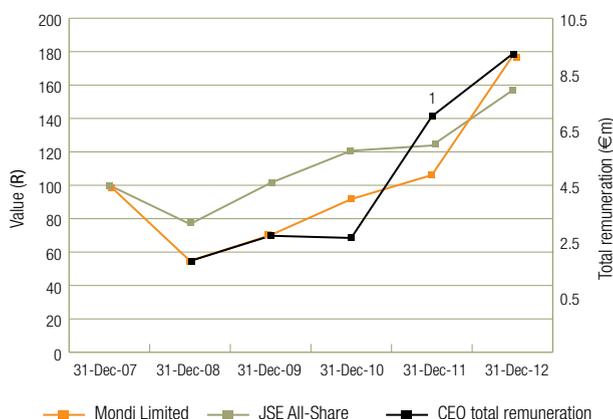
The following charts show the progression of David Hathorn's total remuneration for every year from 2008 (the first full year for which Mondi data is available) against Mondi's TSR.

FTSE All-Share Index



This graph shows the value, by 31 December 2012 of £100 invested in Mondi plc on 31 December 2007 compared with the value of £100 invested in the FTSE All-Share Index. The other points plotted are the values at intervening financial year-ends.

JSE All-Share Index



This graph shows the value, by 31 December 2012 of R100 invested in Mondi Limited on 31 December 2007 compared with the value of R100 invested in the JSE All-Share Index. The other points plotted are the values at intervening financial year-ends.

¹ Includes €3.9 million payout under a one-off Co-Investment Plan initiated at the time of Mondi's listing.

Relative importance of spend on pay

€ million	2012	2011	% change
Profits ¹	336	340	(1)
Dividends	128	126	2
Overall remuneration expenditure ²	868	824	5

¹ Underlying earnings attributable to equity holders of Mondi Limited and Mondi plc.

² Remuneration expenditure for all Mondi Group employees.

Non-executive directors' remuneration

The remuneration of the joint chairmen is determined by the Committee and the remuneration of the other non-executive directors is determined by the joint chairmen and the executive directors. Current fee levels are as follows:

Role	Annual fee ²
Joint chairman fee ¹	£257,500
Non-executive base fee	£41,200
Additional fees:	
Senior independent director and DLC remuneration committee chairman fee	£15,450
DLC audit committee chairman fee	£10,300
DLC sustainable development committee chairman fee	£8,240
Mondi Limited social and ethics committee chairman fee	£8,240
Attendance fee per meeting (outside country of residence)	£5,150
Attendance fee per day (inside country of residence)	£1,545

¹ No supplement is payable for additional commitments in relation to this role.

² Fees are determined in pounds sterling. In the remuneration table below, euro amounts are reported based on exchange rates on the dates actual payments were made.

The joint chairmen and the other non-executive directors are appointed by Mondi Limited and Mondi plc. The terms of their appointment provide for the appointment to be terminable on six months' notice.

2012 remuneration of non-executive directors

The remuneration of the non-executive directors who served during the period under review was as follows:

	2012 ¹			2011 ²		
	Fees	Other benefits	Total	Fees	Other benefits	Total
Cyril Ramaphosa	€316,497	–	€316,497	€293,131	–	€293,131
David Williams	€316,497	–	€316,497	€293,131	–	€293,131
Stephen Harris ³	€95,618	–	€95,618	€68,140	–	€68,140
Imogen Mkhize	€84,601	–	€84,601	€80,354	–	€80,354
John Nicholas	€98,150	–	€98,150	€90,196	–	€90,196
Anne Quinn	€104,698	–	€104,698	€96,162	–	€96,162

¹ Fees were not increased in 2012. Non-executive directors' fees are denominated in pounds sterling. Reported euro equivalent values are based on exchange rates on the dates payments were made.

² Fees were increased by 3% with effect from 5 May 2011 following the passing of a resolution at the annual general meetings of Mondi Limited and Mondi plc.

³ For 2011, the fee paid to Stephen Harris covers the period from his appointment on 1 March 2011 until 31 December 2011.

Remuneration report continued

Directors' share interests

The beneficial and non-beneficial share interests of the directors and their connected persons as at 1 January 2012 or, if later, on appointment, and as at 31 December 2012 were as follows:

Executive directors

		Shareholding at 1 January 2012	Shareholding at 31 December 2012	Total shareholdings as a percentage of salary (%) ¹	Deferred BSP shares outstanding at 31 December 2012	Deferred LTIP shares outstanding at 31 December 2012
David Hathorn	Mondi Limited	0	25,000		91,401	260,732
	Mondi plc	553,922	218,922	174	212,595	606,746
Andrew King	Mondi Limited	208	208		39,601	98,669
	Mondi plc	138,330	208,330	272	92,021	232,788
Peter Oswald	Mondi plc	133,833	252,756	205	215,226	527,593

¹ Against a multiple of 150% of salary for David Hathorn and 100% of salary for Andrew King and Peter Oswald, as defined in the share ownership requirements.

Non-executive directors

Mondi Limited

	Shareholding at 1 January 2012	Shareholding at 31 December 2012
Imogen Mkhize	3,222	3,222
Total	3,222	3,222

Mondi plc

	Shareholding at 1 January 2012	Shareholding at 31 December 2012
Cyril Ramaphosa	7,050	7,050
David Williams	5,000	5,000
Stephen Harris	1,000	1,000
Imogen Mkhize	2,000	2,000
John Nicholas	6,000	6,000
Anne Quinn	11,882	11,882
Total	32,932	32,932

There has been no change in the interests of the directors and their connected persons between 31 December 2012 and the date of this report.

Advisers to the Committee

The Committee is authorised to seek information from any director or employee of the Group and to obtain external advice. The Committee is solely responsible for the appointment of external remuneration advisers and for the approval of their fees and other terms.

In the year to 31 December 2012, the following advisers provided services to the Committee:

- New Bridge Street ('NBS') – provision of remuneration advice and benchmarking data. NBS are a signatory to, and adhere to, the Code of Conduct in relation to executive remuneration consultancy in the UK.
- Towers Watson – provision of remuneration benchmarking data.

Sums paid to third parties in respect of a director's services

No consideration was paid or became receivable by third parties for making available the services of any person as a director of Mondi Limited or Mondi plc ('the Companies'), or while a director of the Companies, as a director of any of the Companies' subsidiary undertakings, or as a director of any other undertaking of which he/she was (while a director of the Companies) a director by virtue of the Companies' nomination, or otherwise in connection with the management of the Companies or any undertaking during the year to 31 December 2012.

Share awards granted to executive directors

The following tables set out the share awards granted to the executive directors.

Mondi Limited

	Type of award ¹	Awards held at beginning of year or on appointment to the Boards	Awards granted during year	Shares lapsed	Awards exercised during year	Award price basis (ZAc)	Date of award	Awards held as at 31 December 2012	Release date
David Hathorn	BSP	38,122	–	–	38,122	2301	Mar 09	–	Mar 12
	BSP	37,347	–	–	–	4596	Mar 10	37,347	Mar 13
	BSP	29,838	–	–	–	6206	Mar 11	29,838	Mar 14
	BSP	–	24,216	–	–	6979	Mar 12	24,216	Mar 15
	LTIP	256,070	–	20,409	235,661	2301	Mar 09	–	Mar 12
	LTIP	105,628	–	–	–	4596	Mar 10	105,628	Mar 13
	LTIP	80,749	–	–	–	6206	Mar 11	80,749	Mar 14
	LTIP	–	74,355	–	–	6979	Mar 12	74,355	Mar 15
Andrew King	BSP	15,741	–	–	15,741	2301	Mar 09	–	Mar 12
	BSP	15,328	–	–	–	4596	Mar 10	15,328	Mar 13
	BSP	13,096	–	–	–	6206	Mar 11	13,096	Mar 14
	BSP	–	11,177	–	–	6979	Mar 12	11,177	Mar 15
	LTIP	90,628	–	7,223	83,405	2301	Mar 09	–	Mar 12
	LTIP	40,188	–	–	–	4596	Mar 10	40,188	Mar 13
	LTIP	29,762	–	–	–	6206	Mar 11	29,762	Mar 14
	LTIP	–	28,719	–	–	6979	Mar 12	28,719	Mar 15

¹ For note 1, please refer to the table on page 92.

Remuneration report continued

Mondi plc

	Type of award ¹	Awards held at beginning of year or on appointment to the Boards	Awards granted during year	Shares lapsed	Awards exercised during year	Award price basis (GBP)	Date of award	Awards held as at 31 December 2012	Release date
David Hathorn	BSP	110,393	–	–	110,393	129	Mar 09	–	Mar 12
	BSP	89,752	–	–	–	374	Mar 10	89,752	Mar 13
	BSP	66,689	–	–	–	543	Mar 11	66,689	Mar 14
	BSP	–	56,154	–	–	584	Mar 12	56,154	Mar 15
	LTIP	735,950	–	58,655	677,295	129	Mar 09	–	Mar 12
	LTIP	253,844	–	–	–	374	Mar 10	253,844	Mar 13
	LTIP	180,479	–	–	–	543	Mar 11	180,479	Mar 14
	LTIP	–	172,423	–	–	584	Mar 12	172,423	Mar 15
Andrew King	BSP	45,582	–	–	45,582	129	Mar 09	–	Mar 12
	BSP	36,835	–	–	–	374	Mar 10	36,835	Mar 13
	BSP	29,269	–	–	–	543	Mar 11	29,269	Mar 14
	BSP	–	25,917	–	–	584	Mar 12	25,917	Mar 15
	LTIP	260,465	–	20,759	239,706	129	Mar 09	–	Mar 12
	LTIP	96,578	–	–	–	374	Mar 10	96,578	Mar 13
	LTIP	69,614	–	–	–	543	Mar 11	69,614	Mar 14
	LTIP	–	66,596	–	–	584	Mar 12	66,596	Mar 15
Peter Oswald	BSP	115,923	–	–	115,923	129	Mar 09	–	Mar 12
	BSP	92,683	–	–	–	374	Mar 10	92,683	Mar 13
	BSP	66,504	–	–	–	543	Mar 11	66,504	Mar 14
	BSP	–	56,039	–	–	584	Mar 12	56,039	Mar 15
	LTIP	662,417	–	52,795	609,622	129	Mar 09	–	Mar 12
	LTIP	226,055	–	–	–	374	Mar 10	226,055	Mar 13
	LTIP	153,991	–	–	–	543	Mar 11	153,991	Mar 14
	LTIP	–	147,547	–	–	584	Mar 12	147,547	Mar 15

¹ The value on award of the BSP awards set out in this table is included in the tables of executive directors' remuneration on pages 86 and 94.

² In addition to the number of shares that vested as shown in the table above in respect of the BSP, the executive directors also received the following cash amounts of equivalent value to dividends on vested shares over the vesting period, in accordance with the plan rules:

Name	Amount
David Hathorn	€66,012.73 (£55,196.47)
Andrew King	€27,257.17 (£22,791.05)
Peter Oswald	€49,557.08

All-employee share plans

The Group currently operates two HM Revenue & Customs approved all-employee share plans in the UK.

Share Incentive Plan ('SIP')

Employees resident in the UK are eligible to participate in the SIP. Contributions of up to £125 are taken from participants' gross salary and used to purchase ordinary shares in Mondi plc each month. Participants receive one matching Mondi plc ordinary share free of charge for each share purchased. The shares are placed in trust and the matching shares are forfeited if participants resign from the Group's employment within three years. If the shares are left in trust for at least five years, they can be removed free of UK income tax and National Insurance contributions.

Sharesave

Employees resident in the UK are also eligible to participate in a Sharesave scheme when offered. Participants enter into a savings contract under which they choose to save a fixed amount of between £5 and £250 per month by deduction from their salary. They are granted an option to acquire Mondi plc shares to the value of their savings at a specified price. In normal circumstances the option can only be exercised during the six months following the end of the savings contract. The last Sharesave invitation was made in 2009.

Eligible directors are permitted to participate in both the SIP and Sharesave and details of their participation are presented below.

SIP

Details of shares purchased and awarded to executive directors in accordance with the terms of the SIP.

	Shares held at beginning of year or on appointment to the Boards	Partnership shares acquired during the year	Matching shares awarded during the year	Shares released during year	Total shares held as at 31 December 2012
David Hathorn	3,238	263	263	–	3,764
Andrew King	3,682	263	263	–	4,208

¹ Since 1 January 2013 up to the date of this report, David Hathorn has acquired 34 partnership shares and was awarded 34 matching shares. Andrew King acquired 34 partnership shares and was awarded 34 matching shares.

Sharesave

Executive directors held the following options over Mondi plc ordinary shares under the Mondi Sharesave Option Plan.

	Awards held at beginning of year or on appointment to the Boards	Awards granted during year	Awards lapsed during year	Exercise price per share (GBp)	Date of award	Awards held as at 31 December 2012	Exercise period
David Hathorn	15,808	–	–	99	Mar 09	15,808	1 May 14 to 31 Oct 14
Andrew King	15,808	–	–	99	Mar 09	15,808	1 May 14 to 31 Oct 14

Remuneration report continued

Remuneration for the year ended 31 December 2012

Executive directors' remuneration excluding proceeds of share schemes¹

The remuneration of the executive directors who served during the period under review was as follows:

		Base salary	Annual cash bonus	Grant value of BSP award	Other cash benefits	Other non-cash benefits	Total
David Hathorn	2012	€1,013,129	€612,390	€612,390	€29,703	€20,122	€2,287,734
	2011	€920,175	€538,483	€538,483	€27,720	€15,607	€2,040,468
Andrew King	2012	€570,656	€272,519	€272,519	€23,788	€16,424	€1,155,906
	2011	€517,599	€248,524	€248,524	€22,199	€17,722	€1,054,568
Peter Oswald	2012	€847,000	€403,816	€403,816	€255	€39,964	€1,694,851
	2011	€824,000	€386,028	€386,028	€255	€35,346	€1,631,657

¹ The table includes all remuneration received in respect of the years ended 31 December 2012 and 31 December 2011, whether received from Mondi Limited or Mondi plc, excluding proceeds of share schemes. For total remuneration including share schemes see page 86. The above table is required under existing UK regulation whereas the table on page 86 will be required under UK regulation for reporting periods ending after 1 October 2013.

Pension contributions in respect of executive directors

The executive directors all participate in defined contribution pension schemes under arrangements established by the Group. The contributions paid by the Group in respect of the years 2012 and 2011 are:

	Group contribution	
	2012	2011
David Hathorn	€303,939	€276,053
Andrew King	€142,664	€129,400
Peter Oswald	€211,753	€206,000

Mondi Limited and Mondi plc share prices

The closing price of a Mondi Limited ordinary share on the JSE Limited on 31 December 2012 was R92.16 and the range during the period between 1 January 2012 and 31 December 2012 was R56.70 (low) and R95.00 (high).

The closing price of a Mondi plc ordinary share on the London Stock Exchange on 31 December 2012 was £6.70 and the range during the period between 1 January 2012 and 31 December 2012 was £4.60 (low) to £6.84 (high).

This report was approved by the Boards on 20 February 2013 and is signed on their behalf.

Anne C Quinn

Non-executive director and chairman of the DLC remuneration committee