

2015

INTEGRATED REPORT

for the year ended 31 December 2015

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The full Sustainability Review, the full Annual Financial Statements, as well as the Risk Management Review, are available online at www.mpact.co.za



FINANCIAL CAPITAL



HUMAN CAPITAL



MANUFACTURED CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



INTELLECTUAL CAPITAL



NATURAL CAPITAL

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Please refer to the Glossary of Terms for all abbreviations and definitions on page 105.

SCOPE OF THE INTEGRATED REPORT

SCOPE

Mpact's Integrated Report for the financial year ended 31 December 2015 covers the activities and performance of the Group, which includes Mpact Limited, its subsidiaries and associates. It aims to provide a balanced, clear and complete view of the business by reporting on the financial and non-financial performance of the Group, thereby enabling stakeholders to make an informed assessment.

The report also highlights the risks and material issues faced by the Group in the normal course of business, as well as its governance, social and environmental responsibilities. Reporting on the Group's triple bottom-line performance demonstrates Mpact's commitment to sustainable growth and development.

The report is presented in accordance with IFRS, the requirements of the Companies Act, the JSE Listings Requirements, the principles of King III and the International Integrated Reporting Framework. All of these requirements and frameworks have been adopted to provide all stakeholders with relevant, reliable, comparable and comprehensive information pertaining to Mpact's business operations and capital employed.

In terms of paragraph 8.63(a) of the JSE Listings Requirements, the Group has published its application of the Chapter 2 Principles on its website. The G4 Guidelines have also been followed and the GRI Index for 2015 is available on the company's website, www.mpact.co.za. Mpact has followed the guidelines for the GRI Content Index for "In accordance" – Comprehensive. The Risk Management Review of Mpact has been published on the website.

There are no material changes to the content of this report compared to the 2014 Integrated Report, other than the inclusion of a Chief Financial Officer's Review. This reflects on the Group's current and anticipated financial performance in line with its strategic objectives.

DISCLAIMER

The Integrated Report may contain certain forward-looking statements concerning the Group's environment, financial performance and conditions, strategy and growth expectations. Such views involve both known and unknown risks, assumptions, uncertainties and important factors that could materially influence the actual performance of the Group. No assurance can therefore be given that these will prove to be correct and no representation or warranty expressed or implied is given as to the accuracy or completeness of such views.

This report, for the year ended 31 December 2015, is published in various media. An abridged version of certain sections is contained in this report, with the comprehensive Annual Financial Statements, for both the Group and the Company, the Risk Management Review and Sustainability Review being available on the company's website, www.mpact.co.za.

ASSURANCE

Mpact's External Auditor, Deloitte & Touche, has assured the Annual Financial Statements and Summarised Consolidated Financial Statements, with a copy of their Independent Audit Report on the Summarised Consolidated Financial Statements contained in this report.

The Sustainability Review as a whole has not been independently assured; however, certain information contained in this review has been scrutinised by the Group's own internal control functions, as well as by external assurance providers where this has been deemed relevant and necessary. The review is available on the Group's website, www.mpact.co.za.

Symphony Investor Communications, an accredited empowerment rating agency, has provided assurance on the Black Economic Empowerment scorecard for the financial year-end. The assurance on Mpact's B-BBEE rating for the year ended 31 December 2015 was Level 3 Contributor Status (2014: Level 5 Contributor Status).

Mpact's Internal Audit function, performed by KPMG, together with assurance provided by the Group's External Auditor, Deloitte & Touche, provides the Board with comfort concerning the reliability of the information provided in this report.

APPROVAL OF THIS INTEGRATED REPORT

The Board confirms its responsibility for the integrity of this Integrated Report. The content has been collectively assessed by the Board and in its opinion this report addresses the material issues that could potentially impact the performance of the Group.

The Board has accordingly authorised the release of the 2015 Integrated Report.

AJ Phillips
Chairman

1 March 2016

BW Strong
Chief Executive Officer

1 March 2016

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2015 AT A GLANCE



REVENUE up
10.8% to
R9.5 billion



UNDERLYING
OPERATING PROFIT up
21.0% to
R909 million



BASIC UNDERLYING
EARNINGS
PER SHARE up
36.3% to
366.9 cents



RETURN ON CAPITAL
EMPLOYED (ROCE) OF
18.9%



TOTAL CASH DIVIDEND
PER SHARE up
19.6% to
110 cents



GEARING OF
30.2%



PROJECTS SUCCESSFULLY COMMISSIONED

rPET project, designed to process 29,000 tonnes per annum to produce 21,000 tonnes of recycled PET per annum, and Phase 1 of the Felixton Mill rebuild were commissioned on time and within budget

FOR MANUFACTURING OPERATIONS (MILLS, CORRUGATORS AND PLASTICS PLANTS):



Energy consumption per ton product

7.17 GJ/tonne
(2014: 7.12 GJ/tonne)

Greenhouse Gas Emissions
1.02 tonne CO₂e (2014: 1.02 tonne CO₂e)

Increase largely due to cogeneration of electricity at Piet Retief Mill



For manufacturing operations (Mills, Corrugators and Plastics plants):

WATER USE PER TON
PRODUCT:

6.42 kl/tonne
(2014: 6.61 kl/tonne)



B-BBEE Contributor Status is
Level 3
(2014: Level 5)

Corporate social investment spend was
R6.3 million
(2014: R4.6 million)



SKILLS DEVELOPMENT PROGRAMMES OFFERED TO

3,364 employees
(2014: 3,629 employees)

527,000 tonnes of
USED PAPER AND PLASTIC RECOVERED
FOR RECYCLING (2014: 450,277 tonnes)

A total of
67,412 man-hours
(2014: 57,112 man-hours)
WERE DEVOTED TO
TRAINING AND SKILLS
DEVELOPMENT

THE GROUP SUPPORTED
206 individuals
(2014: 158 individuals) on apprentice
and learnership programmes, of
whom 91% (2014: 84%) were
from previously disadvantaged
backgrounds

CORPORATE PROFILE

INTRODUCTION

Listed on the JSE's Main Board in the Industrial – Paper and Packaging sector in July 2011, Mpact is a leading manufacturer of paper and plastics packaging in southern Africa. The Group enjoys leading market positions in southern Africa in recovered paper and plastic collections, corrugated packaging, recycled-based cartonboard and containerboard, polyethylene terephthalate (PET) preforms, styrene trays as well as plastic jumbo bins.

The **Paper business** is integrated across the recycled paper-based corrugated and converted paper products packaging value chain; comprising three divisions: Recycling, Paper Manufacturing and Corrugated and Converted Paper Products. Refer to pages 33 to 35 for more detail on the Paper business.

The **Plastics business** manufactures rigid plastic packaging for the food, beverage, personal care, home care, pharmaceutical, agricultural and retail markets. Products include PET preforms, bottles and jars; plastic jumbo bins, wheelie bins, pallets and crates; plastic containers for the FMCG market; styrene and PET trays, fast food containers and clear plastic films.

The Plastics business also manufactures recycled PET (rPet) at the recently commissioned PET recycling operation. Refer to pages 37 to 39 for more detail on the Plastics business.

Mpact's business model, incorporating a summary of the Six Capitals, is set out on page 10 of this Integrated Report.

Mpact employs 4,467 people (2014: 4,126 employees) across its 33 (2014: 32) operations in South Africa, Botswana, Namibia, Mozambique and Zimbabwe. We are very pleased to welcome the 341 additional new employees to the Group.

Approximately 90% (2014: 91%) of Mpact's sales were to South African customers for the current financial year.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Mpact is pleased to report that the Group's B-BBEE scorecard verifies Mpact as a Level 3 Contributor.

This is largely due to the successful establishment of the Mpact Foundation Trust in May 2015. The objectives are to pursue true empowerment of previously disadvantaged stakeholders with a focus on broad-based groupings; to create a sustainable funding structure; and to complement existing B-BBEE initiatives whilst preserving existing value for current shareholders and materially improving Mpact's B-BBEE ownership credentials.

The Mpact Foundation Trust's main beneficiaries will include previously disadvantaged employees and their families. Other beneficiaries of the Mpact Foundation Trust will include previously disadvantaged entrepreneurs, suppliers and customers within the industries in which we operate and other individuals, groups of people or entities that operate within communities close to Mpact's operations.

Mpact remains steadfast in improving its B-BBEE status to maintain a competitive rating that is in line with Government regulations and requirements.

CENTRES OF EXCELLENCE

The Group has Centres of Excellence for human resources, safety, health and environmental functions, and enjoys the benefits of shared services for finance, human resources administration and information communication and technology (ICT).

Research and development (R&D) activity covers innovation centres for structural and graphic design, value-added services and a plastics design studio where new designs are created and prototype forms for the development of new plastic containers are made. The Stellenbosch-based R&D centre provides production and technical support for sales teams and collaborates with customers on paper and plastic product developments.

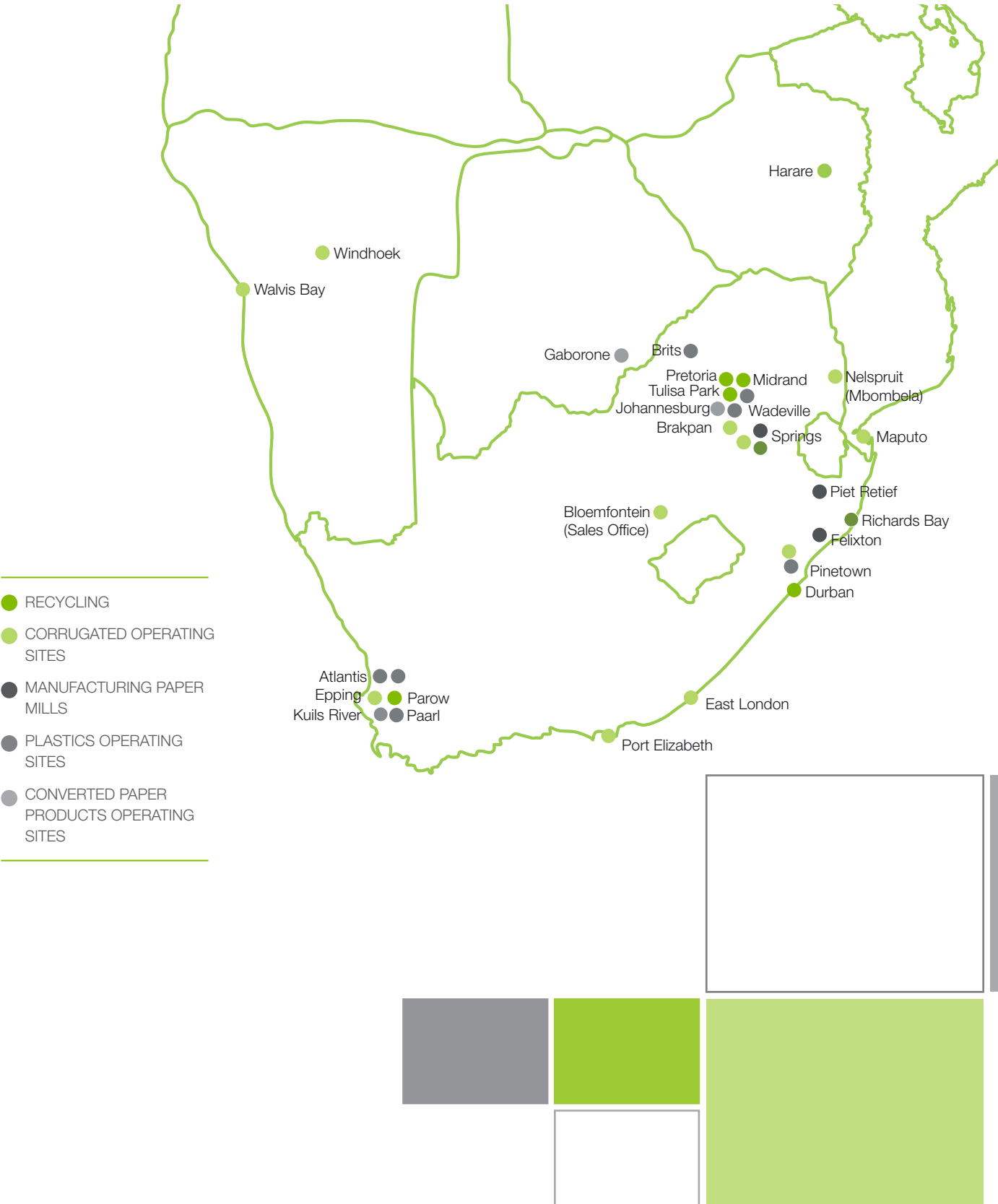
The decentralised customer-focused operating structure focuses on providing innovative solutions to customers. This structure includes operations managers who are responsible for customer relationship management as well as financial performance.

The Group maintains close customer relationships, adapting quickly to customer needs, and developing products tailored to specific requirements. Mpact's national footprint, and therefore proximity to its customers, contributes to faster response times and reduced transport costs.

A graphic showing a vertical bar divided into three equal horizontal sections. The top section is white, the middle section is grey, and the bottom section is green. The green section contains the text 'B-BBEE LEVEL 3' in white.

**B-BBEE
LEVEL
3**

GEOGRAPHIC FOOTPRINT



INVESTMENT PROPOSITION

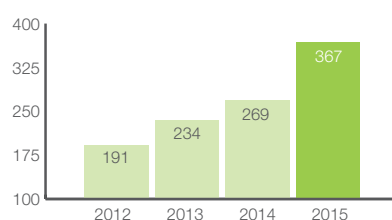
Leading paper and plastics packaging manufacturer in southern Africa with an integrated paper and PET packaging value chain

Strong financial position to exploit growth opportunities

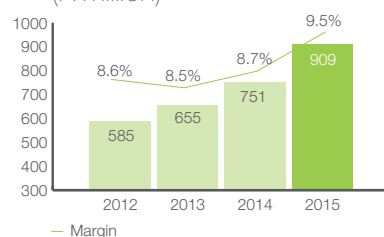
Proven track record of profitable growth with an experienced management team

Customer-focused operating structure, with the ability to identify and implement organic growth projects and acquisitions

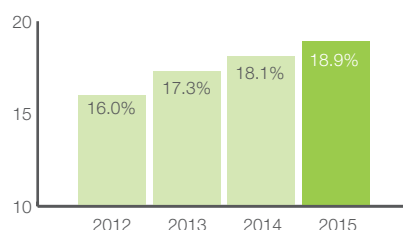
Underlying EPS (cents)



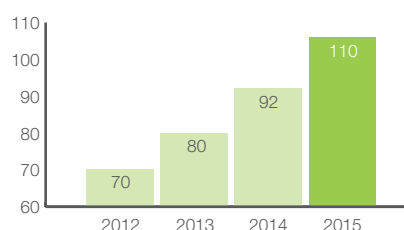
Underlying operating profit (R'million)



ROCE (%)



Dividend (cents per share)



VISION AND VALUES

VISION

Mpact's vision is to be a leading packaging business with the highest ethical standards, delivering exceptional value for customers, employees, communities and shareholders.

AS ONE OF SOUTHERN AFRICA'S LEADING PAPER AND PACKAGING PRODUCERS, MPACT IS COMMITTED TO:

- meeting and exceeding customers' requirements for product and service quality, innovation as well as cost competitiveness;
- providing a safe and secure working environment in which employees can fulfil their ambitions and aspire to continually improve their circumstances;
- acting as a responsible employer and corporate citizen in the communities where it operates, and managing natural resources with care, sensitivity and expertise; and
- achieving sustainable, profitable growth through a focus on business excellence and strategic expansion in chosen markets.

VALUES

Mpact is differentiated by its people who are resolute, trustworthy and responsible.



For the Group's values in full, please visit www.mpact.co.za

STRATEGY AND OBJECTIVES

The Group's strategy and objectives according to the three strategic pillars:



Leading market positions

Scale

- Maintain leading market positions in chosen geographies with scale to enable competitiveness at a decentralised level
- May consider entry below leading market position but always considering sectors where there is potential to lead in future

Capability

- Invest in sectors where Mpact has sustainable competitive advantages or at least has the prospect of developing them

Products and geographies

- Rigid plastics and paper-based packaging in sub-Saharan Africa



Customer-focused operating structure

Decentralised structure

- Customer-centric
- Responsive
- Accountable
- Flexible
- Leverage parenting advantage wherever possible
- Effectively execute differing strategies or even hybrids across business units

Innovation and capability

- Applied to products and processes – internal and external
- Use of own R&D capabilities where feasible
- Investing to meet new and emerging demands of customers, with good returns

Intimate understanding of the Value Chain

- Engage customers and other stakeholders to improve supply chain efficiency and anticipate changing requirements
- Product specification bodies, marketing and branding people, key distribution networks
- Make partnerships work



Focus on performance

Financial returns

- ROCE and profitable growth
- Disciplined capital allocation and spending
- Reinvestment and capital allocation based on track record
- Stringent and continuous cost management
- Long-term view of investments
- Effective risk management and governance

Skilled and motivated people

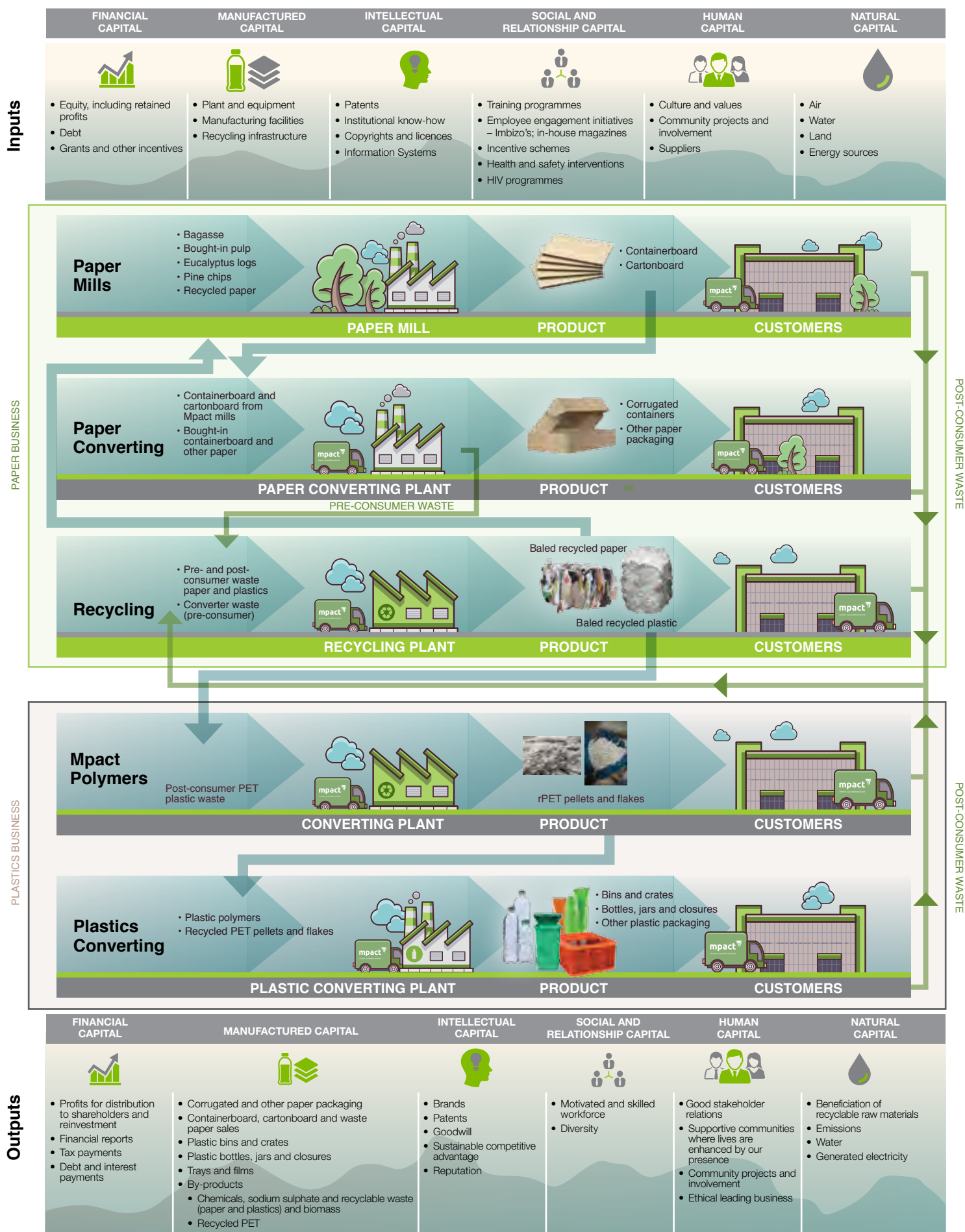
- Invest behind management with track record
- Reward performance and results and appreciate effort
- Commit resources to proactive training and development of staff

Smart simplicity

- Simplify through intimate understanding of Mpact's industry/business
- Understand underlying requirements and address key elements to avoid superfluous volume and structures
- Maintain lean corporate and divisional structures

Specific strategic goals have been developed for the businesses and these are set out in detail in the respective operational reviews.

BUSINESS MODEL





FIVE-YEAR FINANCIAL PERFORMANCE HISTORY

31 December		2015	2014	2013	2012	2011
Profit performance						
Revenue	R'm	9,548	8,617	7,698	6,821	6,281
Underlying operating profit	R'm	909	751	655	585	517
Underlying profit before tax	R'm	790	646	550	466	263
Underlying earnings	R'm	603	440	382	313	169
Financial position						
Total assets	R'm	8,069	7,063	6,207	5,837	5,605
Total equity	R'm	3,712	3,206	2,884	2,642	2,412
Total liabilities	R'm	4,357	3,857	3,323	3,194	3,193
Total operating assets	R'm	7,285	6,299	5,571	5,224	5,005
Cash flow information						
Net cash from operations before working capital	R'm	1,322	1,146	1,028	914	765
Working capital movements	R'm	(235)	(157)	(221)	(48)	48
Capital expenditure	R'm	979	701	387	363	337
Ratio and statistics						
Underlying operating profit margin	%	9.5	8.7	8.5	8.6	8.2
Basic EPS	cents	366.9	259.1	232.5	188.5	54.9
Underlying EPS	cents	366.9	269.2	233.5	191.1	102.9
Basic HEPS	cents	365.8	262.7	233.3	187.5	54.3
Total dividend per share	cents	110.0	92.0	80.0	70.0	40.0
Net asset value per share	cents	2,236.6	1,953.7	1,762.9	1,615.4	1,470.3
ROCE	%	18.9	18.1	17.3	16.0	13.8
Current ratio	times	1.4	1.3	1.6	1.5	1.3
Interest cover (underlying EBIT)	times	6.9	6.2	5.7	4.6	1.6
Gearing	%	30.2	29.0	28.1	28.6	35.3
Stock Exchange statistics¹						
Market value per share						
– At year-end	cents	4,694	3,675	2,690	1,989	1,499
– Highest (year to 31 December)	cents	5,189	3,999	2,819	2,010	1,542
– Lowest (year to 31 December)	cents	3,251	2,352	1,800	1,400	1,216
Closing PE ratio	times	15.4	14.0	11.5	10.6	27.6
Market capitalisation – close	R'm	7,790	6,031	4,400	3,254	2,459
Volume traded (year to 31 December)	'000	61,106	63,736	96,225	107,254	102,462
Weighted number of shares	'000	164,218	163,269	163,510	163,825	164,046
Issued shares at 31 December	'000	165,958	164,101	163,576	163,576	164,046

Note 1: The Stock Exchange statistics for the year ended 31 December 2011 contains the JSE information from 11 July 2011, the date of Mpact's listing on the JSE.

STAKEHOLDER ENGAGEMENT

Mpact recognises that proactive engagement with internal and external stakeholders across the business is critical to its long-term success and in strengthening its programmes, identifying opportunities and material issues as well as gaining insights.

The Group has embraced transparent and open communication with its stakeholders, particularly against a backdrop of growing social, economic and environmental challenges within the context in which it operates.

Mpact's list of primary stakeholders is developed through a comprehensive process and is reviewed annually by the Social and

Ethics Committee to ensure it reflects the key groupings that Mpact interacts with. The Group's Stakeholder Engagement Policy is also reviewed annually.

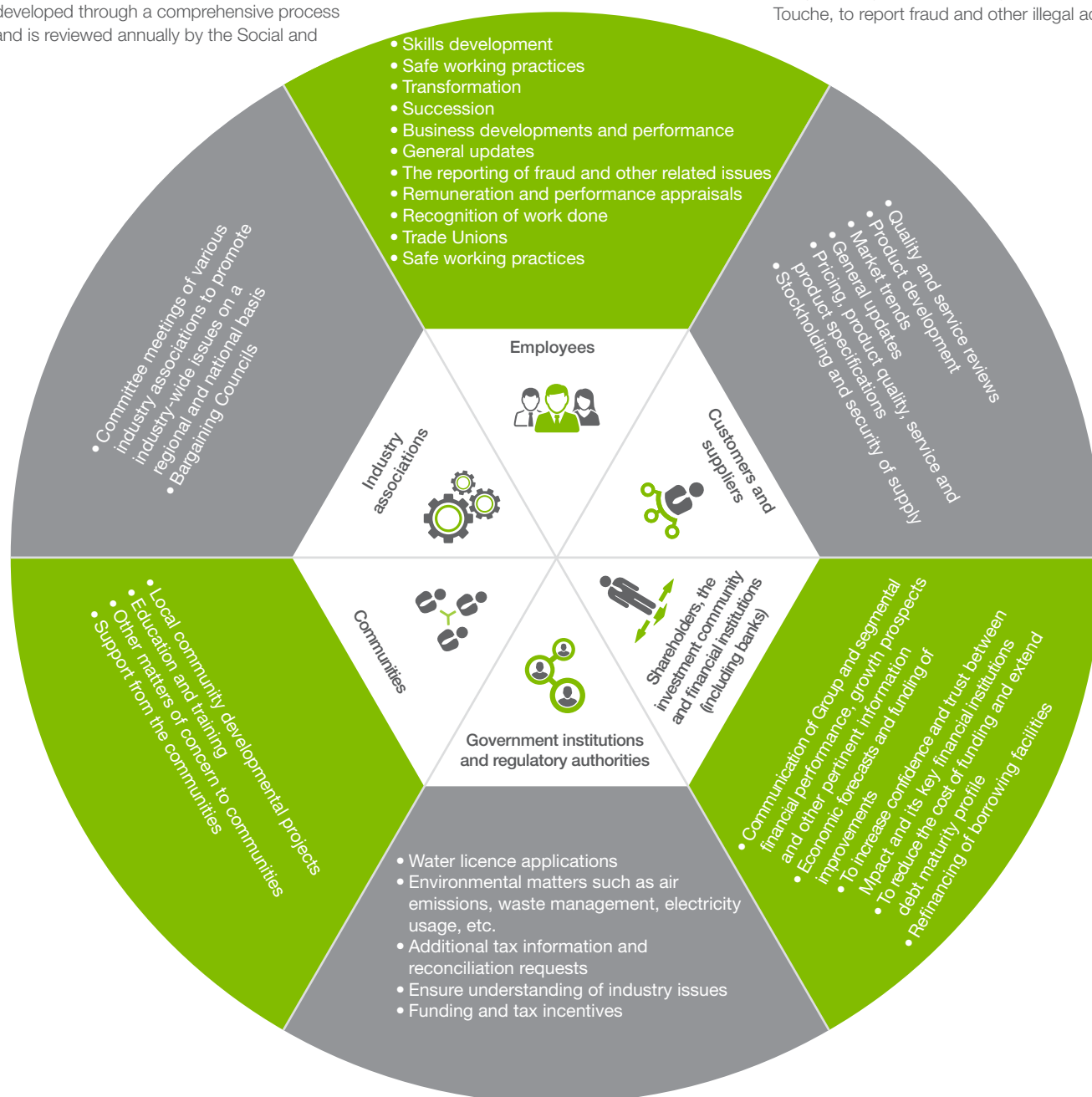
The main stakeholders identified by Mpact, among others, are:

- Employees
- Customers and suppliers
- Shareholders, the investment community, and financial institutions (including banks)
- Government institutions and regulatory authorities

- Communities
- Industry associations

During the year, a comprehensive report is tabled at the Social and Ethics Committee meetings providing an update on stakeholder activities. This report outlines various communications relating to investor relations, media relations, employees, advertising and branding and other stakeholders e.g. customers, communities and trade unions.

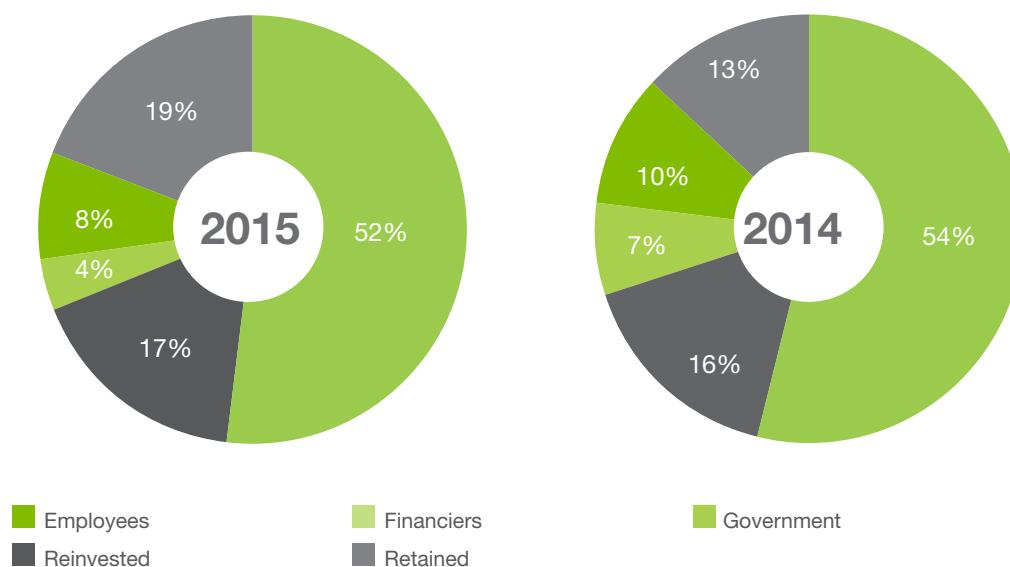
Employees have access to Tip-offs Anonymous, a whistleblowing facility independently administered by Deloitte & Touche, to report fraud and other illegal acts.



VALUE-ADDED STATEMENT

	2015 R'm	2014 R'm
Value created		
Value created by operating activities	2,783.9	2,485.9
– Revenue	9,547.7	8,617.2
– Expenses	(6,763.8)	(6,131.3)
Finance income	8.7	9.7
Share of associate profit	13.0	15.6
	2,805.6	2,511.2
Value distributed	(1,795.3)	(1,778.5)
Employee salaries, wages and other benefits	(1,464.7)	(1,351.6)
Payments to providers of finance		
– Finance costs	(140.7)	(130.7)
– Dividends	(75.8)	(119.1)
Payments to Government		
– Taxes	(114.1)	(177.1)
Value reinvested	(468.3)	(405.6)
Depreciation, amortisation and impairment	(410.0)	(405.8)
Deferred tax	(58.3)	0.2
Value retained		
Retained profits	(542.0)	(327.1)
	(2,805.6)	(2,511.2)

Value distribution



MATERIAL RISKS

Mpact has a formal process to identify and manage material risks within the business, which could potentially hamper the achievement of Mpact's strategic objectives. It is a structured, systematic process integrated into existing management responsibilities. This routine process responds to all types of risks in all parts of the Group and is an inherent part of the management philosophy of Mpact.

Mpact has adopted a conservative approach to risk management and has a low tolerance

for risk. Assessing the level of risk is also a part of Mpact's decision-making process and in line with the Group's approach to improving upon and managing a sustainable business.

Mpact's Risk and Sustainability Manager, Neil Hunt, has overall responsibility for overseeing the risk management process. The risk assessment process follows a "bottom-up" approach, with the input by each operation assessed by the Risk Management Committee, and then in turn by the Audit and Risk Committee. The full Risk Management

Review for the year ended 31 December 2015 is set out in detail on the company's website, www.mpact.co.za.

The material risks identified correlate with the Group's materiality determination and stakeholder engagement processes. The material principal risks identified and attended to by Mpact are set out in the table below. These risks were approved by the Audit and Risk Committee on 11 November 2015.

Underlying risks and their potential impacts	Mitigation actions taken to limit impacts	2015 status versus 2014	Barometer
Prolonged shortages of key raw materials, such as containerboard, polymers and fibre, could lead to a loss of production, alteration of product offerings, or higher costs.	- Long-term supply agreements; multiple suppliers; utilisation of alternative raw materials and collection of recyclables from a variety of sources are all strategies used where possible by Mpact. - The successful start-up of the recycled PET plant contributed to increased material supply security.	→	
Unreliable supply and higher costs of energy and water could lead to a loss of production and increased costs. The drought conditions in 2015 and going into 2016 increased the likelihood that deteriorating water supply and quality could disrupt some Mpact operations. Furthermore, the draft National Water Pricing Strategy indicates that water pricing will increase in the future.	- Energy efficiency projects and demand planning strategies have been implemented where feasible across the Group. - Reduction in water consumption is a key performance indicator and investment driver, particularly in the paper mills. - All operations have been alerted to keep abreast of water supply and quality issues in their areas.	↓	
Major failure/breakdown of critical equipment could cause a prolonged loss of production and increased costs.	- Operations have formal planned maintenance programmes, which include regular equipment inspections, condition monitoring, statutory inspections and proactive maintenance programmes. Capital is allocated annually to proactively replace or upgrade plant and equipment. - The Group also has machinery breakdown insurance cover on critical items of plant.	→	

Risk Barometer	
	UNSATISFACTORY
	WEAK
	SATISFACTORY
	GOOD
	VERY GOOD

2015 versus 2014 Risk Barometer	
↑	IMPROVED
→	UNCHANGED
↓	DETERIORATED

MATERIAL RISKS (continued)

Underlying risks and their potential impacts	Mitigation actions taken to limit impacts	2015 status versus 2014	Barometer
Labour-related matters such as strikes, unrest, loss of key skills and cost increases above inflation, could lead to a reduction of productivity and the ability to produce quality products competitively.	- The business upholds fair labour practices which go beyond minimum requirements. - Where relevant, businesses participate in industry collective bargaining forums, and have regular interactions with employees to resolve labour-related matters. - Key skills are identified and training provided to carefully selected candidates ensuring sustainable supply of skilled personnel. - Bursaries and other study opportunities are also offered to employees and school leavers. - The Group has retention mechanisms to retain scarce skills and succession planning processes in place. - Adherence to health and safety standards are a priority across the Group.	→	
Mpact operates in an uncertain and competitive trading environment in which dependence on major customers, excess capacity, competitively priced imports and subdued growth across the sector could result in reduced sales volumes or selling prices and lead to a loss of profits.	- Mpact addresses this through long-term supply agreements, proactive research, product design and market development, and continued focus on quality with manufacturing sites certificated to the ISO 9001 standard. - Market conditions nationally and internationally are monitored closely by Mpact.	→	
Catastrophic systems failure, fires, floods and breaches of ICT security could lead to prolonged production and distribution interruptions, as well as increased costs of working and capital replacement costs.	The Mpact Risk Control Standards apply to all operations and provide guidelines on issues such as fire protection, security, emergency preparedness and environmental management. Operations are audited against these standards. IT security has become a major focus and Mpact adopts the best appropriate security standards. Business continuity plans, aimed at minimising disruptions in the event of disasters, are in place at various levels across the Group.	↑	

Risk Barometer	
UNSATISFACTORY	GOOD
WEAK	VERY GOOD
SATISFACTORY	

2015 versus 2014 Risk Barometer	
↑	IMPROVED
→	UNCHANGED
↓	DETERIORATED

Underlying risks and their potential impacts	Mitigation actions taken to limit impacts	2015 status versus 2014	Barometer
More stringent and changing legislation has the potential to increase costs of compliance and risk of fines and penalties. Legislation includes, but is not limited to, environmental, tax, competition, labour, occupational health and safety, employment equity, black economic empowerment, land claims and industry-specific requirements.	- Mpact addresses these concerns by retaining experts in relevant disciplines such as law and tax who assist in maintaining vigilance and compliance. Adding to existing safety and environmental legal registers, a management booklet on laws pertinent to the Group has been compiled. A rigorous schedule of internal and external audits and statutory inspections across all disciplines monitors compliance. The Group also contributes to the development of legislation by engaging with Government via industry bodies. - Mpact is actively engaging with Government on emerging environmental legislation such as carbon tax and packaging waste levies, which are currently under consideration by various Government authorities. The Group is also actively working on initiatives to reduce the potential costs of environmental legislation through improved energy and water efficiency and through expanding our recycling programmes.	→	

Risk Barometer	
UNSATISFACTORY	GOOD
WEAK	VERY GOOD
SATISFACTORY	

2015 versus 2014 Risk Barometer	
↑	IMPROVED
→	UNCHANGED
↓	DETERIORATED

CHAIRMAN'S STATEMENT



Tony Phillips

THE IMPLEMENTATION OF THE MPACT FOUNDATION TRUST HAS RESULTED IN MPACT'S B-BBEE CONTRIBUTOR LEVEL IMPROVING FROM LEVEL 5 TO LEVEL 3

INTRODUCTION

Despite the continued poor economic conditions in South Africa during 2015, the performance of Mpact was commendable as the Group delivered a solid set of results. These results were mainly boosted by the strong improvement in the Plastics business due to good volume growth, cost containment initiatives and the restructure of the FMCG business in 2014, while the Paper business was buoyed by increased sales to the fruit sector.

The challenges were highlighted in the recent survey conducted by the Manufacturing Circle, of which Bruce Strong, Mpact's CEO, is chair. Manufacturing businesses indicated they were particularly worried about disruptions in electricity supply, the volatile exchange rate, industrial action in the form of strikes, as well as declining commodity prices, which all added to the negative outlook expressed. The surveyed companies encountered numerous performance-inhibiting factors that ranged from high labour costs and the lack of essential skills in the sector, to a shortage of raw material.

CORPORATE GOVERNANCE REPORTING AND SUSTAINABILITY INITIATIVES

I am very pleased to report that the Group's B-BBEE scorecard verifies Mpact as a Level 3 Contributor. This is largely due to the successful establishment of the Mpact Foundation Trust, which was implemented at the end of June 2015. Its objectives are the pursuit of true empowerment of previously disadvantaged stakeholders with a focus on broad-based groupings; creating a sustainable funding structure; and complementing existing B-BBEE initiatives while preserving value for current shareholders.

Mpact remains committed to maintaining high standards of corporate governance. Our ongoing efforts around stakeholder engagement and maintaining transparency and open communication are critical to our long-term success. Our Corporate Governance Report on pages 43 to 50 sets out our principles and policies in more detail.

Mpact continues to enhance its reporting, upholding the principles of sustainability, corporate governance and social responsibility. We remain committed to engaging with

stakeholders regularly, as encouraged by King III and the Companies Act. The Abridged Sustainability Review is set out on page 27 and a comprehensive Sustainability Review is available on the company's website www.mpact.co.za.

CAPITAL INVESTMENT

No business can be considered sustainable without ongoing capital investment and this year's results are once again evidence of Mpact's drive to improve the quality of its products and enhance production efficiencies by rebuilding or replacing machinery in its operations. This has also led to improved global cost competitiveness, expanded output capacity as well as compliance with environmental legislation.

The drive for sustainable capital investment is also evidenced in the successful restructure of the FMCG business within Plastics, the commissioning of the PET recycling plant and the R765 million upgrade at the Felixton Mill. The details are in the Chief Executive Officer's Review on pages 30 and 31 of this report.

As a result of the weak rand, the cost of imported plant and machinery has escalated substantially. This will no doubt impact the viability of future capital investments.

Mpact's Stellenbosch-based R&D centre ensures that innovative product opportunities are continuously being explored and tested, with a particular emphasis on consumer safety. A new high-tech laboratory has been built at the Springs Mill with the aim of researching the physical structure of containerboard and cartonboard packaging. This includes testing performance under various climatic and physical conditions. Research from this laboratory will be used to optimise both paper properties and packaging design.

HUMAN CAPITAL INVESTMENT

The continued development of our people and the setting of strong targets has been central to the success of Mpact. During 2015, we formulated a competency framework that is aligned with the Group's overall strategy. This robust framework provides clarity and guides the recruitment process, performance management and development of our employees. The segmentation of talent and its associated investment has further

enhanced our succession planning and leadership development process.

We also collaborate with the Gordon Institute of Business Science (GIBS) and Henley Business School to customise leadership development programmes. A total of 103 leaders, including supervisors, participated and benefited from Mpact's leadership programmes during the year. The Group's operations also continued to offer skills development programmes and assistance to the employees wishing to hone their job-related skills and further their formal education.

OUTLOOK

What perhaps has set 2015 apart from recent years has been the changes in the local paper sector as competitors and customers have reshaped themselves to survive ever-increasing headwinds. The change of ownership of a number of paper mills and recycling businesses will result in new competitive forces in this industry.

However, we remain confident that our interventions such as the Felixton Mill upgrade, the rPET project and our other investments in the recycling and corrugated businesses will ultimately advance our growth prospects.

Without a doubt it has been the Group's ability to manage costs effectively and to enhance operational performance that has allowed Mpact to continue to outperform the market.

It remains difficult to predict what will happen to the country's economy in 2016, suffice to say that we share the belief that the economic turbulence in which the Group operates, possibly exacerbated by the drought, will not abate. Our strategy addresses sustainable growth initiatives over the long-term and the Board and I are fully confident of the Group's ability to meet the challenges. The guidance of Mpact's experienced and motivated management team will play a pivotal role in ensuring that the business remains equipped in all dimensions to not only survive these, but to continue to thrive.

APPRECIATION

As mentioned, the performance of Mpact is inextricably linked to the dedication and commitment of the management team and staff. My thanks go to Bruce Strong and his team for their exceptional work during the year. To my fellow Board members, once again, your support has been very valuable, and I thank you too for your insight and the time devoted to Mpact.

Tony Phillips

Chairman

1 March 2016

BOARD OF DIRECTORS

Mpact has a highly experienced and representative Board that is committed to transformation and a well-balanced management team with over ten decades of combined industry experience and the necessary strategic skills.



Anthony John Phillips (Tony)
(69)

CHAIRMAN

BSc (Eng) (University of KwaZulu-Natal)

Tony joined Mpact as an Independent Non-executive Director in April 2011. He is the Chairman of the Board, Chairman of the Nomination Committee and member of the Remuneration Committee. Tony was appointed MD of Barlows Equipment Co in 1988, and MD of Finanzauto SA, Spain in 1992. He was appointed a director of Barloworld Limited in 1996 and was CEO from 1998 until 2006. From 2005 until 2007 Tony was the Chairman of PPC Limited. Tony is currently a director of eNX Limited, Newman Lowther and Associates (Chairperson), the World Wildlife Fund, Eqstra Ltd (NED) and Kansai Plascon Africa Limited (Vice Chairman).



Neo Phakama Dongwana (43)

BCom, Postgraduate Diploma in Accounting, BCom (Hons) (University of Cape Town), CA(SA)

Neo is also an active member of her profession and was until recently a member of the Education and Monitoring Committees of the Independent Regulatory Board for Auditors (IRBA). Neo is passionate about the growth and transformation of the CA profession and in particular the development of women CAs. She is a committed member of the African Women Chartered Accountants (AWCA) and serves as a director of its investment arm, AWCA Investment Holdings (AIH).

After qualifying as a CA, Neo worked as an equities analyst at Gensec Asset Management.

Neo joined Mpact as an Independent Non-executive Director in April 2011. She is a member of the Audit and Risk Committee and Social and Ethics Committee. Neo is Chartered Accountant and currently serves as an independent non-executive director on a number of boards. Prior to being a non-executive director she was an Audit partner at Deloitte for almost 10 years.

Her portfolio of boards includes AVI Limited and Barloworld Limited. She is also a board member of Mutual & Federal, South African Breweries (Pty) Ltd and a Trustee of the Women's Development Bank. Neo is also a member of the Financial Services Board (FSB) Appeal Board.

In 2015 Neo concluded her term as a member of the inaugural audit committee of the Southern African Development Community (SADC) as a representative of the South African Government on that committee. This committee reported to and provided technical support to the SADC Council of Ministers.

Nomalizo Beryl Langa-Royds (Ntombi) (54)

BA (Law), LLB (National University of Lesotho)

Ntombi joined Mpact as an Independent Non-executive Director in April 2011. She is the Chairman of the Social and Ethics Committee and the Chairman of Remuneration Committee. She is also the Trustee of Mpact Share Incentive Scheme. She has more than 26 years of experience in human resources. Ntombi is a director of Murray and Roberts Holdings Limited, ABIL and Redefine Properties Limited.





Timothy Dacre Aird Ross (Tim) (71)

CTA (University of KwaZulu-Natal), CA(SA)

Tim joined Mpact as an Independent Non-executive Director in April 2011. He is the Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee. He previously (for 37 years) was a Partner at Deloitte & Touche, and was the Head of Johannesburg Audit, Head of Client Services and a member of the Deloitte & Touche Executive Committee and Board. He is a Non-executive Director of Eqstra Holdings Limited, Adcorp Holdings Limited and PPC Limited.



Andrew Murray Thompson (58)

BSc (Eng) (University of the Witwatersrand), MBA (Finance) (University of Pennsylvania, Wharton)

Andrew joined Mpact as Non-executive Director in October 2004. He is a member of the Audit and Risk Committee and Social and Ethics Committee. He was, until recently, a Non-executive Director of Adcock Ingram Holdings Limited and previously served as the CEO of Mondi Limited as well as an Executive Director of Anglo American South Africa Limited.



Bruce William Strong (47) CEO

BSc (Eng) (Summa cum laude) (University of KwaZulu-Natal), BCom (Hons) (University of South Africa), AMP (Harvard)

Bruce has been the CEO of Mpact since March 2009. Prior to being appointed CEO, he held various management positions in Mondi, both in South Africa and Europe. Bruce has 21 years' experience in the paper and packaging industry. He currently serves on the executive committee of the Paper Manufacturers Association of South Africa and is the Chairman of the South African Manufacturing Circle, a corporate association of manufacturers whose membership includes small, medium and large companies across all manufacturing sectors.

Brett David Vaughan Clark (51) CFO

BCom, Postgraduate Diploma in Accounting (University of Port Elizabeth), CA(SA), CIMA

Brett joined Mpact as the CFO in June 2012. He is a qualified Chartered Accountant and was previously a Principal at Absa Capital Private Equity, an Executive Director of Brait Private Equity and CFO of Clover Industries Limited and Unihold Limited, respectively. Brett has also worked for Nampak Limited in various positions in South Africa and the United Kingdom.



INDEPENDENT NON-EXECUTIVE DIRECTORS

EXECUTIVE DIRECTORS

MANAGEMENT



John William Hunt (52)

BSc (Eng), MSc (Eng) (University of KwaZulu-Natal)

John has held the position of Managing Director of the Recycling division since May 2011. His previous role was as the Business Manager for Technology Optimisation in the Group. He has served as the Executive Director of the Paper Manufacturers Association of South Africa and has more than 20 years' experience in the paper industry.



Mohlomi Mothobi (49)

BSc (Chemistry) (National University of Lesotho), BSc (Chem Eng) (University of Pretoria), MBA (University of Wales)

Mohlomi joined Mpact as General Manager: Business Development in February 2012 from Tetra Pak where he worked for 11 years as the Projects and Engineering Manager for sub-Saharan Africa. Mohlomi's main focus is developing business opportunities for Mpact beyond the regions in which the Group currently operates.



Neelin Naidoo (52)

MBA (Herriot Watt University, United Kingdom), FCIS, FCMA

Neelin joined Mpact as the Managing Director of Mpact Plastics on 1 November 2013. Neelin was the CEO of MCG Industries and has over 30 years' experience in the packaging industry. He is a Director of Polyco.



Johan Stumpf (48)

BEng (Hons) (Industrial), MBA (cum laude)

Johan joined Mpact in October 2015 and assumed responsibility for the Corrugated business on 1 January 2016. He served as Managing Director of the Klein Karoo Group since 2009. Prior to joining the Klein Karoo Group, Johan spent six years as Managing Director of Sundays River Citrus Company (Pty) Ltd, the largest packer and marketer of citrus in southern Africa. Johan's diverse experience also includes six years with SABMiller as production and engineering manager as well as management and executive roles in supply chain management and consulting.



Ralph Peter von Veh (64)

Ralph was the Managing Director of the Corrugated division until 31 December 2015, having very successfully grown that business since his appointment in 1999. In January 2016 Ralph was appointed Managing Director of Mpact's bags and sacks business and he continues to represent Mpact's interests on the boards of various Mpact subsidiaries and associates. He is also responsible for certain strategic business initiatives. Prior to joining Mpact, Ralph was the Regional Director of Kohler Corrugated. He has 40 years' experience in the paper and packaging industry and has served on various industry bodies including the Packaging Council of South Africa (PACSA) of which he was Chairman from 2012 to 2015. Ralph's service to the industry was recognised by his peers in 2015 when he was made a Fellow of the Institute of Packaging, the highest honour that the Institute can bestow.



Hugh Michael Thompson (50)

BCom, CTA (University of South Africa), CA(SA)

Hugh has been the Managing Director of the Paper Manufacturing division since October 2009. He fulfilled the role of CFO of Mpact until March 2007 and then the role of Managing Director of the Plastics division until September 2009. He has more than 10 years' experience in the packaging sector. He was previously Senior Vice President (Corporate Finance) for Anglo American South Africa Limited.

Noriah Sepuru (44) **COMPANY SECRETARY**

FCIBM, ACIS

Noriah was appointed Group Company Secretary at Mpact on 1 December 2011. Prior to this, Noriah was Company Secretary at Jasco Electronics Holdings Limited and spent four years at Barloworld Limited in various company secretarial positions. Noriah is a member of Institute of Directors South Africa, an Associate Member of Chartered Institute of Secretaries and a Fellow Member of the Chartered Institute of Business Management.





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WASTE PAPER BUY-BACK CENTRES FLOURISH IN THE RECYCLING MARKET

The recycling industry has become a significant employer, and its potential to deliver economic and social benefits continues to be powerfully demonstrated by Mpact Recycling, South Africa's largest paper recycler.

Mpact Recycling has embraced a small business empowerment model by partnering with local entrepreneurs who collect recycled paper. Aside from its own operations in major centres around South Africa, Mpact Recycling has helped set up over 40 buy-back centres, where traders deliver waste paper for payment. The company also buys additional material from over 100 independent dealers throughout the country.

It collects 'Ronnie Bags' from an estimated 200,000 homes in the Cities of Tshwane, Johannesburg and Ekurhuleni and has approximately 2,000 Ronnie Paper Banks located across South Africa. Contractors appointed by Durban Solid Waste collect bags from approximately 350,000 houses in Durban as part of the Orange Bag Project. The bags are then delivered to Mpact Recycling in Maydon Road or contractor sites for sorting.

Recycling is a competitive industry. Mpact empowers entrepreneurs by providing them

with the expertise and equipment necessary to start up buy-back centres and a secure market for the resale of the material they collect.

Robertville Recycling, a buy-back centre in Rodepoort, is one such beneficiary and success story. The centre was established by Queen Phashe-Boikanyo some 12 years ago, with the help of Mpact Recycling, which assisted with finding a location and providing training. Today she has five full-time employees and is supplied with recyclable material by local collectors who scour the surrounding industrial areas for waste paper, cardboard and plastic.

The buy-back centre processes about 100 tonnes of waste paper a month, selling it onto Mpact Recycling. This successful recycling business has enabled Phashe-Boikanyo to put all four of her children through school and the oldest two through university. Her eldest daughter is now a pharmacist and the next daughter will soon graduate as a dentist.

Phashe-Boikanyo is optimistic about the future: "This is a good business with the potential to get bigger, because a lot of the

paper that is used in people's homes and offices is still not recycled. I encourage people to start recycling, because it creates jobs and keeps our environment clean. All you have to do is start separating the paper from the other things you throw away and, once you have enough, bring it to an Mpact Recycling buy-back centre."

Mpact Recycling collected approximately 527,000 tonnes of recovered paper and plastic in 2015. The recovered fibre was supplied to the Group's paper mills for processing into recycled-based cartonboard and containerboard for sale to South Africa's packaging industry. By recycling this waste paper Mpact prevents it from being disposed of in landfill sites.

Sustainability is key to the business, and this includes contributing to the economy of the country through job creation. A culture of recycling is emerging in South Africa and it is having a positive impact on poverty alleviation, enterprise development and economic growth. At the same time, there is the significant environmental benefit of reusing this valuable resource and preventing the landfilling or incineration of used paper.

APPROACH TO SUSTAINABILITY

Mpact's commitment to sustainability is embedded in the way we work by adopting leading industry health and safety standards; obtaining responsibly sourced raw materials; and ensuring the business consistently seeks to reduce its environmental impact. The businesses have developed specific strategic goals, set out in the respective Operational Reviews.

A growing focus on economic, social and environmental issues as they impact on business has shaped our approach to sustainability. Our approach has been to integrate these fundamental business practices alongside our three strategic pillars, while creating long-term value for our stakeholders, namely, our shareholders, customers, communities, employees, partners and the environment.

As such, stakeholder engagement is a fundamental tenet of our approach to sustainability, guiding our efforts, objective setting and ability to achieve measurable results on our performance.

The Group upholds the principles of sustainability, corporate governance and social responsibility. Mpact has also made efforts to improve sustainability reporting this year in line with recommendations made by the Integrated Reporting and Assurance Services (IRAS) in its Sustainability Data Transparency Index (SDTI): *A 2014 Review of Environmental, Social and Governance Reporting in South Africa*.

For the comprehensive Sustainability Review please refer to www.mpact.co.za.

Safety and health

The safety and health of employees and contractors working in our businesses, and our environmental footprint, are priorities for Mpact. Our zero harm approach is guided by the CEO's SHE Philosophy that states that all injuries, occupational illnesses, safety and environmental incidents and fires are preventable and that the target for them is zero.

There are three underlying principles that give effect to this philosophy:

- Individuals are responsible for their own safety.
- Adherence to the Mpact "Fire and Safety Rules To Live By" is the minimum standard throughout the Group.
- There is no differentiation in the treatment and expectations of employees, contractors and service providers.

Mpact drives this philosophy through the SHE Management Committee and the Safety Centre of Excellence using specific initiatives such as the annually reviewed safety plan, behaviour-based safety observations and barrier removal processes, the Mpact safety culture cartoon series and annual legal and best practice compliance audits at all operations. The SHE Management Committee comprises members of the Group's executive committee and the Group Risk and Sustainability Manager while the Safety Centre of Excellence comprises safety and operations managers from each of the businesses and is coordinated by the Group Risk and Sustainability Manager.

Further details on Mpact's safety initiatives and performance may be found in the 2015 Sustainability Review available on our website at www.mpact.co.za.

PEOPLE DEVELOPMENT

Mpact's employees are integral to the success of the Group and we therefore ensure that each one has the necessary skills to improve his/her performance. There is a place for a wide diversity of people and the Group is sensitive to race, gender and disability, and is committed to attracting, recognising and rewarding talent. The Group firmly believes that it cannot implement and maintain sustainability principles without the commitment and buy-in of its employees.

The Mpact Foundation Trust will also form a pivotal part in developing and uplifting our previously disadvantaged employees.

SOCIAL AND RELATIONSHIP INITIATIVES

Mpact operates on the conviction that in doing business we must embrace and create value for the communities in which we operate, recognising community engagement as a business imperative and the cornerstone of sustainable investment. The Group's CSI strategy aims to enable partnerships with communities through financial support as well as volunteer-based projects from our employees, thereby strengthening the Group's role as a responsible corporate citizen.

Mpact's approach to and interaction with stakeholders are set out in detail on page 13 of this report.

SUSTAINABLE DEVELOPMENT

Mpact's commitment to sustainability is illustrated in its tagline "smarter, sustainable solutions". Environmental sustainability is therefore a core value for the business as it embraces the reality that the environment sustains us. Much of Mpact's business is built on recycling, with most of its fibre, and an increasing portion of PET, being supplied by the Recycling division and recycling practices at operations.

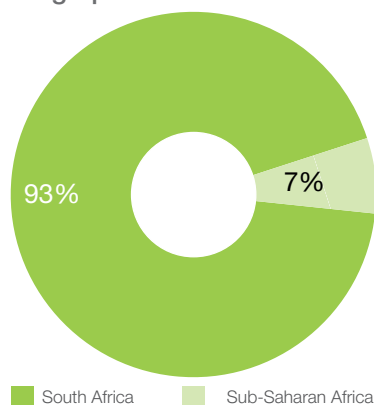
Mpact is very dependent on water, especially at the paper mills, and much effort and investment has gone into optimising water use over many years in recognition of the fact the South Africa is a water-scarce country.

In recent years there has been an increased focus on reducing the environmental footprint of our energy use in terms of green house gases and other atmospheric emissions, fossil fuel use and ash generation.

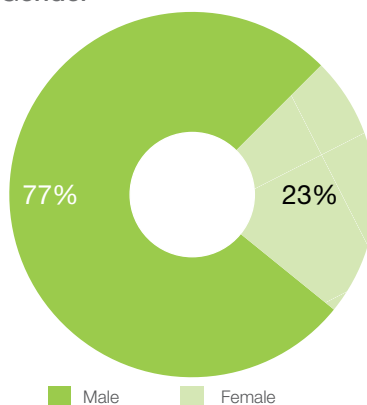
Environmental legislation in South Africa has also become very complex and maintaining compliance is a priority for Mpact. The environmental sustainability for each of the businesses are detailed in the Operational Review section of this Integrated Report.

SUMMARY OF EMPLOYEE COMPOSITION

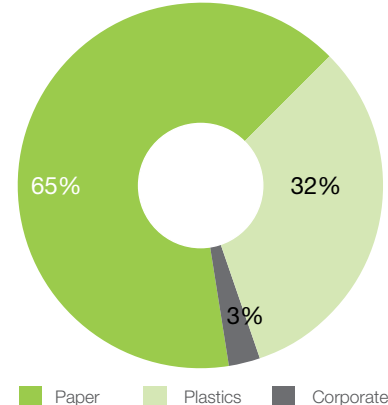
Geographical



Gender



Division





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CHIEF EXECUTIVE OFFICER'S REPORT



Bruce Strong

COMMISSIONING OF THE rPET PLANT AND PHASE 1 OF THE FELIXTON MILL ON TIME AND ON BUDGET

MPACT'S PERFORMANCE DURING 2015

During 2015 Mpact reached several key milestones, successfully implementing its strategy despite facing a number of economic and industry tribulations. Our continued drive to develop leading market positions, improve efficiencies and to contain costs reflected in the pleasing financial results for the year ended 31 December 2015. Our safety performance on the other hand was disappointing, having deteriorated compared to the prior period. As detailed elsewhere in this report we have implemented interventions to improve this aspect.

The two major capital investment projects progressed well during the year. Phase 1 of the R765 million Felixton Mill upgrade was commissioned on time and within budget during July with the mill's subsequent performance reflecting the expected benefits. Phase 2 of the project is on schedule to be completed during 2017.

Also in July, the new R350 million recycled polyethylene terephthalate (rPET) operation was commissioned on time and within budget. This operation, which forms part of our recently established Mpact Polymers business, produces food and beverage grade rPET, thus reducing the PET industry's impact on the environment. In September, Mpact's rPET, which is branded Savuka PET, was formally declared safe for use in the packaging of food and beverage products, having complied with the European Union regulations specific to plastic materials and articles intended for contact with foodstuffs. Approval from The Coca-Cola Company for the use of Savuka PET in the bottling of their brands was obtained on 10 February 2016, approximately three months later than planned. Consequently sales of rPET during the second half of 2015 did not meet expectations. Nevertheless, considering the growth rates in PET packaging we remain optimistic about the prospects of this business.

While the general trading environment remained challenging throughout the year, several Mpact businesses benefited from buoyant sector growth and internal interventions including capital investments. The Plastics' FMCG business delivered a much improved result following its restructuring in 2014. Good volume growth in sectors such as fruit packaging, bulk bins and beverage preforms were in contrast to sluggish GDP and consumer spending growth in South Africa. Lower polymer prices also enabled some of the Plastics businesses to

restore margins to more acceptable levels following several years of underperformance.

The financial performance of the Group is discussed in the Chief Financial Officer's Review on pages 64 and 65 with the Paper and Plastics Operational Reviews detailed on pages 33 to 39 of this report.

As a manufacturer in South Africa, we realise the importance of partnerships between the public and private sectors that are required to provide for the social needs of the broader communities in which we operate, while also meeting our business objectives, both of which are interrelated.

In September 2015 Mpact Plastic Containers and the City of Cape Town were awarded the South African Plastics Recycling Organisation (SAPRO) Trophy for the "Recycled Product of the Year" for the "Fifty/50" Wheelie Bin. This project, which epitomises our approach to partnerships and sustainable development, entailed reclamation of wheelie bins from the City of Cape Town that had reached the end of their useful lives, for reprocessing into new ones that contained 50% recycled content.

During 2015, the KwaZulu-Natal Growth Fund invested R200 million in the Felixton Mill upgrade project in the form of debt with an eight-year term at a fixed interest rate. Certain capital investments have also qualified for grants offered through the Department of Trade and Industry's Manufacturing Competitiveness Enhancement Programme (MCEP) and for tax allowances under section 12i of the Income Tax Act. Additionally, the Industrial Development Corporation has supported the development of Mpact Polymers through a minority shareholding and also as a provider of debt funding.

I would like to take this opportunity to acknowledge the importance of these government supported programmes which we hope will be granted a greater proportion of the national budget in future, considering the importance of manufacturing to South Africa's development.

I regret to report two fatal injuries at Mpact operations during 2015. We extend our heartfelt and deepest condolences to the families, friends and colleagues of the deceased, Messrs Lundi Kumbaca and Msweli Nkambule. Both were contractors and Mpact has worked with the respective contractor companies to support their families and colleagues. The two separate incidents were thoroughly investigated, in consultation with the authorities, with every effort made to prevent recurrences. Mpact's LTIFR for 2105 was 0.22 (2014: 0.21). Further detail on

Mpact's safety initiatives and performance may be found in the 2015 Sustainability Review available on our website at www.mpact.co.za.

Risks, strategy and opportunities

Risks

While relatively few interruptions in electricity supply from Eskom and municipalities were experienced by the Group's operations during the financial year, the current price trajectory and uncertainty about their ability to provide sufficient and reliable electricity to meet existing and new demand remains a concern to the Group.

The change of ownership of a number of paper mills, recycling businesses and corrugators in South Africa has changed the competitive landscape somewhat. While the short-term consequences of these changes are uncertain, we remain confident in our strategy and believe interventions such as the Felixton Mill upgrade, the Mpact Polymers rPET project and our investments in the recycling and corrugated businesses will ultimately advance our growth prospects.

The effects of the drought being experienced across several regions in South Africa is a concern for our business as is the wellbeing of the communities affected as well as farmers in drought-stricken areas, which include some of the Group's agricultural customers. Whilst measures have been implemented to counteract some of the effects of the drought on the business, possible water shortages and/or restrictions remain a risk to certain operations and may affect demand for Mpact's products. We will continue to prioritise water conservation in day-to-day operations as well as when considering capital investments. We will also continue to engage with the various water authorities on necessary interventions pertaining to both the availability and quality of water.

Other factors potentially weighing on the competitiveness of the Group and other South African paper and packaging manufacturers include carbon tax and packaging waste levies currently under consideration by various Government authorities. Mpact fully supports initiatives to reduce the industry's impact on the environment, however, we believe that this is best achieved through incentives and public-private partnerships. This is illustrated by the Mpact Polymers rPET project, developed with the support of the DTI and the IDC, which will substantially reduce carbon footprint while also significantly increasing the recycling rate of used PET bottles and hence lead to less landfill.

A comprehensive analysis of Mpact's material risks is detailed on pages 15 to 17 of this report.

Strategy and opportunities

Our strategy, summarised on page 9, remains unchanged. To maintain and grow our leading market positions we will continue to align our capabilities towards the everchanging needs of our customers, pursue opportunities to generate new business and develop our market position in key products and geographical areas. Our key focus remains recycling of both paper and plastics as well as the manufacturing of rigid plastics and paper-based packaging in sub-Saharan Africa.

The business excellence programmes to enhance the Group's operational performance, continue to focus on ensuring the health and safety of people working on our premises as well as improvements in productivity, efficiency and reliability of the Group's operations.

Our commitment to sustainable development in each of our businesses is reflected in Mpact's sustainability policies, Code of Ethics, investment in the training and development of employees, CSI projects aimed at benefiting communities in which we operate and also initiatives to reduce the impact we have on the environment.

Notwithstanding the current turbulent economic conditions in South Africa, we continue to identify investment opportunities that offer the prospect of enhanced shareholder returns over the long term while meeting the Group's other strategic objectives.

Management changes

With effect from 1 January 2016 Johan Stumpf assumed the role of Managing Director of Mpact Corrugated, succeeding Ralph von Veh. Ralph remains with the Group as a member of the Executive Committee, responsible for the bags and sacks businesses and representing Mpact's interests on the boards of various Mpact subsidiaries and associates. Ralph has also assumed responsibility for certain strategic business initiatives. I would like to take this opportunity to acknowledge and thank Ralph for his invaluable contribution towards the success of the Group and in particular the Corrugated business which under his leadership over the past 15 years has been established as the market leader.

We have every confidence that Johan's depth of experience and understanding of the broader industry will enable him to lead the Corrugated team to build further on the very solid foundation already laid.

Appreciation

I would also like to express my appreciation to our Chairman Tony Phillips and the rest of the Board for their guidance and support during the year. To the Mpact team, thank you for your loyalty. The Group's performance is reflective of your hard work and dedication. To our shareholders, customers, suppliers, advisers and business partners, thank you for your ongoing support.

Bruce Strong

Chief Executive Officer

1 March 2016





PAPER BUSINESS

FELIXTON MILL UPGRADE

Situated near Empangeni on the KwaZulu-Natal North Coast, Felixton Mill was established in 1953. The mill produces containerboard for local and export corrugated markets utilising waste paper and bagasse, a fibre residue of sugar cane, as primary raw materials.

The mill is undergoing a major upgrade aimed at producing advanced lightweight containerboard to cater for the increasing demand for packaging weight reduction. In addition to the enhanced product offering, the significant investment in the latest paper machine technology and equipment will improve the mill's overall competitiveness, with significant improvements expected in energy and operational efficiencies.

In June 2015, Felixton Mill successfully commissioned Phase 1, with the completion of a new state-of-the-art recycled fibre (RCF) plant. Phase 2 of the two-phase upgrade is on schedule to be commissioned in 2017.

RCF plant

The Felixton Mill upgrade will involve several phases of development and capital investment. Phase 1 of the project entailed the installation of cleaning equipment, to improve product quality. As a result, the two main products manufactured at the mill, Bayflute and mpactTest, achieved an enhanced aesthetic appeal.

Paper machine

The paper machine was upgraded with the installation of a new dilution controlled headbox. Benefits of the installation included improvement in sheet formation to a fine profile, which allows for even distribution of fibre across the sheet, thus preventing the mottled sheet effect and fibre bundling. Notably, other benefits include improved cross-directional mass and moisture profiles of up to 40%, as well as uniform paper properties across the paper web for enhanced corrugator performance and consistent board quality.

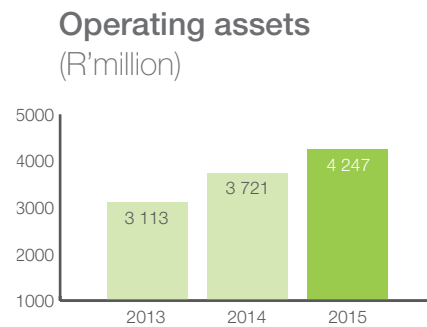
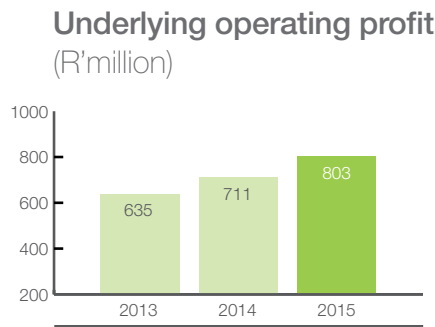
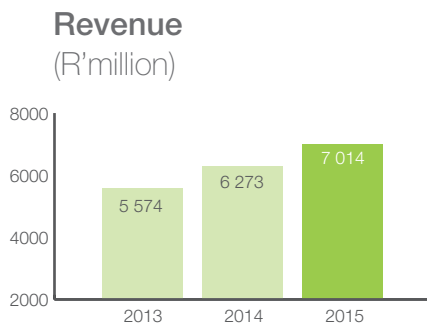
Environmental stewardship

On completion of the project, the mill will no longer utilise bagasse fibre in its products. The upgrade will increase the mill's capacity by 60,000 tonnes to 215,000 tonnes.



PAPER BUSINESS (CONTINUED)

FINANCIAL HIGHLIGHTS



STRATEGY AND OBJECTIVES

The recycling business forms an essential part of the paper packaging value chain as it allows for input cost management and security of supply for the paper manufacturing business. In 2015 Mpact implemented its strategy into PET plastic recycling, which is discussed in more detail in the Plastics business overview.

According to the Paper Recycling Association of South Africa (PRASA), 60% of recoverable paper was collected in 2014*. This compares well to the global recovery rate of 58%. Mpact collected more paper in 2015 than in 2014, although higher waste paper prices, a robust waste paper export market, and restrained economic conditions made for a tight market. There has also been a new investment in the tissue manufacturing industry, which will increase the demand for white recycled paper. Newsprint consumption and newspaper waste supply continued to show sharp declines and this trend is set to continue as demand for printed material declines.

Mpact successfully concluded numerous projects during 2015 that involved the optimisation of processes and product offerings at its paper mills. The projects are aimed at driving efficiencies and cost savings as well as reducing environmental impact.

Mpact expects a challenging 2016 for paper manufacturers in the South Africa, particularly on the back of major developments in the paper sector. Industry developments include a shift in strategies on the part of Mpact's competitors and major customers, where Mpact's paper converting customers increasingly focus on backward integration by manufacturing their own paper. Despite these challenges, Mpact continues to adopt interventions that will enable it to maintain its leading market position and invest in capital projects to drive efficiencies.

* 2015 statistics only released in July 2016 for 2015 rates by PRASA

OPERATIONAL ACTIVITIES

Mpact has seven recycling operations in South Africa. Recovered paper sources include pre- and post-consumer material sourced from a multitude of paper collection programmes.

Mpact's recycling operations are also recovering used PET, mainly in the form of bottles, for the newly commissioned Mpact Polymers' plant. The collected bottles are sorted and baled by Mpact Recycling and sold to Mpact Polymers.

Mpact has three mills located in Springs (Gauteng), Felixton (KwaZulu-Natal) and Piet Retief (Mpumalanga) that manufacture recycled-based packaging and industrial paper grades such as containerboard and cartonboard.

The business' main markets for packaging and industrial paper include corrugated board and box producers and other containerboard converters. Mpact also has exclusive distribution rights to sell the ProVantage Baywhite™, a premium quality white top kraftliner produced by Mondi, in sub-Saharan Africa. Cartonboard is sold to folding carton converters and other producers of industrial products, as well as for other uses such as the manufacture of cards and book covers.

The containerboards produced use approximately 35% hardwood, softwood and bagasse pulp and 65% recycled fibre-based pulp. The upgrade of the Felixton Mill, discussed in detail in the case study on page 33, will eliminate the mill's dependence on bagasse.

The Corrugated and Converted Paper Products business manufactures premium quality corrugated packaging products, provides high-graphic printing capabilities and most recently, converted paper products primarily for the QSR sector. It comprises 13 converting plants, nine in South Africa,

one in Mozambique, two in Namibia and one in Botswana.

Mpact owns a 51% interest in Pyramid, a paper bag and sacks manufacturing plant in Gaborone (Botswana). Pyramid manufactures paper bags for maize products, sugar and flour, as well as sacks for charcoal and cement. Mpact also has a 51% interest in Detpak South Africa, which offers an extensive range of paper and board packaging solutions including cups, lids, cartons, bags, napkins, trays and clam shells for the QSR sector.

OPERATIONAL PERFORMANCE

The Paper business reported revenue growth of 11.8% to R7.0 billion, with increased sales volumes to the fruit sector partially offset by lower external sales of recovered fibre and exports. Underlying operating profit increased by 13.0% to R803 million due to higher selling prices and a favourable product mix, the benefits of which were reduced by increased material costs. The underlying operating profit margin increased slightly to 11.4%.

The recycling operations delivered a solid performance despite industrywide waste paper shortages, and were able to meet the demand for fibre by the paper mills, albeit at higher average recovered paper prices. Mpact recovered around 527,000 tonnes of waste paper and plastic in 2015.

The upgrade of the recycled fibre plant and refiners at the Piet Retief Mill, together with the various rationalisation, streamlining and automation processes implemented at the Springs Mill during the year, have contributed to the paper mills posting satisfactory results.

The Corrugated and Converted Paper Products business' results were positively impacted by strong agricultural sector volumes, specifically in apples, pears and grapes, as a result of good climatic conditions and favourable fruit exports. Cost saving and

efficiency improvements continued on the back of capital investments in modern equipment and stringent cost control.

Saleable production of 437 million m² of corrugated packaging was achieved in 2015 (2014: 423 million m²). The combined sales of recycled containerboard and cartonboard for the year ended 31 December 2015 were 427,640 tonnes (2014: 416,325 tonnes).

RISK AND SUSTAINABILITY Employees

The Paper business employed 2,897 employees (2014: 2,852 employees) for the year ended 31 December 2015.

Customers and suppliers

Seventy-six percent (76%) of the recovered paper was consumed internally for packaging and industrial paper, with the balance sold off to Mondi Shanduka Newsprint and other customers.

The recovery and recycling of paper in South Africa ensures local beneficiation of raw materials and the creation of jobs.

Approximately 27% (2014: 28%) of the products manufactured by the Group are consumed internally by Mpact's corrugated and converted paper products business in the production of corrugated board. The balance is sold to other converters. The top 10 external paper manufacturing customers represented approximately 69% (2014: 69%) of paper manufacturing external sales in 2015, with around 10% (2014: 10%) of the products produced being exported, mainly to other African countries.

Corrugated customers include producers of agricultural, FMCG and other durable and non-durable goods that use packaging primarily for the protection of goods in transit and for point-of-sale display, while converted paper product customers are mainly in the QSR industry. The top 10 Corrugated packaging and Converted Paper Products, customers represent approximately 26% (2014: 26%) of the external Corrugated packaging and Converted Paper Products sales in 2015.

Industry associations

- Paper Recycling Association of South Africa (PRASA)
- Paper Manufacturing Association of South Africa (PAMSA)
- Packaging Council of South Africa (PACSA)
- Printing South Africa – Statutory Council
- Institute of Packaging

Environmental sustainability

All three mills carry the ISO 14001 and ISO 9000 accreditation, as well as the Forest Stewardship Council (FSC) mixed-source accreditation. This emphasises the responsible management of raw materials throughout the product lifecycle of Mpact's products, ensuring the reuse of wood fibre-based raw materials and preventing waste paper from entering landfill sites. In line with this, virgin pulp used in the white-lined products is also sourced from FSC-accredited mills.

Water usage across the paper mills is benchmarked periodically. Initiatives to improve water usage and quality are a key consideration in capital and other optimisation projects across the Group.

Material risks and opportunities

The overall key risks for the Group are set out pages 15 to 17 of the Integrated Report. However, the major risks and opportunities that could specifically influence the Paper business and which are managed on a continuous basis are set out below:

	Material risks	Management of these risks
	Source of recovered paper declining	Retain market position as the leading paper recycler in South Africa and preferred buyer of recovered paper
	Imported product as well as competitor expansion creating over-capacity in the local market	Invest in Mpact's plants and equipment to improve the quality of products, flexibility and competitiveness
	Changes in competitor landscape and customer backward integrated strategies	Drive production efficiencies and cost containment through rationalisation, streamlining and automation
	Water supply restrictions	Monitor water consumption on a daily basis and interact with relevant authorities
	Power supply outages resulting in lost working hours and supply shortages	• Ongoing communication with Eskom and municipalities • Change of shift structure to manage capacity
	Economic and competitive influences on sectors and consumers outside of Mpact's control	Consistently deliver smarter, sustainable solutions to customers

Opportunities

- Continue to offer employment opportunities for entrepreneurs and for traders to deliver recovered paper to buy-back centres
- Opportunities for optimisation and expansion with upgraded plant and equipment
- Acquisition opportunities in Converted Paper Products





PLASTICS BUSINESS

MPACT POLYMERS' STATE- OF-THE-ART rPET PLANT COMMISSIONED

The state-of-the-art rPET recycling plant, situated in Wadeville, Germiston, was commissioned during July 2015. The plant is close to one of Mpact Plastics' existing manufacturing facilities and was built at a cost of approximately R350 million. At full capacity the plant will process about 29,000 tonnes of PET plastic bottles a year, generating 21,000 tonnes of rPET from waste and saving some 180,000 m³ of landfill space each year.

It is estimated that the recycling industry in South Africa contributes to the employment of over 100,000 people. Mpact Polymers will create approximately 1,000 upstream jobs, adding to the existing network of more than 40 entrepreneurs, who Mpact Recycling helped start recycling businesses.

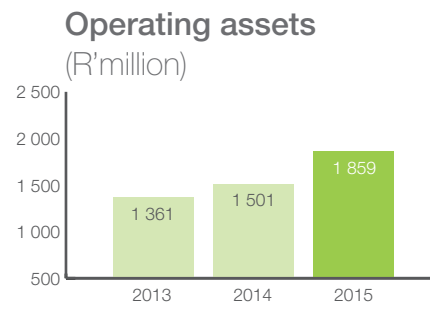
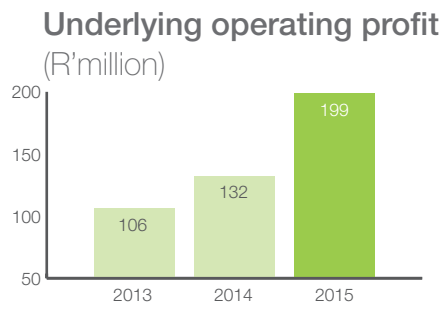
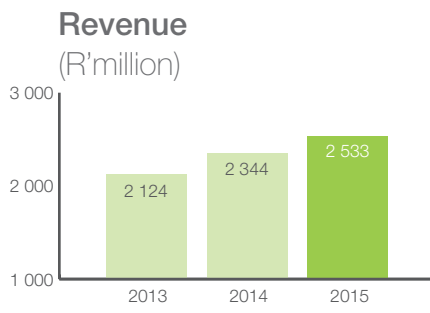
The rPET business will operate at a significant scale that will have an increasingly positive impact on the environment as it will reduce waste to landfills.

In 2015, the total local consumption of PET (virgin and recycled) was approximately 210,000 tonnes, close to 70% of which was processed into PET bottles, primarily for use in the beverage industry. According to PETCO, the national Extended Producer Responsibility Organisation for the PET sector, the demand in South Africa is growing by approximately 8% annually. More than 74,000 tonnes of PET bottles were collected for recycling in 2015, the majority of which were processed into polyester staple fibre, or recycled into bottle and food-grade recycled resin, thereby fully closing the loop in bottle-grade recycling.



PLASTICS BUSINESS (CONTINUED)

FINANCIAL HIGHLIGHTS



STRATEGY AND OBJECTIVES

The potential for growth in the **Plastics business** remains as producers continue to substitute packaging materials such as glass and metals with rigid plastics.

Mpact continues to assess acquisition and growth opportunities in this sector, organically and through optimisation and new projects, such as the PET recycling plant.

Mpact's recent entry into PET post-consumer waste recycling through Mpact Polymers places the Group in a good position to participate in the growing PET market. Mpact will initially collect 29,000 tonnes of used PET plastic bottles to generate 21,000 tonnes of rPET at Mpact Polymers.

Through Mpact Polymers, the Group is able to reduce the impact on the environment by diverting PET post-consumer waste from landfills. The project will create about 1,000 jobs, directly and indirectly, and is supported by Mpact's major customers, the IDC and the DTI.

OPERATIONAL ACTIVITIES

Mpact remains one of the leading producers of rigid plastic packaging in southern Africa. The Group's Plastics business manufactures a range of plastic packaging products for the food, beverage, personal care, homecare, pharmaceutical, agricultural, environmental and retail markets primarily in South Africa.

Manufactured products include:

- PET preforms, bottles and jars;
- closures for carbonated soft drinks, water and foods;
- plastic jumbo bins, environmental wheelie bins, plastic pallets and crates;

- plastic FMCG containers, such as bottles, tubs, jars and closures, with in-mould labelling; and
- styrene and PET trays, and clear plastic films.

During 2015, Mpact converted 99,366 tonnes (2014: 89,198 tonnes) of plastics, including 1,4 billion (2014: 1,3 billion) preforms, jars and PET bottles.

The Plastics business has six facilities. The first two are located in Paarl (Western Cape) and in Harare (Zimbabwe) and produce styrene trays and clear plastic films. PET trays are produced at the Paarl site, as well as in Alberton on Gauteng's East Rand. Large injection moulded plastic jumbo bins for the agricultural market, environmental wheelie bins and plastic pallets and crates are produced at the Group's plants in Atlantis (Western Cape) and Brits (Gauteng).

The other four Plastics sites, two situated in Wadeville on the East Rand (Gauteng), one in Pinetown (KwaZulu-Natal) and the other in Atlantis (Western Cape) manufacture injection, compression, injection stretch blow moulded, as well as blow-moulded products, such as preforms, bottles, containers and closures for the food, beverage, personal care, homecare and pharmaceutical industries.

As previously mentioned, a significant addition to the Plastics business is the rPET plant in Wadeville (Gauteng).

Mpact worked with Coca-Cola and its bottling partner Amalgamated Beverage Industries (ABI), a subsidiary of SABMiller Ltd, in developing the project, as well as with the industry body PETCO the IDC and DTI. The quality of the processed recycled material now meets international standards and having obtained accreditation from a major customer

on 10 February 2016, the operation can begin to optimise production. Mpact Polymers is owned 79% by Mpact and 21% by the IDC.

OPERATIONAL PERFORMANCE

In the Plastics business, revenue increased by 8.1% to R2,5 billion with good volume growth mainly attributable to fruit packaging, bulk bins and beverage preforms offset by lower average selling prices, which reflected lower polymer prices. Underlying operating profit was up significantly by 50.8% to R199 million, with the underlying operating profit margin also improving from 5.6% to 7.9%. The FMCG business delivered a much improved result following its restructuring in 2014.

Sales volumes measured in tonnes were 12.1% higher than the prior period, with good volume growth in styrene and PET trays, jumbo bins and wheelie bins, crates, preforms and closure. The increased sales of preforms and closures was the result of increased demand due to the warm weather and market share gains. Versapak reported good growth in volumes due to strong demand in the agricultural sector. The turnaround in the FMCG business was mainly as a result of the benefits being realised from the Robertville plant closure in November 2014, as well as the Atlantis FMCG business restructure and Pinetown plant consolidation.

RISK AND SUSTAINABILITY

Employees

The Plastics business employed 1,448 employees (2014: 1,260 employees) for the year ended 31 December 2015. The increase was mainly due to the Mpact rPET plant being commissioned during the year and a change to a four-shift production system at Versapak.

Customers and suppliers

The Plastics business continues to source raw materials from a number of South African and international suppliers. With the newly commissioned rPET plant, Mpact Polymers has commenced with the supply of rPET to the Plastics businesses and external customers.

The top 10 plastics customers represented 35% (2014: 36%) of the Plastics business' sales in 2015.

Industry associations

- PETCO
- Plastics SA
- Polyco
- Polystyrene Packaging Council

Environmental sustainability

The recycling of approximately 29,000 tonnes of PET bottles could potentially save some 180,000 m² of landfill space each year.

Material risks and opportunities

The overall key risks for the Group are set out pages 15 to 17 of the Integrated Report.

However, the major risk and opportunities that could specifically influence the Plastics business and which are managed on a continuous basis are set out below.

	Material risks	Management of these risks
	Inability to predict future market movements in raw material prices and lags in pricing recovery	• Strong supplier relationships • Continuous market monitoring and proactive pricing
	FMCG industry volume declines on the back of consumer spending pressure	• Enhance competitiveness through optimisation programmes and investments • Explore alternative product offerings • Investigate cross-border opportunities
	Power supply outages resulting in lost working hours and supply shortages	Ongoing communication with Eskom and municipalities

The opportunities identified:

Opportunities
• Acquisition and other expansion opportunities • Additional exports into the rest of Africa



GOVERNANCE

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PROTECTING OUR CUSTOMERS' BRANDS

Today paper-based packaging materials go beyond the general functionality of protection and transportation of goods, to include sustainability, where the choice and amount of materials used are optimised to reduce the impact of the packaging on the environment. For Mpack's Paper business, this translates to providing packaging that protects the brand of the customer.

Mpack is ideally positioned to manufacture recycled fibre-based components for the packaging of fast moving consumer goods, thereby meeting the functional performance requirements, as well as sustainability requirements, because of the integration with Mpack Recycling.

By their very nature, food-packaging applications using recycled fibre demand compliance with food safety regulations. Mpack follows internationally recognised guidelines and regulations for paper-based food packaging to ensure that "going green" does not compromise the safety of products when recycled fibre is used.

Mpack has invested significantly in the area of consumer safety over the past few years through the establishment of its Consumer Safety Innovation Centre at Stellenbosch.

State-of-the-art equipment enables monitoring of packaging materials for compliance to food safety requirements on an ongoing basis. The team of experts at the centre is also able to assist customers resolve technical queries associated with legislation, compliance of products to regulations and standards, as well as specific investigations to address technical concerns.

The Centre's work is further advanced by research undertaken to develop cost-effective barrier coatings to minimise or prevent migration, either through direct contact or vapour phase migration, of potentially harmful substances from the packaging into food. The research also considers the impact of other sources of contamination, such as printing inks, adhesives and secondary or tertiary packaging used for transportation of goods.

A recent investment in the Innovation Centre for performance packaging based at the Springs Mill has enhanced Mpack's value proposition in food safety research. Technical support in the field now enables the business to evaluate paper-based packaging and its components for compliance to specific

performance requirements, while also extending the value proposition to include joint research and development with customers to develop fit-for-purpose and cost-effective packaging solutions.

Operational expertise and scientific excellence have enabled Mpack's research scientists to engage in research internationally and to co-publish in peer-reviewed journals with top researchers, further strengthening their reputation in the field of food safety.

Today's top global drivers for packaging are cost, food safety and sustainability. However, as the pressure mounts for sustainable packaging solutions, sustainability will increasingly become a key driver in the future of packaging, a trend closely linked to food safety, mainly driven by changes in raw material selection.

These developments have created an opportunity for Mpack. The business is able to leverage its existing innovation capacity to support customers' changing needs in terms of performance packaging and consumer safety, to become their partner in the development of sustainable and safe packaging solutions for the future.

CORPORATE GOVERNANCE REPORT

COMMITMENT AND APPROACH TO CORPORATE GOVERNANCE

The Board endorses and accepts full responsibility for the application of corporate governance principles. In discharging this responsibility, the Board ensures that effective corporate governance is practised consistently throughout the Group by complying with the requirements of King III, the JSE Listings Requirements and the Companies Act, in both letter and spirit.

The International Integrated Reporting <IR> Framework, released on 8 April 2014 by the International Integrated Reporting Council, has been taken into consideration when preparing this Integrated Report. This new International Integrated Reporting <IR> Framework has been adopted across the world and focuses on the company providing relevant, reliable, comparable and comprehensive information pertaining to the business operations and capital employed in the Group throughout the Integrated Report.

The Audit and Risk Committee, the Remuneration and Nomination Committee as well as the Social and Ethics Committee

fulfil key roles in ensuring good corporate governance is practiced throughout the Group.

INTEGRATED REPORTING

Mpact has adopted integrated reporting in line with the recommendations of King III and the JSE Listings Requirements. The content of this Integrated Report is, where relevant and possible, in line with the GRI-G4-guidelines, which is available on Mpact's website.

KING III, COMPANIES ACT AND JSE LISTINGS REQUIREMENTS

In terms of paragraph 8.63(a) of the JSE Listings Requirements, the Group has published its application of King III on its website. There are no material changes to the content of this Integrated Report compared to the 2014 Integrated Report, other than the inclusion of a Chief Financial Officer's Review. This reflects on the Group's current and anticipated financial performance in line with its strategic objectives.

Snapshot of King III application

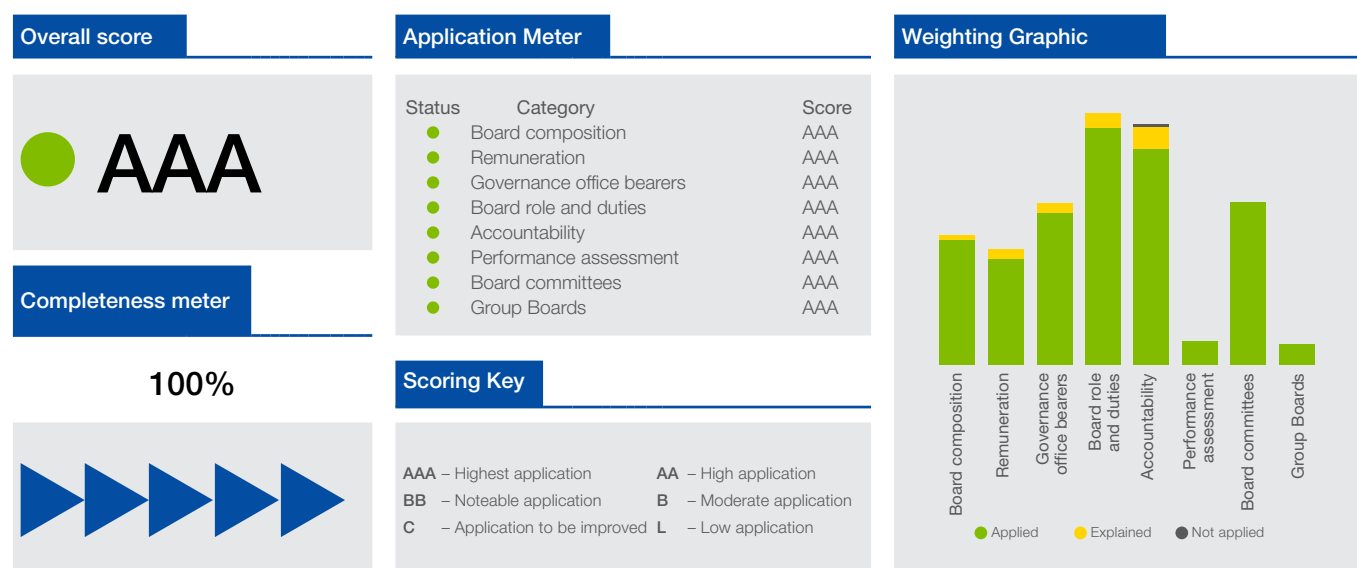
The remainder of the report provides more detail regarding the Group's application of good governance principles in accordance with the JSE Listings Requirements and application is outlined in the Mpact King III Application Register, available on www.mpact.co.za.

ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP

Ethical leadership

The Board has set values to which the company adheres and these are incorporated into the company's Code of Ethics. The Code of Ethics is reviewed and endorsed by the Board and management on an annual basis to ensure that the company remains differentiated by people who are resolute, trustworthy and responsible. The Group's standards of integrity and ethics in dealing with suppliers, customers, business partners, stakeholders, Government and society at large is outlined in the Code of Ethics and every employee is expected to subscribe to the Code of Ethics.

Summary report (current review)



CORPORATE GOVERNANCE REPORT (CONTINUED)

Stakeholders

Mpact promotes an inclusive approach to governance and takes account of the impact of the company's operations on internal and external stakeholders. Mpact's approach to corporate governance strives to include all these groupings, is based on good communication and integrated into every aspect of the business.

Mpact's primary stakeholders have been identified and the details pertaining to stakeholder engagement are set out on page 13 of this Integrated Report.

The Group's approach to sustainability and assessing its influence and impact on the environment and the communities in which it operates are foremost in mind when conducting business and considering and making investments.

Sustainable development

Managing a sustainable business requires the integration of the Six Capitals, as set out in the International Framework. Mpact's business model, together with the inputs and outputs of each of the Six Capitals, is illustrated on page 10 of this Integrated Report.

Mpact's CSI strategy is aligned with the Group's strategy. It takes into account potential risks (refer to pages 15 to 17) and considers the requirements and needs of its stakeholders (Mpact's stakeholder engagement is set out on page 13). The Group endeavours to uphold the principles of sustainability, corporate governance and social responsibility and has also made efforts to improve sustainability reporting this year in line with recommendations made by the Integrated Reporting and Assurance Services (IRAS) in its Sustainability Data Transparency Index (SDTI): *A 2014 Review of Environmental, Social and Governance Reporting in South Africa*.

The Group remains committed to sustainable development in each of its businesses by adopting leading industry health and safety standards; obtaining responsibly-sourced raw materials; and ensuring the businesses constantly seek to reduce their environmental impact. Specific strategic goals have been developed for the Plastics and Paper businesses and these strategic goals are set out in detail in the respective operational reviews.

The full details are set out in the Sustainability Review, which is on the Mpact website (www.mpact.co.za).

Fraud and illegal acts

The Group does not tolerate fraudulent behaviour and illegal acts. A whistle-blowing facility, Tip-offs Anonymous, is in place and incidents are reported to and monitored by the Audit and Risk Committee. This service is independently administered by Deloitte & Touche. The Code of Ethics, as well as the Supplier Code of Conduct, outline company norms and expected behaviours when dealing with fraud and illegal acts.

BOARD OF DIRECTORS

Board practices

The Board is ultimately responsible for the Group's business, approval of the strategy and key policies and is the focal point and custodian of corporate governance at Mpact. It is also responsible for approving the Group's financial objectives and targets. The roles of the Chairman and CEO are separate. The Board is led by the Chairman, who is elected by the Board annually, while operational management of the Group is the responsibility of the CEO. No business of the Group is or will be managed by a third party.

The Board recognises the necessity for directors to occasionally seek independent professional advice at the Group's expense and there is an agreed procedure for this.

A minimum of four Board meetings are scheduled per financial year, while additional meetings may be convened when necessary. Well-structured Board agendas and comprehensive papers are circulated electronically to Board members on a timely basis, ensuring that they are well informed and that debate and decisions are constructive and robust.

Composition of the Board

The Board comprises seven directors, two of whom are executive directors, the CEO and CFO. The remaining five directors, two of whom are women, are all independent non-executive directors, including the Board Chairman.

The Nomination Committee reviewed the composition of the Board and committees of the Board in accordance with King III recommendations and it considered the number of directors, the collective knowledge, skills and experience required for conducting the business of the Board. The Board has confirmed its satisfaction with the composition of the Board and the committees.

Role and function of the Board

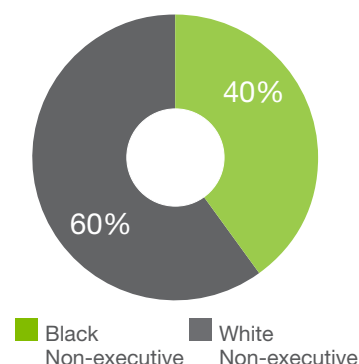
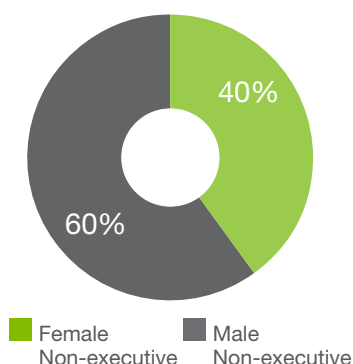
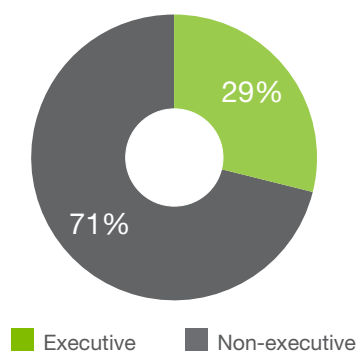
The Board is a unitary body that is effective in leading and controlling the Group. Its mission is to ensure Mpact's continued success and sustainability by collectively directing the company's affairs with effective and responsible leadership within the industries and markets in which Mpact operates, while meeting the appropriate interests of its shareholders and relevant stakeholders.

Responsibilities of the Board

The Board charter is in line with King III and the Companies Act. The purpose of this charter is to set out the mission, duties and responsibilities of the Board, as well as the requirements for its composition and meeting procedures. A summary of the duties of the Board as outlined in the Board charter are:

- Provides leadership based on an ethical foundation and ensures that the Group's ethics are effectively managed.
- Appreciates that strategy, risk, performance and sustainability are inseparable.
- Acts as the focal point for, and custodian of, corporate governance.
- Has a responsibility to all stakeholders, which include present and potential beneficiaries of the Group's products and services, clients and employees, to achieve continuing prosperity for the Group.
- Reviews and approves financial objectives, plans and actions, including cost allocations and expenditures.
- Ensures that the Group is a responsible citizen by having regard to not only the financial aspects of the business, but also the impact that the business operations may have socially and environmentally.
- Ensures that the Group complies with applicable laws and considers adherence to non-binding rules and standards.
- Is responsible for the governance of risk, including information technology.

COMPOSITION OF THE BOARD



Appointments to the Board

The appointment of new directors is approved by the Board as a whole on the recommendation of the Remuneration and Nomination Committee. Directors are appointed through a formal and transparent process, which includes the identification of suitable members and performance and background checks prior to nominations. Director appointments are formalised through an agreed contract of service between the company and the director.

Directors are nominated based on their calibre, knowledge, experience and the impact they are expected to have, as well as the time and attention they can devote to their roles. New directors are taken through a formal induction programme and are provided with all the necessary background and information to familiarise them with issues affecting the Board.

The Board has reviewed and amended the Director's Nomination Policy to consider the gender diversity in the nomination and appointment of directors. The Board has agreed on a plan to review and agree on the set targets during 2016.

There were no changes to the Board during the 2015 financial year.

Succession planning

Succession for the CEO, Chairman and senior management is reviewed annually by the Remuneration and Nomination Committee. Recommendations are made to the Board as required. The Board further review the status of the Board succession plan to ensure that it considers challenges of a constantly changing business environment.

Rotation of directors

In terms of the MOI, one third of the directors (other than the executive directors) retire by rotation and, if eligible, their names are submitted for re-election at the Annual General Meeting, accompanied by appropriate biographical details set out in the report to shareholders. Amongst other matters, the Board considers the performance of each director due for re-election at the Annual General Meeting and makes an appropriate recommendation to shareholders in this regard.

Independent directors

The Board applies the principles contained in King III and the Companies Act guidelines to determine independence of directors. The Remuneration and Nomination Committee reviewed the independence of all non-executive directors using the guidelines recommended by King III, JSE Listing Requirements and the Companies Act.

Non-executive directors bring an independent view to the Board's decision-making. As a group, they enjoy significant influence at meetings of the Board, ensuring an appropriate balance of power. This also ensures that no one director has unfettered decision-making powers.

The Board considered the independence of Mr Andrew Thompson as a consequence of his years of service and is satisfied that he continued to perform his duties impartially and with the highest integrity.

Board and Committee effectiveness evaluation

During the year under review, the Board conducted an internal self-assessment of its

effectiveness, reviewing of its skills set, the effectiveness of the sub-committees and individual director performance. The process sought to measure the performance of individual directors based on their contribution and on their involvement during meetings including the overall functioning and performance of the Board as a unit. The process is completed by providing feedback to the Board to agree on action plans and one-on-one sessions with the Chairman to identify training needs for the directors.

The Remuneration and Nomination Committee reviewed the efficiency of the Chairman of the Board and Chairmen of the sub-committees and recommended to the Board the re-appointment of Tony Phillips as the Chairman of the Board for his leadership skills, experience and sound knowledge of the organisation's strategy and governance expertise.

Strategic planning

The directors who are also members of the Executive Committee (Exco), namely Bruce Strong and Brett Clark, are involved in the day-to-day business activities of the Group. The Board defines the Group's level of authority, reserving powers for the Board while delegating others to management.

The Exco formulates strategy, which is approved by the Board for implementation. The Board is responsible to the shareholders and other stakeholders for setting the strategic direction of the Group with the assistance of Exco. The Board meets with management at least annually to debate and agree on the proposed strategy and to consider long-term issues facing the Group as well as the environment in which it operates.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Conflict of interest

The Board, subsidiary directors and prescribed officers are required to disclose their personal financial interest and interests in contracts in terms of section 75(4) of the Companies Act. The Group ensures that directors and prescribed officers are free of any conflicts between the obligations they have to the company and their private interests. Directors are required to disclose any potential conflict at quarterly meetings and as and when necessary to the Company Secretary.

Directors do not vote on any matter in which they have an interest and they are recused from any meeting when such matters are discussed.

Share dealings

The Group has adopted a share dealing policy requiring all directors, management and the Company Secretary to obtain prior written clearance from either the Chairman or the Company Secretary to deal in the company's shares. The Chairman of the Board will in turn require prior written clearance from the Chairman of the Audit and Risk Committee. Closed periods (as defined in the JSE Listings Requirements) are observed as required. During these periods, the directors, management and employees are not permitted to deal in the company's securities. Additional closed periods are enforced when the Group commences with a corporate activity and where a cautionary announcement (as defined in the JSE Listings Requirements) is published.

Legal compliance

The Board does not deem it necessary to appoint a Chief Compliance Officer. The Company Secretary, together with the Internal Audit function, the legal advisor and the risk management function, assist the Board in ensuring that there is an appropriate process in place with respect to legal compliance. Compliance with laws and regulations is reported to the Audit and Risk Committee.

Company Secretary

Noriah Sepuru is the Company Secretary. The Company Secretary plays a vital role in the corporate governance of the Group. The Company Secretary is responsible to

Meeting attendance register

The table below indicates the attendance of Board members at scheduled meetings during the period March 2015 to March 2016.

Director	Board	Audit and Risk Committee	Remuneration and Nomination Committees	Social and Ethics Committee
AJ Phillips*	5/5 [#]	4/4 (invitee)	4/4 [#]	4/4 (invitee)
BW Strong	5/5	4/4 (invitee)	4/4 (invitee)	4/4 (invitee)
BDV Clark	5/5	4/4 (invitee)	N/A	N/A
NP Dongwana*	4/5	4/4	N/A	4/4
NB Langa-Royds*	5/5	N/A	4/4 [#]	4/4 [#]
TDA Ross*	5/5	4/4 [#]	4/4	N/A
AM Thompson*	5/5	4/4	N/A	4/4

* Independent Non-Executive Directors

[#] Chairperson

N/A Not a member of the committee

the Board for, *inter alia*, ensuring compliance with procedures and applicable statutes and regulations. To enable the Board to function effectively, all directors have full and timely access to information that may be relevant to the proper discharge of their duties. This includes information such as corporate announcements, investor communications and other developments that may affect the Group. This also includes access to management, where required.

During the year under review, the Board conducted an evaluation of the Company Secretary's effectiveness, qualification and experience. Noriah has the requisite knowledge and experience to fulfil her duties and responsibilities. Details of her qualification are set out on page 23 of this Integrated Report. Noriah is not a director of the company and maintains an arm's length relationship with the Board as she acts independently from it. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company Secretary's Certificate is set out on page 66 of the Integrated Report.

Delegation of authority

The power and authority to lead, control, manage and conduct business, including the power and authority to delegate, is vested with the Board to ensure that Mpact remains a sustainable and viable business. This responsibility is facilitated by a well-developed governance structure. The committees assist the Board in discharging its responsibilities. This assistance is rendered in the form of recommendations and reports submitted to the Board meetings, ensuring transparency and full disclosure of committees' activities. Each committee operates within the ambit of its defined terms of reference, which set out the composition, roles, responsibilities and delegated authority.



BOARD COMMITTEES

The Board has several committees in which non-executive directors play a pivotal role. The responsibilities delegated to the committees of the Board are formally documented in the terms of reference for each committee, which have been approved by the Board and are updated from time-to-time to keep abreast of developments in law and best practice in governance. There is transparency and full disclosure from Board committees to the Board. The committees' Chairpersons provide the Board with a verbal report on recent committee activities and the minutes of committee meetings are available to the Board. The committees meet at least four times a year.

AUDIT AND RISK COMMITTEE

Composition

The Audit and Risk Committee comprises three non-executive directors, all of whom are independent. Tim Ross is the Chairman and Neo Dongwana and Andrew Thompson are the current members. The CEO, the CFO, the Head of ICT, the Group Risk and Sustainability Manager, a representative of KPMG, the independent Internal Auditor, and a representative of Deloitte & Touche, the independent External Auditor, all attend meetings by invitation.

Role and function of the Audit and Risk Committee

The Audit and Risk Committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and the financial statements for the Group. In addition, it considers and confirms to the shareholders of the appropriateness of the expertise and experience of the CFO. Furthermore, the committee reviews the composition, experience and resources of the finance function. In addition, the Audit and Risk Committee reviews the internal control systems, the financial control systems, the accounting systems, reporting on the Internal Audit function and sets the Group's policy on non-audit services provided by the Internal and External Auditors. It also liaises with the External Auditor, monitors compliance with legal requirements, ensures management addresses any identified internal control weakness, assesses the performance of financial management, approves internal and external audit fees, budgets, plans and performance, and conducts an annual review and assessment of the business risks the Group faces.

The approval of the Integrated Report is also the responsibility of the Audit and Risk Committee. The committee members are appointed annually by the shareholders at the Annual General Meeting.

Responsibilities of the Audit and Risk Committee

The committee's role and responsibilities include its statutory duties and further responsibilities assigned to it by the Board. The responsibilities of the Audit and Risk Committee are to:

- assist the Board with discharging its duties relating to the safeguarding of assets, the operation of adequate systems and controls, overseeing integrated reporting, reviewing of financial information and the preparation of interim and annual financial statements in compliance with all applicable legal requirements and accounting standards;
- facilitate and promote communication and liaison between the Board and the Group's management in respect of the matters referred to above;
- recommend the introduction of measures which the committee believes may enhance the credibility and objectivity of financial statements and reports concerning the affairs of the Group;
- perform its statutory functions under section 4(7) of the Companies Act;
- perform its statutory functions under section 4(7) of the Companies Act; and
- advise on any matter referred to the committee by the Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Assurance

The Audit and Risk Committee confirmed that they were prudent in exercising their duties of care and skill and they have taken reasonable steps to ensure that they performed their duties in accordance with the mandate. The Audit and Risk Committee Report can be found on pages 51 and 52 of the Integrated Report.

SOCIAL AND ETHICS COMMITTEE

Composition

The Social and Ethics Committee comprises Ntombi Langa-Royds (Chairperson), Neo Dongwana and Andrew Thompson as the members. All the members are independent non-executive directors.

Role and function of the Social and Ethics Committee

This committee monitors Mpact's activities in respect of sustainability issues and ethical conduct. It considers relevant legislation and best practices in terms of social and economic development (including B-BBEE), good corporate citizenship, the environment, safety and health, labour and employment.

Duties of the committee include:

- executing its statutory duties in terms of the requirements of the Companies Act;
- monitoring the Group's activities, with regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
 - Good corporate citizenship, including the company's:
 - promotion of equality, prevention of unfair discrimination and reduction of corruption;
 - contribution to development of the communities in which its activities are predominantly conducted or within which its products are predominantly marketed; and
 - record of sponsorships, donations and charitable giving.
 - Social and economic development, including the Group's standing in terms of the goals and purposes of:

- compliance with the United Nations Global Compact 10 Principles on Human Rights, Environment, Labour and Anti-Corruption;
- the Employment Equity Act; and
- the Broad-Based Black Economic Empowerment Act.
- The environment, health and public safety, including the impact of the Group's activities and of its products.
- Stakeholder engagement and consumer relationships, including the Group's advertising, public relations, investor relations and compliance with consumer protection laws.
- Labour and employment, including:
 - the company's standing in terms of the International Labour Organisation protocol on decent work and working conditions; and
 - the company's employment relationships, and its contribution towards the educational development of its employees.

On occasion, the committee will draw matters within its mandate to the attention of the Board and reports to the shareholders at the Annual General Meeting on the matters within its mandate.

Assurance

The Mpact Dashboard System has improved the capture of all relevant sustainability data and the Social and Ethics Committee is satisfied that the disclosure is adequate and the information accurate. Various external assurances have been obtained and these are listed in detail in the Sustainability Review. Mpact has not obtained an independent overall assurance for its Sustainability Review.

The Social and Ethics Committee Report can be found on pages 53 and 54. The social involvement of the Group is set out in the Sustainability Review, available on Mpact's website, www.mpact.co.za.

REMUNERATION AND NOMINATION COMMITTEES

Composition

Ntombi Langa-Royds is the Chairperson of the Remuneration Committee and Tony Phillips is the Chairman of the Nomination Committee in accordance with King III and the JSE Listings Requirements. The third member of both the Remuneration and Nomination Committees is Tim Ross. All of the committee members are independent non-executive directors.

Role and function of the Remuneration Committee

The Remuneration Committee considers the remuneration policy of the Group with the assistance and guidance of independent experts, if required, and makes recommendations to the Board on all aspects of remuneration. The committee further ensures that the directors are fairly rewarded for their individual contributions to the Group's overall performance. The committee also considers bonuses, which are discretionary and based upon general economic variables, the performance of the Group and the individual's performance, share options and certain other employee benefits and schemes. No remuneration of any nature shall be paid, increased or varied to any director without the prior approval of the members of the committee.

Responsibilities of the Remuneration Committee

The responsibility for the remuneration policy rests with the Remuneration Committee, which is appointed annually by the Board. The committee comprises of at least three members, all of whom are independent non-executive directors, and is governed by formal Terms of Reference.

With respect to remuneration matters, the committee is charged with:

- assisting the Board by setting and administering remuneration policies in the Group's long-term interests, and ensuring, through an ongoing review of the remuneration policy for both

appropriateness and relevance, the Group remunerates fairly and responsibly;

- being especially concerned with and providing recommendations regarding the remuneration of both executive and non-executive directors, and giving due regard to any relevant legal requirements;
- determining, within the terms of the agreed policy, the total individual remuneration package of the CEO and, in consultation with the CEO, the other members of Exco and any other executive whose total remuneration is comparable to, or higher than, that of an Exco member;
- ensuring that individuals are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to Mpact's success;
- approving the design of and determining targets for any performance-related pay schemes in which the executive management and other members of the senior management population participate;
- determining the design of and targets for such schemes by taking into account all factors it deems necessary including performance-related pay schemes, and regularly reviewing incentive schemes to ensure the continued contribution to shareholder value;
- reviewing the design of all executive and all employee share plans for approval by the Board and shareholders;
- being responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee; and
- ensuring, in determining remuneration policy, specifically that contractual terms on termination of the CEO and Exco, and any payments made, are fair to the individual and Mpact.

Role and function of the Nomination Committee

The Nomination Committee is guided by the Board Policy and Procedure document that

intends to guide the order, fairness and consistent conduct of the nomination and election process of members of the Board. The committee is also governed by a charter that further outlines its mandate in its role in assisting the Board and ensuring that the Board has the appropriate composition for it to execute its duties effectively.

Responsibilities of the Nomination Committee

With regard to the nomination matters, the committee is charged with:

- Regularly reviewing of the structure, size, skills, knowledge, experience and diversity required of the Board and to make recommendations to the Board with regard to any changes that are appropriate.
- Identifying and evaluating suitable potential candidates for appointment to the Board and recommending the same to the Board, which may then appoint such candidate in accordance with the MOI.
- Giving full consideration to succession planning and management development for the Board and Exco, taking into account the challenges and opportunities facing Mpact and the skills and expertise needed by Mpact in the future.
- Recommending to the Board the re-appointment of any non-executive directors at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.

Assurance

The Remuneration and Nomination Committees confirmed that they were prudent in exercising their duties of care and skill and they have taken reasonable steps to ensure that they performed their duties in accordance with the committee's mandate.

The Remuneration Report can be found on pages 56 to 62 of the Integrated Report.

EXECUTIVE COMMITTEE (EXCO)

Composition

The Exco comprises Bruce Strong (Chairman), Brett Clark (CFO), Ralph von Veh, Hugh Thompson, John Hunt, Johan Stumpf and Neelin Naidoo as the members. Other senior managers attend the meeting by invitation.

Role and function of Exco

The Exco, under the CEO's leadership, is responsible for the execution of the Board-approved strategy and the day-to-day running of the business, and is accountable to the Board in this regard.

This committee, which meets six times a year, is responsible for the Group's operational activities, developing strategy and policy proposals for consideration by the Board and implementing the Board's directives. The committee has a properly constituted mandate and terms of reference. Other responsibilities include:

- leading the executive, management and staff of the Group;
- developing the annual budget and business plans for approval by the Board;
- developing, implementing and monitoring policies and procedures, internal controls, governance, risk management, ethics and authority levels;
- monitoring and enforcing good corporate governance practices and the application of the Code of Ethics, as defined and adopted by the Board;
- guiding and controlling the overall direction and control of Mpact, and acts as a medium of communication between business units, subsidiaries and the Board;
- ensuring appropriate co-ordination between Mpact, its subsidiaries and the various business units; and
- ensuring the adequacy of the Group's reporting arrangements.

The Exco has specific key performance areas and targets which are set in line with the approved strategy and monitored by the Board with the assistance of the Remuneration and Nomination Committee.

CORPORATE GOVERNANCE REPORT (CONTINUED)

INTERNAL CONTROL SYSTEMS

To meet Mpact's responsibility to provide reliable financial information, the Group maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisitions, use or disposals, and that all transactions are properly recorded.

The systems include a documented organisational structure and division of responsibilities, established policies and procedures which are communicated throughout the Group, and the careful selection, training and development of people.

The Internal Audit function is described in the Audit and Risk Committee Report on pages 52 of this Integrated Report.

There are inherent limitations on the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls.

Accordingly, only an effective internal control system can provide reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

IT GOVERNANCE

The Board has an IT governance policy and ensures adherence to King III's IT governance principles. The Board measures the implementation of the recommended principles against the detailed King III Application Register. The ICT Steering Committee assists the Board with IT governance-related matters. The committee is governed by an effective charter which gives guidance to the ICT management team and ensures effective and efficient management of all IT resources.

The IT governance framework with all relevant structures, processes and mechanisms to enable IT to deliver value to the business and mitigate IT risks. IT risks have been identified and incorporated into the risk register.

An external independent person was appointed to provide the Board with an

independent assurance on the effectiveness of IT internal controls including outsourced IT services. Also, the independent person is required from time to time to join the ICT Steering Committee to give guidance on the ICT strategy alignment with business strategy. This includes, but not limited to, expressing an independent opinion on emerging technology trends and their rate of adoption and implementation by various business sectors.

ANNUAL GENERAL MEETING

All the necessary information and facilities are made available to shareholders to enable them to attend the Annual General Meeting, submit forms of proxy and receive announcements and circulars in accordance with the JSE Listings Requirements. The Chairman of the Board, Chairpersons of the committees and the External Auditor are available to answer questions at the Annual General Meeting.

AUDIT AND RISK COMMITTEE REPORT



Tim Ross

INTRODUCTION

The Audit and Risk Committee has pleasure in submitting its report for the year ended 31 December 2015 in compliance with section 94(7) of the Companies Act.

The Audit and Risk Committee acts for the company and all its subsidiaries, and is an independent entity accountable to the Board. It operates within a documented charter and complies with all relevant legislation, regulation and governance codes and executes its duties in terms of the requirements of King III.

The committee's terms of reference were approved by the Board and are reviewed annually.

COMPOSITION

The composition of the Audit and Risk Committee is set out on page 47. Biographical details of the committee members are provided on pages 20 and 21 and the fees paid to the committee members are outlined on page 59.

COMMITTEE MEETINGS

The committee held four meetings during the year under review. Attendance has been set out on page 46 of the Corporate Governance Report.

COMMITTEE ACTIVITIES

The Audit and Risk Committee attended to the following during the year:

External Auditors

The committee reviewed the independence of Deloitte & Touche as the Group's External Auditor with Mark Holme as the independent individual registered auditor who undertook the Group's audit for the year. Before recommending the re-election of Deloitte & Touche to the Board, the committee satisfied itself that Deloitte & Touche is independent.

Ordinary resolution number 4, as set out in the Notice of Annual General Meeting on page 94, proposes the re-appointment of Deloitte & Touche as External Auditor and Mark Holme as the independent individual registered auditor.

Independence of External Auditors

This assessment was made after considering the following:

- Confirmation from the External Auditors that they, or their immediate family, do not hold any significant direct or indirect financial interest or have any material business relationship with Mpact. The External Auditors also confirmed that they have internal monitoring procedures to ensure their independence.
- The auditors do not, other than in their capacity as External Auditors or rendering permitted non-audit services, receive any remuneration or other benefits from Mpact.
- The auditor's independence was not impaired by the non-audit work performed having regard to the quantum of audit fees relative to the total fee based and the nature of the non-audit work undertaken.
- The auditor's independence was not prejudiced as a result of any previous

appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements.

- The criteria specified for independence by the Independent Regulatory Board for Auditors.
- The audit firm and the designated auditor are accredited with the JSE.

The committee confirms that the External Auditor has functioned in accordance with its terms of reference for the 2015 financial year.

External Auditors' fees

The committee:

- Approved, in consultation with management, the audit fee and engagement terms for the External Auditors for the 2015 financial year.
- Reviewed and approved the non-audit services fees for the year under review and ensured that the fees were within limit and in line with the non-audit service policy.
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

External Auditor's performance

The committee:

- Reviewed and approved the External Audit plan, ensuring that material risk areas were included and that coverage of the significant business processes was acceptable.
- Reviewed the External Audit reports and management's response, considered their effect on the financial statements and internal financial control.

Financial statements

The committee reviewed the interim results and year-end financial statements, including the public announcements of the Group's financial results, and made recommendations to the Board for their approval. In the course of its review, the committee:

- took appropriate steps to ensure that the financial statements were prepared in accordance with IFRS;
- considered the appropriateness of accounting policies and disclosures made; and
- completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the financial statements.

The committee was not required to deal with any complaints relating to accounting

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

practices or Internal Audit, nor to the content or audit of the financial statements, nor internal financial controls and related matters.

Internal Audit

The committee:

- Reviewed and approved the existing Internal Audit charter, which ensures that the Group's Internal Audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties.
- Satisfied itself of the credibility, independence and objectivity of the Internal Audit function.
- Ensured that Internal Audit had direct access to the committee, primarily through the committee's Chairman.
- Reviewed and approved the annual Internal Audit plan, ensuring that material risk areas were included and that the coverage of significant business processes was acceptable.
- Reviewed the quarterly Internal Audit reports, covering the effectiveness of internal control, material fraud incidents and material non-compliance with Mpact's policies and procedures. The committee is advised of all internal control developments and advised of any material losses, with none being reported during the year.
- Considered and reviewed with management and Internal Auditors, any significant findings and management responses thereto in relation to reliable financial reporting, corporate governance and effective internal control to ensure appropriate action is taken.
- The Internal Audit function provided a written assessment of the effectiveness of the company's system of internal controls and confirmed that based on their results of work undertaken, they provided reasonable assurance regarding adequacy and effectiveness of systems of internal control.

The committee has reviewed the independence of KPMG as the Group's Internal Auditor and is satisfied that KPMG is independent.

Internal financial control and compliance

The committee:

- Reviewed and approved the existing treasury policy and reviewed the quarterly treasury reports prepared by management.
- Reviewed the quarterly legal and regulatory reports setting out the latest legislative and regulatory developments impacting the Group.

- Reviewed the quarterly report on taxation.
- Reviewed IT reports.
- Considered and, where appropriate, made recommendations on internal financial control.
- Monitored the outsourced Internal Audit service provided by KPMG Internal Audit, Risk and Compliance Services.

KPMG performed the Internal Audit for the year ended 31 December 2015 and provided a written assessment of the effectiveness of Mpact's system of internal controls. The Audit and Risk Committee considered the comments in the audit reports issued by KPMG on the audits conducted, and together with other information available from management and the year-end External Audit reports, and determined that there were no material weaknesses in internal control and risk management. On this basis, the Audit and Risk Committee has made a recommendation to the Board on the effectiveness of the system of internal controls for inclusion in the directors' responsibility statement.

Risk management

Management regularly develops and enhances the Group's risk and control procedures to improve the mechanisms for identifying, assessing and monitoring risks given that effective risk management is integral to the Group's objective of consistently adding value to the business. The Board approves strategies and budgets and monitors progress against the budget. It also considers the identified business risks.

Risk management is addressed in the areas of physical and operational risks, human resource risks, technology risks, business continuity and disaster recovery risks, credit and market risks and compliance risks.

The Group has implemented several policies and procedures to manage its governance, operations and information systems with regard to the:

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with laws, regulations and contracts.

Risks are periodically reviewed and updated on a regular basis. The risks are outlined in detail on pages 15 to 17 of this Integrated Report. The Risk Management Review is available on the website, www.mpact.co.za.

Combined assurance

During the year under review, a Combined Assurance map was developed by management in collaboration with Internal Audit and External Audit. The mapping was compiled to help understand the level of coverage achieved by each assurance provider in terms of the third level of defence in the Combined Assurance Model. The committee further approved the Integrated Assurance Framework, which covered the innovative and strategic approach to governance while integrating the company value drivers with the risk and opportunity register.

INTEGRATED REPORT

The committee fulfils an oversight role regarding this Integrated Report and the reporting process. Accordingly, it has:

- Considered the Integrated Report and has assessed the consistency with operational, financial and other information known to the Audit and Risk Committee members, and for consistency with the Annual Financial Statements. The committee is satisfied that the Integrated Report is materially accurate, complete and reliable and consistent with the Annual Financial Statements.

At its meeting held on 25 February 2016, the committee recommended the Integrated Report for the year ended 31 December 2015 to the Board for approval.

GOVERNANCE

The Board has assigned oversight of the risk management function to the committee, which has an oversight role with respect to financial reporting risks arising from internal financial controls, fraud and IT risks.

In line with the terms of the JSE Listings Requirements, the committee is satisfied that Brett Clark has the appropriate expertise and experience to meet the responsibilities of his appointed position as CFO as required by the JSE.

The committee is satisfied:

- that the resources within the finance function are adequate to provide the necessary support to the CFO; and
- with the expertise and experience of the Group Financial Manager.

In making these assessments, the committee has obtained feedback from the External and Internal Auditors.

Based on the processes and assurances obtained, the committee believes that the accounting practices are effective.

On behalf of the Audit and Risk Committee

Tim Ross

Audit and Risk Committee Chairman

1 March 2016

SOCIAL AND ETHICS COMMITTEE REPORT



Ntombi
Langa-Royds

INTRODUCTION

The Social and Ethics Committee assists the Board in monitoring Mpact's performance as a good and responsible corporate citizen. The Social and Ethics Committee regularly reviews and updates the terms of reference, where necessary. The terms of reference are set out in the committee charter and ensure that the committee performs its duties in terms of the Companies Act. The committee executes its duties in accordance with these terms.

This committee has a broad mandate in terms of the Companies Act. It is tasked with monitoring the Group's activities in respect of

sustainability issues. It considers relevant legislation and best practices in terms of social and economic development (including B-BBEE), good corporate citizenship, the environment, safety and health, labour and employment.

A summary of Mpact's approach to sustainability is set out on page 27 of this Integrated Report. For the detailed Sustainability Review, please visit Mpact's website, www.mpact.co.za.

COMPOSITION

The composition of the Social and Ethics Committee is set out on page 48. Biographical details of the committee members are provided on pages 20 and 21.

MEETINGS

The Social and Ethics Committee held four meetings during the year. Members attended all meetings of the committee during the year, as per page 46 of this report.

ETHICAL CONDUCT

The committee is responsible for developing and reviewing the Group's policies with regard to the commitment, governance and reporting of Mpact's sustainable development performance. These policies are recommended to the Board for approval to be implemented across the Group.

SOCIAL AND ECONOMIC DEVELOPMENT

The committee monitored the social and economic development of the Group. In line with the Group's transformation policies and objectives, the committee monitored progress against the Employment Equity Plan to assess management initiatives to have a workforce that is representative of the population. An annual review of the Group standing in terms of the goals and purpose set out in the 10 Principles of the United Nation Global Compact was also undertaken.

GOOD CORPORATE CITIZENSHIP

The committee monitored the promotion of equality, prevention of unfair discrimination and reduction of corruption. In line with its mandate, the committee further reviewed the

charitable giving, donations and sponsorships. Details of the Group activities are included in the Sustainability Review Report.

During the year under review, the Mpact B-BBEE scorecard improved from Level 5 Contributor Status to Level 3, subsequent to the successful implementation of the Mpact Foundation Trust. The objective of this Trust is to pursue empowerment of previously disadvantaged stakeholders, with focus on broad-based groupings; create a sustainable funding structure; and complement existing B-BBEE initiatives whilst also preserving existing value for ordinary shareholders.

The Trust held its inaugural meeting on 21 May 2015. The Trustees approved the Terms of Reference and agreed on projects for the 2016 financial year. The Trust plans to focus its resources on education. The beneficiaries will include employees and their families, as well as people from relevant communities.

ENVIRONMENT, HEALTH AND SAFETY

The Group is committed to providing a safe and healthy working environment for all employees, as well as contractors and service providers. The principle of "zero harm" is entrenched at each of Mpact's operation. The committee regularly reviews safety and health initiatives to ensure that these objectives are achieved and maintained.

Mpact commits to maintaining self-imposed as well as international Health and Safety standards and these are independently certified, where applicable. Legal compliance is set as a minimum standard.

The Group supports Government initiatives to reduce carbon emission by changing the behaviour of producers and consumers. The committee reviews quarterly reports on the Group emissions.

Mpact has established an Energy Centre of Excellence to develop an energy strategy to optimise energy usage and consider energy generation technologies.

SOCIAL AND ETHICS COMMITTEE REPORT (CONTINUED)

STAKEHOLDER MANAGEMENT

Mpact undertakes stakeholder engagement, which is encouraged by King III and the Companies Act. Transparent and open communication with stakeholders is regarded as critical to the company's long-term success. The committee reviews identified stakeholders to ensure that it reflects the key groupings with which Mpact interacts.

During the year, a comprehensive report was reviewed by the committee, which provided an update on stakeholder activities

MATERIAL SUSTAINABILITY ISSUES

The committee is responsible for annually revising or determining, in conjunction with senior management, the Group's material sustainability issues. The Group has made efforts to improve sustainability reporting during the period under review. The external assurance on material sustainability issues has improved and will continue to remain the focus of the committee with assistance of the Audit and Risk Committee in the forthcoming period.

The material issues have been reported on and are set out in the Sustainability Review available on the company's website, www.mpact.co.za.

During the year, the committee reviewed, improved and achieved:

- the implementation of the Mpact Foundation Trust – comprehensive details on the Trust are set out in the Sustainability Review;
- the Mpact Talent Management Strategy, which covered the retention of critical skills and talent plan;
- the Behaviour Safety awareness programme, which comprised the Group safety culture, Behaviour Based Safety programme and Hearts and Minds programmes;
- aligned the CSI Policy to the Group Strategy;
- Occupational Health and Safety Standards; and
- Carbon Tax and Carbon Budget plans.

ASSURANCE

The committee is satisfied with the Group's progress in the different areas and with the social and ethics plan for the 2016 financial

year. The committee is aware its function will continue to evolve as it addresses all the responsibilities within its mandate.

Economic and social sustainability of Mpact is important to the Group and a detailed Sustainability Review has been created, which reports in more detail on its employees, environmental and CSI. The Sustainability Review can be found on the Group's website, www.mpact.co.za.

On behalf of the Social and Ethics Committee

Ntombi Langa-Royds

Social and Ethics Committee Chairperson

1 March 2016



Polymers

ITEM H-PET-CLEAR

WEIGHT 1092 KG

DATE 12/11/15

TIME 05:46

LOT NUMBER: 201511120006



BOTTLE
FOOD
GENERAL

REMUNERATION REPORT

REMUNERATION POLICY

Objectives

The objectives of the remuneration policy are to enable the business to:

- retain competent employees who enhance business performance;
- reward, recognise and confer appreciation for superior performance;
- direct employees' energies and activities towards key business goals;
- recruit high-performing, skilled individuals from a limited pool of talent; and
- achieve the most effective returns (employee productivity) for total employee spend.

To achieve this, Mpact rewards its executives and managers in a way that reflects the dynamics of the market and the context in which it operates. All components of this remuneration policy, including the fixed pay and variable pay for performance, are aligned to the strategic direction of the business and business-specific value drivers.

Key principles

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

The remuneration policy for executive directors and other senior executives 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 our 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.

- The remuneration of executive directors and other senior executives should be set taking appropriate account of remuneration and employment conditions elsewhere in the Group.

PAY MIX

Pay mix is defined as the balance targeted between the major components of remuneration, namely:

- guaranteed pay based on total guaranteed cost of employment (TGCOE); and
- variable pay for performance comprising:
 - short-term incentives; and
 - long-term incentives.

The targeted pay mix aims to align the incentives of employees with the interests of shareholders.

Guaranteed pay

Mpact aims to establish and maintain a logical pay scale with pay levels that ensure that the company is able to remain competitive, while managing costs.

Salaries are reviewed annually, normally with effect from 1 January. Mpact undertakes annual market pricing exercises against top management reward surveys conducted by reputable consultancies. The benchmark used is the median TGCOE for similar positions in South African listed companies which are of a similar size, complexity and scope to the Group.

The committee also takes into account business performance, salary practices prevailing for other employees in the Group and, when setting individual salaries, the individual's performance and experience in their role.

Variable pay

Short-term incentives

Annual incentives are aimed at rewarding a combination of both business and individual performance:

- business performance is assessed in terms of one or more performance indicators, covering both financial and non-financial elements (such as safety); and

- individual performance is assessed from a weighted (balanced) scorecard of key performance areas or value drivers. The selection of these is informed by the performance management framework.

Long-term incentives

Mpact share plan

In order to attract, retain, motivate and reward executives and managers who are able to influence the performance of the Group on a basis which aligns their interests with those of shareholders, the company has the Mpact share plan.

The plan provides for the inclusion of a number of performance conditions, designed to align the interests of participants with those of shareholders, and to reward organisational and individual performance, more so than merely the performance of the economy or the sector in which the Group operates.

In terms of this plan, executives and selected managers as well as those of subsidiaries may be offered annually a weighted combination of:

- awards of performance shares;
- grants of bonus shares;
- allocations of share appreciation rights; and
- deferred cash bonus.

The combined, weighted implementation of the above share plan elements allows Mpact to be competitive in annual and share-based incentives and reward long-term sustainable company performance. This also acts as a retention tool, and ensures that executives share a significant level of personal risk with shareholders.

Performance share method

Annual conditional awards of performance shares may be made to executives. Performance shares will vest on the third anniversary of their award, to the extent that Mpact has met specified performance criteria over the intervening period.

The committee will dictate the performance criteria for each award. There are two performance criteria, Total Shareholder Return (TSR) and ROCE.

For the awards, the performance criteria are as follows:

- **TSR (50% of award)**

To satisfy this condition in full, Mpact's TSR over the performance period must be at least 1.2 times the average TSR, calculated excluding Mpact, of the companies included in the JSE Packaging Index (TSRavg). For clarity, TSRavg will be calculated as the sum of the TSR's of each individual company included in the index divided by the number of companies, excluding Mpact.

If Mpact's TSR equals TSRavg then 62.5% of this half of the award will vest. No vesting will occur if Mpact's TSR is less than 0.8 times TSRavg. If Mpact ranks in between the above thresholds then the proportion vesting will be determined on the basis of a straight-line interpolation.

- **ROCE (50% of award)**

This half of the Performance Share Method will vest in full if 15% or better is achieved. If 10% is achieved, 30% of the part of the Performance Share Method will vest. No vesting will occur below this level of performance. Between the 10% (threshold) and 15% (maximum) performance levels vesting will be based on straight-line interpolation.

Any performance shares which do not vest at the end of the three-year period will lapse.

The performance share method closely aligns the interests of shareholders and executives by rewarding superior shareholder and financial performance in the future.

Bonus share method

On an annual basis, executives and selected senior managers may receive a grant of bonus shares, the value of which matches, according to a specific ratio, the annual cash incentive accruing to the executive.

The 2015 grant of bonus shares will vest after three years conditional only on continued employment. Participants on the bonus share method do not receive dividends declared by the Group; however, a single cash payment is made after the three years vesting period referred to as Dividend Equivalent Bonus. This is calculated on the dividend payment forfeited during the holding period based on the number of bonus shares granted.

The bonus share method provides for share-based retention for those executives and senior managers who, through their previous loyalty and/or their performance on an annual basis, have demonstrated their value to the organisation.

Share appreciation right method

Annual allocations of share appreciation rights may be made to executives and selected employees. They will be available to be settled in equal thirds on the third, fourth and fifth anniversaries (alternatively all on the third anniversary), but need not be exercised until the sixth anniversary, at which time they must be exercised or they will lapse.

Notwithstanding the above timeframe(s), vesting will only occur, and exercise and settlement will only be permissible, as and when the performance targets that may have been set are met. On settlement, the value accruing to participants will be the appreciation of the share price from date of allocation to date of exercise.

The Board will dictate the performance targets for each allocation.

Mpact cash plan (deferred cash bonus)

In order to retain, motivate and reward other key personnel, such as those with scarce skills who are vital to success, the company operates the Mpact cash plan.

On an annual basis, identified employees may be granted a deferred cash bonus, the value of which matches, according to a specified ratio, the annual cash incentive accruing to the employee. The deferred cash bonus vests after three years conditional only on continued employment. Interest accrues monthly at the Johannesburg Interbank Agreed Rate (JIBAR) rate and is paid out with the cash bonus at the time of vesting.

POLICY ON EMPLOYMENT CONTRACTS

Executive directors and other senior executives

Executive directors' service contracts should provide for a maximum of six months' 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 six months within a reasonable period of time.

Employment contracts for senior executives provide for three months' notice by either party.

In the event of early termination of service contracts, the policy is to act fairly in all circumstances.

The service contracts for senior executives should contain pay *in lieu* of notice provisions which may be invoked at the discretion of the committee if the company terminates the service contract. The payment *in lieu* of notice would comprise the TGCOE for the notice period and an amount in respect of the bonus for that part of the financial year worked, at the discretion of the Remuneration Committee.

Given that existing contracts may have been entered into in prior years, current notice periods and termination clauses for executive directors and senior managers may differ.

All employees within the Group have employment contracts.

Non-executive directors

Non-executive directors' fees are benchmarked against similar-sized companies listed on the JSE. The level of complexity of the underlying business is also taken into consideration when benchmarking.

The appointment of a non-executive director may be terminated without compensation if that director is not re-elected by shareholders or otherwise in accordance with the MOI.

INCENTIVE BONUS PARAMETERS AND ACHIEVEMENT FOR THE YEAR UNDER REVIEW

For the year under review, the maximum potential incentive bonus for executive directors and prescribed officers was 117% (2014: 117%) of TGCOE as reflected in the table on page 58.

The annual incentive bonus is paid against the achievement of financial, safety and individual performance targets. For the year under review, financial performance had a weighting of 60% (2014: 60%), safety 10% (2014: 10%) and individual performance 30% (2014: 30%) for all executive directors and prescribed officers. The financial targets were based on EBITDA, underlying EBIT and ROCE.

For the year under review, the executive directors and prescribed officers achieved 100% (2014: 100%) for financial performance, 0% (2014: 50%) for safety and differing levels for individual performance.

REMUNERATION REPORT (CONTINUED)

Maximum potential annual incentive bonus for the year under review

	CEO BW Strong		CFO BDV Clark		Other prescribed officers	
	2015	2014	2015	2014	2015	2014
Annual cash bonus – maximum potential as % of TGCOE (A)	72%	72%	72%	72%	72%	72%
Conditional bonus shares – as % of annual cash bonus earned (B)	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%
Maximum potential incentive bonus as % of TGCOE (C) where C = A + (AxB)	117%	117%	117%	117%	117%	117%

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Prescribed officers are defined as having general executive control over and management of a significant portion of the company or regularly participate therein to a material degree, and are not directors of the company. Prescribed officers include the three highest paid non-directors.

The remuneration of the executive directors and prescribed officers, all of which were paid by Mpact Limited Group, who served during the period under review was as follows:

Rands	Year	Salary	Incentive bonus ¹	Retirement funding contribution ²	Other cash benefits ³	Total remuneration
Executive directors						
BW Strong	2015	3,457,036	2,790,091	883,304	330,721	7,461,152
	2014	3,224,349	2,432,756	825,518	258,697	6,741,320
BDV Clark	2015	2,930,616	2,082,414	229,989	221,580	5,464,599
	2014	2,726,239	1,848,601	214,943	219,738	5,009,521
Total	2015	6,387,652	4,872,505	1,113,293	552,301	12,925,751
Total	2014	5,950,588	4,281,357	1,040,461	478,435	11,750,841
Prescribed officers						
PO1	2015	3,180,510	2,280,478	252,406	433,802	6,147,196
	2014	2,933,486	1,821,477	263,024	385,293	5,403,280
PO2	2015	3,260,473	2,254,589	269,774	307,484	6,092,320
	2014	3,054,877	1,915,449	253,309	258,625	5,482,260
PO3	2015	1,650,632	1,322,667	475,420	301,545	3,750,264
	2014	1,524,171	1,243,385	442,251	257,673	3,467,480
PO6	2015	2,436,995	1,736,280	193,715	218,040	4,585,030
	2014	2,254,100	253,500	180,200	215,700	2,903,500
PO7 ⁴	2015	710,996	–	48,344	1,053,160	1,812,500
	2014	–	–	–	–	–
Total	2015	11,239,606	7,594,014	1,239,659	2,314,031	22,387,310
Total	2014	9,766,634	5,233,811	1,138,784	1,117,291	17,256,520

¹ Paid in March each year based on prior year performance.

² Employer contribution towards a defined contribution retirement fund.

³ Other cash benefits include car allowances, employer contribution to medical aid schemes, dividend equivalent bonus and other benefits.

⁴ Employed at Mpact Operations Proprietary Limited effective 1 October 2015.

SHARE AWARDS AND VESTINGS

	Year	Bonus Share Plan	Performance Share Plan		Share appreciation rights plan	
		Value at grant date ¹	Value at grant date ²	Share price gain on vesting ³	Value at grant date ²	Share price gain on vesting ⁴
Rands						
Executive directors						
BW Strong	2015	1,743,807	1,705,201	2,853,887	1,083,823	2,376,248
	2014	1,520,473	2,677,494	2,735,481	797,640	844,036
BDV Clark	2015	1,301,509	499,801	836,484	–	–
	2014	1,155,376	–	–	–	–
Total	2015	3,045,316	2,205,002	3,690,371	1,083,823	2,376,248
Total	2014	2,675,849	2,677,494	2,735,481	797,640	844,036
Prescribed officers						
PO1	2015	1,425,299	1,278,321	2,139,444	811,922	1,780,113
	2014	1,138,423	1,203,494	1,229,544	597,550	610,477
PO2	2015	1,409,118	937,906	1,569,713	596,209	1,307,168
	2014	1,197,156	883,746	902,889	438,789	448,290
PO3	2015	826,667	584,466	978,184	743,182	1,629,404
	2014	777,116	550,802	562,722	–	–
PO6	2015	1,085,175	–	–	–	–
	2014	158,438	–	–	–	–
PO7	2015	896,000	–	–	–	–
	2014	–	–	–	–	–
Total	2015	5,642,259	2,800,693	4,687,341	2,151,313	4,716,685
Total	2014	3,271,133	2,638,042	2,695,155	1,036,339	1,058,767

¹ Value of conditional awards based on prior year performance vesting in three (3) years.

² Value of 2012 share award made at grant date, based on the number of shares vested (2014: Value of 2011 share award made at grant date, based on the number of shares vested).

³ Value of the share price gain between date of grant and date of vesting relating to the 2012 share award. The value of Mpact Limited share price increased from R15.79 to R42.21 during the share award holding period (2014: Value of the share price gain between date of grant and date of vesting relating to the 2011 share award. The value of Mpact Limited share price increased from R13.41 to R27.11 during the share award holding period).

⁴ Share price gains on the share appreciation rights plan, where the value of Mpact Limited share price increased from R13.41 to R42.81 during the share award holding period (2014: Share price gains on the share appreciation rights plan, where the value of Mpact Limited share price increased from R13.41 to R27.60 during the share award holding period).

NON-EXECUTIVE DIRECTORS' REMUNERATION

Rands	Fees	
	2015*	2014
AJ Phillips	840,136	764,260
AM Thompson	459,320	372,304
NP Dongwana	432,513	348,427
NB Langa-Royds	583,753	489,126
TDA Ross	520,954	465,106
Total	2,836,676	2,439,223

* FY2015 – Five Board meetings; FY2014 – Four Board meetings

REMUNERATION REPORT (CONTINUED)

SHARE AWARDS GRANTED TO EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

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

Mpact 2015

	Type of award ^{1,2,3}	Awards held at beginning of year	Awards granted during year	Awards exercised during year	Shares lapsed	Awards held as at 31 December 2015	Award price basis (ZAR cents)	Date of award	Release date
Executive director									
BW Strong	SARP	234,899	–	(80,822)	(36,628)	117,449	1,341	Sep 11	Mar 15
									Mar 16
	BSP	83,527	–	(83,527)	–	–	1,579	Apr 12	Mar 15
	PSP	127,073	–	(108,013)	(19,060)	–	1,579	Apr 12	Mar 15
	BSP	66,230	–	–	–	66,230	2,221	Apr 13	Mar 16
	PSP	96,184	–	–	–	96,184	2,221	Apr 13	Mar 16
	BSP	56,649	–	–	–	56,649	2,684	Jun 14	Mar 17
	PSP	84,377	–	–	–	84,377	2,684	Jun 14	Mar 17
	BSP	–	41,098	–	–	41,098	4,243	Apr 15	Mar 18
	PSP	–	95,185	–	–	95,185	4,243	Apr 15	Mar 18
	PSP	37,246	–	(31,659)	(5,587)	–	1,579	Apr 12	Mar 15
	BSP	30,773	–	–	–	30,773	2,221	Apr 13	Mar 16
	PSP	72,494	–	–	–	72,494	2,221	Apr 13	Mar 16
	BSP	43,047	–	–	–	43,047	2,684	Jun 14	Mar 17
	PSP	63,595	–	–	–	63,595	2,684	Jun 14	Mar 17
BDV Clark	BSP	–	30,674	–	–	30,674	4,243	Apr 15	Mar 18
	PSP	–	43,045	–	–	43,044	4,243	Apr 15	Mar 18
Prescribed officers									
PO1	SARP	175,971	–	(60,546)	(27,439)	87,986	1,341	Sep 11	Mar 15
									Mar 16
	BSP	69,432	–	(69,432)	–	–	1,579	Apr 12	Mar 15
	PSP	95,262	–	(80,973)	(14,289)	–	1,579	Apr 12	Mar 15
	BSP	52,471	–	–	–	52,471	2,221	Apr 13	Mar 16
	PSP	72,783	–	–	–	72,783	2,221	Apr 13	Mar 16
	BSP	42,415	–	–	–	42,415	2,684	Jun 14	Mar 17
	PSP	68,926	–	–	–	68,926	2,684	Jun 14	Mar 17
	BSP	–	33,592	–	–	33,592	4,243	Apr 15	Mar 18
PO2	PSP	–	47,189	–	–	47,189	4,243	Apr 15	Mar 18
	SARP	129,219	–	(44,460)	(20,149)	64,610	1,341	Sep 11	Mar 15
									Mar 16
	BSP	70,715	–	(70,715)	–	–	1,579	Apr 12	Mar 15
	PSP	69,893	–	(59,410)	(10,483)	–	1,579	Apr 12	Mar 15
	BSP	55,573	–	–	–	55,573	2,221	Apr 13	Mar 16
	PSP	52,903	–	–	–	52,903	2,221	Apr 13	Mar 16
	BSP	44,603	–	–	–	44,603	2,684	Jun 14	Mar 17
	PSP	58,012	–	–	–	58,012	2,684	Jun 14	Mar 17
PO3	BSP	–	33,210	–	–	33,210	4,243	Apr 15	Mar 18
	PSP	–	39,082	–	–	39,082	4,243	Apr 15	Mar 18
	SARP	100,931	–	(55,420)	(5,243)	40,268	1,341	Sep 11	Mar 15
									Mar 16
	BSP	44,487	–	(44,487)	–	–	1,579	Apr 12	Mar 15
	PSP	43,555	–	(37,022)	(6,533)	–	1,579	Apr 12	Mar 15
	BSP	35,986	–	–	–	35,986	2,221	Apr 13	Mar 16
	PSP	33,122	–	–	–	33,122	2,221	Apr 13	Mar 16
	BSP	28,954	–	–	–	28,954	2,684	Jun 14	Mar 17
	PSP	36,321	–	–	–	36,321	2,684	Jun 14	Mar 17
	BSP	–	19,483	–	–	19,483	4,243	Apr 15	Mar 18

Mpact 2015 (continued)

	Type of award ^{1,2,3}	Awards held at beginning of year	Awards granted during year	Awards exercised during year	Shares lapsed	Awards held as at 31 December 2015	Award price basis (ZAR cents)	Date of award	Release date
	PSP	–	24,698	–	–	24,698	4,243	Apr 15	Mar 18
PO6	BSP	5,903	–	–	–	5,903	2,684	Jun 14	Mar 17
	PSP	44,430	–	–	–	44,430	2,684	Jun 14	Mar 17
	BSP	–	25,576	–	–	25,576	4,243	Apr 15	Mar 18
	PSP	–	30,213	–	–	30,213	4,243	Apr 15	Mar 18
	BSP	–	21,117	–	–	21,117	4,243	Apr 15	Mar 18

¹ Bonus share plan (BSP).² Performance share plan (PSP).³ Share appreciation rights plan (SARP).

2014

	Type of award ^{1,2,3}	Awards held at beginning of year	Awards granted during year	Awards exercised during year	Shares lapsed	Awards held as at 31 December 2014	Award price basis (ZAR cents)	Date of award	Release date
Executive director									
BW Strong	BSP	85,817	–	(85,817)	–	–	1,341	Sep 11	Mar 14
	PSP	234,899	–	(199,664)	(35,235)	–	1,341	Sep 11	Mar 14
	SARP	352,349	–	(59,481)	(57,969)	234,899	1,341	Sep 11	Mar 14 Mar 15 Mar 16
	BSP	83,527	–	–	–	83,527	1,579	Apr 12	Mar 15
	PSP	127,073	–	–	–	127,073	1,579	Apr 12	Mar 15
	BSP	66,230	–	–	–	66,230	2,221	Apr 13	Mar 16
	PSP	96,184	–	–	–	96,184	2,221	Apr 13	Mar 16
	BSP	–	56,649	–	–	56,649	2,684	Jun 14	Mar 17
	PSP	–	84,377	–	–	84,377	2,684	Jun 14	Mar 17
	PSP	37,246	–	–	–	37,246	1,579	Apr 12	Mar 15
	BSP	30,773	–	–	–	30,773	2,221	Apr 13	Mar 16
	PSP	72,494	–	–	–	72,494	2,221	Apr 13	Mar 16
BDV Clark	BSP	–	43,047	–	–	43,047	2,684	Jun 14	Mar 17
	PSP	–	63,595	–	–	63,595	2,684	Jun 14	Mar 17
Prescribed officers									
PO1	BSP	70,039	–	(70,039)	–	–	1,341	Sep 11	Mar 14
	PSP	105,583	–	(89,746)	(15,837)	–	1,341	Sep 11	Mar 14
	SARP	263,957	–	(44,560)	(43,426)	175,971	1,341	Sep 11	Mar 14 Mar 15 Mar 16
	BSP	69,432	–	–	–	69,432	1,579	Apr 12	Mar 15
	PSP	95,262	–	–	–	95,262	1,579	Apr 12	Mar 15
	BSP	52,471	–	–	–	52,471	2,221	Apr 13	Mar 16
	PSP	72,783	–	–	–	72,783	2,221	Apr 13	Mar 16
	BSP	–	42,415	–	–	42,415	2,684	Jun 14	Mar 17
	PSP	–	68,926	–	–	68,926	2,684	Jun 14	Mar 17

REMUNERATION REPORT (CONTINUED)

Mpact 2014 (continued)

	Type of award ^{1,2,3}	Awards held at beginning of year	Awards granted during year	Awards exercised during year	Shares lapsed	Awards held as at 31 December 2014	Award price basis (ZAR cents)	Date of award	Release date
PO2	BSP	80,855	–	(80,855)	–	–	1,341	Sep 11	Mar 14
	PSP	77,532	–	(65,902)	(11,630)	–	1,341	Sep 11	Mar 14
	SARP	193,829	–	(32,721)	(31,889)	129,219	1,341	Sep 11	Mar 14 Mar 15 Mar 16
	BSP	70,715	–	–	–	70,715	1,579	Apr 12	Mar 15
	PSP	69,893	–	–	–	69,893	1,579	Apr 12	Mar 15
	BSP	55,573	–	–	–	55,573	2,221	Apr 13	Mar 16
	PSP	52,903	–	–	–	52,903	2,221	Apr 13	Mar 16
	BSP	–	44,603	–	–	44,603	2,684	Jun 14	Mar 17
	PSP	–	58,012	–	–	58,012	2,684	Jun 14	Mar 17
PO3	BSP	39,316	–	(39,316)	–	–	1,341	Sep 11	Mar 14
	PSP	48,322	–	(41,074)	(7,248)	–	1,341	Sep 11	Mar 14
	SARP	120,805	–	–	(19,874)	100,931	1,341	Sep 11	Mar 14 Mar 15 Mar 16
	BSP	44,487	–	–	–	44,487	1,579	Apr 12	Mar 15
	PSP	43,555	–	–	–	43,555	1,579	Apr 12	Mar 15
	BSP	35,986	–	–	–	35,986	2,221	Apr 13	Mar 16
	PSP	33,122	–	–	–	33,122	2,221	Apr 13	Mar 16
	BSP	–	28,954	–	–	28,954	2,684	Jun 14	Mar 17
	PSP	–	36,321	–	–	36,321	2,684	Jun 14	Mar 17
PO6	BSP	–	5,903	–	–	5,903	2,684	Jun 14	Mar 17
	PSP	–	44,430	–	–	44,430	2,684	Jun 14	Mar 17

¹ Bonus share plan (BSP).

² Performance share plan (PSP).

³ Share appreciation rights plan (SARP).

Interests of directors and prescribed officers in Mpact's share capital

The aggregate beneficial holdings as at 31 December 2015 and 2014 of the directors and prescribed officers of the company and their immediate families in the issued ordinary shares of the company are detailed below. There have been no material changes in these shareholdings between 31 December 2015 and 1 March 2016, the date of approval.

Directors and prescribed officers	Number of shares held			
	31 December 2015		31 December 2014	
	Direct	Indirect	Direct	Indirect
Executive director				
BW Strong	416,668	–	250,143	–
BDV Clark	–	18,719	–	–
Prescribed officers				
PO 1	113,553	–	111,122	–
PO 2	201,666	–	135,025	–
PO 3	134,125	–	52,814	–
Total	866,012	18,719	549,104	–

There are no associate interests for the above directors and prescribed officers.

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CHIEF FINANCIAL OFFICER'S REVIEW



Brett Clark

FINANCIAL RESULTS

I am pleased to report the Group's financial results for the year ended 31 December 2015, which reflect a strong improvement in the Plastics business and a lower effective tax rate. The improvement in Plastics was a result of good volume growth, cost containment and the restructure of the FMCG business in 2014. The Paper business delivered steady growth underpinned by increased sales to the fruit sector.

Revenue was 10.8% higher than the comparable prior year period at R9.5 billion, attributable to higher average selling prices, organic volume growth of 2.1% and

acquisitions which contributed 1.2%. In the Paper business revenue for the year was up 11.8% to R7.0 billion. Acquisitions and organic volume growth improved revenue by 1.7% and 0.9% respectively, with higher sales volumes to the fruit sector partially offset by lower external sales of recovered fibre and exports. Revenue in the Plastics business increased by 8.1% to R2.5 billion with volume growth of 12.1%, mainly attributable to fruit packaging, bulk bins and beverage preforms, offset by lower average selling prices which reflected lower polymer prices.

Underlying operating profit increased by 21.0% to R909 million with the operating profit margin increasing to 9.5% from 8.7% in the prior year. ROCE for the year improved to 18.9% (December 2014: 18.1%)

The results of the Paper and Plastics businesses are set out in detail in the Operational Review sections on pages 33 and 39, respectively, of this Integrated Report.

For the year ended 31 December 2014, **special items** amounted to R23 million in respect of the impairment of assets due to the Plastics business' Robertville plant closure.

Net finance costs increased by 9.1% to R132 million as a result of higher interest rates and increased average net debt over the year. Net finance costs were reduced by capitalised interest of R27 million on major projects.

The **effective tax rate** for the period was 21.8% (December 2014: 28.4%). The lower effective tax rate is due mainly to the recognition of deferred tax on previously unrecognised tax losses.

Underlying earnings per ordinary share for the year increased by 36.3% to 366.9 cents (December 2014: 269.2 cents).

The Board declared a final gross **dividend** of 80 cents per ordinary share payable on Monday, 18 April 2016. The total dividend for the 2015's financial year amounted to 110 cents, a 19.6% increase from 2014's total dividend of 92 cents per share.

For graphs and historic financial information, refer to page 7 of this report.

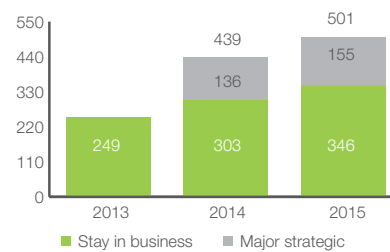
FINANCIAL POSITION

Capital assets

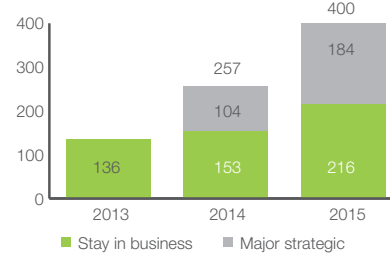
The non-current assets consist mainly of property, plant and equipment. Mpact's capital spend for the year ended 31 December 2015 was R979 million (31 December 2014: R701 million). Capital expenditure for the period was influenced by investment in the two major strategic projects. In the Paper business, R155 million was spent on the Felixton Mill rebuild and in the Plastics business R184 million was spent on the rPet project.

Capital expenditure of the Group:

Paper business (R'million)



Plastic business (R'million)

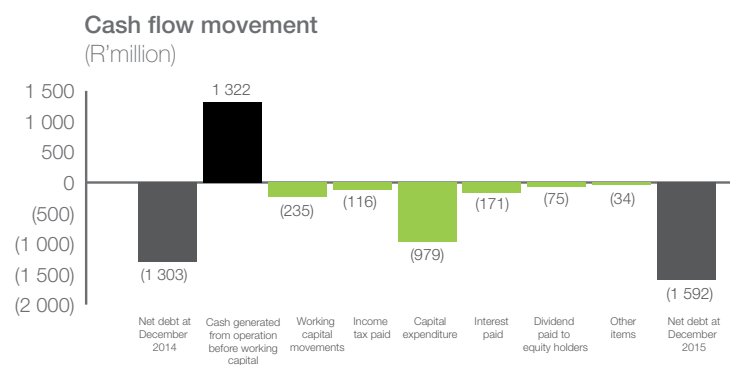


WORKING CAPITAL AND CASH FLOW

There was an increase in working capital percentage of revenue as a result of higher stocks of recovered paper and rPET, as well as increased debtor collection days. Working capital increased to R1,660 million from R1,420 million (December 2014).

Cash and cash equivalents amounted to R508,9 million (2014: R535,1 million).

The cash flow movement for the year was:



CONCLUSION

The Group was successful in maintaining gearing at an acceptable level throughout the financial year in spite of relatively high capital expenditure. Improved profitability and a lower tax rate contributed to Mpact's performance. The Group continues to invest in projects that will provide future growth and improve efficiencies and margins.

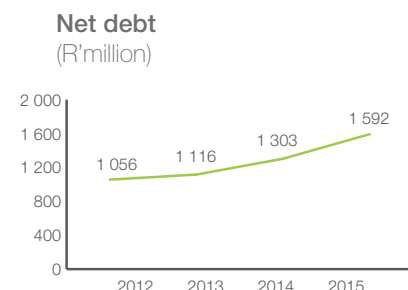
Brett Clark

Chief Financial Officer

1 March 2016

Funding

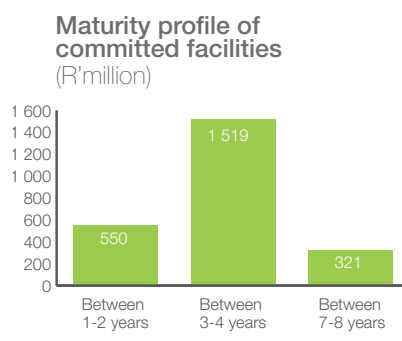
Net debt at 31 December 2015 was R1,592 million (31 December 2014: R1,303 million), an increase of 22% from the prior year. Gearing as at year-end was 30.2%, (December 2014: 29.0%).



Mpact completed the refinancing of its debt facilities in the first half of 2015 in order to extend the term of its committed debt facilities, reduce its cost of funding and to ensure that Mpact has sufficient debt facilities in place.

In order to protect Mpact from the effects of anticipated interest rate increases, Mpact secured an eight-year loan facility with the KZN Growth Fund of R200 million at a fixed rate of 9.15% per annum. In addition, Mpact swapped a variable interest rate on R500 million of its facility to a fixed rate of 9.49% per annum maturing in five years on 23 December 2019.

The maturity profile of Mpact's debt facilities of R2.4 billion at 31 December 2015 is as follows:



GROUP RESTRUCTURE

As part of Mpact's commitment to broad-based empowerment in South Africa, the Group's South African operating assets were consolidated under Mpact Operations Proprietary Limited ("Mpact Operations") on 1 January 2015. A special distribution was then implemented from Mpact Operations to Mpact to retain existing value for Mpact shareholders and to enable the Mpact Foundation (RF) Proprietary Limited (on behalf of the Mpact Foundation Trust) to subscribe for 10% of the ordinary issued shares in Mpact Operations at nominal value with effect from 1 April 2015.

The successful implementation of the above B-BBEE transaction contributed to Mpact improving its B-BBEE rating to a Level 3 from a Level 5.

DIRECTORS' RESPONSIBILITY STATEMENT AND BASIS OF PREPARATION

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the annual financial statements in accordance with applicable law and regulations.

These audited annual financial statements have been prepared using accounting policies compliant with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and are in compliance with the Companies Act of South Africa.

The preparation of these annual financial statements for the year ended 31 December 2015 was supervised by the Chief Financial Officer, Mr BDV Clark CA(SA).

In preparing the consolidated financial statements of Mpact Limited and its subsidiaries ("Group"), International Accounting Standard 1, 'Presentation of Financial Statements', requires that the directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosure when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

APPROVAL OF THE FINANCIAL STATEMENTS

The directors confirm, that to the best of their knowledge, the Group's consolidated financial statements are prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa fairly present the assets, liabilities, financial position and profit of the Group and the undertakings included in the consolidation taken as a whole.

The directors believe that the Group has adequate resources to continue in operation for the foreseeable future and the financial statements have therefore been prepared on a going-concern basis.

The summarised financial statements and related notes, which appear on pages 68 to 89 were approved by the Board of Directors and authorised for issue on 1 March 2016 and were signed on its behalf by:

AJ Phillips
Chairman

1 March 2016

BW Strong
Chief Executive Officer

1 March 2016

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that Mpact Limited Group has lodged with the Companies and Intellectual Property Commission all such returns, as are required of a company in terms of the Act and, that such returns are true, correct and up to date.

Noriah Sepuru
Company Secretary

1 March 2016

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MPACT LIMITED

REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements of Mpact Limited, contained in the accompanying integrated report, which comprise the summarised consolidated statement of financial position as at 31 December 2015, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Mpact Limited for the year ended 31 December 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 1 March 2016. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to consolidated financial statements. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Mpact Limited.

Directors' Responsibility for the Summarised consolidated Financial Statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summarised financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

Auditor's Responsibility

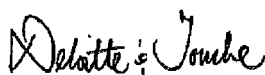
Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summarised Financial Statements.

Opinion

In our opinion, the summarised consolidated financial statements derived from the audited consolidated financial statements of Mpact Limited for the year ended 31 December 2015 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The "other reports required by the Companies Act" paragraph in our audit report dated 1 March 2016 states that as part of our audit of the consolidated financial statements for the year ended 31 December 2015, we have read the Directors' report, the audit committee report and certificate of the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.



Deloitte & Touche
Registered Auditor

Per: **MH Holme**
Partner

1 March 2016

National Executive: *LL Bam Chief Executive, *AE Swiegers Chief Operating Officer, *GM Pinnock Audit, *N Sing Risk Advisory, *NB Kader Tax, TP Pillay Consulting, S Gwala BPaaS, *K Black Clients and Industries, *JK Mazzocco Talent and Transformation, *MJ Jarvis Finance, *M Jordan Strategy, *MJ Comber Reputation and Risk, *TJ Brown Chairman of the Board

A full list of partners and directors is available on request.

**Partner and Registered Auditor.*

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors have pleasure in presenting their report on the annual financial statements of Mpact Limited and its subsidiaries ("Group") for the year ended 31 December 2015.

NATURE OF BUSINESS

Mpact is one of the largest paper and plastics packaging businesses in Southern Africa, with leading market positions in recovered paper and plastic collection, corrugated packaging, recycled-based cartonboard and containerboard, PET preforms, styrene trays and plastic jumbo bins.

The principal activities of the Group remain unchanged from the previous year. Mpact Limited is incorporated in the Republic of South Africa.

SEGMENT ANALYSIS

An analysis of results by each operating segment can be found on pages 76 to 78.

STATED CAPITAL

The authorised share capital is 217,500,000 ordinary shares of no par value.

On 31 December 2015 the issued share capital of the company was 165,958,619 ordinary shares of no par value. (2014: 164,100,797 ordinary shares of no par value).

REGISTER OF SHAREHOLDERS

The register of shareholders of the company is open for inspection to members and the public, during normal office hours, at the office of the company's transfer secretaries, Link Market Services South Africa Proprietary Limited.

DIRECTORS' INTEREST IN SHARE CAPITAL

Details of the beneficial holdings of directors of the company and their families in ordinary shares are given on page 60.

CASH DIVIDEND AND CAPITALISATION SHARE ALTERNATIVE

Scrip Dividend and Cash Dividend Alternative

1. INTRODUCTION

Notice is hereby given that the Board has declared a final distribution for the year ended 31 December 2015, by way of the issue of fully-paid Mpact ordinary shares of no par value each ("the Scrip Distribution") as a scrip distribution payable to ordinary shareholders ("Shareholders") recorded in the register of the company at the close of business on the Record Date, being Friday, 15 April 2016.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a gross cash dividend of 80 cents per ordinary share *in lieu* of the Scrip Distribution, which will be paid only to those Shareholders who elect to receive the cash dividend, in respect of all or part of their shareholding, on or before 12:00 on Friday, 15 April 2016 ("the Cash Dividend").

The Cash Dividend has been declared from income reserves. A dividend withholding tax of 15% will be applicable to all Shareholders not exempt therefrom, after deduction of which the net Cash Dividend is 68 cents per Mpact ordinary share.

The new ordinary shares will, pursuant to the Scrip Distribution, be settled by way of capitalisation of the company's distributable retained profits.

The company's total number of issued ordinary shares as at 1 March 2016 is 165,958,619. Mpact's income tax reference number is 9003862175.

2. TERMS OF THE SCRIP DISTRIBUTION

The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder's ordinary shareholding in Mpact (at the close of business on the Record Date, being Friday, 15 April 2016 in relation to the ratio that 80 cents bears to the volume weighted average price ("VWAP") of an ordinary Mpact share traded on the JSE during the 30-day trading period ending on Thursday, 31 March 2016. Details of the ratio will be announced on the Stock Exchange News Service ("SENS") of the JSE in accordance with the timetable below.

Where the application of this ratio gives rise to a fraction of an ordinary share, the number of shares will be rounded up to the nearest whole number, if the fraction is 0.5 or more, and rounded down to the nearest whole number, if the fraction is less than 0.5.

3. CIRCULAR AND SALIENT DATES

A circular providing Shareholders with full information on the Scrip Distribution and the Cash Dividend alternative, including a Form of Election to elect to receive the Cash Dividend alternative will be posted to Shareholders on or about Wednesday, 16 March 2016. The salient dates of events thereafter are as follows:

Event	2016
Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution, based on the 30-day volume weighted average price ending on Thursday, 31 March 2016, by 11:00 on	Friday, 1 April
Announcement published in the press of the ratio applicable to the Scrip Distribution, based on the 30-day volume weighted average price ending on Thursday, 31 March 2016 on	Monday, 4 April
Last day to trade in order to be eligible for the Scrip Distribution and the Cash Dividend alternative	Friday, 8 April
Ordinary shares trade "ex" the Scrip Distribution and the Cash Dividend alternative on	Monday, 11 April
Listing and trading of maximum possible number of ordinary shares on the JSE in terms of the Scrip distribution from the commencement of business on	Monday, 11 April
Last day to elect to receive the Cash Dividend alternative instead of the Scrip Distribution, Forms of Election to reach the Transfer Secretaries by 12:00 noon on	Friday, 15 April
Record Date in respect of the Scrip Distribution and the Cash Dividend alternative	Friday, 15 April
Scrip Distribution certificates posted and Cash Dividend payments made, CSDP/broker accounts credited/updated, as applicable, on	Monday, 18 April
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative released on SENS on	Monday, 18 April

All times provided are South African local times. The above dates and times are subject to change. Any material change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Monday, 11 April 2016 and Friday, 15 April 2016, both days inclusive.

PROPERTY, PLANT AND EQUIPMENT

Certain of the Group's properties are the subject of land claims. Mpact is in the process of discussions with the Land Claims Commissioner and awaits the outcome of claims referred to the Land Claims Court. The claims, if successful, are not expected to have a material impact on the Group's operations.

At 31 December 2015 the net investment in property, plant and equipment amounted to R3,041.2 million (2014: R2,422.9 million), details of which are set out in note 8 to the annual financial statements. Capital commitments at year-end for the Group amounted to million R1,328.6 million (2014: R1,352.2 million). There has been no change in the nature of the property, plant and equipment or to the policy relating to the use thereof during the year.

BORROWINGS

In terms of the Memorandum of Incorporation, the directors are permitted to borrow or raise for the purposes of the Group such sums as they deem fit for the operation of the business. At the close of business on 31 December 2015, the total borrowings less cash resources was R1,592.1 million (2014: R1,302.9 million). At 31 December 2015, the Group had approved general banking facilities of R2.4 billion (2014: R2.0 billion).

REPORT OF THE DIRECTORS (continued)

EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant or material subsequent events which would require adjustments to or disclosure in the annual financial statements.

DIRECTORS

The following directors have held office during the year ended 31 December 2015 and to the date of this report:

AJ Phillips (Chairman)	Independent Non-executive
NP Dongwana	Independent Non-executive
NB Langa-Royds	Independent Non-executive
TDA Ross	Independent Non-executive
AM Thompson	Independent Non-executive
BW Strong (Chief Executive Officer)	Executive
BDV Clark (Chief Financial Officer)	Executive

COMPANY SECRETARY

The group company secretary of Mpact Limited Group is Noriah Sepuru.

4th Floor	Postnet Suite #179
3 Melrose Boulevard	Private Bag X1
Melrose Arch, 2196	Melrose Arch, 2076

AUDITORS

Deloitte & Touche are the appointed auditors to the company, with MH Holme the designated auditor.

SPECIAL RESOLUTIONS PASSED BY SUBSIDIARY COMPANIES

Notwithstanding the title of section 45 of the Companies Act, No 71 of 2008, being "Loans or Other Financial Assistance to Directors" on an interpretation thereof, the body of the section also applies to financial assistance provided by the company to any related or inter-related company or corporation and a member of a related or inter-related corporation.

On 5 March 2015, all the subsidiaries of the company passed special resolutions to authorise the companies to provide any direct or indirect financial assistance, including by way of lending money, guaranteeing a loan, or other obligations as it may be required or otherwise to any of its present or future related or inter-related companies or corporations for such amounts and such terms and conditions as the Board(s) may determine.

Mpact Operations Proprietary Limited passed a special resolution on 12 March 2015 in terms of the Companies Act, section 16(5)(a) to substitute the existing Memorandum of Incorporation of the company with a new Memorandum of Incorporation to take into account the B-BEEE transaction.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("the committee") operates on a Group-wide basis. The committee, in terms of the Companies Act of South Africa, and King III, has the responsibility, among other things, for monitoring the integrity of Mpact's financial statements. It also has the responsibility for reviewing the effectiveness of the Group's system of internal controls and risk management systems. An internal audit function has been established which is responsible for advising the Board of Directors on the effectiveness of the Group's risk management process.

The committee oversees the relationship with the external auditors; is responsible for their appointment and remuneration; reviews the effectiveness of the external audit process; and ensures that the objectivity and independence of the external auditors is maintained.

The committee has concluded that it is satisfied that auditor independence and objectivity has been maintained.

The comprehensive report of the committee is included in the Group's Integrated Report.

BOARD OF DIRECTORS STATEMENT OF EFFECTIVENESS OF CONTROLS

Based on the recommendation of the Audit and Risk Committee, nothing has come to the attention of the Board that caused it to believe that the Group's system of internal control and risk management is not effective, or that the internal controls do not form a sound basis for the preparation of reliable financial statements.

GOING CONCERN

The directors consider that the Group has adequate resources to continue operating for the foreseeable future and that it is, therefore, appropriate to adopt the going-concern basis in preparing the consolidated financial statements. The directors have satisfied themselves that the Group is in a sound financial position, and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 R'm	2014 R'm
Revenue		9,547.7	8,617.2
Cost of sales		(5,883.0)	(5,332.3)
Gross margin		3,664.7	3,284.9
Administration and other operating expenses		(2,345.7)	(2,150.6)
Depreciation, amortisation and impairments		(410.0)	(405.8)
Operating profit	3	909.0	728.5
Share of profit from equity accounted investees		13.0	15.6
Profit on sale of equity accounted investees		0.2	–
Total profit from operations and equity accounted investees		922.2	744.1
Net finance costs	4	(132.0)	(121.0)
Investment income		8.7	9.7
Finance costs		(140.7)	(130.7)
Profit before taxation		790.2	623.1
Tax charge	5	(172.4)	(176.9)
Profit for the year		617.8	446.2
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains (losses) on post-retirement benefit scheme		6.7	(0.6)
Tax effect		(1.9)	0.2
Items that may be reclassified subsequently to profit or loss			
Effects of cash flow hedges		8.1	0.2
Tax effect		(2.3)	(0.1)
Exchange differences on translation of foreign operations		7.5	2.4
Other comprehensive income for the financial year net of tax		18.1	2.1
Total comprehensive income for the year		635.9	448.3
Attributable to:			
Non-controlling interests in subsidiaries		14.6	23.2
Equity holders of Mpact		621.3	425.1
		635.9	448.3
Profit for the year		617.8	446.2
Attributable to:			
Non-controlling interests in subsidiaries		15.3	23.2
Equity holders of Mpact		602.5	423.0
Earnings per share (EPS) for profit attributable to equity holders of Mpact			
Basic EPS (cents)	6	366.9	259.1
Diluted EPS (cents)	6	363.3	256.9

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 R'm	2014 R'm
Goodwill and other intangible assets	7	1,066.5	1,076.4
Property, plant and equipment	8	3,041.2	2,422.9
Investments in equity accounted investees		90.5	90.2
Financial asset investments		24.6	19.8
Deferred tax assets	10	15.3	18.5
Derivative financial instruments		13.9	5.0
Non-current assets		4 252.0	3,632.8
Inventories		1,275.0	1,125.8
Trade and other receivables		2,013.2	1,765.3
Cash and cash equivalents		508.9	535.1
Derivative financial instruments		15.1	1.0
Current tax receivable		5.0	2.8
Current assets		3,817.2	3,430.0
Total assets		8,069.2	7,062.8
Short-term borrowings		770.0	887.7
Trade and other payables		1,855.6	1,697.4
Current tax liabilities		4.0	6.5
Provisions		3.6	2.4
Other current liabilities		4.6	4.6
Derivative financial instruments		7.0	0.2
Deferred income		5.5	1.9
Current liabilities		2,650.3	2,600.7
Non-current borrowings	9	1,331.0	950.3
Retirement benefits obligation		53.0	57.4
Deferred tax liabilities	10	266.8	214.0
Other non-current liabilities		21.7	21.7
Deferred income		34.6	12.6
Non-current liabilities		1,707.1	1,256.0
Total liabilities		4,357.4	3,856.7
Stated capital	11	2,426.2	2,344.1
Retained earnings		1,170.8	738.0
Other reserves		7.8	9.2
Total attributable to equity holders of Mpact		3,604.8	3,091.3
Non-controlling interests in subsidiaries		107.0	114.8
Total equity		3,711.8	3,206.1
Total equity and liabilities		8,069.2	7,062.8

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 R'm	2014 R'm
Operating cash flows before movements in working capital		1, 321.7	1,146.5
Net increase in working capital		(235.2)	(156.6)
Cash generated from operations		1,086.5	989.9
Dividends from equity accounted investees		12.5	5.4
Taxation paid		(115.5)	(167.2)
Net cash inflows from operating activities		983.5	828.1
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	13	–	(1.9)
Additions to property, plant and equipment	8	(979.2)	(700.7)
Government grant received		31.1	–
Proceeds from the disposal of property, plant and equipment		5.1	4.1
Proceeds from disposal of associates		0.4	–
Loan repayments (advances to)/from external parties		(4.7)	5.1
Interest received		8.7	9.7
Acquisition of non-controlling interest in a subsidiary		(1.4)	–
Net cash outflows from investing activities		(940.0)	(683.7)
Cash flows from financing activities			
Borrowings raised		253.9	274.6
Finance costs paid		(170.5)	(127.6)
Dividends paid to non-controlling interests		(4.1)	(4.6)
Dividends paid to equity holders of Mpact Limited Group		(75.8)	(119.1)
Purchase of treasury shares		(73.5)	(49.4)
Repayment of other non-current liabilities		3.2	–
Payment of deferred settlement charge		(4.6)	–
Net cash outflows from financing activities		(71.4)	(26.1)
Net (decrease) increase in cash and cash equivalents		(27.9)	118.3
Cash and cash equivalents at beginning of year ¹		510.7	392.4
Cash and cash equivalents at end of year¹		482.8	510.7

¹ Cash and cash equivalents net of overdrafts.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Stated capital R'm	Share-based payment reserves R'm	Cash flow hedge reserves R'm
Balance at 31 December 2013	2,326.0	30.1	4.1
Total comprehensive income for the year	–	–	0.1
Dividends paid ²	18.1	–	–
Purchase of treasury shares ³	–	–	–
Share plan charges for the year	–	15.4	–
Dividends paid to non-controlling interests	–	–	–
Reclassification	–	–	–
Deferred settlement charge	–	–	–
Issue/exercise of shares under employee share scheme	–	(16.1)	–
Put option held by non-controlling shareholder of subsidiary ⁴	–	–	–
Acquisition of subsidiary	–	–	–
Balance at 31 December 2014	2,344.1	29.4	4.2
Total comprehensive income for the year	–	–	5.8
Dividends paid ²	82.1	–	–
Purchase of treasury shares ³	–	–	–
Share plan charges for the year	–	19.6	–
Dividends paid to non-controlling interests	–	–	–
Issue/exercise of shares under employee share scheme	–	(15.2)	–
Increase in shareholding in a subsidiaries ⁵	–	–	–
Deferred settlement charge	–	–	–
Balance at 31 December 2015	2,426.2	33.8	10.0

¹ Other reserves consist of the put option to equity holder reserve and the foreign currency translation reserve.

² Dividends declared amounted to R157.1 million (2014: R137.2 million) of which R82.1 million (2014: R18.1 million) related to a capitalisation issue (see note 11).

³ Treasury shares purchased represent the cost of shares in Mpact Limited purchased in the market and held by the Mpact Incentive Share Trust to satisfy share awards under the Group's share incentive scheme. As at 31 December 2015, there are 1,457,388 (2014: 1,063,281) treasury shares on hand. During the year the Trust purchased 1,682,093 Mpact shares at an average price of R43.52 per share.

⁴ During the prior year Mpact Limited acquired a subsidiary where the minority shareholders have a put option to sell the remainder of their interest to Mpact at a future date.

⁵ The group increased its shareholding in two subsidiaries by acquiring a further 9% and 5% respectively.

	Post-retirement benefit reserves R'm	Other reserves ¹ R'm	Treasury shares R'm	Retained earnings R'm	Total attributable to equity holders of Mpact Ltd R'm	Non-controlling interests R'm	Total equity R'm
	8.3	(31.5)	(30.3)	478.8	2,785.5	98.1	2,883.6
	(0.4)	2.4	–	423.0	425.1	23.2	448.3
	–	–	–	(137.2)	(119.1)	–	(119.1)
	–	–	(49.4)	–	(49.4)	–	(49.4)
	–	–	–	–	15.4	–	15.4
	–	–	–	–	–	(4.6)	(4.6)
	–	2.7	–	(2.7)	–	–	–
	–	–	–	(4.6)	(4.6)	–	(4.6)
	–	–	40.7	(19.3)	5.3	–	5.3
	–	33.1	–	–	33.1	–	33.1
	–	–	–	–	–	(1.9)	(1.9)
	7.9	6.7	(39.0)	738.0	3,091.3	114.8	3,206.1
	4.8	8.2	–	602.5	621.3	14.6	635.9
			(0.8)	(157.1)	(75.8)	–	(75.8)
			(73.5)		(73.5)	–	(73.5)
					19.6	–	19.6
						(4.1)	(4.1)
			49.7	(25.0)	9.5	–	9.5
				17.0	17.0	(18.3)	(1.3)
				(4.6)	(4.6)	–	(4.6)
	12.7	14.9	(63.6)	1,170.8	3,604.8	107.0	3,711.8

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

Basis of preparation

These summarised, consolidated Group annual financial statements have been prepared in accordance with the framework concepts and measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited's Listings Requirements and the Companies Act of South Africa, and contain at a minimum the information required by IAS 34: Interim Financial Reporting.

The Group's annual financial statements, from which these summarised annual financial statements have been derived, have been audited by the company's auditors, Deloitte & Touche, whose unmodified report is available for inspection at the registered company office.

The preparation of these summarised, consolidated annual financial statements was supervised by the chief financial officer, BDV Clark CA(SA).

The directors take full responsibility for the preparation of the summarised consolidated financial statements and the financial information has been correctly extracted from the underlying consolidated annual financial statements.

These summarised, consolidated annual financial statements should be read in conjunction with the Group's annual financial statements, from which they have been derived. Included in this report is a summary of the annual consolidated financial statements while the full annual financial statements are available on the Group's website, www.mpact.co.za.

Accounting policies

The accounting policies and methods of computation used are consistent with those applied in the preparation of the consolidated annual financial statements.

The Group has adopted the following Standards, amendments to published Standards and Interpretations during the current year, all of which had no significant impact on the Group's results:

- IAS 19: Employee Benefits – Defined benefit plans

2. OPERATING SEGMENTS

Operating segment revenue

	2015			2014		
	Segment revenue R'm	Internal revenue ¹ R'm	External revenue R'm	Segment revenue R'm	Internal revenue ¹ R'm	External revenue R'm
Paper	7,060.1	(45.8)	7,014.3	6,294.0	(21.2)	6,272.8
Plastics	2,533.4	–	2,533.4	2,344.4	–	2,344.4
Segments total	9,593.5	(45.8)	9,547.7	8,638.4	(21.2)	8,617.2

¹ Inter-segment transactions are conducted on an arm's length basis.

	2015 R'm	2014 R'm
External revenue by product type		
Products		
Corrugated and paper board products	7,014.3	6,272.8
Plastic packaging products	2,533.4	2,344.4
Total	9,547.7	8,617.2
External revenue by location of customer		
Revenue		
South Africa (country of domicile)	8,618.6	7,805.8
Rest of Africa	877.7	740.9
Rest of world	51.4	70.5
Total	9,547.7	8,617.2

There are no external customers which account for more than 10% of the Group's total external revenue.

	2015 R'm	2014 R'm
Operating segment underlying operating profit/(loss)		
Paper	802.7	710.6
Plastics	199.0	132.0
Corporate	(92.7)	(91.1)
Segments total before special items	909.0	751.5
Special items ¹	–	(23.0)
Share of equity accounted investees' profit	13.0	15.6
Net finance costs (see note 4)	(132.0)	(121.0)
Profit on sale of equity accounted investee	0.2	–
Profit before tax	790.2	623.1
Significant components of operating profit		
Depreciation, amortisation and impairment		
Paper	233.6	239.8
Plastics	157.4	138.7
Corporate	19.0	27.3
Segments total	410.0	405.8
Operating segment assets		
Segment assets²		
Paper	4,247.4	3,720.6
Plastics	1,858.7	1,500.6
Corporate	1,184.8	1,081.3
Inter-segment elimination	(6.4)	(3.6)
Segment total	7,284.5	6,298.9
Unallocated:		
Investments in equity accounted investees	90.5	90.2
Deferred tax assets	15.3	18.5
Other non-operating assets ³	145.4	100.3
Trading assets	7,535.7	6,507.9
Financial asset investments	24.6	19.8
Cash and cash equivalents	508.9	535.1
Total assets	8,069.2	7,062.8

¹ Special items include impairment charged on property, plant and equipment of Rnil (2014: R9.3 million), and restructure costs of Rnil (2014: R13.7 million).

² Segment assets are operating assets and as at 31 December 2015 consist of property, plant and equipment of R3,041.2 million (2014: R2,422.9 million), goodwill and other intangible assets of R1,066.5 million (2014: R1,076.4 million), inventories of R1,275.0 million (2014: R1,125.8 million) and operating receivables of R1,901.8 million (2014: R1,673.8 million).

³ Other non-operating assets consist of derivative assets of R29.0 million (2014: R6.0 million), other non-operating receivables of R111.4 million (2014: R91.5 million) and current tax receivable of R5.0 million (2014: R2.8 million).

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 R'm	2014 R'm
2. OPERATING SEGMENTS (continued)		
Non-current non-financial assets⁴		
South Africa (country of domicile)	4,004.1	3,461.0
Rest of Africa	103.6	38.3
Total	4,107.7	3,499.3
Additions to non-current non-financial assets⁵		
Paper	500.6	439.1
Plastics	400.2	256.6
Corporate	78.4	5.0
Segments total	979.2	700.7
⁴ Non-current non-financial assets consist of property, plant and equipment and goodwill and other intangible assets, but excludes retirement benefits surplus, deferred tax assets and non-current financial assets.		
⁵ Additions to non-current non-financial assets reflect cash payments and accruals in respect of additions to property, plant and equipment and intangible assets as well as additions resulting from acquisitions through business combinations. Additions to non-current non-financial assets, however, exclude additions to deferred tax assets, retirement benefits surplus and non-current financial assets.		
3. OPERATING PROFIT		
Operating profit for the year has been arrived at after charging/(crediting):		
Impairment charge of property, plant and equipment (see note 8)	–	9.3
Depreciation of property, plant and equipment (see note 8)	400.1	385.5
Amortisation of intangibles (see note 7)	9.9	11.0
Rentals under operating leases	131.6	105.2
Net foreign currency (gains)/losses	(6.8)	3.1
Profit on disposal of tangible assets	(2.4)	(1.0)
Auditors' remuneration	9.8	9.2
Audit fees		
– current	9.3	8.5
– prior	0.2	0.4
Non-audit fees	0.3	0.3
Staff costs (excluding directors' emoluments)	1,451.8	1,335.3
Executive directors' emoluments (excluding value of deferred bonus shares awarded) ¹	12.9	11.8
Total revenue, as defined under IAS 18, 'Revenue', consisting of revenue, interest income and dividend income was R9,556.4 million for Group (2014: R8 626.9 million).		
¹ The details of the directors' emoluments are disclosed in the Remuneration Report, see page 58.		
4. NET FINANCE COSTS		
Investment income		
Bank deposits and loan receivables	6.7	7.4
Other	2.0	2.3
Total investment income	8.7	9.7
Finance costs		
Interest on bank overdrafts and loans	(162.8)	(130.0)
Interest on defined benefit arrangements	(4.7)	(5.0)
Interest capitalised to qualifying assets ¹ (see note 8)	26.8	4.3
Total interest expense	(140.7)	(130.7)
Net finance costs	(132.0)	(121.0)

¹ The weighted average capitalisation rate on funds borrowed generally is 7.6% per annum (2014: 7.4%).

	2015 R'm	2014 R'm
5. TAX CHARGE		
Analysis of tax charge for the year from continuing operations		
South African corporate tax		
– current year	109.3	168.6
– prior year	4.7	8.4
Other country tax	0.1	0.1
Current tax	114.1	177.1
Deferred tax in respect of the current period	58.3	1.7
Deferred tax in respect of prior period	–	(1.9)
Total tax charge	172.4	176.9

Factors affecting tax charge for the year

The Group effective rate of tax for the year ended 31 December 2015, calculated on profit before tax and including net income from investees is 21.8% (2014: 28.4%).

The Group has estimated tax losses of R152.5 million (2014: R262.5 million) on which a deferred tax asset of R42.7 million (2014: R73.5 million) has been raised.

The Group total tax charge for the year can be reconciled to the tax on the Group's profit before tax at the South African corporation tax rate of 28% as follows:

	2015 R'm	2014 R'm
Profit before tax	790.2	623.1
Less: Share of profit of equity accounted investees	(13.0)	(15.6)
Profit before tax, adjusted for equity accounted profit	777.2	607.5
Tax on profit before tax calculated at the South African corporation tax rate of 28%	217.6	170.1
Tax effects of:		
Expenses not deductible for tax purposes		
Non-qualifying depreciation	0.6	0.5
Subscription and donations	0.3	0.6
Other non-deductible expenses	3.9	0.3
Legal and professional costs	5.6	4.0
Non-deductible interest	1.1	0.1
Non-taxable income		
Other non-taxable income	(1.0)	(2.8)
Non-taxable foreign exchange differences	(0.1)	(0.3)
Temporary difference adjustments		
Prior period tax losses and other temporary differences not previously recognised	(50.0)	(1.4)
Effect of difference between South African corporate tax rate and other country tax rate	0.5	0.7
Prior year adjustment current tax	(4.7)	8.4
Other adjustments	(1.4)	(3.3)
Tax charge for the year	172.4	176.9

IAS 1 requires income from equity accounted investees to be presented net of tax on the face of the statement of comprehensive income. The Group's share of its investees' tax is therefore not presented within the Group's total tax charge. The investees' tax charge included within 'Share of investees' profit for the year ended 31 December 2015 is R5.7 million (2014: R4.8 million).

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Cents per share	
	2015	2014
6. EARNINGS PER SHARE		
Earnings per share (EPS)		
Basic EPS	366.9	259.1
Diluted EPS	363.3	256.9
Headline earnings per share for the financial year¹		
Basic headline EPS	365.8	262.7
Diluted headline EPS	362.2	260.5
Underlying earnings per share for the financial year²		
Basic underlying EPS	366.9	269.2
Diluted underlying EPS	363.3	267.0

¹ The presentation of Headline EPS is mandated under the JSE Listings Requirements. Headline earnings has been calculated in accordance with Circular 2/2015, 'Headline Earnings', as issued by the South African Institute of Chartered Accountants.

² Underlying earnings is arrived at after adjusting profit attributable to equity holders of Mpact for special items, net of tax. (See note 2, segment operating profit).

The calculation of basic and diluted EPS and basic and diluted headline EPS is based on the following data:

	Earnings	
	2015	2014
	R'm	R'm
Profit for the financial year attributable to equity holders of Mpact	602.5	423.0
Impairment of tangible assets (see note 3)	–	9.3
Profit on sale of equity accounted investees	(0.2)	–
Profit on disposal of tangible assets (see note 3)	(2.4)	(1.0)
Related tax	0.8	(2.4)
Headline earnings for the financial year	600.7	428.9

	Weighted number of shares	
	2015	2014
Weighted average number of ordinary shares in issue	164,218,439	163,268,866
Effect of dilutive potential ordinary shares ¹	1,626,716	1,362,284
Diluted number of ordinary shares in issue	165,845,155	164,631,150

¹ Diluted EPS is calculated by adjusting the weighted average number of ordinary shares in issue, on the assumption of conversion of all potentially dilutive ordinary shares.

	Goodwill R'm	Other intangibles ¹ R'm	Total R'm
7. GOODWILL AND OTHER INTANGIBLE ASSETS			
2015			
Cost			
At 1 January	1,023.3	257.0	1,280.3
Reclassification	(0.3)	(0.9)	(1.2)
At 31 December 2015	1,023.0	256.1	1,279.1
Accumulated amortisation and impairment			
At 1 January	0.3	203.6	203.9
Charge for the year	–	9.9	9.9
Reclassification	(0.3)	(0.9)	(1.2)
At 31 December 2015	–	212.6	212.6
Net book value at 31 December 2015	1,023.0	43.5	1,066.5
2014			
Cost			
At 1 January	1,021.4	255.3	1,276.7
Acquisition of business (see note 13)	1.9	1.7	3.6
At 31 December 2014	1,023.3	257.0	1,280.3
Accumulated amortisation and impairment			
At 1 January	0.3	192.6	192.9
Charge for the year	–	11.0	11.0
At 31 December 2014	0.3	203.6	203.9
Net book value at 31 December 2014	1,023.0	53.4	1,076.4

¹ Other intangibles mainly relate to software development costs; customer relationships and contractual arrangements capitalised as a result of business combinations.

	Land and buildings R'm	Plant and equipment R'm	Assets in the course of construction R'm	Other R'm	Total R'm
8. PROPERTY, PLANT AND EQUIPMENT					
2015					
Cost					
At 1 January	324.7	3,835.0	391.1	171.7	4,722.5
Additions	60.8	882.1	(3.6)	39.9	979.2
Disposals	(0.2)	(36.0)	–	(9.2)	(45.4)
Currency movement	4.9	12.7	0.4	1.3	19.3
Transfer from inventory	–	1.5	–	–	1.5
Reclassification	–	30.2	(29.0)	(1.2)	–
Interest capitalised to qualifying assets (see note 4)	–	10.4	16.4	–	26.8
At 31 December 2015	390.2	4,735.9	375.3	202.5	5,703.9
Accumulated depreciation and impairments					
At 1 January	76.2	2,102.2	–	121.2	2,299.6
Depreciation	13.9	363.0	–	23.2	400.1
Disposals	–	(33.9)	–	(8.8)	(42.7)
Reclassification	–	3.7	–	(3.7)	–
Currency movement	0.3	4.5	–	0.9	5.7
At 31 December 2015	90.4	2,439.5	–	132.8	2,662.7
Net book value at 31 December 2015	299.8	2,296.4	375.3	69.7	3,041.2

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Land and buildings R'm	Plant and equipment R'm	Assets in the course of construction R'm	Other R'm	Total R'm
8. PROPERTY, PLANT AND EQUIPMENT					
(continued)					
2014					
Cost					
At 1 January	277.4	3,501.1	131.9	154.7	4,065.1
Acquisition of business (see note 13)	0.1	36.1	–	0.5	36.7
Additions	53.6	316.2	302.5	28.4	700.7
Disposals	(9.6)	(65.8)	–	(7.6)	(83.0)
Currency movement	0.2	1.1	0.1	0.2	1.6
Transfer from inventory	–	1.9	–	–	1.9
Reclassification	3.0	44.7	(47.7)	–	–
Reorganisation of cost and accumulated depreciation	–	(0.3)	–	(4.5)	(4.8)
Interest capitalised to qualifying assets (see note 4)	–	–	4.3	–	4.3
At 31 December 2014	324.7	3,835.0	391.1	171.7	4,722.5
Accumulated depreciation and impairments					
At 1 January	72.6	1,801.2	–	115.3	1,989.1
Depreciation	12.1	352.2	–	21.2	385.5
Disposals	(9.6)	(63.5)	–	(6.8)	(79.9)
Impairment	1.1	8.2	–	–	9.3
Reclassification	–	–	–	–	–
Currency movement	–	0.3	–	0.1	0.4
Reorganisation of cost and accumulated depreciation	–	3.8	–	(8.6)	(4.8)
At 31 December 2014	76.2	2,102.2	–	121.2	2,299.6
Net book value at 31 December 2014	248.5	1,732.8	391.1	50.5	2,422.9

The Group has pledged certain of its property, plant and equipment, other than assets under finance leases, as security in respect of the bank loans.

The net book value and depreciation charges relating to assets under finance leases amounts to R36.7 million (2014: R37.1 million) and R10.7 million (2014: R12.3 million) respectively, and have been pledged as security for these long-term borrowings.

	2015 R'm	2014 R'm
9. LONG-TERM BORROWINGS		
Secured		
Standard Bank and Rand Merchant Bank:		
– Facility A ¹	900.0	900.0
– Facility B ²	100.0	400.0
– Facility C ³	550.0	380.0
Industrial Development Corporation loan ⁴	189.4	–
KZN Growth Fund ⁵	200.0	–
	1,939.4	1,680.0
Obligations under finance leases	34.9	39.1
Instalment loan facilities	28.1	27.0
	2,002.4	1,746.1
Unsecured		
Minority shareholder loans in subsidiary ⁶	42.5	37.5
Industrial Development Corporation shareholder loan ⁴	30.0	30.0
Total borrowings	2,074.9	1,813.6
Less: Current portion		
Standard Bank and Rand Merchant Bank loans	(650.0)	(780.0)
IDC loan	(36.4)	(30.0)
Obligations under finance leases	(12.1)	(13.6)
Minority shareholder loans	(42.5)	(37.5)
Instalment loan facilities	(2.9)	(2.2)
Non-current borrowings	1,331.0	950.3

¹ Facility A is repayable in full on its 5th anniversary, 22 December 2019, and bears interest at a three-month Jibar plus 1.65%.

² Facility B is a revolving credit facility and is repayable as agreed when utilised. The facility bears interest at three-month Jibar plus 1.65%, and expires on 22 December 2019.

³ Facility C is a revolving credit facility and is repayable as agreed when utilised. The facility currently bears interest at three-month Jibar plus 1.35% and expires on 22 December 2017.

⁴ The Industrial Development Corporation loan is payable over 65 months commencing 36 months after date of draw down, and bears interest at a rate of prime plus 1%. An additional R30.0 million was granted as a shareholder loan which is non-interest-bearing.

⁵ The KZN Growth Fund loan is payable in full on 2 March 2023 and bears interest at fixed rate of 9.15%.

⁶ Includes unsecured loans of Rnil (2014: R1.1 million) bearing interest at prime less 1%. The balance of R42.5 million (2014: R66.4 million) is a non-interest-bearing loan.

The Group mainly sources its borrowings in South African Rands. The fair values of the Group borrowings approximate the carrying value presented.

The maturity analysis of the Group's borrowings presented, on an undiscounted future cash flow basis is included as part of a review of the Group's liquidity risk.

Facilities totalling R471.0 million remain committed and undrawn as at 31 December 2015 (2014: R320.0 million).

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 R'm	2014 R'm
10. DEFERRED TAX		
Deferred tax asset		
At 1 January	18.5	11.1
(Charged)/credited to statement of comprehensive income	(6.1)	7.5
Charge to statement of other comprehensive income	–	(0.1)
Reclassification	1.4	–
Charge to equity	1.5	–
At 31 December	15.3	18.5
Deferred tax liability		
At 1 January	(214.0)	(202.5)
Acquired through business combinations	–	(0.5)
Charged to statement of comprehensive income	(52.2)	(7.3)
Charge to statement of other comprehensive income	(4.2)	0.1
Charge to equity	5.0	(3.8)
Reclassification	(1.4)	–
At 31 December	(266.8)	(214.0)
The amount of deferred taxation provided in the accounts is presented as follows:		
Deferred tax assets		
Tax losses ¹	31.3	63.5
Capital allowances	(37.9)	(52.9)
Other temporary differences	21.9	7.9
Total deferred tax assets	15.3	18.5
Deferred tax liabilities		
Tax losses ¹	(11.4)	(10.0)
Capital allowances	341.7	272.0
Fair value adjustments	4.7	5.7
Other temporary differences	(68.2)	(53.7)
Deferred tax liabilities	266.8	214.0
¹ Based on the forecast data, the Group believe that there will be sufficient future taxable profits available to utilise these tax losses.		
The Group has the following assessable losses in respect of which no deferred tax has been recognised due to the unpredictability of future profit streams or gains against which these could be utilised:		
Unutilised tax losses	76.0	269.4
All unrecognised tax losses have no expiry date, where trading is ongoing.		
11. STATED CAPITAL		
Authorised share capital		
217,500,000 shares of no par value	–	–
Issued share capital		
Issue of shares of no par value	2,344.1	2,326.0
Capitalisation issue	82.1	18.1
	2,426.2	2,344.1

During the year 1,857,822 new ordinary shares were issued to shareholders who elected to receive capitalisation shares in terms of the capitalisation issue. As at 31 December 2015, 165,958,619 shares were in issue (2014: 164,100,797).

12. SHARE-BASED PAYMENTS

The Group has a share-based payment arrangement for executives and senior employees of the company and its subsidiaries. The Group intends to operate three plans on a continuing basis, namely; Bonus Share Plan ("BSP"), Performance Share Plan ("PSP") and Share Appreciation Right Plan ("SARP").

The total fair value charge in respect of all the Mpact share awards granted are as follows:

	2015 R'm	2014 R'm
Bonus Share Plan (BSP)	11.6	8.0
Performance Share Plan (PSP)	7.0	5.6
Share Appreciation Rights Plan (SARP)	1.0	1.8
Total share-based payment expense	19.6	15.4

The fair values of the share awards granted under the Mpact share plans are calculated with reference to the facts and assumptions presented below:

Bonus Share Plan Date of grant	2015 1 April 2015	2014 5 June 2014	2013 1 April 2013
Vesting period (months)	36	34	36
Expected leavers per annum (%)	5	5	5
Grant date fair value per instrument (R)	39.06	23.43	20.48

Performance Share Plan Date of grant	2015 1 April 2015	2014 5 June 2014	2013 1 April 2013
Vesting period (months)	36	34	36
Expected leavers per annum (%)	5	5	5
Expected outcome of meeting performance criteria (%)			
– Return on capital employed ("ROCE") component	100	100	100
– Total shareholder return ("TSR") component determined inside the valuation model and incorporated in the fair value per option			
Grant date fair value per instrument (R)			
– ROCE component	39.06	23.43	20.48
– TSR component	24.49	13.75	23.39

Share Appreciation Right Plan¹

Date of grant	1 September 2011
Vesting period	Equal third on 31 March 2014/2015/2016
Expected leavers per annum (%)	5
Expected outcome of meeting performance criteria (%)	
– EBITDA component	100.0
Strike price (R)	13.41

¹ No share appreciation right options were granted during the current year.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

12. SHARE-BASED PAYMENTS (continued)

A reconciliation of share award movements for the Group is shown below.

2015	1 January 2015	Shares conditionally awarded in year	Shares vested in year	Shares lapsed/ forfeited in year	31 December 2015
BSP	1,447,672	446,214	(492,814)	–	1 401,072
PSP	1,056,175	279,412	(317,077)	(55,952)	962,558
SARP	1,382,808	–	(461,565)	(150,593)	770,650

2014	1 January 2014	Shares conditionally awarded in year	Shares vested in year	Shares lapsed/ forfeited in year	31 December 2014
BSP	1,622,402	488,902	(570,947)	(92,685)	1,447,672
PSP	1,166,853	355,660	(396,386)	(69,952)	1,056,175
SARP	2,455,937	–	(402,853)	(670,276)	1,382,808

13. BUSINESS COMBINATIONS

2014

On 31 December 2014, the Group acquired a 51% interest in Pyramid Holdings Proprietary Limited for a purchase consideration of R1. Details of the fair value of the net assets acquired are as follows:

	2015 R'm	2014 R'm
Intangible assets		1.7
Property, plant and equipment		36.7
Inventories		13.6
Trade debtors		19.6
Trade and other payables		(42.5)
Current portion of long-term borrowing		(4.6)
Bank overdraft		(1.9)
Deferred tax liability		(0.5)
Long-term borrowings		(25.9)
Net assets acquired		(3.8)
Non-controlling interest		1.9
Mpact share of net assets acquired		(1.9)
Purchase consideration		–
Goodwill		1.9
Net overdraft acquired		(1.9)

14. CAPITAL COMMITMENTS

Contracted for	443.0	503.8
Approved, not yet contracted for	885.6	848.4
	1,328.6	1,352.2

The capital commitments will be financed from existing cash resources and unutilised borrowing facilities.

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Contingent liabilities for the Group comprise aggregate amounts at 31 December 2015 of R17.4 million (2014: R7.8 million) in respect of loans and guarantees given to banks and other third parties.
- (b) A Group mill is the subject of a land claim, which should not have a material impact on the financial position of the Group.
- (c) In 2013 a settlement was reached in respect of a dispute relating to the valuation of put options in a group subsidiary. The settlement agreement provides for a deferred payment contingent upon the achievement of certain EBITDA and ROCE levels for the years 2016 to 2018, subject to a maximum amount of R6.5 million (2014: R11.1 million).
- (d) There were no significant contingent assets for the Group at 31 December 2015 and 31 December 2014.

16. FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined using standard valuation techniques. These valuation techniques maximise the use of observable market data were available and rely as little as possible on Group specific estimates.

The significant inputs required to fair value all of the Group's financial instruments are observable.

Specific valuation methodologies used to value financial instruments include:

- the fair values of interest rate swaps and foreign exchange contracts are calculated as the present value of expected future cash flows based on observable yield curves and exchange rates;
- other techniques, including discounted cash flow analysis, are used to determine the fair values of other financial instruments.

Financial instruments by category

	Fair value hierarchy	Loans and receivables R'm	At fair value through profit or loss R'm	Total R'm
2015				
Financial assets				
Trade and other receivables	Level 2	2,013.2	–	2,013.2
Financial asset investments	Level 2	24.6	–	24.6
Derivative financial instruments	Level 2	–	29.0	29.0
Cash and cash equivalents	Level 1	508.9	–	508.9
Total		2,546.7	29.0	2,575.7

	Fair value hierarchy	Loans and receivables R'm	At fair value through profit or loss R'm	Total R'm
2014				
Financial assets				
Trade and other receivables	Level 2	1,765.3	–	1,765.3
Financial asset investments	Level 2	19.8	–	19.8
Derivative financial instruments	Level 2	–	6.0	6.0
Cash and cash equivalents	Level 1	535.1	–	535.1
Total		2,320.2	6.0	2,326.2

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

16. FAIR VALUE ESTIMATION (continued)

Financial instruments by category (continued)

	Fair value hierarchy	At fair value through profit or loss R'm	At amortised cost R'm	Total R'm
2015				
Financial liabilities				
Borrowings	Level 2	–	(2,101.0)	(2,101.0)
Trade and other payables	Level 2	–	(1,855.6)	(1,855.6)
Derivative financial instrument	Level 2	(7.0)	–	(7.0)
Total		(7.0)	(3,956.6)	(3,963.6)
	Fair value hierarchy	At fair value through profit or loss R'm	At amortised cost R'm	Total R'm
2014				
Financial liabilities				
Borrowings	Level 2	–	(1,838.0)	(1,838.0)
Trade and other payables	Level 2	–	(1,697.4)	(1,697.4)
Derivative financial instrument	Level 2	(0.2)	–	(0.2)
Total		(0.2)	(3,535.4)	(3,535.6)

17. RELATED PARTY TRANSACTIONS

The Group has a related party relationship with non-controlling shareholders of subsidiaries, its subsidiaries, associates and directors.

The Group, in the ordinary course of business, enter into various sales, purchase and services transactions with joint ventures and associates and others in which the Group has a material interest. These transactions are under terms that are no less favourable than those arranged with third parties. These transactions in total are not significant.

Details of transactions and balances between the Group and related parties are disclosed below:

	2015 R'm	2014 R'm
Sales to related parties	679.4	666.4
Purchases from related parties	0.7	0.9
Minority shareholder loans	261.9	67.5
Loans to related parties	1.5	0.6
Receivables due from related parties	204.1	244.1
Payables due to related parties	20.6	16.5
Interest income	–	0.1
Management salaries paid to non-controlling shareholders of a subsidiary	2.6	2.3

Details of the executive directors and prescribed officers' remuneration is included in the Remuneration Report on page 58.

18. INTEREST IN SUBSIDIARIES

The Group has several subsidiary companies that are consolidated into the Group results. There are limited risks associated with these interests, as the subsidiaries operate within the same strategic objectives as the Group. There are no significant judgements applied in determining whether the Group controls the Companies it has invested in. The Group does not own any interests in special purpose or structured entities and fully consolidates all investments where the equity interest is greater than 50%.

The non-controlling interests of these subsidiaries are individually insignificant to the Group, and do not pose any material restrictions on the Group's assets, liabilities, or cash flows. The aggregate net asset value of non-wholly owned subsidiaries is R327.0 million (2014: R315.3 million) of which R106.9 million (2014: R114.8 million) relates to the carrying amount of the non-controlling interest. The aggregate total comprehensive income for non-wholly owned subsidiaries is R25.3 million (2014: R57.0 million), of which R14.6 million (2014: R23.2 million) is attributable to non-controlling shareholders.

	Share capital		Shareholding	
	2015	2014	2015 %	2014 %
Subsidiary – direct holding				
Mpact Namibia (Pty) Limited	N\$100	N\$100	74	74
Embalagens Mpact Limitada	M1,213,000	M1,213,000	90	90
Mpact Operations (Pty) Limited ¹	R10 000	R10 000	90	100
Shoebill (Pty) Limited	BWP100	BWP100	100	100
Pyramid Holdings (Pty) Limited	BWP3,100,200	BWP3,100,200	51	51
Sunko Mauritius	R5 100	R5 100	100	–
Mpact Plastics Containers (Pty) Limited ²	–	R100	–	57
Mpact Recycling (Pty) Limited ²	–	R100	–	75
Detpak South Africa (Pty) Limited ²	–	R7 143	–	51
Rebel Packaging (Pty) Limited ²	–	R4 000	–	100
Mpact Polymers (Pty) Limited ²	–	R100	–	79
Subsidiaries – indirect holding				
Lenco Corporate Finance (Pty) Limited	R100	R100		
Versapak Holdings (Pvt) Limited	R100	R100		
Versapak Zimbabwe (Pvt) Limited	US\$50	US\$50		
Xactics–PET (Pty) Limited ³	R0	R100		
Xactics Packaging (Pty) Limited	R100	R100		
Elvinco Plastics (Pty) Limited ³	R0	R100		
Lion Packaging Trading 57 (Pty) Limited	R72	R72		
Magic Attitude (Pty) Limited	R72	R72		
Mpact Versapak (Pty) Limited	R72	R72		
Mpact Plastics Containers (Pty) Limited ²	R100	–		
Mpact Recycling (Pty) Limited ²	R100	–		
Mpact Polymers (Pty) Limited ²	R100	–		
Rebel Packaging (Pty) Limited ²	R4 000	–		
Detpak South Africa (Pty) Limited ²	R7 143	–		

¹ In terms of the B-BBEE transaction during the current year the Mpact Foundation Trust holds 10% of Mpact Operations (Pty) Limited.

² As part of the Group restructure in January 2015, these subsidiaries were sold to Mpact Operations (Pty) Ltd.

³ Subsidiaries with indirect holdings were de-registered during the current year.

19. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant or material subsequent events which would require adjustment to or disclosure of in the annual financial statements.

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SHAREHOLDERS' ANALYSIS

Shareholder Spread	Number of Shareholdings	Number of Shares	% of Issued Capital
1 – 1 000	3 310	856 767	0,52%
1 001 – 10 000	1 309	3 805 252	2,29%
10 001 – 100 000	365	11 828 799	7,13%
100 001 – 1 000 000	187	55 577 666	33,49%
Over 1 000 000	32	93 890 135	56,57%
Total	5 203	165 958 619	100,00%
Distribution of Shareholders	Number of Shareholdings	Number of Shares	% of Issued Capital
Custodians	134	41 147 345	24,79%
Collective Investment Schemes	135	40 103 292	24,16%
Organs of State	7	29 507 069	17,78%
Retirement Benefit Funds	158	21 026 798	12,67%
Hedge Funds	40	10 415 356	6,28%
Retail Shareholders	3 749	5 610 993	3,38%
Assurance Companies	30	4 814 546	2,90%
Stockbrokers & Nominees	30	2 863 645	1,73%
Trusts	551	2 138 843	1,29%
Scrip Lending	8	1 729 928	1,04%
Share Schemes	1	1 457 388	0,88%
Private Companies	179	1 340 992	0,81%
Managed Funds	22	980 812	0,59%
Foundations & Charitable Funds	40	870 240	0,52%
Close Corporations	49	689 210	0,42%
Medical Aid Funds	9	675 102	0,41%
Public Companies	14	353 966	0,21%
Investment Partnerships	24	133 824	0,08%
Insurance Companies	5	52 483	0,03%
Public Entities	1	39 011	0,02%
Unclaimed Scrip	13	7 411	0,00%
Control Accounts	4	365	0,00%
Total	5 203	165 958 619	100,00%
Shareholder type	Number of Shareholdings	Number of Shares	% of Issued Capital
Non-Public Shareholders	10	30 052 369	18,11%
Government Employees Pension Fund	4	27 710 250	16,70%
Share Schemes	1	1 457 388	0,88%
Directors and prescribed officers	5	884 731	0,53%
Public Shareholders	5 193	135 906 250	81,89%
Total	5 203	165 958 619	
Fund Managers with a holding greater than 5% of the Issued Shares		Number of Shares	% of Issued Capital
Visio Capital Management		22 516 723	13,57%
Public Investment Corporation		19 014 542	11,46%
Prudential Portfolio Management		14 105 581	8,50%
Mazi Capital		10 820 395	6,52%
Allan Gray		9 234 551	5,56%
Total		75 691 792	45,61%

SHAREHOLDERS' ANALYSIS (continued)

Beneficial shareholders with a holding greater than 5% of the issued shares	Number of shares	% of issued capital
Government Employees Pension Fund	27 710 250	16,70%
Total	27 710 250	16,70%
Beneficial holding by region	Total shareholding	% Held
South Africa	120 513 417	72,62%
United Kingdom	18 533 770	11,17%
United States	17 495 048	10,54%
Namibia	3 813 040	2,30%
Luxembourg	2 956 331	1,78%
Belgium	2 006 545	1,21%
Balance (other countries not listed above)	640 468	0,39%
Total	165 958 619	100,00%
Total number of shareholdings	5 203	
Total number of shares in issue	165 958 619	
Share price performance		
Opening price 2 January 2015		R35,59
Closing price 31 December 2015		R46,94
Closing high for period		R50,25
Closing low for period		R33,81
Number of shares in issue		165 958 619
Volume traded during period		61 106 563
Ratio of volume traded to shares issued (%)		36,82
Rand value traded during period		R2 699 485 297

SHAREHOLDERS' DIARY

Financial year-end	31 December
Annual General Meeting	2 June 2016
Reports	
• Interim results for the six months to 30 June 2015	Published 12 August 2015
• Audited results for the year ended 31 December 2015	Published 2 March 2016
Dividends	
• Interim dividend	30 cents
• Final dividend	80 cents
Details of final dividend declared:	
• Last day to trade to receive a dividend	Friday, 8 April 2016
• Shares commence trading ex dividend	Monday, 11 April 2016
• Record date	Friday, 15 April 2016
• Payment date	Monday, 18 April 2016

Share certificates may not be dematerialised or rematerialised between Monday, 11 April 2016 and Friday, 15 April 2016, both days inclusive.

NOTICE OF ANNUAL GENERAL MEETING

Mpact Limited

(Incorporated in the Republic of South Africa)

Registration number 2004/025229/06

Share code: MPT

ISIN: ZAE000156501

("Mpact" or "the company")

NOTICE IS HEREBY GIVEN to the shareholders of Mpact as at Friday, 18 March 2016, being the record date to receive notice of the Annual General Meeting in terms of section 59(1)(a) of the Companies Act, 71 of 2008, as amended (the "Companies Act"), that the Annual General Meeting of the company, in respect of the year ended 31 December 2015, will be held at The Venue, 17 The High Street, Melrose Arch, Johannesburg, on Thursday, 2 June 2016 at 13:00.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in the meeting by way of a teleconference call and, if they wish to do so:

- must contact the Company Secretary by email at the email address: NSepuru@mpact.co.za, by no later than 13:00 on Friday, 27 May 2016 in order to obtain a PIN and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification, which will include a valid identity document, driver's licence or passport;
- will be billed separately by their own telephone service providers for their telephone call to participate in the meeting; and
- shareholders participating by teleconference are required to submit their Form of Proxy, as set out on page 103 of this Notice of Annual General Meeting.

This Notice of Annual General Meeting includes the attached Form of Proxy.

RECORD DATE

The record date for the purpose of determining which shareholders of the company are entitled to receive the Notice of the Annual General Meeting was Friday, 18 March 2016.

The record date for the purpose of determining which shareholders of the company are entitled to participate in and vote at the Annual General Meeting is Friday, 27 May 2016, in accordance with section 62(3)(a), read with section 59(1)(b), of the Companies Act.

Accordingly, the last day to trade for shareholders to be entitled to attend, speak and vote at the Annual General Meeting is Friday, 20 May 2016.

ATTENDANCE AND VOTING

If you are a registered shareholder (i.e. a shareholder who has not dematerialised his/her shares or has dematerialised his/her shares with "own name" registration) as at the record date to attend, speak and vote at the Annual General Meeting of the company (i.e. Friday, 27 May 2016), you may attend the meeting in person. Alternatively, you may appoint a proxy (who need not be a shareholder of the company) to represent you at the meeting. Any appointment of a proxy may be effected by using the attached Form of Proxy and, in order for the proxy to be effective and valid, must be completed and delivered in accordance with the instructions contained in the attached Form of Proxy.

If you are a beneficial shareholder and not a registered shareholder (i.e. a shareholder who has dematerialised his shares without "own name" registration) as at the record date to attend, speak and vote at the Annual General Meeting of the company (i.e. Friday, 27 May 2016):

- and wish to attend the meeting, you must obtain the necessary letter of representation to represent the registered holder in respect of your shares from your CSDP or broker;
- and do not wish to attend the meeting but would like your vote to be recorded at the Annual General Meeting, you should contact the registered holder in respect of your shares through your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the attached Form of Proxy.

All attendees and participants at the Annual General Meeting will be required to provide identification reasonably satisfactory to the Chairman of the Annual General Meeting, which shall include a valid identity document, driver's licence or passport, in accordance with section 63(1) of the Companies Act.

Shares held by a share trust or other share incentive scheme of the company will not have their votes taken into account at the Annual General Meeting for the purposes of the resolutions proposed in terms of the JSE Listings Requirements.

All voting at the Annual General Meeting will be conducted on a poll.

NOTICE OF ANNUAL GENERAL MEETING (continued)

PURPOSE OF THE MEETING

The purpose of this meeting is to:

- present the Directors' Report and the Audited Annual Financial Statements of the Group for the year ended 31 December 2015;
- elect the directors of the company and the members of the Audit and Risk Committee of the company;
- appoint the auditors of the company;
- present the Audit and Risk Committee Report;
- present the Social and Ethics Committee Report;
- consider any matters raised by shareholders;
- consider and if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below in the manner required by the Companies Act, the JSE Listings Requirements and the memorandum of incorporation of the company ("MOI"); and
- deal with such other business as may lawfully be dealt with at the Annual General Meeting, which Annual General Meeting is to be participated in and voted at by shareholders registered as such on Friday, 27 May 2016, being the record date to participate in and vote at the Annual General Meeting in terms of section 62(3)(a) read with section 59(1)(b) of the Companies Act.

In order for the special resolutions to be adopted, the support of at least 75% (seventy-five percent), of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

ANNUAL FINANCIAL STATEMENTS

The detailed Annual Financial Statements (as approved by the Board of the company), including the Directors' Report, the Audit and Risk Committee Report and the Independent Auditor's Report for the year ended 31 December 2015, are published on the company's website: www.mpact.co.za. A summary of the Annual Financial Statements is set out on pages 70 to 89 of the Integrated Report of which this notice forms part.

RESOLUTIONS

Ordinary resolution number 1: Acceptance of the Annual Financial Statements

"RESOLVED THAT, the Consolidated Annual Financial Statements of the company (and its subsidiaries) for the year ended 31 December 2015, including the Directors' Report and the Independent Auditor's Report therein, be and are hereby received and accepted."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution number 2: Re-election of director – TDA Ross

"RESOLVED THAT, TDA Ross, who retires by rotation in accordance with the MOI of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the company."

(A brief *curriculum vitae* in respect of TDA Ross is set out on page 21 of the Integrated Report of which this notice forms part.)

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution number 3: Re-election of director – NB Langa-Royds

"RESOLVED THAT, NB Langa-Royds, who retires by rotation in accordance with the MOI of the company and, being eligible, offers herself for re-election, be and is hereby re-elected as a director of the company."

(A brief *curriculum vitae* in respect of NB Langa-Royds is set out on page 20 of the Integrated Report of which this notice forms part.)

Percentage of voting rights required to pass this resolution: 50% plus one vote.

The Remuneration and Nomination Committees have reviewed the composition of the Board and has recommended the re-election of the directors listed in ordinary resolutions numbers 2 and 3. It is the view of the directors that the re-election of the candidates referred to above would enable the company to:

- responsibly maintain a mixture of business skills and experience relevant to the company and balance the requirements of transformation, continuity and succession planning; and
- comply with corporate governance requirements in respect of matters such as the balance of executive, non-executive and independent directors on the Board.

Ordinary resolution number 4: Appointment of auditors

"RESOLVED THAT, Deloitte & Touche be and are hereby re-appointed as the independent auditors of the Group and, that Mark Holme is hereby appointed as the individual registered auditor who will undertake the audit of the Group for the ensuing year, and that the Board be and is hereby authorised to fix the terms of engagement and remuneration of the independent auditors."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution number 5: Election of TDA Ross as a member of the Audit and Risk Committee

"RESOLVED THAT, TDA Ross, who fulfils the requirements of section 94(4) of the Companies Act, be and is hereby elected as a member of the Audit and Risk Committee of the company, to hold office until the conclusion of the Annual General Meeting of the company to be held in 2017 subject to his re-election as a director pursuant to ordinary resolution number 2."

(A brief *curriculum vitae* for TDA Ross is set out on page 21 of the Integrated Report of which this notice forms part.)

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution number 6: Election of NP Dongwana as a member of the Audit and Risk Committee

"RESOLVED THAT, NP Dongwana, who fulfils the requirements of section 94(4) of the Companies Act, be and is hereby elected as a member of the Audit and Risk Committee of the company, to hold office until the conclusion of the Annual General Meeting of the company to be held in 2017."

(A brief *curriculum vitae* for NP Dongwana is set out on page 20 of the Integrated Report of which this notice forms part.)

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution number 7: Election of AM Thompson as a member of the Audit and Risk Committee

"RESOLVED THAT, AM Thompson, who fulfils the requirements of section 94(4) of the Companies Act, be and is hereby elected as a member of the Audit and Risk Committee of the company, to hold office until the conclusion of the Annual General Meeting of the company to be held in 2017."

(A brief *curriculum vitae* for AM Thompson is set out on page 21 of the Integrated Report of which this notice forms part.)

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution number 8: Endorsement of Mpact's remuneration policy

"RESOLVED THAT, the company's remuneration policy, as set out in the Remuneration Committee Report, be and is hereby endorsed by way of a non-binding advisory note."

In terms of Chapter 2 of King III dealing with boards and directors, it is recommended that companies table their remuneration policy every year to shareholders for a non-binding advisory vote at the Annual General Meeting. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

The company's Remuneration Committee Report is contained on pages 56 to 62 of the Integrated Report of which this notice forms part.

Ordinary resolution number 8 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when considering the company's remuneration policy.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

SPECIAL RESOLUTIONS**Special resolution number 1: General authority to acquire/repurchase shares**

"RESOLVED THAT, the company hereby approves, as contemplated in paragraph 5.72 of the JSE Listings Requirements, the general authority of the company or any of its subsidiaries from time to time, to repurchase the company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the company's MOI, the provisions of the Companies Act and the JSE Listings Requirements (each as presently constituted and as amended from time to time), provided that:

- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- authorisation for the repurchase is given by the company's MOI;
- at any point in time, the company may only appoint one agent to effect any repurchase(s) on the company's behalf;
- this general authority will be valid until the company's next Annual General Meeting, or 15 (fifteen) months from the date of passing of this special resolution, whichever is earlier;
- an announcement will be published as soon as the company, or any of its subsidiaries, has acquired securities of a relevant class constituting, on a cumulative basis, 3% of the number of securities of that relevant class 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 repurchases, such announcement to be published as soon as possible and not later than 08:30 on the business day following the day on which the relevant threshold is reached or exceeded, and the announcement shall comply with the requirements of the JSE Listings Requirements in this regard;

NOTICE OF ANNUAL GENERAL MEETING (continued)

- repurchases by the company or any of its subsidiaries of its own securities may not, in aggregate in any one financial year, exceed 20% of the company's issued share capital as at the date of the passing of this resolution (although it should be noted that the directors will limit any purchase to a maximum of 5% of the issued share capital);
- the number of shares purchased and held by a subsidiary or subsidiaries of the company shall not exceed 10% in aggregate of the number of issued shares in the company at the relevant times;
- in determining the price at which securities issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% of the weighted average of the market value at which such securities are traded on the JSE as determined over the 5 (five) business days immediately preceding the date of repurchase of such securities by the company or any of its subsidiaries. The JSE Limited should be consulted for a ruling if such securities have not been traded during the course of such 5 (five) business day period;
- the company or any of its subsidiaries may not repurchase any securities during a "prohibited period" (as such term is defined in the JSE Listings Requirements), unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- any such repurchase is subject to Exchange Control Regulations and approval at that time; and
- a resolution has been passed by the Board of directors authorising the repurchase and confirming that the company and its subsidiaries passed the solvency and liquidity test and that from the time that the test was done there have been no material changes to the financial position of the Group."

Percentage of voting rights required to pass this special resolution: 75% (seventy-five percent) of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

Reason for and effect

The reason for the passing of the above special resolution is to grant the company a general authority in terms of the Companies Act for the acquisition by the company or any of its subsidiaries of securities issued by the company, which authority shall be valid until the earlier of the next Annual General Meeting, or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company; provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this Annual General Meeting. The passing of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire securities issued by the company.

Directors' responsibility statement

The directors, whose names are given on pages 20 to 21 of the Integrated Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to the above special resolution number 1 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 above special resolution contains all relevant information required by the JSE Listings Requirements.

Statement by the directors

The directors of the company have no present intention of making any repurchases but believe that the company should retain the flexibility to take action if future repurchases were considered desirable and in the best interests of shareholders. The directors of the company undertake that they will not commence a general repurchase of shares, as contemplated in special resolution number 1 above, unless the following can be met:

- the company and its subsidiaries will be able, in the ordinary course of business, to pay its debts for a period of 12 months following the date of the general repurchase;
- the company and the Group's assets will be in excess of the liabilities of the company and the Group for a period of 12 months following the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the company and its subsidiaries will have adequate capital and reserves for ordinary business purposes for a period of 12 months following the date of the general repurchase;
- the working capital of the company and its subsidiaries will be adequate for ordinary business purposes for a period of 12 months following the date of the general repurchase;
- the Board passing a resolution authorising the general repurchase, confirming that the company and its subsidiaries have passed the solvency and liquidity test and further confirming that since the test was performed, there have been no material changes to the financial position of the company and the Group; and
- in the event that the repurchase was made during a prohibited period through a repurchase programme pursuant to paragraph 5.69(h) and/or 14.9(e) of schedule 14 of the JSE Listings Requirements, a statement confirming that the repurchase was put in place pursuant to a repurchase programme prior to prohibited period in accordance with the Listings Requirements.

The directors of the company hereby state that:

- (a) the intention of the directors of the company is to utilise the authority if, at some future date, the cash resources of the company are in excess of its requirements. In this regard, the directors will take account of, *inter alia*, an appropriate capitalisation structure for the company and the long-term cash needs of the company and will ensure that any such utilisation is in the interests of the shareholders; and
- (b) the method by which the company intends to repurchase its securities and the date on which such repurchase will take place, have not yet been determined.

Special resolution number 2: Approval of non-executive directors' fees

"RESOLVED THAT the non-executive directors' fees payable for the period, set out below, be and are hereby approved:

	Base fee 1 July 2016 to 30 June 2017	Attendance fee 1 July 2016 to 30 June 2017	Full fee 1 July 2016 to 30 June 2017
Board			
Chairman*			892 071
Each non-executive director	136 358	108 324	244 683
Audit and Risk Committee			
Chairman		216 645	216 645
Each non-executive director		108 191	108 191
Remuneration Committee			
Chairman		163 121	163 121
Remuneration and Nomination Committee			
Each non-executive director		81 561	81 561
Social and Ethics Committee			
Chairman		163 121	163 121
Each non-executive director		81 561	81 561

The above fees calculated up to four meetings per annum.

* The Chairman's fees are an all-inclusive fee.

Percentage of voting rights required to pass this resolution: 75% (seventy-five percent) of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

Reason for and effect

Special resolution number 2 is required in terms of section 66(9) of the Companies Act to authorise the company to pay remuneration to non-executive directors of the company in respect of their services as directors. Executive directors are not remunerated for their services as directors but are remunerated as employees of the company.

Furthermore, in terms of the Companies Act and King III, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous 2 (two) years.

Special resolution number 3: Approval of financial assistance

"RESOLVED THAT, the Board may, subject to compliance with the requirements of the company's MOI, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company or any of its subsidiaries (and/or to any member of such subsidiary or related or inter-related company or corporation) for any purpose or in connection with any matter, including, but not limited to the subscription for any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company."

Percentage of voting rights required to pass this resolution: 75% (seventy-five percent) of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Reason for and effect

It may be necessary for the company to provide intra-group funding in order to conduct the Group's business or desirous for the company to provide financial assistance to related or inter-related companies and corporations to acquire or subscribe for options or securities or purchase securities of the company or another company related or inter-related to it. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted. In the circumstances and in order to, *inter alia*, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks) for such purposes, it is necessary to obtain the approval of shareholders, as set out in special resolution number 3.

Sections 44 and 45 of the Companies Act provide, *inter alia*, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the Board must be satisfied that:

- immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

Section 44 contains an exemption in respect of employee share schemes that satisfy the requirements of section 97 of the Companies Act. To the extent that any of the company's share or other employee incentive schemes do not satisfy such requirements, financial assistance (as contemplated in section 44) to be provided under such schemes will, *inter alia*, also require approval by special resolution.

Notice to shareholders of Mpact in terms of section 45(5) of the Companies Act of a resolution passed by the Board authorising Mpact to provide direct or indirect financial assistance to related and inter-related companies and corporations:

- Prior to the delivery of this Notice of Annual General Meeting to the shareholders of the company, the Board adopted a resolution ("Section 45 Board Resolution") on 1 March 2016 authorising the company to provide, at any time and from time-to-time during the period commencing on the date on which special resolution number 3 is adopted until the date of the next Annual General Meeting of the company, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the company. The financial assistance will entail loans and any other financial assistance to any of the company's present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company or any of its subsidiaries (and/or to any member of such subsidiary or related or inter-related company or corporation) for any purpose or in connection with any matter.
- The Section 45 Board Resolution will be effective only if and to the extent that special resolution number 3 is adopted by the shareholders of the company and the provision of any financial assistance by the company, pursuant to such resolution, will always be subject to the Board being satisfied that: (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and (ii) the terms under which the financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act.
- The company hereby provides notice of the Board Resolution to the shareholders of the company.

Special resolution number 4: Amendment of the company's MOI

Pursuant to recent amendments to the Listings Requirements and certain legislation applicable to the company, the company determined that it was in the best interests of the company, and in line with best governance practice, to perform a review of its MOI to, *inter alia*, ensure that its MOI complies with the Listings Requirements and to ensure that any restrictions contained in its MOI are consistent with those applicable in terms of the Companies Act and the Listings Requirements.

"RESOLVED THAT, the company's MOI be and is hereby amended by:

Special Resolution 4(a)

- (a) by (i) deleting the definition of 'Securities Services Act' at clause xx; (ii) including a new definition of 'Financial Markets Act' between the definitions of 'Distribution' and 'General Meeting' in the following terms "Financial Markets Act" means the Financial Markets Act, 19 of 2012, as amended or replaced from time to time"; (iii) by updating the numbering in the definitions of the MOI to take into account the changes in 4.a)(i) and 4.a)(ii) and (iii) deleting all references to the 'Securities Services Act' in the MOI and replacing such references with the 'Financial Markets Act';

Reason for Special Resolution 4(a): The Securities Services Act No. 36 of 2004 ("Securities Services Act") has been repealed and replaced by the Financial Markets Act, No. 19 of 2012 ("Financial Markets Act"). All references in the MOI to the Securities Services Act consequently must be replaced with references to the Financial Markets Act.

Special Resolution 4(b)

- (b) substituting clause xxxv of the Interpretation section with the following:

'xxxv each provision and each sentence and each part of a sentence in this MOI is separate and severable from each other, and to the extent any provision or sentence or part thereof is found to be illegal or unenforceable or inconsistent with or contravenes any provision of the Companies Act and/or the Listings Requirements, or void, such may to that extent only be modified or severed from the MOI, so that the remaining part of that provision or sentence or part thereof, as the case may be, is legal, enforceable or consistent with or does not contravene the Companies Act and/or the Listings Requirements, or is not void;'

Reason for Special Resolution 4(b): Special Resolution 4(b) intends to provide flexibility to Mpact to the extent that the Listings Requirements are amended and the provisions of the MOI no longer accord with the Listings Requirements.

Special Resolution 4(c)

(c) by inserting as clause xxxvi of the Interpretation section the following (with existing clauses xxxvi and xxxvii becoming clauses xxxvii and xxxviii respectively):

'xxxvi If

(a) any provision of this MOI imposes any obligation or requirement pursuant only to the Listings Requirements, then:

(i) unless the company is a "listed company", as such term is defined in the Listings Requirements, any such provision shall be deemed not to apply to the company; and

(ii) insofar as the JSE exempts or no longer requires compliance with such obligations or requirements, the obligation shall be deemed to have been complied with;

(b) any provision of this MOI limits, restricts or prohibits any power or authority of the company or the Board pursuant only to the Listings Requirements, then insofar as such limitation, restriction or prohibition is waived, relaxed, repealed or amended by the JSE, the power or authority shall be deemed not to be subject to such limitation, restriction or prohibition to the extent of such waiver, relaxation, repeal or amendment without anything further being required;'

Reason for Special Resolution 4(c): Special Resolution 4(c) is proposed to ensure that to the extent that Mpact ceases to be listed on the JSE or the JSE grants Mpact an exemption from compliance with any provision of the Listings Requirements, Mpact will not be obliged in terms of its MOI to comply in such instance.

Special Resolution 4(d)

(d) by deleting reference to 'section 3.16 of the Listings Requirements' in clause 3.3.1 and substituting it with 'section 3.19 of the Listings Requirements'.

Reason for Special Resolution 4(d): Special Resolution 4(d) is proposed to ensure that the MOI refers to paragraph 3.19 of the Listings Requirements pursuant to amendments to the Listings Requirements which brought about changes to the numbering of paragraph 3 of the Listings Requirements.

Special Resolution 4(e)

(e) by deleting clause 7.1 in its entirety and replacing same with the following:

'7.1 Shareholders of the company in general meeting may authorise the directors, subject to paragraph 7.2. below, to issue unissued equity Securities in the capital of the company from time to time and/or to grant options to subscribe for unissued equity Securities in the capital of the company as the directors in their discretion think fit, provided that such transaction/s has/have been approved by the JSE (if necessary) and comply with the Listings Requirements; however, shareholder approval will not be required in terms of this clause 7.1 for such issue unless it is required in terms of the Listings Requirements or the Companies Act.'

Reason for Special Resolution 4(e): Special Resolution 4(e) is proposed to clarify that shareholder approval will be required for an issuance of securities by Mpact to the extent that shareholder approval is required in terms of the Companies Act or the Listings Requirements.

Special Resolution 4(f)

(f) by deleting clause 7.2 in its entirety and replacing same with the following:

'7.2 Subject to paragraphs 7.1 and 7.4, the Board may resolve to issue shares at any time, but only within the classes and to the extent that those shares have been authorised by or in terms of this MOI.'

Reason for Special Resolution 4(f): Special Resolution 4(f) is proposed to take into account the numbering change as a result of the deletion of clause 7.3 of the MOI (see Special Resolution 4(g) below).

Special Resolution 4(g)

(g) by deleting clause 7.3 in its entirety and updating the numbering at clause 7 to take into account such deletion;

Special Resolution 4(g): Special Resolution 4(g) is proposed to remove an erroneous reference to the Companies Act.

Special Resolution 4(h)

(h) by deleting clause 8.1.1 in its entirety and replacing same with the following:

'8.1 Shareholders right of pre-emption on issue of unissued equity Securities of an existing class of equity Securities

8.1.1 In the event that the company proposes to issue any equity Securities (or options over equity Securities) other than (it being understood that each of the issues set out in paragraphs 8.1.1.1 to 8.1.1.6 shall not require shareholders' approval, or further shareholder approval, as applicable):

8.1.1.1 shares issued in terms of options or conversion rights provided that such options or conversion rights have been previously approved, to the extent necessary; or

8.1.1.2 shares to be held under any share option scheme or share incentive scheme which complies with the provisions of Schedule 14 of the Listings Requirements, provided that such issue of shares was previously approved, to the extent necessary; or

NOTICE OF ANNUAL GENERAL MEETING (continued)

8.1.1.3 capitalisation shares contemplated in section 47; or

8.1.1.4 shares issued pursuant to a scrip dividend, as contemplated by the Listings Requirements; or

8.1.1.5 shares issued or to be issued as consideration for any assets, corporeal or incorporeal, or for services rendered; or

8.1.1.6 shares issued for cash pursuant to a general or specific approval given by the shareholders in General Meeting,

each shareholder of the company already holding issued equity securities in the class of shares (or options for equity securities) proposed to be issued has the right, before any other person who is not a shareholder of the company of that class of equity securities (or options for equity securities), to be offered, and within the relevant period(s) prescribed by the Companies Act and/or the Listings Requirements of such offer to subscribe for, that number of the equity securities (or options for equity securities) proposed to be issued which in relation to the total number of equity securities (or options for equity securities) proposed to be issued bears the (as close as possible) same ratio (as determined by the Board) as the number of equity securities in that class already registered in the shareholder's name at the time of such offer bears to the then total number of issued equity Securities (or options for equity securities) in that class, calculated at the time the offer was made. The offer to each of the shareholders(s) concerned shall, in order to be valid, stipulate only the issue price per equity security (or option for equity securities), the number and class of equity securities (or options) which the shareholder concerned is entitled to, and the total number of equity securities (or options for equity securities) proposed to be issued. **[para 10.1 of schedule 10 of the Listings Requirements]**

Reason for Special Resolution 4(h): Special Resolution 4(h) is proposed to clarify the instances where shares may not be issued on a *pro rata* basis and to make the time periods for a pre-emptive offer consistent with the Listings Requirements.

Special Resolution 4(i)

(i) by deleting clause 8.1.2 and clauses 8.3 to 8.5 in their entirety;

Reason for Special Resolution 4(i): Special Resolution 4(i) is proposed to align the MOI with the changes to clause 8.1 (see Special Resolution 4(h) above), including as to timing of a pre-emptive offer.

Special Resolution 4(j)

(j) by deleting clause 8.2 in its entirety and replacing same with the following:

'8.2 issue of a new class of equity Securities (options for equity Securities)

The provisions of clause 8.1 will apply *mutatis mutandis* to an issue of a class of authorised equity securities which have not been issued, based on the percentage voting rights which that shareholder has in relation to the aggregate general voting rights, calculated at the time the offer was made.'

Reason for Special Resolution 4(j): Special Resolution 4(j) is proposed to remove unnecessary wording and to align this with the changes to clause 8.1 (see Special Resolution 4(h) above).

Special Resolution 4(k)

(k) by deleting clause 16.7 in its entirety and replacing same with the following:

"16.7 If, on any issue of shares or other Securities, or on any consolidation or sub-division of shares or other Securities, or on any other transaction with the company, shareholders or other securities holders would, but for the provisions of this paragraph, become entitled to fractions of shares or other securities, all such fractional entitlements shall be dealt with in accordance with the provisions of the Listings Requirements."

Reason for Special Resolution 4(k): Special Resolution 4(k) is proposed to bring the MOI in line with recent amendments made by the JSE to the Listings Requirements with regard to the treatment of fractional entitlements.

Special Resolution 4(l)

(l) by deleting clause 16.15 in its entirety and replacing same with the following:

"The Board shall have the power or authority to:

16.15.1.1 approve the issuing of any authorised shares as capitalisation shares; or

16.15.1.2 issue shares of one class as capitalisation shares in respect of shares or another class; or

16.15.1.3 resolve to permit shareholders to elect to receive a cash payment in lieu of a capitalisation share, (as set out in section 47)."

Reason for Special Resolution 4(l): Special Resolution 4(l) is proposed to bring the requirement for authorisation of a capitalisation issue in line with the Companies Act and the Listings Requirements.

Resolution 4(m)

(m) by deleting clauses 21.1 and 21.2 in their entirety and replacing same with the following:

'21.1 Notwithstanding anything to the contrary contained in this MOI, the Board shall be entitled to authorise and issue any debt instruments, upon such terms and subject to such conditions, as are not precluded or prohibited by the Companies Act or the Listings Requirements, as it may in its discretion determine. (section 43).

21.2 Notwithstanding paragraph 17.1 above, debt instruments shall not be issued with any special privileges, including attending and voting at General Meetings and the appointment of directors. **[para 10.10 of schedule 10 of the Listings Requirements]**

Reason for Special Resolution 4(m): Special Resolution 4(m) is proposed to ensure that directors of Mpact are authorised to issue debt securities, in line with the provisions of the Companies Act, but subject to the restrictions envisaged in the Listings Requirements.

Resolution 4(n)

(n) by deleting the words “to be paid to the shareholders of any class in proportion to the number of shares held by them in that class” from clause 22.4;

Reason for Special Resolution 4(n): Special Resolution 4(n) is proposed to clarify that distribution rights will be dealt with in relation to classes of Shares.

Resolution 4(o)

(o) by adding a new clause 22.15 in the following terms:

‘22.15 The provisions of clauses 22.6 to 22.14 shall apply to distributions made to shareholders of a class or classes of shares.’

Reason for Special Resolution 4(o): Special Resolution 4(o) is proposed as a consequence of the amendment contemplated in Special Resolution 4(o).

Resolution 4(p)

(p) by deleting the words “and so exercising their votes on the matter” at clause 15.2 of Schedule 2 and the replacement thereof with the following words

“For the purposes of this paragraph 15.2 of Schedule 2, any director who is, pursuant to section 75 of the Companies Act or otherwise under this MOI or in law, ineligible to vote on a resolution shall be counted as present for purposes of determining whether a quorum is present for purposes of this clause 15.2.”

Reason for Special Resolution 4(p): Special Resolution 4(p) is proposed to ensure that the MOI is consistent with section 75 of the Companies Act, insofar as same pertains to a quorum for directors’ meetings and to ensure that, notwithstanding that there may be a majority of directors which are conflicted on a particular matter (and who subsequently recuse themselves from the meeting), a quorum can be established to vote upon that matter.

Percentage of voting rights required to pass each of the resolutions set out in 4(a) to 4(p): 75% (seventy-five percent) of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

A complete copy of the revised MOI may be inspected at the company’s registered office, 4th Floor, No 3 Melrose Boulevard, Melrose Arch, Johannesburg, during normal business hours from 30 March 2016 up to and including 31 May 2016.

ANY MATTERS RAISED BY SHAREHOLDERS, WITH OR WITHOUT ADVANCE NOTICE TO THE COMPANY

To deal at the Annual General Meeting with any matters raised by shareholders, with or without advance notice to the company.

VOTING AND PROXIES

A shareholder of the company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Dematerialised shareholders who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the Annual General Meeting, should complete and return the attached Form of Proxy and lodge it with the transfer secretaries of the company.

Shareholders who have dematerialised their shares through a CSDP or broker rather than through own-name registration and who wish to attend the Annual General Meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

If such shareholders are unable to attend, but wish to vote at the Annual General Meeting, they should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and his/her CSDP or broker.

Forms of Proxy may also be obtained on request from the company’s registered office. The completed Forms of Proxy must be deposited at, posted or faxed to the transfer secretaries at the address set out on the Form of Proxy attached hereto, and must be received at least 48 hours prior to the meeting.

Any shareholder who completes and lodges a Form of Proxy will nevertheless be entitled to attend and vote in person at the Annual General Meeting should the shareholder subsequently decide to do so.

SUMMARY OF THE RIGHTS OF A SHAREHOLDER TO BE REPRESENTED BY PROXY

For purposes of this summary, the term “shareholder” shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

Shareholders’ rights regarding proxies in terms of section 58 of the Companies Act include, *inter alia*, to at any time appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder.

NOTICE OF ANNUAL GENERAL MEETING (continued)

A proxy appointment:

- must be in writing, dated and signed by the shareholder; and
- remains valid for:
 - one year after the date on which it was signed; or
 - any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c); or expires earlier as contemplated in section 58(8)(d) of the Companies Act.

Except to the extent that the memorandum of incorporation of the company provides otherwise:

- a shareholder of that company may appoint 2 (two) or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
- a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
- a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy:

- the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - delivering a copy of the revocation instrument to the proxy and to the company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:

- stated in the revocation instrument, if any; or
- upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.

Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's MOI to be delivered by such company to the shareholder must be delivered by such company to:

- the shareholder, or
- the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the MOI of the relevant company or the instrument appointing the proxy provide otherwise.

If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supply a form of instrument for appointing a proxy:

- such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
- the invitation or Form of Proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act;
- contain adequate space to enable a shareholder to write in the name and, if so desired, an alternative name, of a proxy chosen by the shareholder and provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or abstain from voting;
- the company must not require that the proxy appointment be made irrevocable; and
- the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

The practical applications of the aforementioned rights are discussed in the notes to the Form of Proxy attached hereto.

By order of the Board

Noriah Sepuru

Company Secretary

1 March 2016

FORM OF PROXY

Mpact Limited
(Incorporated in the Republic of South Africa)
Registration number 2004/025229/06
Share code: MPT
ISIN: ZAE000156501
("Mpact" or "the company")

To be completed by registered certificated shareholders and dematerialised shareholders with own-name registration only

This Form of Proxy relates to the Annual General Meeting of the company to be held at **The Venue, 17 The High Street, Melrose Arch, Johannesburg, on Thursday, 2 June 2016 at 13:00** (see note 1) and is for use by registered shareholders whose shares are registered in their own names by the record date for determining which shareholders of the company are entitled to participate in and vote at the Annual General Meeting, being Friday, 27 May 2016 (see note 2).

Terms used in this Form of Proxy have the meanings given to them in the Notice of Annual General Meeting to which this Form of Proxy is attached.

Please print clearly when completing this Form of Proxy and see the instructions and notes at the end of this Form of Proxy for an explanation of the use of this Form of Proxy and the rights of the shareholder and the proxy.

I/We (full name in BLOCK LETTERS)

of (address)

Telephone (work)

(home)

Cellphone number

being a shareholder(s) of the company and being the registered owner/s of ordinary shares in the company (note 3) hereby appoint

of

failing him/her

of

or failing him/her, the Chairman of the Annual General Meeting (see note 4)

to attend and participate in the Annual General Meeting and to speak and to vote or abstain from voting for me/us and on my/our behalf in respect of all matters arising (including any poll and all resolutions put to the Annual General Meeting) at the Annual General Meeting, even if the Annual General Meeting is postponed, and at any resumption thereof after any adjournment (see note 5).

My/Our proxy shall vote as follows:

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain at his discretion (see note 6)

	For	Against	Abstain
Ordinary resolution number 1: Acceptance of the Annual Financial Statements			
Ordinary resolution number 2: Re-election of director – TDA Ross			
Ordinary resolution number 3: Re-election of director – NB Langa-Royds			
Ordinary resolution number 4: Appointment of auditors			
Ordinary resolution number 5: Election of TDA Ross as a member of the Audit and Risk Committee			
Ordinary resolution number 6: Election of NP Dongwana as a member of the Audit and Risk Committee			
Ordinary resolution number 7: Election of AM Thompson as a member of the Audit and Risk Committee			
Ordinary resolution number 8: Endorsement of Mpact's remuneration policy			
Special resolution number 1: General authority to acquire/repurchase shares			
Special resolution number 2: Approval of non-executive directors' fees			
Special resolution number 3: Approval of financial assistance			
Special resolution number 4: Amendments the MOI			
Special Resolution 4(a)			
Special Resolution 4(b)			
Special Resolution 4(c)			
Special Resolution 4(d)			
Special Resolution 4(e)			
Special Resolution 4(f)			
Special Resolution 4(g)			
Special Resolution 4(h)			
Special Resolution 4(i)			
Special Resolution 4(j)			
Special Resolution 4(k)			
Special Resolution 4(l)			

FORM OF PROXY (continued)

	For	Against	Abstain
Special Resolution 4(m)			
Special Resolution 4(n)			
Special Resolution 4(o)			
Special Resolution 4(p)			

(Indicate instruction to proxy by way of a cross in the space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this _____ day of _____ 2016
Signature _____

Please read the notes below.

- This Form of Proxy will not be effective at the Annual General Meeting unless received at the company's transfer office, Link Market Services South Africa Proprietary Limited, by no later than 13:00 on Tuesday, 31 May 2016. If a shareholder does not wish to deliver this Form of Proxy to that address, it may also be posted, at the risk of the shareholder, to Link Market Services South Africa Proprietary Limited, PO Box 4844, Johannesburg, 2000.
- This Form of Proxy is for use by registered shareholders who wish to appoint another person (a proxy) to represent them at the Annual General Meeting. If duly authorised, companies and other corporate bodies who are registered shareholders may appoint a proxy using this Form of Proxy, or may appoint a representative in accordance with paragraph 11 below.
Other shareholders should not use this Form of Proxy. All beneficial shareholders who have dematerialised their shares through a CSDP or broker must provide the CSDP or broker with their voting instruction. Alternatively, if they wish to attend the Annual General Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial shareholder and the CSDP or broker.
- This proxy shall apply to all ordinary shares registered in the name of the shareholder who signs this Form of Proxy at the record date unless a lesser number of shares is inserted.
- A shareholder may appoint one person of his own choice as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the Chairman of the Annual General Meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the Form of Proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this Form of Proxy may not delegate the authority given to him in this Form of Proxy.
- Unless revoked, the appointment of a proxy in terms of this Form of Proxy remains valid until the end of the Annual General Meeting, even if the Annual General Meeting or part thereof is postponed or adjourned.
- If:
 - a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - the shareholder gives contradictory instructions in relation to any matter; or
 - any additional resolution/s which are properly put before the Annual General Meeting; or
 - any resolution listed in the Form of Proxy is modified or amended,
 then the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this Form of Proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in paragraphs 6.1 to 6.4, then the proxy shall comply with those instructions.
- If this Form of Proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this Form of Proxy will not be effective unless:
 - it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or
 - the company has already received a certified copy of that authority.
- The Chairman of the Annual General Meeting may, in his discretion, accept or reject any Form of Proxy or other written appointment of a proxy which is received by the Chairman prior to the time when the Annual General Meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the Chairman shall not accept any such appointment of a proxy unless the Chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.
- Any alterations made in this Form of Proxy must be initialled by the authorised signatory/ies.
- This Form of Proxy is revoked if the shareholder who granted the proxy:
 - gives written notice of such revocation to the company, so that it is received by the company before Tuesday, 31 May 2016; or
 - subsequently appoints another proxy for the Annual General Meeting; or
 - attends the Annual General Meeting himself in person.
- If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own names may, instead of completing this Form of Proxy, appoint a representative to represent them and exercise all of their rights at the Annual General Meeting by giving written notice of the appointment of that representative. That notice will not be effective at the Annual General Meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received at the company's transfer office, Link Market Services South Africa Proprietary Limited, by no later than 13:00, Tuesday, 31 May 2016. If a shareholder does not wish to deliver that notice to that address, it may also be posted, at the risk of the shareholder, to Link Market Services South Africa Proprietary Limited, PO Box 4844, Johannesburg, 2000.
- The completion and lodging of this Form of Proxy does not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person to the exclusion of any proxy appointed by the shareholder.
- The Chairman of the Annual General Meeting may accept or reject any Form of Proxy which is completed and/or received other than in accordance with these instructions, provided that he shall not accept a proxy unless he is satisfied as to the manner in which a shareholder wishes to vote.

Transfer secretaries' office

Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
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GLOSSARY OF TERMS

The terms listed below have been used throughout this Integrated Report.

“Basic EPS”	Earnings for the year attributable to equity holders of Mpact divided by the weighted average number of ordinary shares in issue during the year	“IT”/“ICT”	Information Technology/Information Communication and Technology
“B-BBEE”	Broad-based Black Economic Empowerment	“JSE”	JSE Limited
“BEE”	Black Economic Empowerment	“King III”	King Report on Corporate Governance for South Africa 2009
“CEO”	Chief Executive Officer	“KPI”	Key Performance Indicator
“CFO”	Chief Financial Officer	“Listings Requirements”	Listings Requirements of the JSE
“CIO”	Chief Information Officer	“LTIFR”	Lost Time Injury Frequency Rate
“CIPC”	Companies and Intellectual Property Commission	“MOI”	Memorandum of Incorporation
“Closing earnings yield”	HEPS as a percentage of market value per share at 31 December	“Mpact” or “the Group”	Mpact Limited and its subsidiaries
“Closing PE ratio”	Market value per share at 31 December divided by HEPS	“Net asset value per share”	The net asset value of the company divided by the number of shares in issue, after deducting treasury shares, at the end of the year
“Companies Act”	Companies Act, No 71 of 2008	“Operating profit margin”	EBIT as a percentage of revenue
“Consolidated gearing”	Net debt excluding cash and cash equivalents as a ratio to total equity	“PDIs”	Previously Disadvantaged Individuals
“CSDP”	Central Securities Depository Participants	“PE”	Price earnings, market value per share divided by HEPS
“CSI”	Corporate Social Investment	“PET”	Polyethylene terephthalate
“CSR”	Corporate Social Responsibility	“QSR”	Quick Services Restaurant
“DEA”	Department of Environmental Affairs	“ROCE”	Return on Capital Employed
“Dividend cover”	Underlying EPS divided by dividend per share	“rPET”	Recycled PET
“DTI”	Department of Trade and Industry	“SADC”	Southern African Development Community
“Earnings yield”	HEPS as a percentage of market value per share	“SENS”	Stock Exchange News Service
“EBIT”	Earnings before interest and taxation	“SHE”	Safety, Health and Environment
“EE”	Employment Equity	“the Board”	The Board of directors of Mpact
“EPS”	Earnings per share	“the company”	Mpact Limited
“Exco”	The Executive Committee	“the current year”	The financial year ended 31 December 2015
“FMCG”	Fast Moving Consumer Goods	“the next year”	The financial year ending 31 December 2016
“GDP”	Gross Domestic Product	“the previous year”	The financial year ended 31 December 2014
“GHG”	Greenhouse gas	“underlying earnings”	Net profit after tax and before special items attributable to equity holders of the company
“GRI”	Global Reporting Initiative	“underlying EBIT”	Earnings before interest and taxes and before special items
“HEPS”	Headline earnings divided by the weighted average number of ordinary shares in issue during the year	“underlying operating profit margin”	Operating profit including subsidiaries and joint ventures before special items as a percentage of revenue
“IDC”	Industrial Development Corporation		
“IFRS”	International Financial Reporting Standards		

CORPORATE INFORMATION

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

NOTES

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a template for handwriting practice or general note-taking. The margins are consistent on all sides.



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