

INTERNATIONAL PAPER AND BIDCO DEED OF UNDERTAKING

To: **The DS Smith Shareholders** (as defined below)

From: International Paper Company ("**International Paper**")

6400 Poplar Avenue, Memphis, TN 38197, United States

International Paper UK Holdings Limited ("**Bidco**")

2 New Bailey, 6 Stanley Street, Salford, Greater Manchester, United Kingdom,
M3 5GS

11 September 2024

Proposed acquisition of DS Smith Plc ("**DS Smith**")

1. **Combination**

1.1 In this undertaking (the "**Undertaking**"):

(a) the "**Combination**" means the proposed acquisition by Bidco (an indirect wholly-owned subsidiary of International Paper) of the entire issued and to be issued share capital of DS Smith, to be implemented by way of a scheme of arrangement (the "**Scheme**") under Part 26 of the Companies Act 2006, (the "**Act**") or, subject to the terms of the Co-operation Agreement, if International Paper so elects, a takeover offer within the meaning of section 974 of the Act (the "**Offer**") (including any new, increased, renewed or revised terms of such acquisition), substantially on the terms and conditions set out or referred to in the announcement made pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the "**Code**") dated 16 April 2024 (the "**2.7 Announcement**"), the scheme circular, in a form agreed by International Paper, to be sent to DS Smith Shareholders detailing the further terms and conditions of the Combination and containing the Scheme (the "**Scheme Document**"), and on such other terms and conditions as required to comply with the requirements of the Panel on Takeovers and Mergers (the "**Panel**"), any applicable law or regulation, in each case, as agreed between International Paper and DS Smith; and

(b) the "**DS Smith Shareholders**" means the holders of DS Smith Shares in issue at the Scheme Record Time, excluding any Excluded Shares.

1.2 Unless otherwise defined in this Undertaking or unless the context requires otherwise, capitalised terms shall have the meanings given to them in the Scheme Document.

2. **Condition of Undertaking**

The terms of this Undertaking are conditional upon the Scheme Document being published not later than 17:00 (London time) on 11 September 2024, or such later date as International Paper and DS Smith may agree (and, where required by the Code, as approved by the Panel).

3. **Undertaking to effect the re-registration of DS Smith and implement the Solvency Statement Capital Reduction**

- 3.1 Bidco irrevocably undertakes to the DS Smith Shareholders that:
- (a) it shall, as soon as practicable after the Effective Date, procure that DS Smith effects the re-registration of DS Smith as a private limited company in accordance with the relevant provisions of Part 7 of the Companies Act (the “**DS Smith Re-Registration**”); and
 - (b) it shall, as soon as practicable after the Effective Date and after the DS Smith Re-Registration has become effective, procure that DS Smith:
 - (i) cancels all of its existing share capital using the solvency statement procedure set out in Chapter 10 of Part 17 of the Companies Act (the “**Solvency Statement Capital Reduction**”); and
 - (ii) simultaneously issues one or more new ordinary shares to Bidco, fully paid up, to ensure that there is still at least one share of DS Smith in issue immediately following the Solvency Statement Capital Reduction.
- 3.2 International Paper irrevocably undertakes to the DS Smith Shareholders that:
- (a) it shall procure that Bidco complies with the terms of its undertakings in paragraph 3.1 in full; and
 - (b) no DS Smith Shares are or will be registered in the name of or beneficially owned by International Paper and/or any member of the International Paper Group (and/or any nominee of the foregoing) at the Scheme Record time.

4. Consents

International Paper and Bidco consent to the particulars of this Undertaking being set out in the Scheme Document and any other announcement or document made or published in connection with the Combination.

5. Lapse of Undertaking

- 5.1 All of International Paper and Bidco’s obligations pursuant to this Undertaking will lapse and cease to have effect on the earlier of the following:
- (a) the Scheme Document is not published by 17:00 (London time) on 11 September 2024 (or such later date as DS Smith and International Paper may agree); or
 - (b) unless otherwise agreed by DS Smith and International Paper or required by the Panel, the Scheme has not become effective by 11.59 p.m. (London time) on the Long Stop Date (as defined in the Scheme Document).
- 5.2 If either of International Paper or Bidco’s obligations in this Undertaking lapse, DS Smith and DS Smith Shareholders (as relevant) shall have no claim against International Paper and/or Bidco other than in respect of any prior breach of any of the terms of this Undertaking.

6. Benefit of Undertakings

- 6.1 This Undertaking shall take effect as a deed poll for the benefit of the DS Smith Shareholders and, in the case of paragraph 6.4.1 only, DS Smith.
- 6.2 The obligations expressed to be assumed by International Paper and Bidco herein shall (i) in the case of paragraph 6.4.1 only, enure for the benefit of DS Smith and DS Smith shall be entitled to enforce such obligation against each of

International Paper and Bidco and (ii) other than clause 6.4.1, enure for the benefit of each DS Smith Shareholder, and each DS Smith Shareholder shall be entitled severally to enforce such obligations against each of International Paper and Bidco.

6.3 Neither International Paper nor Bidco may assign or transfer all or any of their obligations pursuant to this Undertaking.

6.4 This Undertaking may:

6.4.1 prior to the Scheme becoming Effective, only be amended, varied or terminated by supplemental deed poll which has first been consented to in writing by DS Smith; and

6.4.2 following the Scheme becoming Effective, not be amended, varied or terminated in any manner.

7. Miscellaneous

7.1 International Paper and Bidco agree that damages may not be an adequate remedy for breach of this Undertaking and accordingly DS Smith and/or DS Smith Shareholders (as relevant) shall be entitled to seek the remedies of specific performance or injunctive relief in respect of any such breach.

7.2 International Paper and Bidco agree that any delay by DS Smith and/or DS Smith Shareholders (as relevant) in exercising, or failing to exercise, any right or remedy under this Undertaking shall not constitute a waiver of such right or remedy. International Paper and Bidco agree that DS Smith and/or DS Smith Shareholders' (as relevant) rights and remedies under this Undertaking are cumulative and not exclusive of any rights or remedies provided by law.

7.3 If any provision of this Undertaking is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Undertaking, but without invalidating any of the remaining provisions.

7.4 Each of International Paper and Bidco shall, at its own cost, use reasonable endeavours to, or procure that any relevant third party shall, do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Undertaking.

8. Governing Law

8.1 This Undertaking is governed by and shall be construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.

8.2 International Paper and Bidco irrevocably agree that the Courts of England shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Undertaking or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims).

8.3 Each of International Paper and Bidco irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts have no jurisdiction.

9. Agent for Service

- 9.1 International Paper irrevocably appoints Law Debenture Corporate Services Limited of 8th Floor, 100 Bishopsgate, London, EC2N 4AG to be its agent for the receipt of a claim form, application notice, order, judgment or other document relating to any proceedings, suit or action ("**Service Documents**"). International Paper agrees that any Service Document may be effectively served on it in connection with proceedings, suit or action in England and Wales by service on its agent effected in any manner permitted by the Civil Procedure Rules.
- 9.2 If the agent at any time ceases for any reason to act as such, International Paper shall appoint a replacement agent having an address for service in England or Wales and shall notify DS Smith of the name and address of the replacement agent. Failing such appointment and notification, DS Smith shall be entitled by written notice to International Paper to appoint a replacement agent to act on behalf of International Paper. The provisions of this clause applying to service on an agent apply equally to service on a replacement agent.
- 9.3 A copy of any Service Document served on an agent shall be sent by first class post to International Paper and by email to jospeh.saab@ipaper.com. Failure or delay in so doing shall not prejudice the effectiveness of service of the Service Document.

(Signature page follows)

IN WITNESS WHEREOF, this Deed has been duly executed and delivered as a deed on the date stated at the beginning of it.

EXECUTED and **DELIVERED** as a deed by)
International Paper Company)
)

in the presence of:

Name of witness:

.....

Address of witness:

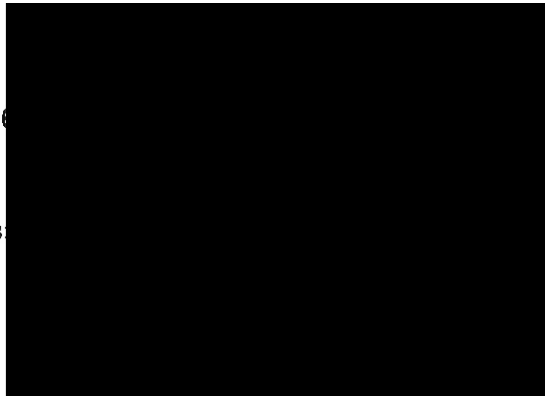
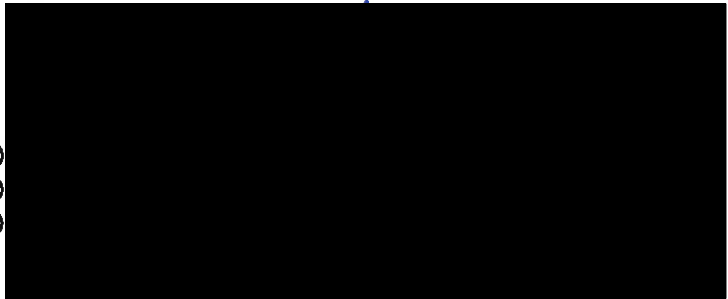
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Occupation of witness:

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Signature of witness:

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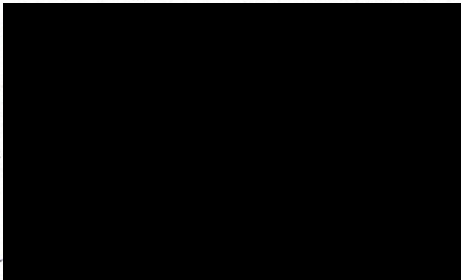
IN WITNESS WHEREOF, this Deed has been duly executed and delivered as a deed on the date stated at the beginning of it.

EXECUTED and DELIVERED as a deed by)
International Paper UK Holdings Limited)



in the presence of:

Name of witness:



Address of witness:

Occupation of witness:

Signature of witness:
