

This letter is important and requires your immediate attention.

If you are in any doubt about the contents of this letter or the action you should take, you are recommended to seek your own independent financial advice immediately from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom. Nothing in this pack constitutes financial advice to any holder of shares, share awards or share options in DS Smith or International Paper.

13 September 2024



Dear Participant,

The DS Smith Plc Deferred Share Bonus Plan and the recommended all-share combination of DS Smith and International Paper: DSBP Awards

On 16 April 2024, DS Smith and International Paper announced that they had reached agreement on the terms of a recommended all-share combination of DS Smith and International Paper (the “**Combination**”). Pursuant to the Combination, International Paper Bidco, a wholly-owned subsidiary of International Paper, will acquire the entire issued, and to be issued, ordinary share capital of DS Smith in consideration for the issuance by International Paper of New International Paper Shares to DS Smith Shareholders.

TAKE ACTION:

**You will need to take action to receive value from any DSBP Awards that you hold.
This will NOT happen automatically.**

**YOU WILL NEED TO ACCEPT YOUR DSBP AWARDS AND THE VESTING TERMS AND
CONDITIONS. YOUR DSBP AWARDS WILL NOT VEST UNTIL YOU DO THIS.**

Further details are explained in section 5 below.

1. Why are we writing to you?

We are writing to explain how the Combination will affect your DSBP Awards.

This letter only applies to you if you hold DSBP Awards.

Please read everything in this letter and everything sent with it (the “Letter”) carefully. The contents are very important.

In this Letter:

- Part A describes the effect of the Combination on your DSBP Awards.
- Part B explains the key words and phrases used in this Letter. Unless otherwise defined, capitalised terms used in this Letter have the same meaning as in the Scheme Document.

Part A

2. The Combination

The Combination will result in DS Smith and its subsidiaries becoming wholly-owned subsidiaries of International Paper.

The Combination will take place through what is called a “scheme of arrangement” (referred to as the “**Scheme**”). This is a procedure that is subject to approval by DS Smith Shareholders. It is also subject to the approval of the Court on a date referred to in this Letter as “**Court Sanction**”. Court Sanction is not the date on which the Combination will be completed. The Combination is currently expected to complete a couple of days after Court Sanction (“**Completion**”). The Combination is also subject to approval by International Paper Shareholders.

Further information on the Scheme is set out in the Scheme Document sent to DS Smith Shareholders on or around the date of this Letter. A copy of the Scheme Document is also available on the DS Smith website at <https://www.dssmith.com/investors/possible-offer-for-ds-smith-by-international-paper>. If you are already a DS Smith Shareholder, the Scheme Document sets out the impact of the Combination on the DS Smith Shares that you currently hold.

This Letter should be read together with the Scheme Document and the International Paper Prospectus. A copy of the International Paper Prospectus can be found on the International Paper website at <https://www.internationalpaper.com/offer-for-ds-smith-plc>.

3. What are the terms of the Combination?

The terms of the Combination are set out in full in the Scheme Document. However, in summary, DS Smith Shareholders will be entitled to receive 0.1285 New International Paper Shares for each DS Smith Share they own (rounded down to the nearest whole New International Paper Share).

4. When is Completion likely to take place?

Completion is currently expected to take place in the final quarter of 2024 but only after a number of conditions are satisfied. The expected timetable of events is available in the Scheme Document at page 15.

5. How does the Combination affect your DSBP Awards?

The Combination will change the usual treatment of your DSBP Awards.

Normally, your DSBP Awards vest three years from the date of grant.

However, as a result of the Combination, your DSBP Awards will vest early in full on Court Sanction, conditional on your acceptance of your DSBP Awards and the Vesting Terms and Conditions (unless your DSBP Awards lapse earlier under the DSBP Rules). Your DSBP Awards will not vest until you accept your DSBP Awards and the Vesting Terms and Conditions.

For the avoidance of doubt, following Court Sanction, DSBP Awards which vest on Court Sanction will not be subject to a holding period.

To the extent that you are entitled under the DSBP Rules and the DSBP Award grant documentation, the number of DS Smith Shares you receive may be increased (or alternatively you may receive a sum in cash) to reflect the value of the dividends that would have been paid on those DS Smith Shares in respect of dividend record dates that fall between the date of grant and the date of vesting.

The DS Smith Shares you receive when your DSBP Awards vest will be automatically purchased by International Paper Bidco under the Combination. You will receive 0.1285 New International Paper Shares for each DS Smith Share you hold at the Scheme Record Time (rounded down to the nearest whole New International Paper Share) less any deductions for taxes and applicable fees.

As you cannot hold a fraction of a New International Paper Share, the number of New International Paper Shares which you receive will be rounded down to the nearest whole share, and a cash amount equal to the value of your fractional entitlements will instead be paid to you (rounded down to the nearest penny). If you are resident outside of the UK, this amount will be converted into your local currency using the prevailing exchange rate (rounded down to the nearest equivalent unit to a penny) and paid to you on the next practicable payroll date.

For your DSBP Awards to vest early on Court Sanction, you will need to accept your DSBP Awards and the Vesting Terms and Conditions which you can find by logging in to your Equiniti account at <http://www.esp-portal.com/clients/DSSmith> by no later than 5:00 p.m. (UK time) on 4 October 2024 (or by any earlier deadline you are told about once the expected date of Court Sanction is known). If you do not accept your DSBP Awards and the Vesting Terms and Conditions, the vesting of your DSBP Awards will be delayed until you do so, and DSBP Awards which remain unvested on Court Sanction will lapse.

Please note that if you have not accepted your DSBP Awards, your DSBP Awards will not be visible on the Equiniti portal. If you are having any difficulties accessing and using the Equiniti portal, including if you cannot see any award on the Equiniti portal that you were expecting to see, please contact the Equiniti helpline on +44 (0) 371 384 2196.

6. When will you receive the New International Paper Shares?

Assuming you accept your DSBP Awards and the Vesting Terms and Conditions by the deadline above, you will receive the New International Paper Shares as soon as reasonably practicable after Completion.

7. What if Court Sanction does not go ahead?

If Court Sanction does not happen for any reason, your DSBP Awards will continue to subsist as normal under the DSBP Rules.

8. What happens if you leave employment with the DS Smith Group before your DSBP Awards vest?

The leaver provisions under the DSBP Rules will apply to your DSBP Awards in the normal way prior to vesting. This means that:

- if you leave for a “good leaver” reason under the DSBP Rules, for example, injury or disability in certain circumstances, retirement with the agreement of your employing entity

and the DS Smith Remuneration Committee, or redundancy (within the meaning of the Employment Rights Act 1996 or any overseas equivalent), the default position is that your DSBP Awards will vest on the earlier of: (i) their normal vesting date; or (ii) the date of Court Sanction. The DS Smith Remuneration Committee may determine that a DSBP Award may vest on the date you leave employment with the DS Smith Group; or

- if you do not qualify as a “good leaver” under the DSBP Rules, your DSBP Awards will lapse on the earlier of the date on which your employment with the DS Smith Group ceases and the date on which notice of your cessation of employment is given or received.

Special rules apply in the event of death.

9. What if you are a PDMR or an insider?

If you are a Person Discharging Managerial Responsibilities (“**PDMR**”) or if the DS Smith Share Dealing Code applies to you, by accepting the Vesting Terms and Conditions you will be deemed to have asked for permission to deal under the DS Smith Share Dealing Code. If appropriate, DS Smith will grant you permission to deal shortly before your DSBP Awards vest. You do not need to request permission to deal under the DS Smith Share Dealing Code in the usual way.

If your DSBP Awards vest in the ordinary course before Court Sanction and you wish to sell your DS Smith Shares before Court Sanction, you must obtain permission to deal in the normal way. You can ask for permission to deal by following the process set out in the relevant dealing policy. However, unless exceptional circumstances exist, it is unlikely that you will be granted permission to deal while you are an insider, or, if you are a PDMR or a closely associated person of a PDMR, during a closed period.

10. What are the tax implications for you?

Please refer to the Tax Guide where general tax notes are provided outlining the tax implications applicable to your DSBP Awards in your jurisdiction. You can find the Tax Guide by logging in to your Equiniti account at <http://www.esp-portal.com/clients/DSSmith>.

11. What if you participate in other DS Smith share plans or are a DS Smith Shareholder?

If you participate in other DS Smith share plans you will receive a separate letter about your other options and/or awards. Please read those letters carefully as the treatment of any options and/or awards under those plans will be different from the treatment of your DSBP Awards.

If you are already a DS Smith Shareholder, please read the Scheme Document which sets out the impact of the Combination on the DS Smith Shares that you currently hold.

12. What if you have any questions?

If you have any questions about your DSBP Awards, how to accept your DSBP Awards and the Vesting Terms and Conditions, or how to access your account on the Equiniti portal, please contact the Equiniti helpline on +44 (0) 371 384 2196.

Please note that DS Smith, International Paper and/or Equiniti cannot give you any legal, tax, investment or financial advice on the merits of the Combination, or its effect on your DSBP Awards.

If you are in any doubt about what you should do you should consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, consult another appropriately authorised independent financial adviser.

13. Important notes

Nothing in this pack constitutes financial advice to any holder of shares, share awards or share options in DS Smith or International Paper.

If you have only received this Letter electronically, you may request a hard copy of this Letter, free of charge, by contacting Equiniti on +44 (0) 371 384 2196 stating your name, and the address to which the hard copy should be sent. You may also request that all future documents, announcements and information to be sent to you in relation to the Combination should be in hard copy form.

If there is any difference between the information in this Letter and the DSBP Rules or any relevant legislation, the DSBP Rules and the legislation will prevail.

Yours faithfully

Miles Roberts
Group Chief Executive
For and on behalf of DS Smith Plc

Yours faithfully

Andy Silvernail
Chief Executive Officer
For and on behalf of International Paper Company

Part B

A brief explanation of some definitions

“Combination” means the proposed recommended combination of International Paper and DS Smith in respect of the entire issued and to be issued share capital of DS Smith, to be implemented by way of the Scheme;

“Completion” means the date on which the Scheme becomes effective in accordance with its terms;

“Court” means the High Court of Justice in England and Wales;

“Court Sanction” means the date on which the Scheme is sanctioned by the Court;

“DSBP” means the DS Smith Deferred Share Bonus Plan, as amended from time to time;

“DSBP Awards” means conditional share awards granted under the DSBP;

“DSBP Rules” means the rules of the DSBP, as amended from time to time;

“DS Smith” means DS Smith Plc, a public limited company incorporated in England and Wales with registered number 01377658;

“DS Smith Directors” means the board of directors of DS Smith;

“DS Smith Group” means DS Smith and its subsidiary undertakings and associated undertakings;

“DS Smith Remuneration Committee” means the remuneration committee of the board of directors of DS Smith;

“DS Smith Share Dealing Code” means the share dealing code in force at DS Smith;

“DS Smith Shareholders” means the holders of DS Smith Shares from time to time;

“DS Smith Shares” means the ordinary shares of 10 pence each in the capital of DS Smith;

“Equiniti” means Equiniti Limited, a private limited company incorporated in England and Wales with registered number 06226088;

“International Paper” means International Paper Company, a New York Corporation, with its headquarters at 6400 Poplar Avenue, Memphis, Tennessee, United States;

“International Paper Bidco” means International Paper UK Holdings Limited, a private limited company incorporated in England and Wales with registered number 15880439;

“International Paper Directors” means the board of directors of International Paper;

“International Paper Group” means International Paper and its subsidiaries and subsidiary undertakings from time to time;

“International Paper Prospectus” means the prospectus to be published by International Paper on or around the date of the Scheme Document;

“International Paper Shareholders” means the holders of International Paper Shares;

“International Paper Shares” means shares of common stock, par value \$1.00 per share, of International Paper;

“New International Paper Shares” means the new International Paper Shares, or the DTC book-entry interests representing such shares, proposed to be issued to Scheme Shareholders under the Scheme;

“Scheme” means the procedure by which International Paper Bidco will become the holder of the entire issued and to be issued ordinary share capital of DS Smith;

“Scheme Document” means the document setting out the terms of the Scheme, dated on or around the date of this Letter, sent to DS Smith Shareholders;

“Scheme Record Time” means 6.00 p.m. on the Business Day immediately after Court Sanction; and

“Vesting Terms and Conditions” means the terms and conditions on the Equiniti portal to be accepted prior to the vesting of DSBP Awards.

Notes

The distribution of this document (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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The DS Smith Directors, whose names are set out in the Scheme Document, accept responsibility for the information contained in this Letter (including, any expressions of opinion), other than the information for which responsibility is taken by others pursuant to the paragraph below. To the best of the knowledge and belief of the DS Smith Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The International Paper Directors, whose names are set out in the Scheme Document, accept responsibility for the information contained in this Letter (including any expressions of opinion) relating to the International Paper Group, the International Paper Directors and their respective immediate families and the related trusts of and persons connected with the International Paper Directors, and persons deemed to be acting in concert with International Paper (as such term is defined in the Code). To the best of the knowledge and belief of the International Paper Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.