

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 2008 Performance Share Plan and the recommended all-share combination of DS Smith and International Paper: PSP 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 PSP Awards that you hold. This will NOT happen automatically.

YOU WILL NEED TO ACCEPT YOUR PSP AWARDS AND THE VESTING TERMS AND CONDITIONS. YOUR PSP 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 PSP Awards.

This letter only applies to you if you hold PSP 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 PSP 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 PSP Awards?

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

Normally, your PSP Awards vest three years from the date of grant, subject to the satisfaction of applicable performance conditions. The performance conditions are normally assessed after the end of the relevant performance period and the extent to which the conditions are satisfied will determine whether (or to what extent) your PSP Awards vest and, accordingly, the number of DS Smith Shares you will be entitled to receive.

However, as a result of the Combination, your PSP Awards will vest early on Court Sanction, conditional on your acceptance of your PSP Awards and the Vesting Terms and Conditions (unless your PSP

Awards lapse earlier under the PSP Rules). Your PSP Awards will not vest until you accept your PSP Awards and the Vesting Terms and Conditions.

The extent to which your PSP Awards will vest is subject to the DS Smith Remuneration Committee's determinations on the satisfaction of applicable performance conditions, which will be assessed by the DS Smith Remuneration Committee on or shortly before Court Sanction, and time pro-rating.

The DS Smith Remuneration Committee currently expects that:

- (i) the **2022 PSP Awards** and **2023 PSP Awards** will not be subject to time pro-rating and following the assessment of performance conditions will vest at a level that is no less than 66%; and
- (ii) **2024 PSP Awards** will be subject to time pro-rating to the nearest whole month and subject to performance assessment (assessed on or shortly before Court Sanction).

Once the DS Smith Remuneration Committee has determined the extent to which your PSP Awards will vest (if at all) and whether time pro-rating will apply, you will be notified of its decision. Any part of your PSP Awards that does not vest due to the assessment of applicable performance conditions or the application of time pro-rating will lapse on Court Sanction.

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

To the extent that you are entitled under the PSP Rules and the PSP 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 PSP 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 (unless you are resident in France) 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.

If you hold **2024 PSP Awards** immediately before Court Sanction and you remain an employee of the DS Smith Group on Completion (or were an employee of the DS Smith Group immediately before Completion and you become an employee of the International Paper Group on or around Completion), International Paper will grant you a transition or substitute award over International Paper Shares (a "**Transition Award**") as soon as reasonably practicable after Completion. The Transition Award will reflect the value of the DS Smith Shares subject to your unvested PSP Awards which will lapse due to the application of time pro-rating discussed above. See section 6 below.

For your PSP Awards to vest early on Court Sanction, you will need to accept your PSP 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 PSP Awards and the Vesting Terms and Conditions, the vesting of your PSP Awards will be delayed until you do so, and any PSP Awards which remain unvested on Court Sanction will lapse.

Please note that if you have not accepted your PSP Awards, your PSP 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. Will you receive anything to replace the part of your 2024 PSP Awards which lapses as a result of time pro-rating?

Yes. As explained in section 5 above, if you hold 2024 PSP Awards immediately before Court Sanction and you remain an employee of the DS Smith Group on Completion (or were an employee of the DS Smith Group immediately before Completion and you become an employee of the International Paper Group on or around Completion), International Paper will grant you a Transition Award over International Paper Shares as soon as reasonably practicable after Completion.

The Transition Award will be granted under (or on equivalent terms to) the International Paper 2024 Long-Term Incentive Compensation Plan and will be equal in value to the value of the DS Smith Shares subject to your unvested 2024 PSP Awards which will lapse due to the application of time pro-rating (as applied after the assessment of any applicable performance conditions). Dividend equivalents in respect of your Transition Award will be payable in accordance with the rules of the International Paper 2024 Long-Term Incentive Compensation Plan. The rules will be made available to you on grant of the Transition Award.

Your Transition Award will not be subject to performance assessment. It will be subject to continued employment with a member of the International Paper Group (except for certain “good leaver” circumstances described in the Co-operation Agreement). It will vest in full or be cancelled in exchange for a cash payment on: (i) the original vesting date of your 2024 PSP Awards if you are still employed by a member of the International Paper Group at that time; or (ii) if you leave employment in the “good leaver” circumstances described in the Co-operation Agreement, the date you leave employment.

If you leave employment in the certain “good leaver” circumstances described in the Co-operation Agreement after Completion but before your Transition Award is granted, your Transition Award will instead be paid to you in cash as soon as practicable after your employment ends.

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

Assuming you accept your PSP 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.

8. What if Court Sanction does not go ahead?

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

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

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

- if you leave for a “good leaver” reason under the PSP 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 PSP Awards will vest, subject to the satisfaction of the applicable performance conditions and any time pro-rating that may be applied, on the earlier of: (i) their normal vesting date; or (ii) the date of Court Sanction. In exceptional circumstances, the DS Smith Remuneration Committee may determine that a PSP 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 PSP Rules, your PSP 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.

10. 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 PSP Awards vest. You do not need to request permission to deal under the DS Smith Share Dealing Code in the usual way.

If your PSP 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.

11. 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 PSP 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>.

12. 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 PSP 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.

13. What if you have any questions?

If you have any questions about your PSP Awards, how to accept your PSP 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 PSP 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.

14. 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 PSP Rules or any relevant legislation, the PSP 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

“2022 PSP Awards” means PSP Awards granted under the PSP in respect of DS Smith’s financial year beginning on 1 May 2022;

“2023 PSP Awards” means PSP Awards granted under the PSP in respect of DS Smith’s financial year beginning on 1 May 2023;

“2024 PSP Awards” means PSP Awards granted under the PSP in respect of DS Smith’s financial year beginning on 1 May 2024;

“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;

“Co-operation Agreement” means the co-operation agreement between International Paper and DS Smith dated 16 April 2024;

“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;

“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;

“PSP” means the DS Smith 2008 Performance Share Plan, as amended from time to time;

“PSP Awards” means conditional awards over DS Smith Shares granted under the PSP;

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

“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 PSP 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.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any securities by any person in any jurisdiction (a) in which such offer or invitation is not authorised, (b) in which the person making such offer or invitation is not qualified to do so, or (c) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where the making of such offer, solicitation or invitation would impose any unfulfilled registration, qualification, publication or approval requirements on DS Smith, International Paper or any of their respective directors, officers, agents, affiliates and advisers. No action has been taken nor will be taken in any jurisdiction by any such person that would permit a public offering of any securities in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Neither DS Smith nor International Paper nor their respective directors, officers, agents, affiliates or advisers accept any responsibility for any violation of any of these restrictions by any other person.

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.