

Mpact Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2004/025229/06)  
JSE share code: MPT ISIN: ZAE000156501  
("Mpact Limited" or "the Company")

### **Update on Competition Commission investigations**

Mpact notes the media statement issued by the Competition Commission (the Commission) yesterday regarding the conclusion of a consent agreement with New Era Packaging regarding historic investigations initiated by the Commission pertaining to alleged anti-competitive conduct between Mpact and New Era.

As previously advised, Mpact was a respondent in alleged historic anti-competitive conduct involving New Era that was initiated by the Commission on 16 May 2016. The investigation in relation to corrugated packaging concerned interactions between a former employee of Mpact and a representative of New Era in its capacity as a competitor prior to 2016. The investigation in relation to recycling, emanated from the initial investigation by the Commission, and related to historic conduct that arose from a shortage of supply of recyclable material in the market required for the production of paper. In order to ensure Mpact was able to continue to supply paper to its customers, including New Era, for a relatively short period New Era facilitated the supply of baled recyclable material to Mpact from one of its significant suppliers of such material. The conduct in question related to certain communications between the parties in the context of a request from the supplier to change the price the supplier had agreed.

As soon as the conduct was brought to the attention of the Board in 2016, the Board immediately engaged with the Commission and has been co-operating with the Commission since then in relation to its investigations. In so doing, the Board acted in a diligent manner and in the best interests of the Company. Mpact has co-operated with the Commission, and dealt with the issues identified transparently through applying for corporate leniency in respect of the Commission's investigations referred to above. Pursuant to its leniency policy, the Commission is not seeking the imposition of a penalty against Mpact in the complaints, which have been settled by New Era without any admission of liability. Mpact is pleased to note that, as the Commission has settled with New Era, this historic matter has now been finalised.

As previously notified on SENS on 13 February 2020, Mpact and the Commission have also concluded a settlement agreement relating to Mpact's historic acquisition of minority interests in certain sheet plants. These minority interests were acquired by Mpact's predecessor-in-title, prior to Mpact's listing on the JSE in 2011, and were not notified to the Competition Authorities

at the time of the acquisitions. Mpact drew the historic non-notifications to the Competition Commission's attention and notified the acquisitions in 2019 as well as informing it of the fact that Mpact had engaged with the sheet plants on the basis that they formed part of the Mpact Group of companies. Mpact subsequently resolved all matters relating to the minority shareholdings which it held in these entities with the Commission through the comprehensive settlement amounting to R7 million.

Mpact seeks to uphold the highest standards of governance and believes that it has acted ethically, diligently and transparently, in the best interests of all stakeholders throughout the Commission's investigation. The Group has in place numerous measures to ensure good corporate governance across all its operations.

Melrose Arch

25 July 2024

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