
21 APRIL 2017

Further information for shareholders in relation to Smurfit Kappa's Remuneration Policy

The Directors' Remuneration Report set out on pages 71 to 84 of the Smurfit Kappa Group plc ('SKG' or the 'Group') 2016 Annual Report and Accounts includes the Group's Remuneration Policy. SKG, being committed to the highest standards of corporate governance, has put forward this Policy for shareholder approval, by way of an advisory resolution, at the 2017 AGM. This resolution is in line with UK legal requirements applicable to UK incorporated public companies. As an Irish incorporated company, however, SKG is not legally required to comply with these requirements but is doing so to align with best-practice.

SKG wishes to confirm aspects of its Remuneration Policy. As set out on page 73 of the Annual Report, variable remuneration under the Annual Bonus Plan and the Deferred Annual Bonus Plan are subject to maximum limits for the duration of the proposed Remuneration Policy. In determining appropriate remuneration arrangements for any new executive Director, the Remuneration Committee (the Committee) would align their remuneration package with SKG's Remuneration Policy. Variable remuneration in respect of an executive Director's appointment shall be subject to the limits incorporated under the Remuneration Policy.

However, the Committee may make awards on appointing an executive Director to 'buyout' remuneration forfeited on leaving a previous employer. In doing so the Committee will take account of relevant factors including any performance conditions attached to these awards, the form in which they were granted (e.g. cash or shares) and the time over which they would have vested. The Committee's key principle is that buy-out awards will be made on a like-for-like basis to those forfeited. In the event that such an award is made, the Committee will provide an explanation for the award in the Remuneration Report following its grant. To facilitate awards outlined above, the Committee may grant awards under Group incentive schemes or under the Listing Rule 9.4.2 of the Financial Conduct Authority. In line with the approach for executive Directors, the remuneration arrangements for any new non-executives would be aligned with the Remuneration Policy.

In the event of the departure of an executive, page 74 of the 2016 Annual Report sets out executive Directors' entitlements under contractual provisions. The treatment of awards under the Deferred Annual Bonus Plan will be based on the rules of that plan (approved by shareholders at the 2011 AGM). Unless the Committee decides otherwise, the number of shares eligible to vest under the plan will be reduced pro rata to reflect the time served from the date of the award to cessation as a proportion of the original performance period.

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