

Group Trades in Sappi Limited Securities Policy

Securities laws provide for severe penalties for individuals who trade in securities on the basis of material non-public information or tip such information to others, including civil penalties, criminal fines (regardless of the amount of profit), and imprisonment. The following policy has been adopted in an effort to prevent such conduct, and to avoid even the appearance of such conduct, on the part of employees of Sappi Limited and its subsidiaries.

Securities laws apply in South Africa, Europe, the United States of America and every other country in which Sappi Limited and its subsidiaries do business.

General statement

Although there are more stringent rules that apply particularly to officers and directors, the following applies to everyone. If an employee of Sappi Limited or any of its subsidiaries has material non-public information with respect to Sappi Limited or any of its subsidiaries, it is the policy of Sappi Limited that neither that person nor any member of his or her family or household may buy or sell securities of Sappi Limited or engage in any other action to take advantage of, or pass on to others, that information, or make any recommendation with respect to the purchase or sale of Sappi Limited securities. This policy also applies to non-public information relating to any other listed company obtained in the course of employment with Sappi Limited or any of its subsidiaries.

Transactions which may be necessary or justifiable for independent, non-investment reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct. For this reason, an employee of Sappi Limited or any of its subsidiaries should clear any proposed transaction in Sappi Limited securities with his or her Legal Department before carrying out the transaction.

Material information

Material information is any information that a reasonable investor would consider important in making a decision to buy, hold or sell Sappi Limited securities. In short, any information which could reasonably be expected to affect the price of the securities is material, whether the affect would be positive or negative.

Examples:

Common examples for information which will frequently be regarded as material are: reports of earnings or losses; projections of future earnings or losses; news of a pending or proposed merger, acquisition or tender offer; news of a pending or proposed significant sale of assets or the disposal of a subsidiary; changes in dividend policies or the declaration of a securities split or the offering of additional securities; changes in senior management; impending financial liquidity problems; the gain or loss of a substantial customer or supplier; or other important business development. Either positive or negative information may be material.

Twenty-twenty hindsight

Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in a transaction you should consider carefully how your transaction may be viewed in hindsight.

Transactions by members of family and household

The same restrictions apply to your family members and others living in your household. Employees are expected to be responsible for the compliance of their immediate family and personal household. In this regard, the phrase 'immediate family' is construed broadly by Sappi Limited, and in any event is meant to include an individual's spouse, children, parents, siblings and spouse's parents and siblings.

Tippling information to others

Employees must not pass material non-public information that could have an impact on Sappi Limited's securities price to others. Severe penalties under the securities laws apply whether or not an employee derives any benefit from another's actions. Under no circumstances is it ever appropriate to provide advice or recommendations to others with respect to the purchase or sale of Sappi Limited securities.

...continued overleaf

Group Trades in Sappi Limited Securities Policy continued

When information is public

As a matter of company policy, certain persons, such as directors and employees who may have access to unpublished price sensitive information, are precluded from trading in Sappi Limited securities from the end of each quarter until two clear days after the release of the results for each respective quarter ('closed period'). Prior to dealing in Sappi Limited securities (even outside closed periods), such persons should obtain clearance through the Sappi Limited Group Secretary from the Chairman or persons designated by the Chairman for this purpose. The Group Secretary will send a letter each year to these persons reminding them that they are not entitled to trade in Sappi Limited securities during any closed period.

Additional prohibited transactions

Employees should not engage in short-term or derivative transactions involving Sappi Limited securities, particularly if the transaction could lead to a required sale or purchase of securities at an inappropriate time. Accordingly, it is the policy of Sappi Limited and its subsidiaries that employees not engage in any of the following transactions with respect to securities of Sappi Limited without specific approval from the Chairman: (i) purchase of Sappi Limited securities on margin, (ii) short sales of Sappi Limited securities, or (iii) buying or selling of puts or calls in Sappi Limited securities.

Company assistance

Any employee who has questions about either specific transactions or this policy in general should obtain additional guidance from their Legal Department. However, the ultimate responsibility for adhering to this policy and avoiding improper transactions rests with the employee.

Disciplinary action

Any employee who fails to comply with this policy will be subject to disciplinary action up to and including dismissal.

The main purpose of this policy is to help ensure that directors and employees exposed to price sensitive information do not place themselves under suspicion of abusing this information. However, please remember that compliance with the above rules does not in itself absolve an employee from contravention of such laws against insider trading as may be applicable in the circumstances.

Steve Binnie
Chief Executive Officer
Sappi Limited