

PRO-PAC PACKAGING LIMITED

A.C.N. 112 971 874

NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of Pro-Pac Packaging Limited will be held at Level 9, 33 Erskine Street, Sydney, NSW on 25 November 2014 at 11.30am.

BUSINESS

1. To receive and consider the Financial Report of the Company and of the Consolidated Entity for the year ended 30 June 2014 and the Reports by Directors and Auditors thereon.
2. To receive, consider and adopt the Remuneration Report of the Company and Consolidated Entity for the year ended 30 June 2014.
3. To confirm the appointment of Mr Ahmed Fahour as a director of the Company.
4. To re-elect Dr Gary Weiss as a director of the Company.
5. For the purposes of ASX Listing Rule 10.17, clause 39 of the Company's constitution and for all other purposes, to increase the maximum aggregate annual remuneration that may be paid by the Company to its non-executive directors as remuneration for their services as directors from \$200,000 to \$400,000, with effect from 1 December 2014.
6. To reduce the Company's share capital by cancellation of 75,000 shares currently on issue to former employees or which have lapsed under the Company's Executive Long Term Incentive Plan (ESPP).
7. General Business: To transact any other business that may be brought forward in accordance with the Constitution of the Company.

EXPLANATORY MEMORANDUM

An Explanatory Memorandum & Notes to the Notice of Meeting accompanies and forms part of this Notice of Meeting.

By Order of the Board

Mark Saus
Company Secretary

15 October 2014
Sydney.

PRO-PAC PACKAGING LIMITED

A.C.N. 112 971 874

EXPLANATORY MEMORANDUM & NOTES TO NOTICE OF MEETING

GENERAL INFORMATION

Documents

A proxy form accompanies these documents.

Persons entitled to vote

Under regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the General Meeting will be as it appears in the share register at 7.00pm Sydney time on 23 November 2014.

How to vote

If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.

Voting in person

To vote in person, attend the meeting at the time and place set out in this notice of meeting.

Voting by proxy

To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.

Proxies

A member who is entitled to vote at the meeting, may appoint:

- ✦ one proxy if the member is only entitled to one vote; or
- ✦ one or two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.

A proxy need not be a member of the Company.

The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.

The proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit) at:

The Company's registered office 147 -151 Newton Rd, Wetherill Park, New South Wales 2164 (PO Box 6484, Wetherill Park, NSW, 2164) or the following fax number at the Company's registered office: (02) 8781 0599.

Voting by attorney

A member may appoint an attorney to act on the member's behalf at the meeting. The power of attorney or such other evidence of the attorney's appointment and authority to the satisfaction of the Directors must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting.

Voting exclusion statement

Resolution 2

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel ("KMP") of the Company (being Resolution 2), the Corporations Act 2001 (Cth) restricts KMP and their closely related parties from voting in some circumstances. Closely related party is defined in the Corporations Act and includes spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

The Company will disregard any votes cast on Resolution 2 by or on behalf of a KMP named in the Remuneration Report or that KMP's closely related party, unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form. For clarity, if you chose to nominate a member of KMP as your proxy, please mark either the "For", "Against" or "Abstain" boxes for your vote to be recorded as valid.

Resolution 5

The Company will disregard any votes cast in relation to Resolution 5 by:

- (i) the Directors and their associates; and
- (ii) any KMP or their closely related parties acting as a proxy.

However, the Company need not disregard a vote if:

- (iii) it is cast by a person (including the KMP or their closely related parties) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (iv) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, where the proxy form does not specify the way the proxy is to vote on this Resolution but expressly authorises the person chairing the meeting to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company. The person chairing the meeting intends to vote all available proxies in favour of this Resolution.

Enquiries

For further information, please contact Mark Saus at the Company on (02) 8781 0500.

INFORMATION ON MATTERS TO BE CONSIDERED

Item 1 - Financial Report

In accordance with the Corporations Act and the Constitution of the Company the Financial Report of the Company and of the Consolidated Entity for the period ended 30 June 2014 and the Reports by Directors and Auditors thereon are to be laid before the Annual General Meeting.

There is no formal resolution to be put in respect of this matter. However shareholders will be given the opportunity to make comments and ask questions of the Board and the Auditor in respect of the reports. In addition shareholders are able to submit questions to the Company for the Auditor prior to the meeting. The list of any such questions will be presented at the meeting for discussion and responses.

Item 2 - Remuneration Report

In accordance with section 250R(2) of the Corporations Act 2001, a resolution must be put to shareholders that the remuneration report of the Company, as included in the Directors' Report, be

adopted. A copy of this report can be found on pages five to eight of the Company's annual report and can also be found on the PPG website at www.ppgaust.com.au.

The resolution is not binding upon the Company or the Board but must be put and the Chair of the meeting must provide reasonable opportunity at the meeting for shareholders to ask questions about and comment on the remuneration report.

For the voting exclusions applicable to this Resolution 2, please refer to page 2 of this Notice of Meeting.

Items 3 – Confirmation of Director

Mr Fahour was appointed to a casual vacancy on the Board on 28 March 2014. In accordance with the Company's Constitution, the Corporations Act and other statutory requirements, Mr Fahour may not hold office past the next annual general meeting of the Company without confirmation by the members.

Information about the appointment, qualifications and experience of Mr Fahour is presented below:

Ahmed Fahour B Econ, MBA

(Non-Executive Director – appointed 28 March 2014)

Mr Fahour was appointed Managing Director and CEO of Australia Post in February 2010. He has held a number of senior executive positions within the finance and banking industries in Australia and overseas and was previously CEO of Citigroup (Australia and New Zealand) and National Australia Bank (Australia), and he is the former chairman of Rip Curl Group. Mr Fahour is currently Executive Chairman of Our Neighbourhood and Star Track, as well as a director of Methodist Ladies' College (Melbourne) and the Carlton Football Club. He is also an Adjunct Professor in the Faculty of Business, Economics and Law at La Trobe University.

Mr Fahour is a member of the Remuneration Committee of Pro-Pac.

Items 4 - Re-election of Director

The Company's constitution provides that at each annual general meeting of the Company, one third of the directors retire from office but no director may retain office for more than three years without submitting himself or herself for re-election. Dr Weiss retires in accordance with the Constitution and being eligible, offers himself for re-election.

Information about the appointment, qualifications and experience of Dr Weiss is presented below:

Dr Gary Weiss LL.B (Hons), LL.M (with dist.),
Doctor of Juridical Science (JSD)

(Non-Executive Director – appointed 28 May 2012)

Dr Weiss is Chairman of ClearView Wealth Limited (appointed 22 October 2012) and Secure Parking Pty Ltd (appointed 1 November 2004). He is a Director of Ariadne Australia Limited (appointed 28 November 1989), Premier Investments Limited (appointed 11 March 1994), Ridley Corporation Ltd (appointed 21 June 2010), Mercantile Investment Company Limited (appointed 6 March 2012), Tag Pacific Limited (appointed 1 October 1988) and The Straits Trading Company Limited (appointed 1 June 2014).

Dr Weiss is Chairman of the Audit and Remuneration Committees

Item 5 – Increase annual limit for Directors' fees

The Company is seeking Shareholder approval to increase the maximum aggregate remuneration payable to non-executive Directors by way of Directors' fees (**NED Fee Pool**) by \$200,000, from \$200,000 per annum to \$400,000 per annum.

Approval for the increase is required under ASX Listing Rule 10.17 and clause 39 of the Company's Constitution.

If approved, the increase to the NED Fee Pool will take effect from 1 December 2014, with the NED Fee Pool being divided between the non-executive Directors as the Board determines. For the period from 1 December 2014 until 30 June 2015 (ie, the remainder of the current financial year), the increased NED Fee Pool (if approved) will apply on a pro rata basis.

The following matters have been considered in determining the proposed increase to the NED Fee Pool:

- (a) The NED Fee Pool has not increased since the Company listed in 2005. The remuneration of each non-executive Director for the year ended 30 June 2013 is disclosed in the Company's 2014 Annual Report.
- (b) Noting that the number of Directors recently increased from 3 to 4, approval to increase the NED Fee Pool is being sought to ensure that an appropriate mix of knowledge and experience is carried forward and represented to on the Board, and to ensure that the Company maintains the ability to attract and retain high calibre non-executive directors.
- (c) The Board considers the increased NED Fee Pool (if approved) is consistent for a

company of this size, complexity and market capitalisation, and the increase will provide flexibility to adjust fees in future to reflect market benchmarks.

For the avoidance of doubt, the proposed increase in the NED Fee Pool does not impact on the remuneration arrangements of the executive Directors, as the executive Directors will not receive separate Directors' fees in addition to the remuneration packages they receive in their senior executive capacity.

Item 6 – Cancellation of forfeited shares

75,000 shares previously issued to certain employees under the Company's Executive Long Term Incentive Plan (ESPP) have been forfeited in terms of the plan. In order to give effect to the forfeiture, these shares must be cancelled by an ordinary resolution of shareholders under Section 258(D) of the Corporations Act 2001.

The cancellation will have the following impact on the Company's capital:

Current Issued Capital	226,693,758
Issued Capital following cancellation	226,618,758

PRO-PAC PACKAGING LIMITED

A.C.N. 112 971 874

Registered Office: 147-151 Newton Rd, Wetherill Park, Sydney, NSW 2164, Australia

PO Box 6484, Wetherill Park, NSW, 2164
Phone: (02) 8781 0500 Fax: (02) 8781 0599

PROXY FORM

I,
(FULL NAME, BLOCK LETTERS)

of

being a member of Pro-Pac Packaging Limited.

SECTION A

HEREBY APPOINT
of

or, failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 25 November 2014 at 11.30 am (Sydney time) at Level 9, 33 Erskine Street, Sydney, NSW, or at any adjournment thereof. The proxy so appointed shall represent all my/our voting rights except those (if any) specified in B below.

SECTION B (DO NOT COMPLETE THIS SECTION UNLESS YOU WISH TO APPOINT TWO PROXIES)

AND I FURTHER APPOINT
of

as my proxy to vote for me/us and on my/our behalf at the said meeting or at any adjournment thereof. The proxy, appointed by this Section B, shall represent my/our voting rights in respect of shares.

I/ we instruct my/our proxy to vote as indicated below in respect of the resolutions:

	A			B		
	For	Against	Abstain	For	Against	Abstain
Item 2 – Adoption of Remuneration Report						
Item 3 – Confirmation of Mr Ahmed Fahour as a Director						
Item 4 – Election of Dr Gary Weiss as a Director						
Item 5 – Increase annual limit for Directors' fees						
Item 6 – Cancellation of forfeited shares						

Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on all Resolutions (except where I/we have indicated a different voting intention above) even though the Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

If the Chairman is your proxy and you do not wish to direct your proxy how to vote, please place a mark in the box:

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on Resolutions and your votes will not be counted in calculating the required majority if a poll is called on Resolutions. The Chairman intends to vote all available proxies in favour of all Resolutions.

Signed this.....day of2014.

.....
Signature of Shareholder (s)

.....
Signature of Witness

This proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit) at the Company's registered office: 147-151 Newton Road, Wetherill Park NSW 2164 (PO Box 6484, Wetherill Park NSW 2164); or the following fax number at the Company's registered office: (02) 8781 0599.