



Pro-Pac Packaging Limited ABN: 36112971874

12 May 2015.

Appointment of Peter Sutton as CEO, Pro-Pac Packaging Limited

Further to the announcement made on 24 February 2015, the Company is pleased to announce that Peter Sutton has been appointed as CEO of the Group with effect from 13 May 2015.

A summary of the Main Terms of the Executive Service Agreement executed between Pro-Pac Packaging Limited and Mr Sutton is set out below.

1. Appointment

The appointment is to the position of Chief Executive Officer.

2. Term

The appointment is ongoing, with termination provisions summarized below.

3. Duties

The duties of Mr Sutton are those expected of the CEO, reporting to and receiving directions from the Board. Mr Sutton is also to comply with the Company's policies as applicable from time to time.

4. Remuneration

There are three components of Mr Sutton's remuneration. They are:

a. Fixed Remuneration

Mr Sutton will be paid Fixed Remuneration, comprising regular cash payments, any salary sacrifice items, and superannuation. The total Fixed Remuneration (TRP) will initially be \$400,000 per annum. The TRP may be reviewed from time to time and any increases are at the sole discretion of the Company

b. Short Term Incentive

Mr Sutton will be eligible for discretionary annual short term incentives (STI). Mr Sutton is entitled to a bonus of 30% of TRP for FY15 if internal profit and working capital targets are met and is payable in cash following the end of the performance year. Any STI for FY16 and beyond will be negotiated with the Remuneration Committee.

c. Long term incentive

Mr Sutton will be eligible to participate in the Company's Long Term Incentive Plan (ESPP) and will be awarded 1,000,000 ordinary shares in the Company in accordance with the Company's ESPP plan. Vesting will be subject to the Company meeting its key performance indicators. The award is subject to shareholder approval at the 2015 AGM.

Participation in the STI and LTI are conditional upon continued employment with the Company and satisfying the relevant criteria of the incentive plans.

5. Termination

Mr Sutton may resign at any time on giving three months' notice and the Company may terminate Mr Sutton's employment on three months' notice. On termination of employment following notice by Mr Sutton or the Company, the Company will pay all Fixed Remuneration and any statutory entitlements owing to Mr Sutton.

There are provisions for immediate termination for misconduct, when only accrued Fixed Remuneration and statutory entitlements will be payable.

There is also a provision that in the event of the completion of a sale of all or substantially all of the assets of or shares in the Company (Change of Control), then a notice period of six months will apply and Mr Sutton may elect to receive payment in lieu of notice. This clause will remain in effect whether or not ongoing employment is offered by the acquiring party.

6. Restrictive Covenant

Mr Sutton is restrained during the period and for up to six months after termination from competing with the Company and soliciting customers, suppliers and employees of the Company.

7. Other provisions

The agreement also contains general provisions including provisions regarding confidential information, intellectual property and morals rights.

Ends.

About PPG

Pro-Pac Packaging Limited is a diversified manufacturing and distribution company, providing innovative, flexible and rigid packaging solutions for a broad group of customers. PPG is headquartered in Sydney with operations in Adelaide, Brisbane, Melbourne and Perth. PPG's securities are listed and quoted on the ASX.

For further information on PPG visit www.ppgaust.com.au