

6 July 2018

The Manager
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Pro-Pac Packaging Limited (ASX:PPG)
Despatch of Share Purchase Plan Offer Booklet and Application Form to Eligible Shareholders

Pro-Pac Packaging Limited confirms that the enclosed documents will be despatched today.

Yours faithfully



Mark Saus
Company Secretary



Share Purchase Plan Offer Booklet

To raise \$4 million

Offer closes at 5:00pm (Sydney time) on Monday, 30 July 2018

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an important document that requires your immediate attention. This document and the accompanying personalised Application Form should be read in their entirety. This document is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with the Australian Securities and Investments Commission.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or call the PPG Offer Information Line on 02 9290 9600 (within Australia) or +61 2 9290 9600 (outside Australia) at any time between 8:30am and 5:00pm (Sydney time) on Monday to Friday during the SPP Offer period.

Important Notices

Defined terms used in these important notices have the meaning given in this Offer Booklet.

This Offer Booklet is dated 6 July 2018.

The offer of New Shares under the SPP is an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been made in accordance with ASIC Class Order [C0 09/425], which grants relief from the requirement for PPG to provide prospectus disclosure in relation to the SPP. This Offer Booklet is not a prospectus under Chapter 6D of the Corporations Act and has not been lodged with ASIC. Accordingly, the level of disclosure in this Offer Booklet is significantly less than that required in a prospectus or other disclosure document. Eligible Shareholders should therefore rely upon their own knowledge of PPG, refer to disclosures made by it to the ASX, and refer to their professional advisers before deciding whether to participate in the SPP.

The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet should be read in its entirety before you decide to participate in the SPP Offer.

Participation in the SPP Offer is only open to holders of fully paid ordinary shares in PPG at 7.00pm (Sydney time) on Friday, 29 June 2018 and whose address on the share register is in Australia or New Zealand provided that such shareholder is not in the United States or acting for the account or benefit of a person in the United States. The SPP Offer is also being extended to eligible shareholders of PPG who are custodians to participate in the SPP Offer on behalf of certain eligible beneficiaries on the Terms and Conditions set out in this Offer Booklet.

Eligible Shareholders will receive an Application Form with this Offer Booklet.

By returning an Application Form or otherwise paying for your New Shares through BPAY® or cheque in accordance with the instructions on the Application Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the SPP Offer set out in this Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES AND OTHER OVERSEAS JURISDICTIONS

No overseas offering

This Offer Booklet and the accompanying Application Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such offer or invitation. In particular, this Offer Booklet does not constitute an offer to Excluded Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Offer Booklet is not to be distributed, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the SPP Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of PPG with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Offer not made in the United States

This Offer Booklet and the accompanying Application Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Application Form may be distributed or released in the United States. The New Shares offered in the SPP Offer have not been, and will not be, registered under the *U.S. Securities Act of 1933*, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act (which PPG has no obligation to do so or procure) or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The New Shares to be offered and sold in the SPP Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

No representations

No person is authorised to give any information or to make any representation in connection with the SPP Offer which is not contained in this Offer Booklet. Any information or representation in connection with the SPP Offer not contained in the Offer Booklet may not be relied upon as having been authorised by PPG or any of its officers.

Times and dates

Times and dates in this Offer Booklet are (except where historical) indicative only and subject to change. All times refer to Sydney, Australia time.

Currency

Unless otherwise stated, a reference to dollars (\$) or cents (¢) in this Offer Booklet is a reference to Australian currency.

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Chairman's Letter

6 July 2018

Dear Shareholder,

On behalf of the Directors of Pro-Pac Packaging Limited (**PPG**), I am pleased to offer you the opportunity to participate in the PPG Share Purchase Plan (**SPP**). The SPP invites Eligible Shareholders to subscribe for up to \$15,000 worth of new ordinary shares in PPG (**New Shares**), without incurring brokerage or other transaction costs (**SPP Offer**).

The SPP aims to raise \$4 million at an issue price of \$0.34 per New Share (representing 11,764,706 New Shares) and is fully underwritten to \$4 million by Bell Potter Securities Limited (**Underwriter**). If valid applications for the SPP are received in excess of \$4 million, the Board reserves the right to accept a higher amount.

The SPP opens on Monday, 9 July 2018 and is expected to close at 5.00pm (Sydney time) on Monday, 30 July 2018. New Shares are expected to be issued and commence trading on the ASX on Wednesday, 8 August 2018.

Use of Proceeds

On 2 July 2018, PPG announced it had entered into a binding agreement to acquire (through its subsidiary, Integrated Packaging Group Pty Ltd), 100% of Perfection Packaging Pty Ltd and Perfection Packaging Unit Trust in consideration for \$49.8 million (**Acquisition**). Payment of the consideration for the Acquisition is to be satisfied in part by cash consideration of \$39.84 million and equity consideration of \$9.96 million worth of ordinary shares in PPG, subject to certain purchase price adjustments (including for working capital).

PPG is proposing to partially fund the cash consideration for the Acquisition by using the proceeds raised under the SPP Offer.

The balance of the cash consideration payable for the Acquisition will be funded in part by a fully underwritten \$55.8 million placement of Shares in two tranches at an issue price of \$0.34 per Share. The first tranche of the placement is expected to complete on 6 July 2018, raising \$22.6 million. The second tranche of the placement is expected to complete on or around 6 September 2018 to raise approximately \$33.2 million, subject to shareholder approval.

The Acquisition is a strategically compelling transaction to strengthen PPG's presence in the flexible and industrial packaging market. Further information about the Acquisition, including its strategic rationale and financial benefits, is contained in PPG's market announcement and Investor Presentation lodged with the ASX on 2 July 2018.

Details of the Offer

This Offer Booklet (**Offer Booklet**), including the enclosed Terms and Conditions, sets out the terms of the SPP Offer.

Under the SPP Offer Eligible Shareholders are entitled to subscribe for up to 44,118 New Shares at an issue price of \$0.34 per New Share (**Issue Price**) without incurring brokerage or other transaction costs, the same as the issue price under the \$55.8 million placement referred to above. The Issue Price represents an 8.1% discount to the closing market price of Shares of \$0.37 on the last date the Shares of PPG traded prior to the Announcement Date (Monday, 2 July 2018).

There is a risk that the market price of Shares may rise or fall between the Record Date, the Announcement Date, the date of this Offer Booklet, the date on which you send in the Application Form or make a payment by BPAY® and the Issue Date. This means that the price that you pay per New Share pursuant to the SPP Offer may be either higher or lower than the market price of the Shares at the Opening Date (Monday, 9 July 2018) or at the time the Shares are allotted, or otherwise allocated, to you under the SPP Offer. Accordingly, you should seek your own independent financial advice in relation to this Offer Booklet and your participation in the SPP Offer and check the current trading price of Shares before making a decision in relation to the SPP Offer.

The SPP Offer is made in accordance with ASIC Class Order [CO 09/425], which imposes limitations on the amount that can be invested by an Eligible Shareholder if that Eligible Shareholder holds Shares in more than one capacity, or has received Shares under an SPP or similar arrangement in the 12 months prior to the application. I strongly recommend that you read and understand section 8 of the Terms and Conditions before making an application for New Shares.

Participation

The Terms and Conditions of the SPP are provided in this Offer Booklet. I urge you to read and carefully consider these materials in their entirety, and seek your own financial and taxation advice in relation to the SPP before you decide whether to participate. If you do not wish to participate in the SPP Offer, you do not need to take any action.

On behalf of the Board of Directors of PPG, I thank you for your ongoing support of PPG and look forward to your participation in the SPP Offer.

Yours sincerely,

Ahmed Fahour
Executive Chairman
Pro-Pac Packaging Limited

Key Dates for the Offer	
Event	Date
Record Date	7:00pm (Sydney time), Friday, 29 June 2018
Announcement Date	Monday, 2 July 2018
Offer Booklet and Application Forms despatched	Friday, 6 July 2018
Offer opens	Monday, 9 July 2018
Offer closes	Monday, 30 July 2018
Issue of New Shares under the SPP Offer	Monday, 6 August 2018
Holding statements sent to Shareholders	Monday, 6 August 2018
Trading of New Shares issued under the SPP Offer expected to commence on ASX on a normal settlement basis	Wednesday, 8 August 2018

Note: The timetable above is indicative only and subject to change. PPG reserves the right to amend any or all of these events, dates and times, without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, PPG reserves the right to extend the closing date of the SPP Offer, to accept late applications either generally or in particular cases or to withdraw the SPP Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX. All references in this Offer Booklet are to Sydney, Australia time.

PPG also reserves the right not to proceed with the SPP Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application monies (without interest) will be returned in full to applicants.

The commencement and quotation of New Shares is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

Enquiries

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the PPG Offer Information Line on 02 9290 9600 (within Australia) or +61 2 9290 9600 (outside Australia) at any time between 8:30am and 5:00pm (Sydney time) on Monday to Friday during the Offer period.

Terms and Conditions of the SPP

Important Notice

If you participate in the SPP by completing and returning the Application Form or by making a payment by BPAY®, you are accepting the risk that the market price of Shares may change between the Record Date, the Announcement Date, the date of this Offer Booklet, the date on which you send in the Application Form or make a payment by BPAY® and the Issue Date. This means that, up to and/or after the Issue Date, you may be able to buy Shares on the ASX at a lower price than the Issue Price.

Please read these Terms and Conditions carefully, as you will be bound by them in participating in the SPP. Shareholders accepting the SPP Offer will also be bound by the constitution of PPG.

The Important Notices and Key Dates for the Offer sections of this Offer Booklet form part of these Terms and Conditions.

1 Offer

- 1.1 PPG offers each Eligible Shareholder the opportunity to participate in the SPP Offer by subscribing for up to \$15,000 worth of New Shares subject to and in accordance with the Terms and Conditions set out below.
- 1.2 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same Terms and Conditions.
- 1.3 The SPP Offer of New Shares is made in accordance with ASIC Class Order [CO 09/425], which grants relief from the requirement to prepare a prospectus for the SPP Offer of New Shares.
- 1.4 All references to \$ or dollars in this Offer Booklet are references to Australian dollars, unless otherwise indicated.

2 Eligible Shareholders

- 2.1 You are eligible to participate in the SPP Offer (**Eligible Shareholder**) if you:
 - (a) were registered on the Register as a Shareholder at 7.00pm (Sydney time) on the Record Date (Friday, 29 June 2018);
 - (b) have a registered address in either Australia or New Zealand at that time; and
 - (c) are not in the United States and are not acting for the account or benefit of a US Person.
- 2.2 The SPP is also extended to Eligible Shareholders who are Custodians, in accordance with clause 4.1 and clauses 8.9 to 8.10 below.

- 2.3 PPG has decided that it is unreasonable to make the SPP Offer to Shareholders other than the Eligible Shareholders (**Excluded Shareholders**), having regard to the number and value of New Shares the Excluded Shareholders would be offered and the costs of complying with the relevant legal and regulatory requirements in those jurisdictions outside Australia and New Zealand.

3 Joint holders

If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.

4 Custodians

- 4.1 Subject to these Terms and Conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Shares. An Eligible Shareholder is deemed to be a Custodian under ASIC Class Order [CO 09/425] if it is an Eligible Shareholder:
 - (a) that holds an Australian financial services licence that covers the provision of a custodial or depository service, or covers the operation of an IDPS (as defined in ASIC Class Order [CO 13/763]); or
 - (b) that is exempt under:

- (i) paragraph 7.6.01(1)(k) of the Corporations Regulations; or
 - (ii) paragraph 7.6.01(1)(na) of the Corporations Regulations; or
 - (iii) ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 14/1001]; or
 - (iv) Schedule 2 to the ASIC Corporations (Repeal and Transitional) Instrument 2016/396; or
 - (v) an instrument, not being a legislative instrument, made by ASIC and which applies to the person on terms similar to Schedule 2 of the legislative instrument referred to in subparagraph (iv) above or any of the ASIC Class Orders repealed by that legislative instrument; or
 - (vi) paragraph 911A(2)(h) of the Corporations Act, from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or
 - (c) that is a trustee of a self-managed superannuation fund or superannuation master trust; or
 - (d) that is the responsible entity of an IDPS-like scheme; or
 - (e) that is the registered holder of Shares or interests in the class and is noted on the Register as holding the Shares or interests on account of another person.
- 4.2 If you hold Shares as a trustee or nominee for another person, but are not a "Custodian" as defined in ASIC Class Order [CO 09/425], you cannot participate for beneficiaries in the manner described above.

5 Participation is optional

Participation in the SPP Offer is entirely optional (subject to the eligibility criteria set out in these Terms and Conditions).

6 Non-transferrable

The SPP Offer is non-transferrable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares to a third party.

7 Brokerage and transaction costs

No brokerage or other transaction costs will apply to the acquisition of New Shares.

8 Applications for New Shares

8.1 The SPP Offer opens on the Opening Date (Monday, 9 July 2018).

8.2 Eligible Shareholders may apply for a maximum of \$15,000 worth of New Shares (unless applying as a Custodian). This limitation applies even if Eligible Shareholders receive more than one Application Form due to multiple holdings, or if they hold Shares in more than one capacity.

8.3 If you are a Custodian, you may apply for up to a maximum amount of A\$15,000 of New Shares for each participating Eligible Beneficiary.

8.4 If you are eligible to subscribe for New Shares under the SPP and you wish to participate, you may subscribe for New Shares as follows:

Subscription Amount	New Shares to be allotted calculated at the Issue Price
\$2,500	7,353
\$5,000	14,706
\$10,000	29,412
\$15,000	44,118

You may only subscribe for the precise dollar (\$) amounts specified in the table above in consideration for which you will be issued the whole numbers of New Shares in the parcels stated above, noting no fraction of Shares will be issued. PPG reserves the right to allot fewer New Shares than an Eligible Shareholder applies for under the SPP

- Offer, or no New Shares, and any determination by the Directors in respect of any scale back (as provided for in clause 13) will be final.
- 8.5 Eligible Shareholders who wish to apply for New Shares must either:
- (a) complete the enclosed Application Form and forward it with a cheque drawn for the appropriate amount from an Australian financial institution made payable to "Pro-Pac Packaging Limited" and crossed "Not Negotiable" to the following address so that it is received prior to 5.00pm (Sydney time) on the Closing Date (Monday, 30 July 2018):

By mail:
Pro-Pac Packaging Limited
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

or

By delivery:
Pro-Pac Packaging Limited
Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000

; or
 - (b) make a payment for the appropriate amount via BPAY®, by using the customer reference number shown on your Application Form which is required to identify your holding, in accordance with the instructions on the personalised Application Form so that it is received prior to 5.00pm (Sydney time) on the Closing Date.
- 8.6 If you are paying via BPAY®, at the time of making your payment via the BPAY® facility you will be taken to have made an application and represented to PPG that the total price of the application for the following does not exceed \$15,000:
- (a) New Shares that are the subject of your application;
 - (b) any other New Shares applied for by you under the SPP or any other Shares or interests in the class issued under a similar arrangement in the 12 months before the application;
 - (c) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (d) any other Shares or interests in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the Custodian and which resulted in you holding beneficial interests in the Shares or interests.
- 8.7 Receipts for payment will not be issued.
- 8.8 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$15,000.
- 8.9 If you wish to subscribe for New Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit an additional Custodian Certificate that contains further certifications and details (required under the terms of ASIC Class Order [CO 09/425]) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. Custodians cannot accept the offer by payment via BPAY® unless they have previously provided to PPG the Custodian Certificate.
- 8.10 To request a Custodian Certificate or for further information about the custodian application process, please contact the Share Registry on +61 2 9290 9600.
- 8.11 PPG and its officers and agents, may accept or reject your application for New Shares in whole or in part at their discretion including, without limitation, if:
- (a) your application does not comply with these Terms and Conditions;

- | | |
|---|--|
| <p>(b) it appears you are not an Eligible Shareholder;</p> <p>(c) your Application Form and cheque or BPAY® payment is not received by the Share Registry by the Closing Date;</p> <p>(d) if paying by cheque, your Application Form is incomplete or incorrectly completed or is otherwise determined by PPG to be invalid;</p> <p>(e) your cheque is dishonoured or has been incorrectly completed;</p> <p>(f) it appears that you are applying to purchase more than \$15,000 worth of New Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement) or your application is not for the prescribed parcels in clause 8.4;</p> <p>(g) payment of the application monies is not submitted in Australian currency or, if payment is made by cheque, the cheque is not drawn on an Australian financial institution; or</p> <p>(h) the amount of your BPAY® payment or cheque is not equal to the amount of your application. If this occurs, PPG will:</p> <p style="margin-left: 40px;">(i) refund in full your application monies and not allot any New Shares to you; or</p> <p style="margin-left: 40px;">(ii) allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies.</p> | <p>(b) by returning your Application Form and cheque, if not processed, to your registered address (as recorded on the Registry).</p> |
| <p>8.12 If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as practicable:</p> <p style="margin-left: 40px;">(a) by cheque; or</p> | <p>8.13 Eligible Shareholders who do not wish to apply for New Shares do not need to take any action and the SPP Offer will lapse on the Closing Date.</p> <p>9 Issue Price</p> <p>9.1 The Issue Price per New Share will be \$0.34.</p> <p>9.2 The current Share price can be obtained from the ASX and is listed in the financial and business section of major daily newspapers circulating in Australia.</p> <p>9.3 There is a risk that the market price of Shares may change between the Record Date, the Announcement Date, the date of this Offer Booklet, the date on which you send in the Application Form or make a payment by BPAY® and the Issue Date. This means that the price that you pay per New Share pursuant to the SPP may be either higher or lower than the market price of the Shares at the Opening Date or at the time the Shares are allotted, or otherwise allocated, to you under the SPP. Accordingly, you should seek your own independent financial advice in relation to this Offer Booklet and your participation in the SPP and check the current trading price of Shares before making a decision in relation to the SPP.</p> <p>9.4 Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Issue Price.</p> <p>9.5 You agree to pay the Issue Price per New Share for your nominated parcel per clause 8.4 or, if there is a scale back, the number of New Shares calculated under clause 13.</p> <p>10 Issue</p> <p>10.1 New Shares will be issued on the Issue Date (Monday, 6 August 2018).</p> <p>10.2 New Shares will rank equally with the existing Shares as at the Issue Date.</p> <p>10.3 The Share Registry will send you a holding statement on or around Monday, 6 August 2018 which will include details</p> |

of the number of New Shares issued to you and your total holding of Shares.

11 Quotation

- 11.1 PPG will apply to ASX for quotation of the New Shares. It is anticipated that the New Shares will be quoted on the ASX immediately after their issue.

12 Acknowledgements

- 12.1 By returning an Application Form with a cheque or making a payment via BPAY®, you:

- (a) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the Terms and Conditions of the SPP and the term and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
- (d) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (e) acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason;
- (f) acknowledge that PPG and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these Terms and Conditions;
- (g) agree to pay the Issue Price per New Share up to the maximum of:
 - (i) the value you have selected on the Application Form; or
 - (ii) the maximum value of your BPAY® payment or cheque;

(h) acknowledge and agree that:

- (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
- (ii) the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the New Shares may not be offered, sold or otherwise transferred without registration under the U.S. Securities Act or unless the New Shares are offered, sold or otherwise transferred in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and any other applicable securities laws;
- (iii) you have not, and will not, send this Offer Booklet or any materials relating to the SPP to any person in the United States;
- (iv) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in the regular way for transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- (v) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New

Zealand, and you have not sent this Offer Booklet, or any materials relating to the SPP to any person outside Australia and New Zealand;

- (i) accept the risk associated with any refund that may be dispatched to you by cheque to your address shown on the Register;
 - (j) are responsible for any dishonour fees or other costs PPG may incur in presenting a cheque for payment which is dishonoured;
 - (k) agree to be bound by the constitution of PPG in respect of New Shares (as amended and as it may be amended from time to time in the future);
 - (l) acknowledge that none of PPG, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
 - (m) authorise PPG, and its officers and agents, to do anything on your behalf necessary for New Shares to be issued to you in accordance with these Terms and Conditions;
 - (n) acknowledge that PPG may at any time irrevocably determine that your application is valid, in accordance with the Terms and Conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
 - (o) authorise PPG, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form by the insertion of any missing minor detail.
- 12.2 If you are applying on your own behalf (and not as a Custodian), by returning an Application Form with a cheque or making a payment via BPAY®, you also acknowledge and agree that:

- (a) you are not applying for New Shares with an application price of more than \$15,000 under the SPP (including by instructing a Custodian to acquire New Shares on your behalf under the SPP);
- (b) the total of the application price for the following does not exceed \$15,000:
 - (i) the New Shares the subject of the application;
 - (ii) any other Shares or interests applied for by you under the SPP or issued to you under any similar arrangement in the 12 months before the application;
 - (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares or interests issued to a Custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the Custodian and which resulted in you holding beneficial interests in the Shares or interests.

12.3 If you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, by returning an Application Form with a cheque or making a payment via BPAY®, you also acknowledge and agree that:

- (a) you are a Custodian (as that term is defined in ASIC Class Order [CO 09/425]);
- (b) you held Shares or interests in the class on behalf of one or more Eligible Beneficiaries that are not Custodians or another Custodian (**Downstream Custodian**) held beneficial interest in Shares or interests in

- the class on behalf of one of more Eligible Beneficiaries and the Custodian holds the Shares or interests to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian on the Record Date and each Eligible Beneficiary has subsequently instructed the Custodian or the Downstream Custodian to apply for Shares on their behalf under the SPP;
- (c) the Eligible Beneficiary has been given a copy of this Offer Booklet;
- (d) you are not applying for New Shares on behalf of any Eligible Beneficiary with an application price for the following of more than \$15,000:
- (i) New Shares applied for by the Custodian under the SPP; and
- (ii) any other Shares or interests in the class issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares or interests on their behalf under an arrangement similar to the SPP; and
- (e) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading.
- 13 Scale back**
- 13.1 A scale back is a reduction in the allotments of New Shares under the SPP (compared to the parcels applied for) that PPG may undertake if it receives applications under the SPP for more New Shares than it wishes to issue.
- 13.2 PPG may in its discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit, including if applications under the SPP exceed \$4 million.
- 13.3 Factors that PPG may take into account in deciding any scale back include the amount applied for by each Eligible Shareholder under the SPP, the number of Shares held at the Record Date and whether the Eligible Shareholder remains on the Register on the Closing Date.
- 13.4 If there is a scale back, you will receive the number of New Shares decided by PPG in its discretion, which may be less than the parcel of New Shares for which you have applied.
- 13.5 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded down to the nearest whole number of New Shares.
- 13.6 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.
- 13.7 Scale back decisions are made by the Board and are final.
- 14 Dispute resolution**
- 14.1 PPG may settle, in any manner it deems appropriate, any difficulties, anomalies, or disputes which may arise in connection with, or by reason of, the operation of the SPP, whether generally or in relation to any participant for any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 14.2 The powers of PPG under these Terms and Conditions may be exercised by the Directors or any delegate or representative of the Directors.
- 15 Variation and termination**
- 15.1 PPG reserves the right at any time to:
- (a) amend or vary these Terms and Conditions;
- (b) waive strict compliance with any provision of these Terms and Conditions;
- (c) withdraw the SPP Offer or suspend or terminate the SPP;

- (d) vary the timetable for the SPP, including the Closing Date; and
- (e) not accept an application, not issue New Shares or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a custodian applying on behalf of its Eligible Beneficiaries).
- 15.2 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.
- 16 Privacy policy**
- 16.1 Chapter 2C of the Corporations Act requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder. The Privacy Amendment (Private Sector) Act 2000 does not alter these statutory obligations.
- 16.2 PPG and the Share Registry may collect personal information to process your application, implement the SPP and administer your Shareholding. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- 16.3 Your personal information may be disclosed to joint investors, the Share Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of PPG and its agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located from overseas.
- 16.4 The Share Registry's privacy policy is available on its website: <https://boardroomlimited.com.au/privacy-policy/>
- 17 Underwriting**
- 17.1 The SPP Offer is fully underwritten, up to \$4 million, by Bell Potter Securities Limited.
- 17.2 In the event that Eligible Shareholders do not subscribe for \$4 million worth of New Shares under the SPP, then the resultant shortfall will, subject to the terms of the Underwriting Agreement, be placed at the discretion of the Underwriter.
- 17.3 The Underwriting Agreement contains customary conditions, warranties and undertakings and is subject to a right to terminate the Underwriting Agreement upon the occurrence of specified termination events, exercisable by the Underwriter.
- 17.4 Subject to the terms of the Underwriting Agreement, the Underwriter will be paid a fee comprising 3.5% of \$4 million.
- 18 Governing law**
- 18.1 These Terms and Conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with, these Terms and Conditions, or the SPP Offer, will be determined by the courts of New South Wales.
- 18.2 By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales. Other Terms and Conditions, rights and obligations of New Shares are contained in the constitution of PPG.
- 18.3 The Terms and Conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

Glossary

Acquisition means the acquisition by PPG (through its subsidiary, Integrated Packaging Group Pty Ltd), of 100% of Perfection Packaging Pty Ltd and Perfection Packaging Unit Trust.

Announcement Date means the date on which the SPP Offer was first announced to the ASX, being Monday, 2 July 2018.

Application Form means the personalised form accompanying this Offer Booklet to be used to make an application in accordance with the instructions set out on that form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or, where the context requires, the financial market operated by it on which Shares are quoted.

Beneficiary means a person on whose behalf a Custodian is holding shares at 7:00pm on the Record Date.

Board means the board of Directors.

Closing Date means the date on which the SPP Offer closes, being Monday, 30 July 2018.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Custodian means a custodian as defined in paragraph 14 of ASIC Class Order [C0 09/425].

Custodian Certificate means a certificate complying with paragraph 9 of ASIC Class Order [C0 09/425].

Director means a director of PPG.

Eligible Beneficiary means a Beneficiary with a registered address in either Australia or New Zealand, provided that such Beneficiary is not in the United States.

Eligible Shareholders means a Shareholder who is a registered holder of Shares at 7:00pm (Sydney time) on the Record Date with a registered address in either Australia or New Zealand, provided that such Shareholder is not in the United States or acting for the account or benefit of a person in the United States.

Excluded Shareholders means those Shareholders who are not Eligible Shareholders.

Investor Presentation means the investor presentation lodged by PPG with the ASX on Monday, 2 July 2019.

Issue Date means the date on which New Shares under the SPP Offer will be issued, being Monday, 6 August 2018.

Issue Price means the price payable per New Share under the SPP Offer, being \$0.34 per New Share.

New Shares means the fully paid ordinary shares in PPG offered under the SPP Offer.

Offer Booklet means this offer booklet in relation to the SPP Offer, including the Terms and Conditions and the personalised Application Form accompanying this offer booklet.

Opening Date means the date on which the SPP Offer opens, being Monday, 9 July 2018.

PPG means Pro-Pac Packaging Limited.

Record Date means Friday, 29 June 2018.

Register means the register of Shareholders.

Share means a fully paid ordinary share in PPG.

Share Registry means Boardroom Pty Limited.

Shareholder means a holder of a Share.

SPP means the PPG Share Purchase Plan.

SPP Offer means the Offer under clause 1.1 of the Terms and Conditions.

Terms and Conditions means the Terms and Conditions set out in this Offer Booklet.

U.S. Securities Act means the *United States Securities Act 1933* (as amended).

Underwriter means Bell Potter Securities Limited.

Underwriting Agreement means the underwriting agreement between PPG and the Underwriter dated 1 July 2018, pursuant to which the Underwriter has agreed to underwrite the SPP Offer.

US Persons is as defined in Regulation S of the U.S. Securities Act of 1933 (as amended).



Pro-Pac Packaging Limited ABN: 36112971874

BoardRoom

All correspondence to
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Tel: 1300 737 760 (within Aust)
Tel: + 61 2 9290 9600 (outside Aust)
Fax: + 61 2 9279 0664

www.boardroomlimited.com.au
corporateactions@boardroomlimited.com.au

Share Purchase Plan (SPP) - Application Form

Record Date: 7:00pm (Sydney,
Australia time) on 29 June 2018

Close Date: 5.00pm (Sydney,
Australia time) on 30 July 2018

Issue price: \$0.34 cents per ordinary
share

YOUR PAYMENT MUST BE RECEIVED BY 5.00PM (SYDNEY, AUSTRALIA TIME) ON 30 JULY 2018

A Purchase details (choose one option)

If you pay by BPAY you do not need to return this form

Indicate your choice below by marking one box only to indicate the number of new full paid ordinary shares (**New Shares**) in Pro-Pac Packaging Limited (**Company**) you wish to subscribe for under the Company's Share Purchase Plan (**SPP**).

<input type="checkbox"/>	Offer A A\$2,500.00 (7,353 New Shares)	<input type="checkbox"/>	Offer B A\$5,000.00 (14,706 New Shares)	<input type="checkbox"/>	Offer C A\$10,000.00 (29,412 New Shares)	<input type="checkbox"/>	Offer D A\$15,000.00 (44,118 New Shares)
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B Payment Details

Payment may only be made by BPAY or cheque (or bank draft) and in Australian dollars. Cash will not be accepted and payments cannot be made at any bank. **Custodians cannot make payment by BPAY.**

Payment Option 1 - BPAY



Biller Code:

Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form
- If paying by BPAY the amount of your payment received divided by the issue price of \$0.34 per New Share will be deemed to be the total number of New Shares you are applying for. If your BPAY payment is:
 - less than A\$2,500.00, Pro-Pac will not issue any New Shares to you and will refund your application money to you;
 - greater than A\$15,000.00, subject to scale back, Pro-Pac will issue to you the number of New Shares that would have been issued to you had you applied for the highest designated amount and will refund the excess application money to you; or
 - between A\$2,500.00 and A\$15,000.00 and is not one of the designated amounts, subject to scale back, Pro-Pac will issue you the number of New Shares that would have been issued to you had you applied for the highest designated amount that is less than the amount of your BPAY payment, and will refund the excess application money.

Payment Option 2 - Cheque

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to '**Pro-Pac Packaging Limited**' and crossed '**Not Negotiable**'.
- Please ensure that you submit the correct amount. Incorrect payments may result in your Application being rejected.
- If paying by cheque, you must complete this Application Form and submit it together with your cheque before your Application will be accepted.

C Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your Application.

Home telephone number	Work telephone number	Contact name

D Applicant's Certification and Acknowledgement

By lodging this Application Form with your cheque (or bank draft) or making a BPAY payment, you certify that the total application price for the following does not exceed A\$5,000,000:

- the New Shares the subject of your Application;
- any other New Shares applied for by you under the SPP;
- any other shares or interests in the same class as the New Shares (**Shares**) issued to you under a similar arrangement in the 12 months before your Application;
- any other New Shares you have instructed a Custodian to acquire on your behalf under the SPP; and
- any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before your Application as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in the Shares.

You also acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the SPP details of which were announced to ASX on 6 July 2018. Pro-Pac Packaging Limited may settle in any manner it deems appropriate, any dispute or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application for New Shares. The decision of Pro-Pac Packaging will be conclusive and binding on all persons to whom the determination relates. Pro-Pac Packaging Limited reserves the right to waive compliance with any provision of the SPP's terms and conditions. The Directors reserve the right to withdraw the offer of New Shares under the SPP, or reduce the amount of New Shares that may be subscribed for under the SPP in any manner, at any time prior to the issue date. Any excess application moneys will be refunded. No interest will be paid on any refunded application money.

Unless otherwise defined, capitalised terms in this Application Form have the meanings given to them in the SPP booklet.

NO SIGNATURE IS REQUIRED ON THIS APPLICATION FORM

THE SPP IS NON-RENOUNCEABLE

BPAY payments or Application Forms and cheques must be received no later than 5.00 pm (Sydney, Australia time) on 30 July 2018 at:

MAILING ADDRESS
Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS
Boardroom Pty Limited
Level 12
225 George Street
SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.

E Information for Custodians

If you are a Custodian as defined in ASIC Class Order CO 09/425, you must complete this Application Form and a Custodian Certificate (which must be requested from the Company's share registrar) and submit both documents together with your cheque before your Application will be accepted. If you have not received a copy, or require an additional copy, of the Custodian Certificate, please contact Boardroom Pty Limited on +61 (0)2 9290 9600.

Applications received from Custodians that are not accompanied by the Custodian Certificate will be rejected.