



# PRO-PAC PACKAGING LIMITED

ACN 112 971 874

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY NOTES

**Date:** Tuesday 21 November 2023

**Time:** 1.00 pm (Melbourne time)

**Place:** The meeting will be at the offices of Herbert Smith Freehills, Level 24, 80 Collins Street, Melbourne, Victoria, 3000 or shareholders may attend via our online portal.

## Chairman's Letter

13 October 2023

Dear Fellow Shareholder,

On behalf of the directors of Pro-Pac Packaging Limited (**Company** or **PPG**), I am pleased to invite you to the Annual General Meeting of Shareholders to be held at the offices of Herbert Smith Freehills, Level 24, 80 Collins Street, Melbourne, Victoria, 3000 on Tuesday 21 November 2023, beginning at 1.00pm. This year's Annual General Meeting will be a hybrid meeting, with shareholders able to attend personally or virtually. Further details on how to attend and vote are contained in the meeting notice.

This event is an opportunity for you to share your views directly with the PPG board and its CEO, and to hear from them about your Company's progress and plans for the future.

The business of the Annual General Meeting is set out in the enclosed Notice of Meeting. It includes seeking shareholder approval for:

- the adoption of the Remuneration report as set out on pages 16 to 28 of the PPG 2023 Annual Report;
- the re-election of Mark Blackburn as a director of the Company;
- a general approval of issue of securities under the Performance rights plan;
- the issue of securities to Mr John Cerini, Chief Executive Officer, and Managing Director, under the Company's Performance Rights Plan; and
- a change in the conditions and terms of the performance rights issued to Mr Cerini in 2023,

each on the basis fully outlined in the Explanatory Notes.

Your Board considers that the Resolutions proposed are in the Company's best interests of and will be for the benefit of all Shareholders.

And finally, as a part of our commitment to environmental sustainability and cost efficiency, I am eager for us to be able to communicate with all shareholders via email. I encourage you, if you have not done so already, to please elect to receive electronic shareholder communications. You can do this by logging into the share registry's InvestorServe site online at [www.investorserve.com.au](http://www.investorserve.com.au) and changing your communication preferences, or completing the form enclosed.

I look forward to welcoming you to our 2023 AGM.



Jonathan Ling  
Chairman

## Notice of Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (AGM) of the Shareholders of Pro-Pac Packaging Limited (**Company** or **PPG**) will be held at 1.00 pm (Melbourne time) on Tuesday 21 November 2023 at the offices of Herbert Smith Freehills, Level 24, 80 Collins Street, Melbourne, Victoria, 3000 and via the online portal Lumi.

Shareholders can attend, vote and ask questions in person or virtually via the online portal. Attending the meeting online enables shareholders to view the AGM live and to also ask questions and cast votes at the appropriate times whilst the meeting is in progress.

Shareholders who wish to participate in the AGM online may do so via the following URL:

<https://web.lumiagm.com/344146483>

The meeting ID is 344146483. You can log in to the meeting by entering:

1. Your username, which is your Boardroom S number (located on any recent statement or documentation)
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide for their password details

If you have been nominated as a third-party proxy, please contact the share registry, Boardroom on 1300 737 760.

### **Items of Business**

#### **Item 1 – Financial Report, Directors Report and Auditors Report**

To receive and consider the Financial Report of the Company and of the Consolidated Entity for the year ended 30 June 2023 and the Reports by Directors and Auditors thereon.

#### **Resolution 2 – Remuneration Report**

To receive, consider and adopt the Remuneration Report of the Company and Consolidated Entity for the year ended 30 June 2023.

*Note: The vote on Resolution 2 is advisory only and does not bind the Directors or the Company (section 250R(3) of the Corporations Act.*

#### **Resolution 3 – Election of a Director – Mr. Mark Blackburn**

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

*"That, for the purposes of clause 7.1(c) of the Company's Constitution and for all other purposes, Shareholder approval is given to the election of Mr Mark Blackburn as a director of the Company."*

#### **Resolution 4 – General approval of issue of securities under Performance Rights Plan**

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

*"That, in accordance with ASX Listing Rule 7.2 (exception 13) and for all other purposes, Shareholders approve the issue of securities under The Company's Executive Long Term Incentive Plan and Performance Rights Plan on the terms set out in the Explanatory Notes accompanying the notice convening this Annual General Meeting."*

#### **Resolution 5 – Issue of Performance Rights to Mr John Cerini**

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given to the issue and allotment of 2,942,857 Performance Rights (and Shares on exercise of such Performance Rights) to Mr. John Cerini, the Company's Chief Executive Officer and Managing Director, under the Company's Performance Rights Plan and otherwise on the terms set out in the Explanatory Notes accompanying this Notice of Annual General Meeting."*

#### **Resolution 6 – Variation of the terms applicable to 2022 Performance Rights issued to Mr John Cerini**

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given to the variation of the terms applicable to 3,000,000 Performance Rights (and Shares on exercise of such Performance Rights) issued to Mr. John Cerini on 20 December 2022, on the terms set out in the Explanatory Notes accompanying this Notice of Annual General Meeting."*

Further information in relation to the Resolutions is set out in the Explanatory Notes which accompany and form part of this Notice of Meeting.

By order of the Board



Kathleen Forbes  
Company Secretary

13 October 2023

## 1. Voting Exclusions

### *Resolution 2*

In accordance with the Corporations Act, the Company will disregard any votes cast in respect of Resolution 2:

- (a) by or on behalf of a member of the Key Management Personnel (KMP) of the Company whose remuneration is disclosed in the Remuneration Report; and
- (b) any associate or proxy of any KMP of the Company.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair intends to vote all available proxies in favour of this Resolution 2.

### *Resolutions 4, 5 and 6*

In accordance with the Corporations Act and ASX Listing Rules, the Company will disregard any votes cast in favour of Resolutions 4, 5 and 6 by:

- (a) any person who is eligible to participate in the employee incentive scheme in respect of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person; and
- (b) any associate or proxy of a person referred to in (a) above.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair intends to vote all available proxies in favour of Resolutions 4, 5 and 6.

## 2. Documents

A proxy form accompanies these documents.

### 3. Persons entitled to vote/ Record Date

Under regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the Share register at 2:00pm (Melbourne time) on 19 November 2023.

### 4. How to Vote

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

### 5. Voting

To vote on the Resolutions, Shareholders will need to do one of the following:

Either: Virtually Attend the Meeting and vote, Or

Complete the enclosed Proxy Form and return it in accordance with the instructions specified on the form. The completed Proxy Form must be received, or the online registration must have occurred, by no later than 1.00 pm (Melbourne time) on 19 November 2023.

If you require an additional proxy form, the Company will supply it on request.

Voting on all proposed resolutions at the meeting will be conducted by poll initiated by the Chair.

### 6. Proxies

A Shareholder who is entitled to vote at the Annual General 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 Shareholder appoints 2 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 Shareholder of the Company.

The proxy form must be signed by the Shareholder or the Shareholder'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 Annual General Meeting or any adjourned meeting (or such lesser period as the Directors may permit):

- by email to [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au);
- online at [www.votingonline.com.au/ppgagm2023](http://www.votingonline.com.au/ppgagm2023);
- by post to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia;
- in person to Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 Australia; or
- the following fax number at the Company's share registry's office: + 61 2 9290 9655.

### 7. Voting by Attorney

A Shareholder may appoint an attorney to act on the Shareholder's behalf at the Annual General 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 Annual General Meeting or any adjourned meeting.

### 8. Corporate Representative

A body corporate that is a Shareholder and entitled to attend and vote at the Annual General Annual General Meeting, or that has been appointed as proxy of a Shareholder entitled to attend and vote at the Annual General Meeting, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with section 250D of the Corporations Act. The representative must bring to the Annual General Meeting adequate evidence of his or her appointment, including any authority under which the appointment is signed, unless that evidence has previously been provided to the Share Registry.

## Explanatory Notes

These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 1.00 pm (Melbourne time) on Tuesday 21 November 2023 at the offices of Herbert Smith Freehills, Level 24, 80 Collins Street, Melbourne, Victoria, 3000 and via the online portal Lumi.

### 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 2023 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 response.

### Resolution 2 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, a resolution must be put to the 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 16 to 28 of the Company's annual report and can also be found on the Company's website at [www.ppgaustralia.com.au](http://www.ppgaustralia.com.au).

While the Corporations Act (section 250R(2)) requires a listed company to put a resolution to its members at its annual general meeting that its remuneration report be adopted, the Corporations Act expressly provides that the vote on any such resolution is advisory only (meaning that while such vote provides guidance to the directors, it does not bind the Directors or the Company). However, the Directors recognise the vote as an indication of shareholder sentiment and will have regard to the outcome of the vote and any discussion when setting the Company's remuneration policies.

The Remuneration Report forms part of the Directors' Report for the year ended 30 June 2023 and is made in accordance with a unanimous resolution of the Directors. While noting that each Director has a personal interest in his remuneration, as described in the Remuneration Report, the Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. Resolution 2 is put to the Shareholders at the Meeting in fulfilment of the obligations of the Company under section 250R(2) of the Corporations Act. Shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

### Resolution 3 – Election of a Director – Mr. Mark Blackburn

Clause 7.1(b) of the Company's constitution allows the Board to fill a casual vacancy in directors during the year. A director (excluding the managing director) appointed by the Board under clause 7.1(b), holds office until the conclusion of the next AGM following his or her appointment. The Constitution also provides that no director (excluding the managing director) may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.

Mr Mark Blackburn was appointed by the board to fill a casual vacancy in November 2022, and accordingly he is seeking re-election as Director at this AGM. Biographical details of Mr Blackburn are set out below:

**Mark Blackburn, Dipl Business Studies, CPA, GAICD**

Mr Blackburn was appointed to the board on 23 November 2023. He is an independent and non-executive director. Mr Blackburn is experienced executive and director with financial qualifications. He has extensive senior finance management experience within ASX and NYSE listed corporations and has held Chief Financial Officer roles at McMillan Shakespeare, iSelect, IOOF, Ausdoc Limited and the Laminex Group.

Mr Blackburn is a non-executive director, and chair of the audit committee, of Lifestyle Communities Limited.

Mr Blackburn is the Chair of the Company's Audit, Business Risk and Compliance Committee.

The Board supports the election of Mr. Blackburn, and recommends that Shareholders vote in favour of this Resolution.

#### **Resolution 4 – General approval of issue of securities under the Performance rights plan**

ASX Listing Rule 7.1 provides that a listed entity must not issue equity securities in excess of its 15% Capacity in a 12 month period without the approval of shareholders. The ASX Listing Rules require that the approval of shareholders be sought where an issue of securities exceeds the 15% Capacity.

For employee incentive schemes, such as the Performance Rights Plan (PRP), ASX Listing Rule 7.2 (Exception 13) provides an exception to the requirement to obtain shareholder approval each time securities are issued under the PRP if the 15% capacity has otherwise been utilized. For this exception to apply, the ASX Listing Rules require shareholder approval in respect of any issues to have been obtained within 3 years before the issue date.

A summary of the terms of the PRP is set out below.

<b>PRP</b>	
<b>Eligible participants</b>	Full-time or permanent part-time employees, non-executive and executive Directors, company secretaries, contractors and casual employees of the Company or any of its subsidiaries and any person who has or will enter into an arrangement that will result in them becoming any of the prior-mentioned persons are all eligible to participate in the PRP, by invitation of the Board. Participation is voluntary.
<b>Terms of issue</b>	<p>Under the PRP, the Board may invite eligible participants to apply for performance rights. The Board may determine the number of performance rights to be issued under the PRP and other terms of issue under the PRP, including exercise conditions.</p> <p>Rights may be exercised if the right has vested, has not lapsed and the exercise price for the rights has been paid, unless otherwise determined by the Board.</p> <p>Rights holders are not permitted to participate in new issues of securities by the Company. However, adjustments may be made to the number of Shares over which the rights are granted or their exercise price to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the PRP rules and the ASX Listing Rules.</p>
<b>Pricing</b>	All performance rights are issued at a nil issue price and a nil exercise price, unless otherwise determined by the Board.
<b>Loans by the Company</b>	The Company may provide financial assistance to an eligible participant to pay for the grant of a performance right or any exercise price in respect of a performance right, on the terms set out in the PRP rules and subject to compliance with the Corporations Act and the ASX Listing Rules.
<b>Limit on number of securities that may be issued</b>	The PRP rules limit the number of rights that the Company may issue, such that the sum of all rights and options on issue and offered under all employee incentive schemes of the Company does not, if they are all exercised, equate to more than 5% of the ordinary shares on issue by the Company.
<b>Clawback</b>	<p>If the Board determines that to safeguard the interests of shareholders and to minimise the risk of unvested (performance based) rights remaining available to participants in circumstances where the Board has concluded that would be inappropriate, the Board may, in its discretion, in respect of rights issued on or after 1 July 2016:</p> <ul style="list-style-type: none"> <li>cancel or require forfeiture of some or all of such rights;</li> <li>adjust the future performance based remuneration of the participant subject to clawback;</li> <li>take legal action against the participant; and/or</li> <li>take such other action as the Board considers appropriate in any relevant circumstances as permitted to it by law.</li> </ul>



An approval under ASX Listing Rule 7.2 was obtained by the Company at the 2018 Annual General Meeting. Since that approval 27,211, 381<sup>1</sup> performance rights have been issued under the PRP, of which 7,268,215 remain current as at the date of this notice.

An offer of Rights will only be made under the Plan at any particular time, if the Company has reasonable grounds to believe, at the time of making the offer of Rights, that:

(a) the number of Shares that may be issued on exercise of the Rights proposed to be issued pursuant to that offer; plus

(b) the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under an Employee Incentive Scheme (including the Plan), where offers were covered by the Class Order or the Previous Class Order or an individual instrument made by ASIC in terms similar to the Class Order or the Previous Class Order,

will not exceed 5% of the total number of Shares on issue. As at the date of this Notice a maximum number of 3,395,278<sup>2</sup> new performance rights can be issued under this 5% restriction. This figure may fluctuate during the next 12 months as performance rights lapse, and therefore free up capacity for new performance rights to be issued

Shareholders of the Company are asked at this meeting to approve the issue of securities under the Company's PRP in accordance with ASX Listing Rule 7.2 (Exception 13). If shareholders approve this resolution, up to 3,395, 278 shares (a figure which may increase if performance rights lapse), will not be included in the 15% capacity cap under Listing Rule 7.1, giving the Company additional flexibility to fund any acquisitions using newly issued shares. If approval is not given, the Company will work within the 15% cap, less the number of performance rights then on issue.

Other than Mr John Cerini (who is a participant in the PRP), no other Director has an interest in the outcome of this resolution. However, as the other Directors are "Key Management Personnel" for the purposes of the Corporations Act, a voting exclusion statement is set out on page 5 of this Notice of Meeting. For those reasons, the Directors will not be making recommendations as to voting on this resolution.

## **Resolution 5 – Issue of Performance Share Rights to Mr John Cerini**

### **(a) Background**

On 3 October 2022, the Company announced that the Board had appointed Mr. John Cerini as Chief Executive Officer (CEO) and entered into an employment agreement with Mr. Cerini, pursuant to which the Company had agreed to provide incentives under the Company's Performance Rights Plan (PRP), subject to Shareholder approval.

At the 2022 Annual General Meeting shareholders approved the issue of a total 8,000,000 performance rights to Mr Cerini. 4,000,000 of these rights were duly issued in 2022 as notified and approved. However, the remaining 4,000,000 performance rights were not and will not be issued. This notice contains details of a proposed new issue of performance rights for Mr Cerini's LTI for the 2023 calendar year.

The Board considers the grant of the Performance Rights as proposed and the other elements of Mr. Cerini's remuneration as specified below to be appropriate and reasonable remuneration, recognising the Company's circumstances and the responsibilities involved in Mr. Cerini's role as CEO and Managing Director.

By this Resolution 5, the Company is seeking the approval of Shareholders for the grant of Performance Rights to Mr. Cerini under the PRP for the purposes of ASX Listing Rule 10.14.

### **(b) Mr. Cerini's Remuneration**

Mr. Cerini's base remuneration package is \$618,000 per annum, plus statutory superannuation contributions, which may be reviewed from time to time in accordance with Company policy. In addition, Mr Cerini is entitled to a short-term incentive (STI) benefit to the value of \$309,000, conditional upon the achievement of various key performance indicators.

<sup>1</sup> Adjusted for share consolidation in November 2021, and expressed as a post share consolidation number.

<sup>2</sup> Takes into account treasury shares held in trust for the purposes of the PRP

Mr. Cerini is also entitled to an LTI with a value of \$927,000 each year which, subject to shareholder approval, the board proposes to grant using the Company's PRP, and on the basis set out below.

**(c) Approval under the ASX Listing Rules**

Pursuant to ASX Listing Rule 10.14, an entity must not, without the approval of holders of ordinary securities, allow any of the following persons to acquire securities under an employee incentive scheme:

- (i) a director of an entity;
- (ii) an associate of a director of an entity; or
- (iii) a person whose relationship with the entity itself, a director or an associate of a director of an entity is such that ASX forms the opinion that shareholder approval should be obtained.

**(d) Information for Shareholders under ASX Listing Rule 10.14 and 10.15**

The following information is provided to Shareholders in respect of obtaining Shareholder approval pursuant to ASX Listing Rules 10.14 and 10.15:

<b>If the person is not a director, a statement of the relationship between the person and the director that requires the approval to be obtained</b>	Mr. Cerini is a Director.
<b>The maximum number of securities that may be acquired by all persons for whom approval is required</b>	<p>2,942,857 million</p> <p>The reference Share price for the determination of Mr. Cerini's entitlements under the PRP is \$0.315 being the weighted volume average share price for the 5 days after the Company's full year results release for the year ending 30 June 2023.</p> <p>Under the PRP, the Board has the absolute discretion to determine the maximum number of Performance Rights that eligible employees are entitled to receive so long as the number of underlying Shares issued pursuant to the offer and the number of Performance Rights and Shares issued in the previous 3 year period under the PRP, will not exceed 5% of the total number of Shares on issue.</p>
<b>The price (including a statement whether the price will be, or be based on, the volume weighted average market price or closing market price), or the formula for calculating the price, for each security to be acquired under the scheme</b>	<p>The Performance Rights will be granted at nil issue price and vested Performance Rights may be exercised at nil exercise price.</p> <p>The reference Share price for the determination of Mr. Cerini's entitlements is \$0.315 per share.</p>
<b>Value of the performance rights</b>	<p>As noted above, the reference Share price for the determination of Mr. Cerini's entitlements under the PRP is \$0.315 per share (2,942,857 performance rights at \$0.315 per right, gives the total benefit of \$927,000).</p> <p>Ultimately the value of the Performance Rights is determined using the Monte Carlo simulation-based model which is used to test the likelihood of attaining the market hurdle against the comparator group of entities using the following assumptions: expected volatility,</p>

	risk-free interest rate, expected life of option, share price, dividend yield and probability of achievement. The Monte Carlo simulation incorporates the impact of this market condition on the fair value of the awards containing a market hurdle. The Monte Carlo simulation is carried out as at the date of issue of the Performance Rights.
<b>The names of all persons referred to in ASX Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security</b>	No Directors or their associates have received securities under the PRP except for the grant of 4,000,000 Performance Rights approved at the 2022 AGM at Nil issue price.
<b>The names of all persons referred to in rule 10.14 entitled to participate in the scheme</b>	<p>In respect of the PRP, Mr. John Cerini, Chief Executive Officer and Managing Director.</p> <p>The Rules of the PRP also permit participation by directors, although the board does not currently propose such participation. The names of the remaining current directors are:</p> <p>Jonathan Ling Mark Blackburn Rupert Harrington</p>
<b>A voting exclusion statement</b>	A voting exclusion statement is set out on page 6 of this Notice of Annual General Meeting.
<b>The terms of any loan in relation to the acquisition</b>	None.
<b>A statement as required by ASX Listing Rule 10.15.11</b>	<p>Details of any securities issued under the PRP will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.</p> <p>If any additional person covered by Listing Rule 10.14 becomes entitled to participate in the PRP after this Resolution 5 is approved and that person is not named in this Notice of Meeting, then that person will not participate in the PRP until the Company's Shareholders approve such participation for the purposes of ASX Listing Rule 10.14.</p>
<b>The date by which the entity will issue the securities, which must be no later than 3 years after the meeting</b>	The Performance Rights will be issued in November 2023, and no later than 21 December 2023.

(e) **Conditions applicable to the vesting of Performance Rights**

Performance Rights will be granted to Mr. Cerini with vesting conditional upon the achievement of certain performance conditions, as outlined below. Each Performance Right will entitle Mr. Cerini to subscribe for one share.

The Performance Rights is granted as an LTI under the PRP and will be subject to the following vesting conditions, measured in respect of the financial year ending 30 June 2025:

For 50% of the performance rights to vest the Company must achieve an Earnings before Tax, Depreciation and Amortisation (EBITDA) target of \$20 million for the 12 month period ending 30 June 2025.. For the remaining 50% of the performance rights to vest, the Company must successfully implement strategic objectives as set by, and determined by, the Board during the period ending 30 June 2025.

The satisfaction of vesting conditions will be assessed at the end of the FY2025 financial year once the results have been released to the market. Mr. Cerini will have a 6-month period in which to exercise such Performance Rights as have vested, after which any unexercised vested Performance Rights will lapse

Vesting for all tranches of Performance Rights is also dependent upon Mr Cerini continuing to be employed by the Company from the date of grant until vesting, and otherwise complying with all the Company's policies and Code of Conduct .

(f) **Summary of the Material Terms of the Performance Rights Plan**

The Company uses LTI Performance Rights to provide executives with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its return to shareholders. The PRP is also intended to assist the Company to attract and retain skilled and experienced senior executives and provide them with an incentive to have a greater involvement with, and focus on, the longer-term goals of the Company.

The following are the key features of the PRP:

- The Board may from time to time, in its absolute discretion, invite eligible employees to apply for rights under the PRP on terms set out in the PRP and any other terms the Board considers appropriate, subject to the grant complying with the *Corporations Act 2001* and the ASX Listing Rules;
- A right will vest where the eligible employee remains in service at vesting date and, in some cases, upon satisfaction of performance hurdles and other vesting conditions determined by the Board. The Board has a discretion to allow early vesting in special circumstances under the PRP Rules such as a takeover offer being made;
- The exercise price of a grant of rights under the PRP may be zero, although a price may be set by the Board;
- A right will automatically lapse where the right has not been exercised by the expiry date; and
- Shares issued on the exercise of rights under the PRP will rank equally in all respects with all existing shares from the date of allotment, including in relation to voting rights and entitlements to distributions and dividends. Prior to exercise the performance rights do not confer any right to vote, confer any entitlement to a dividend, confer any right to a return of capital, or confer any right to participate in the surplus profits or assets of the company upon a winding up
- Rights holders are not permitted to participate in new issues of securities by the Company. However, adjustments may be made to the number of shares over which the rights are granted or their exercise price to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the PRP rules and the ASX Listing Rules.
- Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board, which will only be considered for approval in exceptional circumstances. Where a Participant purports to sell, transfer, mortgage, charge or otherwise deal with or encumber Rights without the prior written approval of the Board, the Rights immediately lapse.
- The PRP rules limit the number of rights that the Company may issue, such that the sum of all rights and options on issue and offered under all employee incentive schemes of the Company over a 3 year period does not, if they are all exercised, equate to more than 5% of the ordinary shares on issue by the Company.
- If the Board determines that to safeguard the interests of shareholders and to minimise the risk of unvested (performance based) rights remaining available to participants in circumstances where the Board has concluded that would be inappropriate, the Board may, in its discretion, in respect of rights issued on or after 1 July 2016:
  - cancel or require forfeiture of some or all of such rights;
  - adjust the future performance based remuneration of the participant subject to clawback;

-take legal action against the participant; and/or

-take such other action as the Board considers appropriate in any relevant circumstances as permitted to it by law.

**(g) Additional information**

None of the Directors has an interest in the outcome of this Resolution. However, as the Directors are "Key Management Personnel" for the purposes of the Corporations Act, a voting exclusion statement applies as set out on page 6 of this Notice of Meeting. For those reasons, the Directors will not be making recommendations as to voting on this Resolution 5.

**Resolution 6 – Issue of Performance Share Rights to Mr John Cerini**

**(a) Background**

At the 2022 Annual General Meeting shareholders approved the issue of 6,000,000 performance rights to CEO Mr John Cerini, which were described in the 2022 Notice of Annual General Meeting meeting as "Tranche 2". 3,000,000 of these performance rights were issued in 2022 in line with the notice of meeting, and the shareholder approval duly given. The remaining 3,000,000 were not and will not be issued as noted above.

In respect of the 3,000,000 performance rights which were issued in 2022, the board is seeking shareholder approval to vary the terms attached to the vesting of those performance rights. As such, a new approval is required from shareholders for the purposes of ASX Listing Rule 10.14

By this Resolution 6, the Company is seeking the approval of Shareholders for a variation to the terms of the 2022 grant of 3,000,000 Performance Rights to Mr. Cerini under the PRP for the purposes of ASX Listing Rule 10.14.

**(b) Information required under the Listing Rules**

Sections (b), (c), (d) and (f) of the explanatory notes on Resolution 5 detail the information required to be included in this Notice of Meeting in respect of this Resolution 6.

**(c) Proposed Variation to Vesting Conditions**

The 3,000,000 performance rights issued in 2022 ("2022 PSRs") were granted subject to the following vesting condition, measured in respect of the financial year ending 30 June 2024:

*"For any performance rights to vest the Company must achieve an Earnings per share ("EPS") target of 0.0038 for any Performance Rights to vest. If this is achieved 20% of the Performance Rights will vest on a linear basis up to an EPS of 0.0347 at which point 100% of the Performance Rights will vest."*

The board proposes to firstly change the period in respect of which the vesting conditions are measured, from 30 June 2024, to 30 June 2025, and therefore extend the life of the 2022 PSRs by 12 months. The board also proposes to change the vesting conditions applicable to the 2022 PSRs to the following:

For the performance rights to vest the Company must achieve an Earnings before Tax, Depreciation and Amortisation (EBITDA) target of \$20 million for the 12 month period ending 30 June 2025

The Board believes this change will serve to further motivate Mr Cerini to deliver on its objective of achieving profitable and sustainable growth for the Company. It will also provide Mr Cerini with an opportunity to share in the growth in value of the Company and retain his skills and experience for the benefit of the Company.

**(d) Additional information**

None of the Directors has an interest in the outcome of this Resolution. However, as the Directors are "Key Management Personnel" for the purposes of the Corporations Act, a voting exclusion statement applies as set out on page 6 of this Notice of Meeting. For those reasons, the Directors will not be making recommendations as to voting on this Resolution 6.

-Ends-



#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR REGISTRATION IS IMPORTANT

For your vote to be effective it must be recorded **before 1:00pm (Melbourne time) on Sunday, 19<sup>th</sup> November 2023**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/ppgagm2023>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2: VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities, your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3: SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4: LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **1:00pm (Melbourne time) on Sunday, 19<sup>th</sup> November 2023**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/ppgagm2023>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM****STEP 1 APPOINT A PROXY**

I/We being a member/s of **Pro-Pac Packaging Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the offices of **Herbert Smith Freehills, Level 24, 80 Collins Street, Melbourne, VIC 3000** and online at <https://web.lumiagm.com/#/344146483> on **Tuesday, 21<sup>st</sup> November 2023 at 1:00pm (Melbourne time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting is authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of **Resolutions 2, 4, 5 and 6**. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Items even though **Resolutions 2, 4, 5 and 6** are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in **favour** of all Items of business including **Resolutions 2, 4, 5 and 6**. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 2	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of a Director – Mr. Mark Blackburn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	General approval of issue of securities under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Performance Rights to Mr John Cerini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Variation of the terms applicable to 2022 Performance Rights issued to Mr John Cerini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2023