

ASX Announcement

Clarification of 2022 Notice of Annual General Meeting

Date: 8 November 2022

Pact Group Holdings Ltd (ASX: **PGH**, the **Company**) wishes to clarify and restate the 'Voting exclusions' and 'Voting exclusion statements' set out on page 3 of the Notice of Meeting for the Company's 2022 Annual General Meeting (**AGM**), released on 12 October 2022.

The clarified statements are set out below:

Voting exclusions

The Corporations Act and ASX Listing Rules (as applicable) require that certain persons must not vote and the Company must disregard certain votes cast on the resolutions in item 2 and item 4.

Voting exclusion statements

Item 2

The Company will disregard any votes cast on the resolution in item 2:

- *by or on behalf of key management personnel of the Company (**KMP**) whose remuneration details are included in the Remuneration Report for the year ended 30 June 2022, and any closely related party (within the applicable meaning in the Corporations Act) (**Closely Related Party**) of the KMP, regardless of the capacity in which the vote is cast; or*
- *as a proxy by or on behalf of a person who is a member of the KMP at the date of the AGM, or by any of their Closely Related Parties.*

However, the Company will not disregard votes if they are cast on the resolution in item 2 by:

- *a person as proxy for a person entitled to vote on the resolution, in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or*
- *the Chairman of the AGM under an express authorisation in the proxy appointment to exercise the proxy even if the resolution is connected with the remuneration of a member of the KMP.*

Item 4

The Company will disregard any votes cast on the resolution in item 4:

- *by or on behalf of Mr Sanjay Dayal or any associate (within the applicable meaning in the Corporations Act) (**Associate**) of Mr Sanjay Dayal, regardless of the capacity in which the vote is cast; or*
- *as a proxy by or on behalf of a person who is a member of the KMP at the date of the AGM, or by any of their Closely Related Parties.*

However, the Company will not disregard votes if they are cast on the resolution in item 4 by:

- *a person as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the proxy or attorney to vote on the resolution in that way;*
- *the Chairman of the AGM as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides, including where the resolution is connected with the remuneration of a member of the KMP; or*

- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *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*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

Attached to this announcement is an updated 2022 Notice of Annual General Meeting and the replacement text is highlighted for reference.

The updated 2022 AGM Notice of Meeting is also available on the Company's website at:
<https://pactgroup.com/investors/investor-communications/#annual-general-meeting>.

~END~

For further information contact:

Kathryn de Bont
Company Secretary
E: Kathryn.deBont@pactgroup.com

This document has been authorised for release by Kathryn de Bont, Company Secretary.

Pact Group Holdings Ltd
ABN: 55 145 989 644

2022 Notice of Annual General Meeting





Dear Fellow Shareholders

Pact Group Holdings Limited ('PGH') 2022 Notice of Annual General Meeting

It is with much pleasure that I invite you to the ninth Annual General Meeting (**AGM**) of Pact Group Holdings Ltd (**Pact** or the **Company**) to be held on Wednesday, 16 November 2022 at 12:00pm AEDT.

Our 2022 AGM will be held as a virtual meeting online. You will be able to watch, participate, vote and ask questions at the AGM in real-time on your computer or mobile device, through our online platform, by entering the following address into your web browser meetnow.global/PGH2022. Pact's Notice of Meeting is also available on our AGM website at pactgroup.com/investors/investor-communications/#annual-general-meeting.

Even if you intend to participate online, we encourage shareholders to cast proxy votes and lodge questions ahead of the AGM at www.edocumentview.com.au/PGH2022. In order for your vote to count by proxy, you must lodge your completed proxy form no later than 48 hours before the AGM (i.e. 12:00pm AEDT Monday, 14 November 2022). To access this site, you will need your holder number (SRN/HIN). Lodging questions and casting your proxy vote ahead of the AGM will not prevent you from attending online.

The Notice of Meeting details the formal business to be dealt with at the AGM, which includes:

1. Receive and consider the Financial Statements and Reports for the financial year.
2. Adoption of the Remuneration Report.
3. Re-election of Mr Raphael Geminder as a non-executive Director.
4. Approval of long-term incentive grant of performance rights to Mr Sanjay Dayal, the Managing Director and Group Chief Executive Officer (**CEO**).
5. Renewal of proportional takeover plebiscite.
6. Approval of financial assistance in connection with the acquisition of Synergy Packaging Pty Ltd.

In addition, an electronic version of the Annual Report for the year ended 30 June 2022 is available on our website at pactgroup.com/investors/investor-communications/#reports.

Ms Lyndsey Cattermole and Mr Jonathan Ling will retire as Directors of the Company at the conclusion of the AGM. The Board and I thank Lyndsey and Jonathan for their invaluable contributions since joining the Board in November 2013 and April 2014, respectively.

I look forward to welcoming you to the AGM.

Yours sincerely,

A handwritten signature in black ink, appearing to read "R. Geminder", written in a cursive style.

Raphael Geminder
Chairman

Dated: 12 October 2022

Notice of Annual General Meeting

Notice is hereby given that the 2022 Annual General Meeting of shareholders of Pact Group Holdings Ltd ('Company') will be held on Wednesday, 16 November 2022 at 12.00pm AEDT as a virtual meeting ('AGM' or 'Meeting'). Shareholders will be able to virtually attend and participate in the Meeting via an online platform. The online platform facilitating the Meeting can be accessed from our AGM website at www.edocumentview.com.au/PGH2022 and directly via meetnow.global/PGH2022. Shareholders will be able to register for and log on to the online platform from 11.00am AEDT on Wednesday, 16 November 2022. A guide on how to use the online platform (including how to register, log in, vote and ask questions during the Meeting) is available on the Company's AGM website at www.edocumentview.com.au/PGH2022.

Items of business

1. Financial Statements and Reports

To receive and consider the annual Financial Report, the Directors' Report and the Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2022.

Note: there is no requirement for shareholders to approve these Reports.

2. Adoption of the Remuneration Report

To consider the Company's Remuneration Report as it appears in the 2022 Annual Report of the Company and, if thought fit, pass the following non-binding resolution as an ordinary resolution in accordance with section 250R(2) of the Corporations Act 2001 (Cth) (**Corporations Act**):

"That the Company's Remuneration Report for the financial year ended 30 June 2022 be adopted."

Voting exclusions

Certain persons are prohibited from casting votes on this resolution. Details of the voting exclusions applicable to this resolution are set out under the heading "Voting exclusions" and "Voting exclusions statements" on page 3 of this Notice of Meeting.

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Re-election of Director – Mr Raphael Geminder

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

"That Mr Raphael Geminder, who offers himself for re-election and being eligible, be re-elected as a Director of the Company."

Notice of Annual General Meeting (Cont.)

4. Approval of FY23 long-term incentive grant of performance rights to the CEO

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

"That approval be given for all purposes, including ASX Listing Rules 7.1 and 10.14, and section 200B and section 200E of the Corporations Act, for the grant of performance rights to Mr Sanjay Dayal, the Company's Managing Director and Chief Executive Officer, as his annual long-term incentive grant for the year ended 30 June 2023, on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting exclusions

Certain persons are prohibited from casting votes on this resolution. Details of the voting exclusions applicable to this resolution are set out under the heading "Voting exclusions" and "Voting exclusions statements" on page 3 of this Notice of Meeting.

5. Renewal of proportional takeover plebiscite

To consider and, if thought fit, pass the following resolution as a special resolution:

"That the proportional takeover provisions contained in Rule 6 of the Company's Constitution be renewed for a further three years with effect from the date this resolution is passed."

Note: this resolution is a special resolution, which requires at least 75% of votes cast by shareholders entitled to vote on the resolution to be cast in favour of the resolution.

6. Approval of financial assistance in connection with the acquisition of Synergy Packaging Pty Ltd

To consider and, if thought fit, pass the following resolution as a special resolution:

"That for the purposes of sections 260A and 260B(2) of the Corporations Act and all other purposes, approval is given for the financial assistance to be provided by Synergy Packaging Pty Ltd ACN 006 617741 in connection with the transaction described in item 6 of the Explanatory Memorandum accompanying this resolution (which forms a part of this resolution)."

Note: this resolution is a special resolution, which requires at least 75% of votes cast by shareholders entitled to vote on the resolution to be cast in favour of the resolution.

The Important Notes and Explanatory Memorandum attached to this Notice of Meeting are incorporated into and form part of this Notice. A detailed explanation of the background and reasons for the proposed resolutions is set out in the Explanatory Memorandum.

By Order of the Board



Kathryn de Bont
Company Secretary

Dated: 12 October 2022

Important Notes

Quorum

The quorum necessary for this Meeting is five or more shareholders being present, including virtually or by proxy. If a quorum is not present within 30 minutes after the scheduled time for the Meeting, the Meeting will be adjourned as the Board directs.

Poll

Voting on all resolutions will be determined by a poll at the Meeting.

Voting entitlement

The Board has determined that persons holding fully paid ordinary shares in the capital of the Company at 7:00pm AEDT on Monday, 14 November 2022 will be eligible to vote on the resolutions contained in this Notice of Meeting. This means that if you are not the registered holder of any fully paid ordinary shares in the capital of the Company at that time, you will not be entitled to vote.

Voting methods

Shareholders may vote by attending the AGM online, by proxy or by attorney. A body corporate shareholder may appoint an individual to act as its corporate representative in accordance with section 250D of the Corporations Act.

Voting exclusions

The Corporations Act and ASX Listing Rules (as applicable) require that certain persons must not vote and the Company must disregard certain votes cast on the resolutions in item 2 and item 4.

Voting exclusion statements

Item 2

The Company will disregard any votes cast on the resolution in item 2:

- by or on behalf of key management personnel of the Company (**KMP**) whose remuneration details are included in the Remuneration Report for the year ended 30 June 2022, and any closely related party (within the applicable meaning in the Corporations Act) (**Closely Related Party**) of the KMP, regardless of the capacity in which the vote is cast; or
- as a proxy by or on behalf of a person who is a member of the KMP at the date of the AGM, or by any of their Closely Related Parties.

However, the Company will not disregard votes if they are cast on the resolution in item 2 by:

- a person as proxy for a person entitled to vote on the resolution, in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman of the AGM under an express authorisation in the proxy appointment to exercise the proxy even if the resolution is connected with the remuneration of a member of the KMP.

Item 4

The Company will disregard any votes cast on the resolution in item 4:

- by or on behalf of Mr Sanjay Dayal or any associate (within the applicable meaning in the Corporations Act) (**Associate**) of Mr Sanjay Dayal, regardless of the capacity in which the vote is cast; or
- as a proxy by or on behalf of a person who is a member of the KMP at the date of the AGM, or by any of their Closely Related Parties.

However, the Company will not disregard votes if they are cast on the resolution in item 4 by:

- a person as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the AGM as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides, including where the resolution is connected with the remuneration of a member of the KMP; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxies

A shareholder entitled to participate and vote at the AGM is entitled to appoint any person to participate at the AGM and vote as the shareholder's proxy. A proxy can be an individual or a body corporate. A proxy need not be a shareholder.

Proxies are appointed in accordance with the lodgement instructions below.

Unless the proxy is required by law to vote, the proxy may decide whether or not to vote on any particular item of business. If the appointment of a proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. Any undirected proxies on a given resolution may be voted by the appointed proxy as they choose, subject to the voting exclusions described above.

Important Notes (Cont.)

If a shareholder is entitled to cast two or more votes, they may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the shareholder appoints two proxies and the proportion or the number of the shareholder's votes each proxy may exercise is not specified, each proxy may exercise half the votes the appointing shareholder is entitled to cast (disregarding fractions).

All directed proxies that are not voted on at the Meeting will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed. The Chairman of the Meeting intends to vote undirected proxy votes in favour of all items (subject to the voting exclusions described above).

If the Chairman is appointed, or taken to be appointed, as your proxy, you can direct the Chairman of the Meeting to vote 'for' or 'against', or 'abstain' from voting on the resolutions contained in the items. If you do not direct the Chairman how to vote you will be expressly authorising the Chairman to exercise your undirected proxy in favour of all the resolutions contained in the items listed in this Notice of Meeting, regardless of whether the resolution may be directly or indirectly connected with the remuneration of a member of the Company's KMP.

If you appoint a member of the Company's KMP (other than the Chairman) or any of their Closely Related Parties as your proxy, you must direct them how to vote on items 2 or 4. If you do not do so, you risk your vote not being cast.

How to submit your vote prior to the meeting

Shareholders may appoint a proxy to vote. Instructions on how to appoint a proxy are available at www.edocumentview.com.au/PGH2022. Proxy votes must be received by 12.00pm AEDT Monday, 14 November 2022.

If you have appointed a proxy to virtually attend and vote at the Meeting on your behalf, please ensure that you arrange for your proxy to obtain their unique email invitation prior to the AGM by contacting our Share Registry, Computershare Investor Services Pty Limited (**Computershare**), by telephone on +61 3 9415 4024. This invitation is required so that your appointed proxy can access Computershare's online platform during the Meeting.

Voting by corporate representative

Any corporate shareholder or proxy must appoint a person to act as its representative. The representative must provide Computershare with a formal notice of appointment signed, as required by section 127 of the Corporations Act. A Notice of Appointment form can be obtained from Computershare, by telephone on +61 3 9415 4000, or downloaded from www.investorcentre.com/au.

Voting by attorney

A shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at least 48 hours before the commencement of the AGM or any adjournment or postponement of the AGM, being 12.00pm AEDT on Monday, 14 November 2022.

Lodgement instructions

To be valid, the proxy appointment instrument (or a certified copy of the authority) must be received by one of the following methods not less than 48 hours before the commencement of the AGM or any adjournment or postponement of the AGM, being 12.00pm AEDT on Monday, 14 November 2022:

- electronically, by visiting www.edocumentview.com.au/PGH2022 and following the instructions provided;
- by sending the proxy form by mail to the Company's Share Registry, Computershare Investor Services Pty Limited at GPO Box 242, Melbourne, Victoria 3001, Australia;
- by sending the proxy form by facsimile to the Company's Share Registry on 1800 783 447 within Australia or +61 3 9473 2555 from outside Australia; or
- for certain intermediaries (such as custodians, nominees and broker participants) who subscribe to Computershare's intermediary online service – electronically, by visiting www.intermediaryonline.com and following the instructions provided.

Shareholder questions

Shareholders are able to submit written questions prior to the Meeting. Questions can either be submitted online via www.edocumentview.com.au/PGH2022 (following the instructions provided online), or by emailing: company.secretary@pactgroup.com. Questions in writing must be received by 5.00pm AEDT on Wednesday, 9 November 2022. Shareholders may also ask questions at the Meeting.

Questions should relate to matters that are relevant to the business of the Meeting as outlined in the Notice of Meeting.

Webcast

A recording of the proceedings of the Meeting will be made available on the Company's website at pactgroup.com/investors/investor-communications/#annual-general-meeting.

Meeting results

The voting results will be announced to the ASX promptly following the Meeting and will also be made available on the Company's website at pactgroup.com/investors/investor-communications/#asx-other-announcements.

Resolutions

Items of business 2, 3, and 4 are ordinary resolutions. To be passed, each of these items need approval of a simple majority of the votes cast by shareholders (or proxies) entitled to vote on the resolution.

Items of business 5 and 6 are special resolutions. To be passed, each of these items require a majority of at least 75% of votes cast in favour by shareholders (or proxies) entitled to vote on the resolution.

Explanatory Memorandum

Item 1 – Financial statements and reports

The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2022 to be laid before the Meeting.

The Financial Report has been approved by the Directors and audited by the Company's independent auditor.

There is no requirement in the Corporations Act or the Company's Constitution for shareholders to vote on, approve or adopt these reports. However, shareholders will have a reasonable opportunity at the Meeting to ask questions and make comments on these reports and the business and management of the Company.

The auditor of the Company is required to attend the AGM and will be available to take shareholders' questions and comments about the conduct of the audit, preparation and the content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit. Shareholders may also submit questions to the auditor on the conduct of the audit and the content of the Auditor's Report. Questions must be received no later than 5:00pm AEDT on Wednesday, 9 November 2022, and are to be lodged in accordance with the instructions regarding shareholder questions online via www.edocumentview.com.au/PGH2022 or www.investorvote.com.au. Alternatively, shareholders may forward written questions to company.secretary@pactgroup.com, or may ask questions at the Meeting.

The Corporations Act requires the Company to forward all questions to the auditor and the auditor is required to prepare a list of questions that the auditor considers are relevant to the conduct of the audit and the content of the Auditor's Report. The auditor may omit questions that are the same in substance as other questions or are not received in a timely manner. At the AGM, the Chairman will give the auditor a reasonable opportunity to answer the questions on the question list. The list of questions prepared by the auditor will be available on the Company's website, pactgroup.com/investors/investor-communications/#annual-general-meeting, prior to the AGM.

Item 2 – Adoption of the Remuneration Report

The Corporations Act requires a resolution in relation to the Remuneration Report to be included in the business of the AGM. There will be an opportunity for shareholders at the AGM to comment on, and ask questions about, the 2022 Remuneration Report. The Remuneration Report can be found on pages 42 to 56 of the Company's 2022 Annual Report and can also be accessed online at pactgroup.com/investors/investor-communications/#reports.

The Corporations Act states that a vote on the Remuneration Report is advisory only and will not bind the Directors or the Company. The Board will, however, take the outcome of the vote and comments made by shareholders on the Remuneration Report into consideration when reviewing the Company's remuneration practices and policies.

Voting exclusions apply to this resolution as specified in the Notice of Meeting.

The Chairman of the Meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report. If you intend to appoint a member of the Company's KMP (including any Director of the Company or the Chairman) or any of their Closely Related Parties as your proxy, please refer to the important information contained in the Notice of Meeting under the heading "Proxies" on page 3.

Item 3 – Re-election of Director – Mr Raphael Geminder

Pursuant to ASX Listing Rule 14.4, a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer. Mr Geminder, being eligible, has offered himself for re-election as a Director of the Company.

Mr Geminder was appointed to the Board on 19 October 2010 and is a member of the Nomination and Remuneration Committee. The Board considers Mr Geminder to not be an independent Director.

Explanatory Memorandum (Cont.)

Mr Geminder founded Pact in 2002. Prior to founding Pact, Mr Geminder was the co-founder and Chairman of Visy Recycling, growing it into the largest recycling company in Australia. Mr Geminder was appointed Victoria's first Honorary Consul to the Republic of South Africa in July 2006. He also holds several other advisory and board positions.

Mr Geminder holds a Master of Business Administration in Finance from Syracuse University, New York.

Recommendation

A review of Mr Geminder's performance during his directorship has been undertaken by the other Directors. As a result, the Board (with Mr Geminder abstaining) unanimously recommends that shareholders vote in favour of item 3.

The Chairman of the meeting intends to vote all available proxies in favour of the re-election of Mr Geminder.

Item 4 – Approval of the FY23 long-term incentive grant of performance rights to the CEO

Mr Dayal will receive a fixed remuneration of \$1,317,834 (**FY23 Fixed Remuneration**) and has a target short-term incentive opportunity of 120% of his FY23 Fixed Remuneration. Mr Dayal also participates in the Company's Long-Term Incentive Plan (the **LTIP**) with a grant value equivalent to 90% of his FY22 fixed remuneration (\$1,280,251) (**FY22 Fixed Remuneration**).

Details of Mr Dayal's remuneration in relation to FY22 are set out in the Company's 2022 Annual Report.

Mr Dayal currently holds 40,000 of the Company's ordinary shares and 787,318 unquoted, unvested LTIP performance rights (**LTI Rights**) in the Company.

Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of performance rights to the Managing Director and CEO, Mr Sanjay Dayal, under the **LTIP**. Mr Dayal falls within category 10.14.1 of the ASX Listing Rules by virtue of being a director of the Company.

Mr Dayal has previously been granted:

- 69,784 LTI Rights as his FY19 LTI Rights grant, which have now lapsed;
- 538,189 LTI Rights as his FY20 LTI Rights grant, which have now lapsed;
- 497,967 LTI Rights as his FY21 LTI Rights grant; and
- 289,351 LTI Rights as his FY22 LTI Rights grant.

As these LTI Rights form part of Mr Dayal's remuneration, they were granted for nil consideration.

The rationale for issuing LTI Rights under the LTIP (rather than ordinary securities) is that it is a cost effective way of providing employees such as Mr Dayal with an incentive to enhance the performance of the Company and to seek further alignment of Mr Dayal's interests with those of shareholders by linking his remuneration to the performance of the Company. The LTIP is designed to allow the Board to make grants of awards to employees which provide the opportunity to acquire shares to assist with:

- attracting, motivating and retaining employees;
- delivering rewards to employees for individual and Company performance; and
- aligning the interests of employees with those of shareholders.

Currently, Mr Dayal is the only Director entitled to receive LTI Rights under the LTIP.

Mr Dayal was employed by the Company on 3 April 2019. This proposed grant of LTI Rights represents Mr Dayal's long-term incentive grant for the financial year ended 30 June 2023 (**FY23 LTI Grant**). Details of the FY23 LTI Grant are set out below.

Subject to shareholder approval, the LTI Rights granted under item 4 will be issued under the LTIP within 12 months of the meeting.

Terms of the FY23 LTI Grant

Subject to shareholder approval, Mr Dayal will be granted 651,078 LTI Rights as his FY23 LTI Grant (**FY23 Rights**), to which the Company attributes a value of approximately \$1,152,226. The number and value of FY23 Rights to be granted to Mr Dayal has been determined by dividing Mr Dayal's LTI opportunity (being 90% of his FY22 Fixed Remuneration at the time of grant) by the volume weighted average share price of the Company's shares traded on the ASX over the five trading days following the Company's announcement of its full year financial results for the prior year (being approximately \$1.77), rounded up to the nearest whole number.

As the FY23 Rights form part of Mr Dayal's remuneration, they will be granted for nil consideration.

Performance period

The FY23 Rights will be tested based on performance over a period of three years, commencing on 1 July 2022 and ending on 30 June 2025.

Explanatory Memorandum (Cont.)

Other terms of the LTI Grant

LTI Rights entitle Mr Dayal to one ordinary share in the Company on vesting. Prior to vesting, LTI Rights do not entitle Mr Dayal to any dividends or voting rights. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares.

Performance conditions

The FY23 Rights issued to Mr Dayal under the LTIP will vest subject to continued employment, individual performance and the satisfaction of a total shareholder return (TSR) performance condition, based on the Company's TSR performance over the relevant performance period compared to its peer group.

The percentage of the LTI Rights that vest (if any), will be determined by the Board with reference to the percentile ranking achieved by the Company over the relevant performance period, compared to the other entities in the relative TSR comparator group, as follows:

TSR relative to peer group	FY23 Rights that vest (%)
At or above the 75 th percentile	100%
Between the 50 th and 75 th percentile	Pro-rata vesting between 50% to 100% (i.e. on a straight line basis)
At the 50 th percentile	50%
Below the 50 th percentile	Nil

Testing of the performance conditions

The Company's TSR performance is tested by measuring the Company's TSR performance against the TSR performance of a peer group of companies over the relevant performance period. The peer group will consist of S&P / ASX 200 companies excluding Metals & Mining and Financials.

The comparator group may, at the discretion of the Board, be adjusted to take into account events during the relevant performance period including, but not limited to, takeovers, mergers, de-mergers or de-listings.

The Board retains discretion to adjust the relative TSR hurdle in exceptional circumstances to ensure that the CEO is neither advantaged nor disadvantaged by matters outside management's control that materially affect achievement of the performance condition.

Testing of the performance condition will occur shortly after the end of the relevant performance period and release of the Company's full year results for the last financial year in that period, and the number of FY23 Rights that vest (if any) will be determined by the Board. Any FY23 Rights that remain unvested will lapse immediately.

Cessation of employment

If Mr Dayal ceases employment before the relevant vesting date due to:

- resignation;
- summary dismissal; or
- in circumstances where the Company could have dismissed Mr Dayal summarily prior to the relevant vesting date,

all unvested LTI Rights, including the FY23 Rights granted to Mr Dayal, will be forfeited.

If Mr Dayal ceases employment for any other reason before the LTI Rights vest, a pro-rata amount of the unvested LTI Rights (reflecting the portion of the relevant performance period served) may remain "on-foot" post cessation and will be tested against the performance condition at the end of the relevant performance period (subject to the Board's discretion to determine another treatment).

Change of control

In the event of a change in control of the Company, the Board may at its discretion determine that some or all of Mr Dayal's LTI Rights will vest.

If a change of control occurs before the Board exercises its discretion, the unvested LTI Rights will vest based on the extent to which any applicable performance conditions have been satisfied (or are estimated to have been satisfied). The service-related condition will be deemed to have been satisfied.

Claw back

Under the LTIP, the Board has broad "claw back" powers to determine whether LTI Rights lapse or any shares are forfeited or that amounts are to be repaid in certain circumstances (for example, in the case of serious misconduct).

Restrictions on dealing

Mr Dayal must not transfer, hedge or deal with (except with Board approval or by force of law upon death or bankruptcy) LTI Rights. Mr Dayal will be free to deal with the shares allocated on vesting of LTI Rights, subject to the requirements of the Company's *Policy for Dealing in Securities*.

Explanatory Memorandum (Cont.)

Additional information for item 4 required by the ASX Listing Rules

Mr Dayal is the only Director entitled to receive LTI Rights under the LTIP.

No loan will be made by the Company in relation to the acquisition of LTI Rights.

If approval is given, it will also serve as approval for ASX Listing Rule 7.1 purposes so that the LTI Rights granted to Mr Dayal and any shares issued pursuant to this approval will not reduce the capacity of the Company to issue securities under ASX Listing Rule 7.1. Accordingly, approval under ASX Listing Rule 7.1 is not required.

Details of any securities issued under the LTIP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTIP after the resolution is approved and who are not named in the Notice of Meeting will not participate until approval is obtained under the rule.

Additional information for item 4 required by the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders (or if an exemption applies). This restriction applies to managerial or executive officers of the Company or any of its subsidiaries, which includes Mr Dayal.

The term "benefit" has a wide operation for these purposes and relevantly for the Company, could include the Board exercising its discretion under the rules of the LTIP to permit the early vesting of LTI Rights granted under the LTIP. Circumstances in which the Board may allow early vesting of Mr Dayal's LTI Rights include where Mr Dayal ceases to be an employee of the Company.

It is therefore proposed that this resolution will approve, under section 200E of the Corporations Act, any "termination benefit" that may be provided to Mr Dayal under the LTIP in relation to the LTI Rights (including where the Board exercises its discretion to determine to vest some or all of Mr Dayal's unvested LTI Rights in the event he ceases to be employed by the Company). This benefit is in addition to any other termination benefits that may be provided to Mr Dayal under the Corporations Act.

The Company is seeking this approval to provide the Company with the flexibility to continue to remunerate Mr Dayal appropriately and responsibly.

The value of any such termination benefits cannot currently be ascertained. However, the matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- Mr Dayal's length of service and the portion of any relevant performance periods that have expired at the time he leaves employment;
- Mr Dayal's total fixed remuneration at the time he leaves employment; and
- the number of unvested FY23 Rights that Mr Dayal holds at the time he leaves employment and the extent to which any conditions attaching to those LTI Rights have been satisfied.

Mr Dayal will receive a fixed remuneration of \$1,317,834 and has a target short-term incentive opportunity of 120% of his FY23 Fixed Remuneration. Mr Dayal also participates in an LTIP with a grant value equivalent to 90% of his FY22 Fixed Remuneration. Details of Mr Dayal's remuneration are also set out in the Company's 2022 Annual Report. Mr Dayal currently holds 40,000 of the Company's ordinary securities and 787,318 unquoted, unvested LTI Rights.

Recommendation

The Board (with Mr Dayal abstaining) unanimously recommends that shareholders vote in favour of item 4.

The Chairman of the Meeting intends to vote all available proxies in favour of the grant of performance rights to the CEO. If you intend to appoint a member of the Company's KMP (including any Director of the Company or the Chairman) or their Closely Related Parties as your proxy, please refer to the important information contained in the Notice under the heading "Proxies" on page 3.

Explanatory Memorandum (Cont.)

Item 5 – Renewal of proportional takeover plebiscite

The Company's Constitution currently contains provisions dealing with proportional takeover bids for the Company's shares in accordance with the Corporations Act. The provisions, which are contained in Rule 6 of the Constitution, are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years or they will cease to have effect. The current provisions will automatically cease to have effect after 13 November 2022 unless renewed by the proposed special resolution. Therefore, these provisions must be renewed at this AGM in order to apply to any future proportional takeover offers.

If these provisions are renewed by shareholders at the meeting, they will be in exactly the same terms as the existing provisions and will operate for three years.

A copy of the Company's current Constitution is available in the Corporate Governance section of the Company's website.

It is proposed to renew Rule 6 of the Company's Constitution for a three-year period in accordance with section 648G of the Corporations Act.

Effect

A proportional takeover offer is where an offer is made to each shareholder for a proportion of that shareholder's shares, and not for the shareholder's entire shareholding.

The current Rule 6 of the Company's Constitution states that, if a proportional or partial takeover bid is made for the Company (i.e. takeover offers for less than 100% of each holder's holding), the Directors are to submit to shareholders a resolution to approve the proportional bid. The resolution must be voted on at least 14 days before the last day of the bid period (or such later date as is approved by the Australian Securities and Investments Commission (ASIC)).

The vote is decided on a simple majority. Each person who held bid class securities, as at the end of the day on which the first offer under the bid was made, is entitled to vote, but the bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for three years after approval. The provisions may be renewed, but only by a special resolution of members.

Reasons for renewing the provisions

The Directors consider it appropriate for shareholders to decide whether they wish to have a proportional takeover approval rule in the Constitution. If the proportional takeover approval provision is not in the Constitution, a proportional takeover bid may enable control of the Company to pass without shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares. The proposed proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

Review of proportional takeover provisions

While proportional takeover approval provisions have previously been in force under the Company's Constitution, there have been no full or proportional takeover bids for the Company. Therefore, there is no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders.

No knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Explanatory Memorandum (Cont.)

Potential advantages and disadvantages

While the renewal of Rule 6 will allow the Board to ascertain shareholders' views on a proportional takeover bid, the Directors consider that the proportional takeover approval provisions have no potential advantages or disadvantages for them. They remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential **advantages** of the proportional takeover approval provisions for shareholders include:

- shareholders will have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may help shareholders avoid being locked in as a minority;
- the provisions increase the bargaining power of shareholders, which may ensure that any partial offer is adequately priced; and
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and to decide whether to accept or reject that offer.

The potential **disadvantages** of the proportional takeover approval provisions for shareholders include:

- potential bidders may be discouraged from making a proportional takeover bid;
- the discouragement of potential bidders may lead to a depressed share price;
- an increased likelihood that a proportional takeover bid would not be successful; and
- the provisions may be considered by some shareholders as an unreasonable restriction on their ability to freely deal with their shares.

The Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

Recommendation

The Board unanimously recommends that shareholders vote in favour of item 5.

The Chairman of the Meeting intends to vote all available proxies in favour of the renewal of the proportional takeover approval provisions in the Company's Constitution.

Item 6 – Approval of financial assistance in connection with the acquisition of Synergy Packaging Pty Ltd

Introduction

This section of the Explanatory Memorandum relating to proposed item 6 (the **Financial Assistance Resolution**) contained in the accompanying Notice of Meeting is given to shareholders of the Company for the purpose of section 260B(4) of the Corporations Act.

It contains all of the information known to the Company or the Directors of the Company that is material to deciding how to vote on the proposed Financial Assistance Resolution contained in the accompanying Notice.

The proposed Financial Assistance Resolution approves the giving of financial assistance by a company that is a subsidiary of the Company pursuant to sections 260A and 260B(2) of the Corporations Act.

Certain terms and expressions used in this section of the Explanatory Memorandum relating to the Financial Assistance Resolution are set out below in the section titled "Financial Assistance Resolution defined terms and interpretation".

The share acquisition

Pact Group Holdings (Australia) Pty Ltd ACN 107 959 900 (**Purchaser**) has acquired the entire issued ordinary share capital of Synergy Packaging Pty Ltd ACN 006 617 741 (**Target**) pursuant to the Synergy Packaging Share Sale Agreement.

The Purchaser is a wholly owned subsidiary of the Company.

The Target is now a wholly owned subsidiary of the Company.

Requirement for shareholder approval

Under section 260A of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company if the assistance is approved by the shareholders of the Company pursuant to section 260B of the Corporations Act.

Approval of this financial assistance has or will be given by the shareholders of the Target. Additionally, under section 260B of the Corporations Act, if immediately after the acquisition, the company will be a subsidiary of an Australian listed holding company, the financial assistance must also be approved by a special resolution of the shareholders of that listed holding company. Because the Company is the listed holding company of the Target, shareholders of the Company are asked to approve the financial assistance.

Explanatory Memorandum (Cont.)

A company may be regarded as giving financial assistance if it gives financial support in order that a transaction be carried out, or something in the nature of aid or help. Common examples of financial assistance include issuing a debenture, giving security over the company's assets and giving a guarantee or indemnity in respect of another person's liability.

Particulars of the financial assistance

As part of the arrangements to finance the Synergy Packaging Acquisition, the Company funded all of the purchase price for that acquisition by drawing down on its existing debt facilities, which are provided pursuant to the Facilities Agreement.

Under the terms of the Facilities Agreement, the Company is required to ensure that the Target:

- a. accedes to the Facilities Agreement by entering into an accession letter to become an "Additional Guarantor" and an "Obligor" (each as defined in the Facilities Agreement);
- b. gives an interlocking guarantee and indemnity (which is contained in the Facilities Agreement) for the repayment of money that may become owing, and to secure (among other things) each other Obligor's obligations, under the Facilities Agreement and any related document; and
- c. executes, or accedes to, any document ancillary to, or in connection with, the Facilities Agreement and any guarantee, indemnity or security interest given in connection with, or ancillary to, the Facilities Agreement and any related document,

(collectively referred to in the Explanatory Memorandum as the **Target Facilities Agreement Requirements**).

The Company may also from time to time arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future. In order to secure and regulate the obligations of the Company and any applicable subsidiary or related entity of it in relation to new financing facilities, the Target may, from time to time:

- a. execute, or accede to, a new facilities agreement as an obligor:
 - (i) on substantially the same terms as the Facilities Agreement; or
 - (ii) on terms approved by the Board or shareholders (or both) at the relevant time;

- b. give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, general security agreement (however described), specific security agreement (however described) or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document; and
- c. execute, or accede to, any document in connection with, or ancillary to, any new facilities agreement or guarantee, indemnity or security interest given in connection with any new facilities agreement and any related document.

(collectively referred to in the Explanatory Memorandum as the **Target New Facilities Agreement Requirements**).

The Target's obligations under each Finance Document are significant. Those obligations include:

- a. unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Company and any applicable subsidiary or related entity of it under the Finance Documents from time to time; and
- b. indemnifying each Finance Party and other parties against any liability, loss or cost incurred by them under, or in connection with, the Finance Documents.

Entering into, and performing obligations under, the Finance Documents will constitute or involve the Target giving financial assistance in connection with the Synergy Packaging Acquisition for the purposes of section 260A of the Corporations Act and therefore requires the prior approval of shareholders under section 260B of the Corporations Act.

Approval of financial assistance

Under section 260B(2) of the Corporations Act, shareholder approval for financial assistance by the Target must be approved by special resolution passed at a general meeting of the Company. In accordance with the Corporations Act and the Company's Constitution, a special resolution must be passed by at least 75% of the total votes cast by shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative).

Explanatory Memorandum (Cont.)

Reasons for the financial assistance

The Purchaser used funds made available under the Facilities Agreement to finance all of the consideration payable for the Synergy Packaging Acquisition and to pay certain transaction costs and fees associated with the acquisition.

The financiers' agreement to provide the finance made available to the Company and the Purchaser under the Facilities Agreement was conditional on the Company, the Purchaser and each of its subsidiaries that have acceded to the Facilities Agreement being bound by certain obligations included in the Facilities Agreement, including the obligation to ensure that:

- a. the Target assumes the obligations and gives the guarantee and indemnity described as the Target Facilities Agreement Requirements above; and
- b. the Company's shareholders approve the financial assistance to be given by the Target.

Accordingly, the reason for the giving by the Target of the financial assistance described above is to enable the Company, the Purchaser and its applicable subsidiaries to comply with their obligations under the Facilities Agreement.

Effects of the financial assistance

As the Company (and each of its subsidiaries which have acceded to the Facilities Agreement) is already liable for the amounts payable under the Facilities Agreement, the giving of the financial assistance described in this Explanatory Memorandum by the Target is unlikely to have any adverse effect on the Company.

The substantial effect of the financial assistance on the Target is that, following its accession to the Facilities Agreement, the Target will have:

- a. guaranteed all amounts payable under the Facilities Agreement and related finance documents; and
- b. indemnified each Finance Party and other parties against any liability, loss or cost incurred by them under, or in connection with, the Facilities Agreement and related finance documents.

The operations of the Target will also be restricted by the representations and undertakings given by it when it accedes to the Facilities Agreement. However, the Company is already required to procure that the Target complies with most of these undertakings and the Company is required to provide such representations, even though the Target has not yet acceded to the Facilities Agreement.

The Directors of the Company do not currently have any reason to believe that the Company or any of its subsidiaries which have acceded to the Facilities Agreement are likely to default in their obligations under the Finance Documents.

However, if the Company or any applicable subsidiary defaults under the Finance Documents, any one or more of the Finance Parties may decide to take enforcement action such as making a demand under the Finance Documents (including by a call on the guarantee and indemnity given by the Target). Accordingly, the Target will be liable for the default of the Company or any applicable subsidiary under the Finance Documents, with the result that all of the assets of the Target will be available to satisfy the claims of the Finance Parties.

On enforcement, among other rights, a Finance Party may become entitled to procure the sale of the assets of the Target or to cause its winding up. The sale of assets on enforcement or winding up may yield a return to the Target (and ultimately its shareholders) significantly lower than could have been achieved by the Target had those assets been otherwise sold and may therefore have an adverse effect on the financial position of the Target and its ability to pay creditors.

Advantages of approving the Financial Assistance Resolution

The **advantages** to the Company of its shareholders approving the Financial Assistance Resolution are that:

- a. the Target will be able to accede to the Facilities Agreement and so allow the Company to meet its obligations under the Facilities Agreement described as the Target Facilities Agreement Requirements above and avoid the occurrence of an event of default. If an event of default occurs, the Finance Parties may require immediate repayment of the amounts due under the Facilities Agreement and related finance documents.

The Directors of the Company believe that the utilisation of the existing facilities under the Facilities Agreement was the most efficient form of financing available to fund the Synergy Packaging Acquisition; and

- b. the Company will be able to benefit from synergies, cost savings and greater growth potential through the integration of the Target.

The Directors of the Company believe that the principal advantage to the Target of its shareholders approving the Financial Assistance Resolution is that it enables the Company to comply with its obligations under the Finance Documents and avoids a default occurring under the Facilities Agreement. Any default under the Facilities Agreement would have a potentially destabilising effect on the Company, which could in turn adversely affect the Target.

In addition, the continuation of the Facilities Agreement benefits the Target because the Facilities Agreement will provide funds for the working capital and general corporate purposes of the Target.

Explanatory Memorandum (Cont.)

Disadvantages of approving the Financial Assistance Resolution

As the Company (and each of its subsidiaries which have acceded to the Facilities Agreement) is already liable for the amounts payable under the Facilities Agreement and related Finance Documents, the Directors of the Company do not believe there are any disadvantages to the Company of its shareholders approving the Financial Assistance Resolution.

Nevertheless, the **disadvantages** to the Target of its shareholders approving the Resolution may be considered to include the following:

- a. the Target will become liable for the amounts payable under the Facilities Agreement and related Finance Documents;
- b. the operations of the Target will be restricted by the representations and undertakings given by it by acceding to the Facilities Agreement. However, the Company is already required to procure that the Target complies with most of these undertakings and the Company is required to provide such representations, even though the Target has not yet acceded to the Facilities Agreement;
- c. although the Directors consider this unlikely, the Company or any subsidiary may default under the Facilities Agreement. Following an event of default, the Finance Parties may make a demand under the guarantees provided by the Target requiring immediate repayment of the amounts due under the Finance Documents, which may result (among other things) in the Finance Parties enforcing their rights to sell assets of the Target to satisfy their claims or the winding up of the Target; and
- d. the giving of the financial assistance may impact on the Target's ability to borrow money in the future. This is because a lender may be deterred by the existence of the Finance Documents from making finance facilities available to the Target. However, the Company is already required under the Facilities Agreement to procure that the Target does not borrow money other than in a manner permitted by the Facilities Agreement.

Approval and Recommendation

The Directors of the Company have unanimously approved this Explanatory Memorandum and the Notice of Meeting and recommend that the shareholders of the Company vote in favour of the Financial Assistance Resolution to approve the giving of financial assistance as they believe that approval of the resolution is in the best interests of the Company.

The Chairman of the Meeting intends to vote all available proxies in favour of item 6.

Notice to ASIC

Copies of the notice to shareholders of the proposed resolution and this Explanatory Memorandum were lodged with the ASIC before being sent to the shareholders, in accordance with section 260B(5) of the Corporations Act.

Disclosure of information

The Directors of the Company consider that the Notice and this Explanatory Memorandum contains all material information known to the Company that could reasonably be required by the shareholders of the Company in deciding how to vote on the Financial Assistance Resolution, other than information that it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to its shareholders.

Financial Assistance Resolution defined terms and interpretation

In this Explanatory Memorandum relating to item 6:

Facilities Agreement means the syndicated facility agreement dated 27 November 2013 between, among others, the Company, the Purchaser and a syndicate of banks, as amended from time to time.

Finance Documents means the Facilities Agreement and each document referred to in, or contemplated by, the Target Facilities Agreement Requirements and the Target New Facilities Agreement Requirements.

Finance Party means each lender, arranger, agent, or hedging counterparty under the Finance Documents.

Synergy Packaging Acquisition means the acquisition of the issued shares in the Target pursuant to the Synergy Packaging Share Sale Agreement.

Synergy Packaging Share Sale Agreement means the share sale and purchase deed between the Company, Purchaser, RPC Australia Holdings Pty Ltd ACN 616 054 909 and Berry Global, Inc. dated 25 February 2022.

Purchaser means Pact Group Holdings (Australia) Pty Ltd ACN 107 959 900.

Target means Synergy Packaging Pty Ltd ACN 006 617 741.

In this Explanatory Memorandum for the purposes of item 6, except where the context requires otherwise:

- a. the singular includes the plural and vice versa, and a gender includes other genders;
- b. another grammatical form of a defined word or expression has a corresponding meaning; and
- c. a reference to a document includes the document as novated, altered, restated or replaced from time to time.



The online platform facilitating the Meeting can be accessed from our AGM website at www.edocumentview.com.au/PGH2022 or directly at meetnow.global/PGH2022.

Shareholders will be able to register for and log on to the online platform from 11.00am AEDT on Wednesday, 16 November 2022.

A guide on how to use the online platform (including how to register, log in, vote and ask questions during the Meeting) is available on the Company's AGM website at www.edocumentview.com.au/PGH2022.

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