

ASX Announcement

14 October 2020

Notice of Annual General Meeting and Proxy Form

The Company's Annual General Meeting will be held on **Wednesday, 18 November 2020 at 12.00pm (AEDT)**. In the interest of health and safety of our shareholders and staff, the Pact Board has decided that our 2020 Annual General Meeting will be held as a virtual meeting online.

Attached are the following documents in relation to the Annual General Meeting:

- Chairman's Cover Letter to the Notice of Annual General Meeting 2020;
- Notice of Annual General Meeting 2020 including Explanatory Memorandum; and
- Proxy Form.

ENDS

For further information, contact:

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This document has been authorised for release by Jonathon West, Company Secretary.



Pact Group Holdings Ltd
ABN: 55 145 989 644

For personal use only

2020 Notice of Annual General Meeting





Dear Shareholder

Pact Group Holdings Limited (PGH) 2020 Notice of Annual General Meeting

It is with much pleasure that I invite you to the seventh Annual General Meeting (**AGM**) of Pact Group Holdings Ltd (**Company**) to be held on Wednesday, 18 November 2020 at 12.00pm (AEDT).

In the interest of health and safety of our shareholders and staff, the Pact Board has decided that our 2020 AGM will be held as a virtual meeting online. You will be able to watch, participate, vote and ask questions in the meeting in real-time on your computer or mobile device, through our online platform, by entering the following address into your web browser: web.lumiagm.com/372537300.

As part of the Australian Government's response to COVID-19, temporary modifications were made to the Corporations Act 2001. These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded.

Pact's Notice of Meeting is available on our AGM website at www.edocumentview.com.au/PGH2020. Shareholders will also find on this site instructions on how to join the meeting online, view the webcast, submit questions and vote in real time during the meeting.

Even if you intend to participate online, we encourage shareholders to cast proxy votes and lodge questions ahead of the meeting at www.investorvote.com.au. 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 16 November 2020). To access this site, you will need the six-digit Control Number and your holder number (SRN/HIN) located on this letter. Lodging questions and casting your proxy vote ahead of the meeting will not prevent you from attending online.

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

1. Receive and consider the formal reports for the financial year.
2. Adoption of the Remuneration Report.
3. Re-election of Mr Jonathan Ling as a non-executive Director.
4. Election of Mr Michael Wachtel as a non-executive Director.
5. Approval of long-term incentives (performance rights) to Mr Sanjay Dayal, the Managing Director and Group CEO.
6. Amendment of the Constitution.

In addition, an electronic version of the Annual Report for the year ended 30 June 2020 is available on our website at www.pactgroup.com.au/investor/investor-communications/reports-and-presentations.

Mr Ray Horsburgh will retire as a Director of the Company at the conclusion of the AGM. The Board and I thank Ray for his invaluable contribution since joining the Board in October 2015.

I look forward to welcoming you to the AGM.

Yours sincerely

A handwritten signature in black ink, appearing to read "Raphael Geminder".

Raphael Geminder

Chairman

Dated: 14 October 2020

Notice of Annual General Meeting

Notice is hereby given that the 2020 Annual General Meeting of shareholders of Pact Group Holdings Ltd (Company) will be held on Wednesday, 18 November 2020 at 12.00pm (AEDT) as a virtual meeting (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/PGH2020. Shareholders will be able to register for and log on to the online platform from 11.00am (AEDT) on Wednesday, 18 November 2020. 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/PGH2020.

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 2020.

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 2020 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 2020 be adopted."

Voting Exclusion

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" on page 3 of this Notice.

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

3. Re-election of Director – Mr Jonathan Ling

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

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

Note: the non-candidate Directors unanimously support the re-election of Mr Ling.

Notice of Annual General Meeting (Cont.)

4. Election of Director – Mr Michael Wachtel

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

“That Mr Michael Wachtel, who offers himself for election and being eligible, be elected as a Director of the Company.”

Note: the non-candidate Directors unanimously support the election of Mr Wachtel.

5. Approval of FY21 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 MD and CEO, as his annual long term incentive grant for the year ended 30 June 2021, 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” on page 3 of this Notice.

6. Amendment of the Constitution

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

‘That, for the purposes of section 136 of the Corporations Act and for all other purposes, the Company’s Constitution be amended in accordance with the proposed amendments outlined in the Explanatory Memorandum accompanying this Notice of Meeting and as contained in the amended Constitution tabled at this Meeting and signed by the Chairman for the purposes of identification, with the amended Constitution to become effective from the close of the Meeting.’

The Explanatory Memorandum and Important Notes attached to this Notice of Meeting is incorporated into and forms 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



Jonathon West

Company Secretary
Dated: 14 October 2020

Important Notes

Chairman

In accordance with the Company's Constitution, Raphael Geminder has been elected as Chairperson of the Board and will act as Chairman of the Meeting.

Quorum

The quorum necessary for this Meeting is 5 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

In compliance with the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* (Cth), 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, 16 November 2020 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 votes cast on the resolution in item 2 and any votes cast in favour of the resolution in item 5, to be considered at the AGM.

For the purpose of these voting exclusions:

- The **Key Management Personnel (KMP)** of the Company are those persons having authority and responsibility for planning, directing and controlling the activities of the Company's consolidated group either directly or indirectly. It includes all Directors (executive and non-executive) and the Chief Financial Officer. The KMP are also listed in the Remuneration Report on page 38 of the Company's Annual Report.

- A **Closely Related Party** of a member of the KMP means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependent of the member or of the member's spouse;
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company's consolidated group; or
 - a company the member controls.
- An **Associate** has the meaning given to that term in the Listing Rules.

Voting exclusion statements

Item 2

The Company will disregard any votes cast on the resolution in item 2 by or on behalf of KMP whose remuneration details are included in the Remuneration Report for the year ended 30 June 2020, and their Closely Related Parties, unless the vote is cast by a KMP or their Closely Related Parties as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Items 5

The Company will disregard any votes cast in favour of the resolution in item 5:

- by or on behalf of Mr Sanjay Dayal and any of his Associates or any member of the Company's KMP named in the Company's Remuneration Report for the year ended 30 June 2020, or a Closely Related Party of a member of the Company's KMP, regardless of the capacity in which the vote is cast; or
- as a proxy by a person described above, unless either:
 - the person is appointed as a proxy or attorney in writing by a person entitled to vote on item 5 that specifies the way the proxy is to vote on the resolution; or
 - the person is the Chairman of the AGM and the proxy does not specify the way the proxy is to vote on the resolution, but only if the proxy expressly authorises the Chairman to exercise the proxy even though item 5 are connected with the remuneration of the KMP; or

Important Notes (Cont.)

- a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary proved the following conditions are met:
 - the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of an excluded person, on the resolutions; and
 - the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder 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.

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 and 5. 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 on their behalf though the online voting website at www.investorvote.com.au. Proxy holders will need to contact our Share Registry, Computershare, by telephone on +61 3 9415 4024 during the online registration period which will open one hour prior to the meeting, in order to obtain their login details so that they can access our online platform. If you have appointed a proxy to virtually attend and vote at the meeting on your behalf, please ensure that you arrange for them to obtain their login details one hour prior to the meeting.

Proxy votes must be received by 12.00pm (AEDT) Monday, 16 November 2020. Instructions on how to appoint a proxy are available at www.investorvote.com.au.

Voting by corporate representative

Any corporate shareholder or proxy must appoint a person to act as its representative. The representative must provide Computershare Investor Services Pty Limited (**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 4024, or downloaded from www.investorcentre.com/au.

Important Notes (Cont.)

Lodgement instructions

To be valid, proxies 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, 16 November 2020:

- a. electronically, by visiting www.investorvote.com.au and following the instructions provided;
- b. 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;
- c. 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
- d. for certain intermediaries (such as custodians, nominees and broker participants) who subscribe to the intermediary online service – electronically, by visiting www.intermediaryonline.com and following the instructions provided.

Body corporate

Body corporate shareholders and proxies entitled to participate and vote at the AGM may appoint a person to act as their representative at the AGM by providing that appointee with a 'Certificate of Appointment of Representative'.

A pro forma of this certificate may be obtained by calling 1300 850 505 (within Australia), +61 3 9415 4000 (outside Australia), or can be obtained online at www.investorcentre.com/au. A copy of the signed Certificate of Appointment of Representative, or other evidence satisfactory to the Chairman of the AGM, must be lodged with the Company before the Meeting. The Company will retain the certificate.

Shareholder questions

Shareholders are able to submit written questions prior to the Meeting. Questions can either be submitted online via www.investorvote.com.au (and following the instructions provided), or by emailing PGH2020AGM@Computershare.com.au. Questions must be received by 5.00pm (AEDT) on Wednesday, 11 November 2020.

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 www.pactgroup.com.au/investor/investor-communications/annual-general-meeting.

Results of Meeting

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: www.pactgroup.com.au/investor/investor-communications/asx-and-other-announcements.

Resolutions

Items of business 1 to 5 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.

Item 6 is a special resolution and needs 75% of the votes cast by shareholders (or proxies) entitled to vote on the resolution.

Explanatory Memorandum

This Explanatory Memorandum forms part of the Notice of Meeting convening the AGM of the Company.

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 2020 to be laid before the Meeting.

The Financial Report has been approved by the Directors and audited by the 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 content 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, 11 November 2020 and are to be lodged in accordance with the instructions regarding shareholder questions online, visit www.investorvote.com.au. Alternatively, shareholders may forward written questions with their completed proxy form in the enclosed reply-paid envelope.

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, www.pactgroup.com.au/investor/investor-communications/annual-general-meeting/, prior to the AGM. In addition, copies of the list of questions will be available at 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 2020 Remuneration Report. The Remuneration Report can be found on pages 38 to 47 of the Company's 2020 Annual Report and can also be accessed online at www.pactgroup.com.au/investor/investor-communications/reports-and-presentations/.

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 AGM.

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 under the heading "Proxies" on page 4.

Item 3 – Re-election of Director – Mr Jonathan Ling

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 3 years, whichever is longer. Mr Jonathan Ling, being eligible, has offered himself for re-election as a Director of the Company.

Mr Ling was appointed to the Board on 28 April 2014 and is Chair of the Nomination and Remuneration Committee. The Board considers Mr Ling to be an independent Director.

Explanatory Memorandum (Cont.)

Mr Ling has extensive experience in complex manufacturing businesses. He was the Chief Executive Officer and Managing Director of GUD Holdings Limited from 2013 to 2018, and Chief Executive Officer and Managing Director of Fletcher Building Limited during the period 2006 to 2012. He also held leadership roles with Nylex, Visy and Pacifica.

Mr Ling has a Bachelor of Engineering (Mechanical) from the University of Melbourne and a Master of Business Administration from the Royal Melbourne Institute of Technology.

Mr Ling is also currently an independent non-executive Director and the Chairman of Pro-Pac Packaging Ltd, and a non-executive Director and the Chairman of Planet Innovation Ltd.

Recommendation

A review of Mr Ling's performance during his directorship has been undertaken by the other Directors. As a result, the Board (with Mr Ling 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 Ling.

Item 4 – Election of Director – Mr Michael Wachtel

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 3 years, whichever is longer. Mr Michael Wachtel, being eligible, has offered himself for election as a Director of the Company.

Mr Wachtel was appointed to the Board on 21 April 2020 and is Chair of the Audit, Business Risk and Compliance Committee. The Board considers Mr Wachtel to be an independent Director.

Mr Wachtel brings a strong professional background and extensive global experience in governance, risk management, finance and complex international transactions to the role. Through his Future Fund Board role he has a deep involvement in global markets and monetary policy trends. Mr Wachtel has previously held a number of leadership roles in professional services organisations, including as Chair (Asia Pacific and Oceania) of Ernst and Young.

Mr Wachtel has a Bachelor of Laws and Commerce from the University of Cape Town and a Master of Laws from the London School of Economics. Mr Wachtel completed the Harvard Business School Executive Program in 2011 and is a Fellow of the Australian Institute of Company Directors.

Mr Wachtel is currently a Board member of Future Fund, Seek Limited and St Vincent's Medical Research Institute.

Recommendation

On the basis of Mr Wachtel's strong professional background, extensive global experience and qualifications, the Board (with Mr Wachtel 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 election of Mr Wachtel.

Item 5 – Approval of the FY21 long term incentive grants of performance rights to the CEO

Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of performance rights (**Rights**) to the MD and CEO, Mr Sanjay Dayal, under the Pact Group Holdings Ltd Long Term Incentive Plan (the **Plan**). Mr Dayal falls within category 10.14.1 of the ASX Listing Rules by virtue of him being a director of the Company.

Mr Dayal has previously been granted 69,784 performance rights under the Plan as his FY19 LTI Grant and 538,189 performance rights as his FY20 LTI Grant. As these LTI Rights form part of Mr Dayal's remuneration, they were granted for nil consideration.

The rationale for issuing Rights under the Plan (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 the shareholders by linking his remuneration to the performance of the Company. The Plan 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 performance rights under the Plan.

Mr Dayal was employed by the Company on 3 April 2019. The grant of performance rights represents Mr Dayal's long term incentive grant for the financial year ended 30 June 2021 (**LTI Grant**). Details of the LTI Grants are set out below. Subject to shareholder approval, the performance rights granted under item 5 will be issued under the Plan within 12 months of the meeting.

Explanatory Memorandum (Cont.)

Terms of the LTI Grant

Subject to shareholder approval, Mr Dayal will be granted 497,967 performance rights as his LTI Grant (**FY21 Rights**), which the Company attributes a value of approximately \$1,225,000 to on the following basis. The number of LTI Rights to be granted to Mr Dayal has been determined by dividing Mr Dayal's LTI opportunity (being 100% of his fixed annual remuneration of \$1,225,000) 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 \$2.46), rounded up to the nearest whole number.

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

Performance period

The LTI Rights will be tested based on performance over a period of 3 years, commencing on 1 July 2020 and ending on 30 June 2023 for the FY21 Rights.

Other terms of the LTI Grant

LTI Rights entitles 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 LTI Rights issued to Mr Dayal under the Plan will vest subject to 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 Pact Nomination and Remuneration Committee (**NRC**) 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	FY20 Rights that vest (%)
At or above the 75th percentile	100%
Between the 50th and 75th percentile	Pro rata vesting between 50% to 100% (i.e. on a straight line basis)
At the 50th percentile	50%
Below the 50th 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 MD and 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 LTI Rights that vest (if any) will be determined by the NRC. Any LTI 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 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 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 has a discretion to 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.

Explanatory Memorandum (Cont.)

Claw back

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.

Additional information for item 5 required by the ASX Listing Rules

Mr Dayal is the only Director entitled to receive performance rights under the Plan.

No loan will be made by the Company in relation to the acquisition of performance 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 Plan 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 listing rule 10.14 who become entitled to participate in an issue of securities under the Plan 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 5 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 Plan to permit the early vesting of performance rights granted under the Plan. 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 Plan 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 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 FY20 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 currently receives a fixed remuneration of \$1,225,000 and has a target short term incentive opportunity of 100% of his fixed annual remuneration. Mr Dayal also participates in an LTIP with a grant value equivalent to 100% of his fixed annual remuneration. Details of Mr Dayal's remuneration is also set out in the Company's 2020 Annual Report. Mr Dayal currently holds 40,000 of the Company's ordinary securities.

Recommendation

The Board (with Mr Dayal abstaining) 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 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 4.

Explanatory Memorandum (Cont.)

Item 6 – Amendment of the Constitution

Background

It is proposed that the document titled 'Constitution for Pact Group Holdings Ltd ACN 145 989 644' tabled at the Meeting and signed by the Chairman for the purposes of identification, be adopted as the Constitution of the Company (**Amended Constitution**) in place of the current Constitution, with effect from the conclusion of the Meeting.

In accordance with section 136(2) of the Corporations Act, the Company may modify its Constitution by a special resolution of its shareholders. It is proposed to update the Constitution, as outlined below, as there have been developments in law, corporate governance principles and general corporate and commercial practice for ASX listed companies. The proposed amendments to the Constitution reflect current market practice and terminology and will also provide the Company with greater flexibility moving forward. Further, the proposed amendments will preserve the Company's ability to hold virtual or hybrid meetings as temporarily afforded by the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (Cth) after this instrument is repealed, to the extent permitted by the Corporations Act.

Prior to the Meeting, members will be able to access an electronic copy of the Amended Constitution at www.edocumentview.com.au/PGH2020. A complete signed copy of the Amended Constitution will be tabled at the Meeting.

This item is a special resolution which means that, to be passed, the resolution needs the approval of at least 75% of the total votes cast by shareholders (or their proxies) entitled to vote on the resolution. If shareholders vote in favour of this special resolution, the Amended Constitution will operate with effect from the conclusion of the Meeting and will not affect the validity of acts or appointments under the current Constitution.

The proposed amendments are outlined below.

General Meetings

The Amended Constitution incorporates a number of changes to assist with the orderly conduct of general meetings of the Company.

The proposed Constitution clarifies that the Directors may determine to hold a general meeting of shareholders using or with the assistance of any technology that gives the unitholders, as a whole, a reasonable opportunity to participate, which may include, but is not limited to, electronic participation facilities or linking separate meeting places together by technology. It also expressly contemplates the holding of virtual or hybrid meetings, such as this Meeting, to the extent permitted by the Corporations Act. The changes also confirm participation via technology for quorum purposes: see new rules 7.1(c)-(f).

Direct voting

The current Constitution already expressly provides for direct voting (see existing rules 7.8(a) and (b)). However, the new rule 7.8(c)-(e) in the Amended Constitution clarifies the treatment of a direct vote for quorum purposes.

ASX Listing Rules

The Amended Constitution includes a new rule 15.3, which expressly states the supremacy of the ASX Listing Rules and subordinates the provisions of the Amended Constitution to the ASX Listing Rules on an ongoing basis whilst the Company is on the official list. This is in line with market practice and ensures that any future amendments to the ASX Listing Rules which impact the Amended Constitution are captured by, and incorporated into, the Amended Constitution, without the need to amend the Amended Constitution on each such occasion. If this proposed amendment is not made, the Amended Constitution will have to be amended each time any such future amendments are made to the ASX Listing Rules. This new rule 15.3 is consistent with ASX Appendix 15A.

Restricted securities

As a result of changes to the Listing Rules in December 2019, Listing Rule 15.12 requires that the constitution of a listed entity contain certain rules in relation to restricted securities, inter alia, for so long as the entity has any restricted securities on issue. Accordingly, the existing restricted securities rules have been updated in the Amended Constitution to reflect the 2019 amendment to ASX Listing Rule 15.12, see amended rule 2.8.

Certificates

The Amended Constitution contains a new rule 2.9 which provides that the Company is not required to issue a certificate for securities held by a member and may cancel a certificate without issuing another certificate where the non-issue of certificate is permitted by the ASX Listing Rules or the Operating Rules. These changes are consistent with market practice.

These new rules will provide the Company with greater flexibility when it comes to convening general meetings. They will also facilitate greater Unitholder participation in meetings.

Recommendation

The Board unanimously recommends that shareholders vote in favour of item 6.

For personal use only

The online platform facilitating the Meeting can be accessed from our AGM website at www.edocumentview.com.au/PGH2020. Shareholders will be able to register for and log on to the online platform from 11.00am (AEDT) on Wednesday, 18 November 2020. 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/PGH2020.

www.pactgroup.com.au



Leading the
circular economy.



Pact Group Holdings Ltd
ABN 55 145 989 644

PGH

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Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **12:00pm (AEDT) on Monday, 16 November 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

Custodians:

For Intermediary Online subscribers only visit
www.intermediaryonline.com



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Pact Group Holdings Ltd hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pact Group Holdings Ltd to be held as a virtual meeting on Wednesday, 18 November 2020 at 12.00pm (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 2 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 5 by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Director - Mr Jonathan Ling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Director - Mr Michael Wachtel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval of FY21 long term incentive grant of performance rights to the CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Amendment of the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

PGH

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Computershare

