

Pro-Pac Packaging Limited

ACN 112 971 874

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Pro-Pac Packaging Limited will be held at Level 1, 33 Erskine Street, Sydney, NSW on the 23 November 2010 at 11.00am.

Business

1. To receive and consider the Financial Report of the Company and of the Consolidated Entity for the year ended 30 June 2010 and the Reports by Directors and Auditors thereon.
2. To receive, consider and adopt the Remuneration Report of the Company and Consolidated Entity for the year ended 30 June 2010.
3. To elect Mr David Herlihy as a director of the Company.
4. To re-elect Mr Elliott Kaplan as a director of the Company
5. To re-elect Mr Hadrian Morrall as a director of the Company.
6. To reduce the Company's share capital by cancellation of 675,000 shares currently on issue to former employees or which have lapsed under the Company's Executive Long Term Incentive Plan (ESPP).
7. To consider and if thought fit, to pass the following resolution as a special resolution:
"That for the purposes of section 260B(2) of the Corporations Act 2001 (Cth) approval be given for the provision of financial assistance proposed to be given by Creative Packaging Pty Ltd (ACN 114 020 405) on the terms described in the Explanatory Memorandum accompanying this notice of meeting."
8. General Business: To transact any other business that may be brought forward in accordance with the Constitution of the Company.

Explanatory Memorandum

An Explanatory Memorandum & Notes to the Notice of Meeting accompanies and forms part of this Notice of Meeting.

By Order of the Board

Mark Saus

Company Secretary

20 October 2010
Sydney.

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Explanatory Memorandum & Notes to the Notice of Meeting

General Information

Documents

A proxy form accompanies these documents.

Persons entitled to vote

Under regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the General Meeting will be as it appears in the share register at 11.00am Sydney time on 19 November 2010.

How to vote

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

Voting in person

To vote in person, attend the meeting at the time and place set out in this notice of meeting.

Voting by proxy

To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.

Proxies

A member who is entitled to vote at the meeting, may appoint:

- one proxy if the member is only entitled to one vote; or
- one or two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.

A proxy need not be a member of the Company.

The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.

The proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit) at:

The Company's registered office 9 Widemere Rd, Wetherill Park, New South Wales 2164 (PO Box 6953, Wetherill Park, NSW, 2164) or the following fax number at the Company's registered office: (02) 8787 1989.

Voting by attorney

A member may appoint an attorney to act on the member's behalf at the meeting. The power of attorney or such other evidence of the attorney's appointment and authority to the satisfaction of the Directors must be received by the

Company at least 48 hours before the time for holding of the meeting or any adjourned meeting.

Enquiries

For further information, please contact Mark Saus at the Company on (02) 8787 1955.

Information on Matters to be Considered

Item 1 - Financial Report

In accordance with the Corporations Act and the Constitution of the Company the Financial Report of the Company and of the Consolidated Entity for the period ended 30 June 2010 and the Reports by Directors and Auditors thereon are to be laid before the Annual General Meeting.

There is no formal resolution to be put in respect of this matter. However shareholders will be given the opportunity to make comments and ask questions of the Board and the Auditor in respect of the reports. In addition shareholders are able to submit questions to the Company for the Auditor prior to the meeting. The list of any such questions will be presented at the meeting for discussion and responses.

Item 2 - Remuneration Report

In accordance with section 250R(2) of the Corporations Act 2001, a resolution must be put to shareholders that the remuneration report of the Company, as included in the Directors' Report, be adopted. A copy of this report can be found on pages six to nine of the Company's annual report and can also be found on the PPG website at www.ppgaust.com.au.

The resolution is not binding upon the Company or the Board but must be put and the Chair of the meeting must provide reasonable opportunity at the meeting for shareholders to ask questions about and comment on the remuneration report.

Items 3 – Re-election of Director

Mr Herlihy was appointed a director to the Board on 8 February 2010 and became Chairman on 1 March 2010. In accordance with the Company's Constitution, Mr Herlihy retires by rotation and being eligible offers himself for re-election.

Information about the appointment, qualifications and experience of Mr Herlihy is presented below:

David Herlihy BA (UNSW)

(Non-Executive Chairman and Director – appointed Director 8 February 2010; Chairman 1 March 2010)

Mr Herlihy is an experienced director and business professional, whose Board and corporate advisory responsibilities have covered public, government, "not for profit" and private enterprise following a successful career in capital markets. Mr Herlihy has held a diverse range of directorships over the past three decades, including as a former Chairman of the State Transit Authority of NSW. Mr Herlihy is presently Chairman of the ASX listed entity, Mosaic Oil NL and concurrently holds directorships on several other unlisted Boards including representation of international entities.

Mr Herlihy is Chairman of the Remuneration Committee and a member of the Audit Committee.

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Items 4 – Re-election of Director

In accordance with standards of corporate governance and the Company's Constitution, the Board considers it appropriate that the appointment of Mr Kaplan be put to shareholders for ratification and approval.

Information about the appointment, qualifications and experience of Mr Kaplan is presented below:

Elliott Kaplan BAcc, CA

(Non-Executive Director – appointed 16 February 2005)

Mr Kaplan is a Chartered Accountant with extensive experience in senior financial and chief executive officer roles in both private and public listed companies. His experience, from both an investor and investee perspective, spans a diverse range of industries including manufacturing, environmental, distribution and services. Mr Kaplan is Managing Director of CVC Private Equity Limited, a non-executive director of Dolomatrix Limited (ASX code: DMX) and a director of a number of unlisted companies. Mr Kaplan is also a former director of The Environmental Group Limited (ASX Code: EGL).

Mr Kaplan is Chairman of the Audit Committee and a member of the Remuneration Committee.

Items 5 – Re-election of Director

In accordance with standards of corporate governance and the Company's Constitution, the Board considers it appropriate that the appointment of Mr Morrall be put to shareholders for ratification and approval.

Information about the appointment, qualifications and experience of Mr Morrall is presented below:

Hadrian Morrall

(Executive Director – appointed 16 August 2007)

Mr Morrall has over 20 years experience in the plastics industry. He is a founding director of Plastic Bottles Pty Ltd (PB Group) and has held the position of Managing Director of the PB Group for the last 17 years. He oversaw the growth of that company from its start in Sydney to a National Group and its diversification into manufacturing through various acquisitions. Prior to the PB Group, Mr Morrall spent 3 years in Plastic distribution with Edwards Durapak as Sales Manager. He is the President of the BMIA (Blowmolders Industry Association) and is a qualified Automotive Engineer.

Item 6 – Cancellation of shares

675,000 shares previously issued to certain employees under the Company's Executive Long Term Incentive Plan (ESPP) have been forfeited in terms of the plan. In order to give effect to the forfeiture, these shares must be cancelled by an ordinary resolution of shareholders under Section 258(D) of the Corporations Act 2001.

The cancellation will have the following impact on the Company's capital:

Current Issued Capital	134,468,010
Issued Capital following cancellation	133,793,010

Item 7 – Approval for the provision of financial assistance in accordance with section 260B(2) of the Corporations Act 2001 (Cth).

Background

This part of the explanatory memorandum is given to the shareholders of Pro-Pac Packaging Limited ("PPG") for the purposes of section 260B(4) of the Corporations Act to approve the giving by Creative Packaging Pty Ltd (ACN 114 020 405) (Creative Packaging) of financial assistance within the meaning of section 260A of the Corporations Act (the Financial Assistance Resolution).

Pro-Pac Packaging (Aust) Pty Ltd (ACN 059 499 660) (PPG Australia), a wholly owned subsidiary of PPG, entered into a share sale and purchase agreement and acquired all of the issued share capital of Creative Packaging on 23 April 2010, with economic effect from 1 March 2010 (the Acquisition).

On completion of the Acquisition, Creative Packaging became a wholly owned subsidiary of PPG Australia and PPG became the ultimate holding company of Creative Packaging. Funds drawn under the PPG group's facility agreements were used to fund the purchase price for the Acquisition.

PPG is required to procure that Creative Packaging accedes to the Group Guarantee in favour of the Commonwealth Bank of Australia (ABN 48 123 123 124) (Lender) dated on or about 31 October 2008 (as amended from time to time) (PPG Group Guarantee).

The entry into, and the performance of its obligations under, the PPG Group Guarantee by Creative Packaging may constitute the giving of financial assistance within the meaning of Section 260A of the Corporations Act in so far as it assists PPG Australia to purchase the shares of Creative Packaging.

As result of the Acquisition Creative Packaging will ultimately be a subsidiary of PPG, a listed domestic corporation. Accordingly, resolution 7, seeks the approval of PPG's shareholders pursuant to section 260B(2) of the Corporations Act, to consider and, if thought fit, pass the Financial Assistance Resolution as a special resolution.

Funding Arrangements

PPG made a drawing under the facility agreement between PPG, PPG Australia and the Lender dated 19 April 2005 (as amended from time to time) (CBA Facility Agreement), the proceeds of which were on-lent to PPG Australia to assist with the financing of the Acquisition.

The CBA Facility Agreement contains terms consistent with a facility of this nature, including representations, warranties, undertakings and events of default.

Amounts owing to the Lender under the CBA Facility Agreement (or otherwise owing to the Lender by PPG and its subsidiaries) are guaranteed pursuant to the PPG Group Guarantee. Each of PPG's subsidiaries (other than Creative Packaging) (referred to as "Guarantors" under the PPG Group Guarantee) is currently a party to the PPG Group Guarantee.

The PPG Group Guarantee contains representations, warranties and undertakings which are applicable to PPG

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and each Guarantor. It is a condition of the PPG Group Guarantee that Creative Packaging accedes to the PPG Group Guarantee.

Reasons for giving financial assistance

The reasons for the giving of the financial assistance described above are to enable the PPG group's compliance with its obligations under the PPG Group Guarantee.

If such obligations are not complied with this will be a breach of certain obligations under the PPG Group Guarantee and the CBA Facility Agreement, and the funding under the CBA Facility Agreement may be required to be repaid. Further non-compliance with obligations under the CBA Facility Agreement will enable the Lender to claim for all moneys owed under the CBA Facility Agreement pursuant to the PPG Group Guarantee.

Effect of the proposed financial assistance

The substantial effect of the financial assistance on Creative Packaging is that it will have guaranteed all amounts payable to the Lender under the CBA Facility Agreement as well as all amounts owing to the Lender under the PPG Group Guarantee and otherwise made available to any of the PPG group.

If PPG or any Guarantor does not comply with its obligations under the CBA Facility Agreement, the Guarantee or any other agreement relating to such facilities, the Lender will be entitled to claim under the PPG Group Guarantee, in whole or in part, the amounts owed to it from each of the guarantors (including Creative Packaging).

The operations of Creative Packaging will also be restricted by the representations and undertakings to be given by it under the PPG Group Guarantee.

Creative Packaging may, or may be required to provide support to the PPG group. This support may include a requirement to:

- transfer assets to, or assume other liabilities of PPG or PPG's subsidiaries;
- make available directly or indirectly its cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable PPG, PPG's subsidiaries or other Guarantors under the PPG Group Guarantee to comply with their respective payment and other obligations under the CBA Facility Agreement, the PPG Group Guarantee and other arrangements with the Lender to which they are party;
- consent or agree to amendments to arrangements with the Lender including amendments that make its obligations more onerous;
- provide additional support which may include incurring additional obligations and providing additional guarantees or providing mortgages or charges on the same or different terms to the PPG Group Guarantee; and
- provide the Lender with other such documents (including security) as the Lender reasonably requires.

Advantages of the Financial Assistance Resolution

The advantages of the proposed resolution are as follows:

- Creative Packaging will be able to accede to the PPG Group Guarantee so as to prevent a claim by the Lender under the PPG Group Guarantee; and
- Creative Packaging will benefit from intra-group support and benefits that accrue from being a subsidiary of PPG.

Disadvantages of the Financial Assistance Resolution

The disadvantages of the proposed resolution are as follows:

- Creative Packaging will become liable for amounts due to the Lender by the PPG group from time to time;
- Creative Packaging's operations will be restricted by the representations and undertakings given by them under the PPG Group Guarantee; and
- If PPG or a subsidiary of PPG defaults under arrangements with the Lender to which they are party, the Lender may make a demand against Creative Packaging to recover amounts due as a result. A demand may have a material adverse effect on Creative Packaging's financial position, which may result in the winding up of Creative Packaging.

The directors of PPG consider that these risks are acceptable in the circumstances based on information available at this time. The directors do not currently have any reason to believe that PPG or any of its subsidiaries, including Creative Packaging, are in, or would be likely to, default on their obligations under the arrangements with the Lender to which they are a party.

Voting

The Financial Assistance Resolution is set out in the notice of meeting (Notice) and must be passed as a special resolution of PPG. The Financial Assistance Resolution will be passed if 75% of the shareholders entitled to vote, vote in favour of the resolution.

Subject to PPG's constitution and the law, shareholders of PPG may vote either for or against the Financial Assistance Resolution.

Directors' recommendation

The directors unanimously recommend that shareholders support the granting of financial assistance by Creative Packaging by voting in favour of the resolution set out in the notice of meeting.

Directors' Interests

None of the directors of PPG has any interest (directly or indirectly) in the proposed financial assistance other than in relation to their position as a director or an employee of PPG and its subsidiaries or as a shareholder of PPG.

Other relevant information

The directors consider that this explanatory memorandum contains all information known to PPG that would be material to PPG's shareholders in deciding how to vote on the proposed resolution other than information to include because it has been previously disclosed to PPG's shareholders.

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Registered Office: 9 Widemere Rd, Wetherill Park, Sydney NSW 2164, Australia
PO Box 6953, Wetherill Park, NSW 2164 Phone: (02) 8787 1955 Fax: (02) 8787 1989

Proxy Form

I, _____
(FULL NAME, BLOCK LETTERS)

of _____
being a member of Pro-Pac Packaging Limited.

SECTION A

HEREBY APPOINT _____

of _____

or, failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 23 November 2010 at 11.00am (Sydney time), or at any adjournment thereof. The proxy so appointed shall represent all my/our voting rights except those (if any) specified in B below.

SECTION B (DO NOT COMPLETE THIS SECTION UNLESS YOU WISH TO APPOINT TWO PROXIES)

AND I FURTHER APPOINT _____

of _____

as my proxy to vote for me/us and on my/our behalf at the said meeting or at any adjournment thereof. The proxy, appointed by this Section B, shall represent my/our voting rights in respect of _____ shares.

I/we instruct my/our proxy to vote as indicated below in respect of the resolutions:

	A			B		
	For	Against	Abstain	For	Against	Abstain
Item 2 – Adoption of Remuneration Report						
Item 3 – Election of Mr David Herlihy as a Director						
Item 4 – Election of Mr Elliott Kaplan as a Director						
Item 5 – Election of Mr Hadrian Morrall as a Director						
Item 6 – Cancellation of forfeited shares						
Item 7 – Approval for the provision of financial assistance in accordance with section 260B(2) of the Corporations Act 2001 (Cth) in relation to Creative Packaging Pty Ltd						

If you do not wish to direct your proxy how to vote, please place a mark in the box:

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman will vote all undirected proxies in favour of all resolutions.

Signed this _____ day of _____ 2010.

Signature of Shareholder (s)

Signature of Witness