

## Notice of Annual General Meeting

The 2002 Annual General Meeting of PaperlinX Limited ('the Company') will be held in the Yarra Room at Melbourne Park Function Centre, Melbourne Park, Batman Avenue, Melbourne, Victoria on Wednesday, 23rd October 2002 at 11:00 am. Registration will commence at 10:00 am.

### Ordinary Business

#### 1. Financial Statements and Reports

To receive and consider the Financial Statements and the Directors' Declaration and Report for the year ended 30 June 2002, together with the Auditor's Report to the Members of the Company.

#### 2. Election of Directors

To re-elect Directors in accordance with Rule 63.1 of the Company's Constitution:

- (a) Mr B J Jackson retires and, being eligible, offers himself for re-election;
- (b) Mr D A Walsh retires and, being eligible, offers himself for re-election;
- (c) Mr L J Yelland retires and, being eligible, offers himself for re-election.

### Special Business

#### 3. Alteration to Constitution

To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

"That the Constitution of the Company be altered by:

- (a) deleting the definition of "Law" and inserting the following definition in Rule 1.1:  
**Act** means the Corporations Act 2001 (Cth) and includes a reference to the Corporations Regulations;
- (b) substituting each reference to "Law" in the Constitution with a reference to "Act"; and

- (c) inserting in Rule 55.1 immediately after the words "may be paid" the words "or provided with" and inserting in that rule immediately after the words "effecting payment" the words "or provision."

#### 4. Issues of securities

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

"That for the purpose of Listing Rules 7.1 and 7.4, approval be given to the issues of securities which have been made by the Company pursuant to the Institutional Placement and Share Purchase Plan which are described in the Explanatory Notes to this Notice of Annual General Meeting."

In accordance with the ASX Listing Rules (as modified by the ASX), the Company will disregard any votes cast on this resolution by a person who participated in the Institutional Placement issue or an associate of such a person. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (and the acknowledgement box on the proxy form in relation to item 4 is marked).

For the purposes of voting at the meeting, the Directors have determined that all shares of the Company that are quoted securities at 10.00 pm on Monday, 21 October 2002 are taken to be held by the persons who are registered as holding them at that time. The entitlement of members to vote at the meeting will be determined by reference to that time.

A proxy form accompanies this Notice of Annual General Meeting.

A member entitled to attend and vote is entitled to appoint not more than two proxies. A proxy need not be a member.

Where a member wishes to appoint two proxies, an additional proxy form may be obtained by contacting the PaperlinX Limited Share Registry. A member appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two proxies and does not specify each proxy's percentage of voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. The proxy form must be received by the PaperlinX Limited Share Registry at Computershare Investor Services Pty Ltd, Level 12, 565 Bourke Street, Melbourne, Victoria 3000, Australia or by facsimile to (03) 9473 2555 in Australia or (613) 9473 2555 if you are overseas, by 11.00 am, Monday, 21 October 2002.

**By order of the Board**



**Richard Hobson**

Company Secretary

Melbourne, 20 September 2002

# Explanatory Notes

## Item 1 – Financial Statements and Reports

The financial statements of the Company and its controlled entities for the year ended 30 June 2002 and the Declaration and Report of the Directors and the Auditor's Report are set out in the PaperlinX Full Year Financial Report 2002.

## Item 2 – Election of Directors

One-third of the directors of the Company are required to retire by rotation every year but are eligible to be re-elected. Accordingly, the following Directors submit themselves for re-election at this Annual General Meeting of the Company. Summary biographical data for each of the Directors who offer themselves for re-election is set out below:



**B J (Barry) Jackson, BCom (Hons), MAICD**

**(Non-Executive Director) Age 57**

Appointed a Director in February 2000. Currently a Director of Alesco Corporation Ltd and St Vincent's Institute of Medical Research in Melbourne. Previous roles include:

Managing Director of Pacifica Group Limited and Chief Executive of BTR Nylex's Building Products Group.

Chairman of the Human Resources Committee and a member of the Governance and Nomination Committee.



**D A (David) Walsh, LLB, MAICD**

**(Non-Executive Director) Age 62**

Appointed a Director in July 2000. A partner in the law firm, Mallesons Stephen Jaques. Currently also Chairman of Templeton Global Growth Fund Ltd and a Director of Heide Museum of Modern Art.

Previous roles include: a Director of Malcolm Moore Industries Limited and Asia Pacific Specialty Chemicals Limited.

Member of the Human Resources Committee and the Governance and Nomination Committee.



**L J (Lindsay) Yelland, BSc, MAICD**

**(Non-Executive Director) Age 56**

Appointed a Director in February 2000. Currently Chairman of Legion Interactive Pty Limited and Yambay Technologies Pty Ltd and a Director of Ideas International Limited and a member of the Advisory Board

for Fujitsu Australia Limited. Previous roles include: a Group Managing Director of Telstra Business Solutions; Vice President Asia-Pacific of Data General Corp; and Vice President of Apollo Computer Corporation.

Member of the Audit and Compliance Committee.

## Item 3 – Alteration to Constitution

This is a special resolution proposing alterations to the Company's Constitution. The specific reasons for the proposed alterations are set out below. A copy of the Constitution incorporating the proposed alterations is available for inspection at the Company's registered office.

First, paragraphs (a) and (b) of the resolution concern proposed amendments to take account of the enactment of the Corporations Act 2001 (Cth), which has replaced the Corporations Law.

Secondly, Rule 55 of the Constitution provides that any officer of the Company (including any director) may be paid a benefit in connection with their retirement from office, in accordance with the Corporations Act and the Listing Rules. Currently, retirement benefits may only take the form of a cash payment. The payment of a retirement benefit in cash may, in certain circumstances, have adverse implications for benefits which a retiring officer may be entitled to receive from other sources.

Paragraph (c) of the resolution concerns proposed amendments to Rule 55 to allow for retirement benefits to be provided otherwise than in cash.

If this resolution is passed, it is intended that Directors be able to choose to receive their retirement benefits in the form of a share portfolio, rather than a cash lump sum. The portfolio would be comprised of shares purchased by the Company (but would not include shares in the Company) for an aggregate amount (including brokerage and other charges) equivalent to the amount of the lump sum which would otherwise have been paid to the Director.

Importantly, the amendments will not result in any increase in the cost to the Company of providing retirement benefits or increase the amount of any such benefits to Directors or other officers.

#### Item 4 – Issues of Securities

In July 2002, the Company undertook an institutional placement of ordinary shares (“the Institutional Placement”) and established a share purchase plan under which ordinary shares would be offered for issue to eligible existing shareholders (the “Share Purchase Plan”). Ordinary shares were issued under the Share Purchase Plan in early August 2002. The proceeds of those issues of shares were applied to help fund the Company’s acquisition of the UK-based Bunzl Fine Paper Limited, a leading fine paper merchant and distributor operating in the UK and Ireland.

Under ASX Listing Rule 7.1, subject to certain exceptions, a company may not issue shares equivalent in number to more than 15% of its share capital in any rolling 12 month period without the prior approval of its shareholders. The shares issued pursuant to the Institutional Placement and the Share Purchase Plan represent approximately 10% of the Company’s current share capital.

Securities which are issued with shareholder approval do not count towards the 15% limit. Listing Rule 7.4 provides that an issue of securities made without shareholder

approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if shareholders subsequently approve the issue.

Accordingly, the approval of shareholders is sought in respect of the issue of shares under the Institutional Placement and Share Purchase Plan so that those issues of securities will not count towards the 15% limit under Listing Rule 7.1 for the next 12 months. Approval of the resolution will have the effect of refreshing the Company’s ability to issue further shares during the next 12 months without the need to obtain further shareholder approval.

While the resolution has been proposed to give the Company added fundraising flexibility for future opportunities, the Company does not, at present, intend to issue any further shares, other than under employee share and option plans or as a result of the exercise of options currently on issue under such plans.

Details of the securities that were issued under the Institutional Placement and the Share Purchase Plan are as follows:

	Number of securities issued	Price at which securities issued	Terms of the securities	Categories of Allottees
Institutional Placement	26,041,667	\$4.80	Ordinary shares ranking equally with existing shares, except that they carry no right to participate in the final dividend for 2002.	Domestic and international institutions and sophisticated investors pursuant to a private placement arranged by Deutsche Bank AG and UBS Warburg Australia Limited involving an institutional bookbuild.
Share Purchase Plan	10,411,910	\$4.80	Ordinary shares ranking equally with existing shares, except that they carry no right to participate in the final dividend for 2002.	Existing ordinary shareholders of the Company with registered addresses in Australia and New Zealand.

**The Directors unanimously recommend that shareholders vote in favour of all the foregoing resolutions.**