



PaperlinX Limited (ABN 70 005 146 350)  
7 Dalmore Drive, Scoresby, Victoria 3179, Australia.

# **NOTICE OF** **GENERAL MEETING**

**This General Meeting has been called by PaperlinX Limited following a request by shareholders holding at least 5% of PaperlinX Limited's ordinary shares pursuant to section 249D of the Corporations Act 2001 (Cth).**

**Notice is given that a General Meeting of PaperlinX Limited (the Company) will be held at the Ballroom 3, Hilton on the Park, 192 Wellington Parade, East Melbourne, 3002 Victoria, Australia on Friday, 23 March 2012 at 9.30am (Melbourne time). Registration will commence at 9.00am.**

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## **BUSINESS**

### **1. Removal of Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"That** Mr Harry Boon be removed from office as a director of the Company and that this resolution takes effect upon the appointment of a replacement director."

### **2. Appointment of new Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"That** Mr Andrew John Price be appointed a director of the Company in place of Mr Harry Boon."

## **INFORMATION FOR** **SHAREHOLDERS**

### **Attendance at the meeting**

If you are planning to attend the meeting, please bring the proxy form with you to facilitate registration. A cloakroom service will be provided on the day for you to leave your bags and other large items, such as umbrellas, as these will not be allowed in the meeting.

### **Voting**

For the purpose of voting at the meeting, Directors have determined that persons holding shares in PaperlinX Limited as at 7.00pm (Melbourne time) on Wednesday, 21 March 2012 will be treated as shareholders of the Company.

### **Appointment of proxies**

A proxy form accompanies this Notice of General Meeting.

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

Where the Chairperson of the General Meeting is appointed as a proxy, they will vote in accordance with the shareholder's directions as specified on the proxy form. In the absence of a direction and where permitted by law, the Chairperson of the General Meeting intends to vote against all the resolutions.

Where a shareholder wishes to appoint two proxies, an additional proxy form may be obtained by contacting Computershare. A shareholder appointing two proxies may specify the percentage of votes or proportion or number of votes each proxy is appointed to exercise.

If a shareholder appoints two proxies and does not specify the percentage of votes each proxy may exercise, each proxy may exercise 50 per cent of the votes. Fractions of votes are to be disregarded.

To be valid, the proxy form, and any authority under which the form is signed, must be received by Computershare prior to 9.30am (Melbourne time) on Wednesday, 21 March 2012. Proxies, and any authority under which the form is signed, may be returned by mail in the reply paid envelope provided or by hand to 452 Johnston Street, Abbotsford, Victoria 3067 or by facsimile 1800 783 447 (within Australia) or +61 (0) 3 9473 2555 (outside Australia) or via online lodgement at [www.investorvote.com.au](http://www.investorvote.com.au) by following the instructions provided.

For Custodians who are subscribers to the Intermediary Online, please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

Computershare's telephone number is 1300 662 058 (within Australia) and +61 (0) 3 9415 4021 (outside Australia). Website : [www.computershare.com.au](http://www.computershare.com.au).

### **Explanatory Notes**

The Explanatory Notes accompanying this Notice of General Meeting should be read together with, and form part of, this Notice of General Meeting.

### **By Order of the Board**



James Orr  
Company Secretary

Melbourne  
22 February 2012

## **EXPLANATORY NOTES**

Earlier this month, a request under section 249D of the Corporations Act ('the Requisition') to convene a general meeting of the Company was given to the Directors by shareholders holding approximately 5.07% of the voting shares of the Company (the 'Requisitioning Shareholders'). Two resolutions were proposed for consideration by the meeting.

Accordingly, the Company has convened a general meeting to consider the resolutions.

### **Resolution 1 – Removal of Mr Harry Boon as a director**

Mr Harry Boon is currently the Chairman of PaperlinX Limited, having been last elected in October 2011. The following statement has been provided by Mr Harry Boon.

#### **1. Statement from Harry Boon**

"PaperlinX requires strong, decisive and skilled leadership at this crucial juncture and I am deeply committed to providing this and delivering a positive result for PaperlinX shareholders.

I am acutely aware of the disappointments shareholders have faced, and the challenges that clearly lie ahead of us but I am also confident in the renewed Board and management team's respective abilities, commitment and judgment. We are keenly focussed on our restructuring options and the results of our comprehensive strategic review.

PaperlinX is a business that has approximately 90% of its activities and assets outside Australia. We have been exposed to the full effects of the Global Financial Crisis and the more recent Euro-area uncertainty. I believe my extensive experience in international business as both a senior executive and as a company director, has equipped me well for the ongoing task of turning PaperlinX around. I also believe it has enabled

me to create a cohesive and effective Board and senior management team that are best positioned to deliver results despite the external headwinds.

Since I assumed the Chairman's role 5 months ago, we have taken the hard business decisions and significant restructuring of the business that are required to meet the conditions we are facing. There has been almost total Board renewal in the past 18 months, and I sincerely believe that it is not in the interests of PaperlinX shareholders to enter into further wholesale change, and the period of instability and uncertainty that may follow from the appointment of a new Chairman in these circumstances.

I ask for the support of all shareholders to continue my work as Chairman in rebuilding PaperlinX."

#### **2. Comments from PaperlinX Directors**

The Directors of PaperlinX (excluding Mr Boon, given his interest in the resolutions) strongly believe that Harry Boon has the skills, experience and track record to lead PaperlinX in the face of the significant challenges before it, and to return the Company to a sustainable and profitable footing.

They are unanimously of the view that Harry is the best person to chair the Company at this time and highlight to shareholders both Harry's record of significant and consistent achievement of strong results throughout his career to date, and to the substantive changes at PaperlinX that Harry has presided over in the 5 months since becoming Chairman in September 2011, and since becoming a Director in 2008.

Harry has broad business experience in international marketing, sales, manufacturing and distribution operations obtained in senior executive roles. Directors other than Mr Boon are of the view that his executive experience and his experience as a company director has and will continue, to enable him to bring outstanding commercial abilities and perspective to the role of Chairman.

Harry's experience as a public company director is extensive with a proven track record of setting ambitious goals, building appropriate organisational structures and relationships, and relentlessly pursuing achievement.

Harry became Chairman of PaperlinX against a backdrop of severe market weakness and structural change and in the view of his fellow directors has embraced this challenge with enthusiasm and urgency. Whilst he has been a director, PaperlinX Limited has: installed a new management team and dealt with complex legacy issues. Under his leadership as Chairman, PaperlinX has undertaken significant restructuring and is completing a Strategic Review which will set the course for the future.

The Directors (excluding Mr Boon, given his interest in the resolutions) strongly support Harry Boon's position as Director and Chairman of the Company and unanimously recommend that shareholders vote **AGAINST** resolution 1.

## **Resolution 2 – Appointment of Mr Andrew John Price as a director**

### **1. Statement from Mr Andrew Price**

Mr Andrew Price provided the following statement:

“Andrew Price is 48 years of age and has 30 years experience in the Australian and International paper, print and supply chain fulfillment industries.

In addition to extensive industry experience, he also has a track record of running significant sized businesses profitably, including in the last few years since the GFC and during the structural changes occurring in the print and paper industry. In other words, he has managed to successfully restructure businesses during difficult times, so as to keep them ahead of the structural changes worldwide and keep them profitable.

Highlights of Andrew’s career to date:

- 1984 Andrew joined Spicers Paper and was quickly promoted to become the youngest external sales representative ever appointed.
- 1987 Andrew was the highest performing salesperson in the company, increasing revenue and gross profit by over 250 per cent year on year.
- 1988 Andrew was responsible for managing the introduction of the ‘Pressure Sensitive’ roll label products into the Australian and New Zealand markets and conducted extensive negotiations with international suppliers, primarily in Japan and Europe. From a standing start this division grew to become the third largest player in the label sector behind Avery/Fasson and Jacpaper.
- 1989 Andrew was responsible for continuing the growth of the paper business and took the leading market position in the emerging wine label industry in Australia. He also managed the newly created ‘Screen and Sign Division which was profitable within six months of launching across Australia and New Zealand.
- 1990 Andrew was promoted to Spicers Paper Ltd Sales Manager NSW/ACT and responsible for all aspects of sales and marketing in these regions. He increased sales significantly over a three-year period, positioning Spicers NSW/ACT as the market leader in NSW/ACT and the most profitable business within the Spicers Paper Division.
- 1995 Andrew was promoted to the position of Regional Manager NSW/ACT responsible for managing the under-performing Spicers Stationery division, which was making significant losses. Tasked to ‘fix’ the business quickly – or to shut it down. He initiated a full review of all aspects of the business which resulted in Spicers Stationery ‘breaking even’ within the first four months and then making a profit within

the first eight months. Responsible for making the ‘hard decisions’ to deliver the turnaround including the closure of certain manufacturing units; retrenching 15 per cent of the workforce and extensive industrial relations activities, through conducting protracted negotiations with the relevant unions. In 1996, Spicers Stationery NSW/ACT was the most profitable business with the national stationery division.

1998 Andrew was promoted to Regional Manager Spicers Paper NSW/ACT, the largest most profitable business within the Spicers Group internationally, in recognition of his role in the consolidation of the stationery businesses.

1998 - 2011 Andrew went out on his own and established Stream Solutions which revolutionised the Australian print industry by providing an order fulfilment capability that utilised the internet to enhance supply chain efficiencies. As the Managing Director, Andrew grew Stream Solutions nationally and internationally to become Australia’s leading provider of integrated communications solutions with an annual turnover of several hundred million dollars. Stream Solutions had offices in Melbourne, Sydney, Brisbane, Adelaide, Canberra and Hong Kong. In 2007 he was responsible for the sale of the business to the Toll Group and managed the company and its integration into Toll Group.

In the time Andrew was Managing Director of Stream Solutions he won the following contracts: American Express, ANZ, Blackmores, Centrelink, General Motors, Marsh, Mayne Health, McDonalds, Optus, Telstra, Victorian State Government and of course Toll.

Stream Solutions, under Andrew’s leadership, was the largest buyer of commercial print in Australia. As he saw the structural change in the industry he modified the business accordingly while maintaining profit.

Andrew also held an Annual Suppliers Conference, which became a significant event on the Print and Paper calendar in Australia.

Andrew sees a tremendous opportunity if executed correctly, to turn this once significant, proud and profitable Australian company around. This is why Andrew and his associates have invested in the purchase of more than 30,000,000 shares in Paperlinx and he now seeks election to the Board, to enable him to influence the turnaround of the company for the benefit of himself and all other shareholders.

Andrew would add value to Paperlinx by accelerating the steps that need to be taken to return the business to profitability. He brings with him the vision of a Print buyer who understands the changing demands of the Paper industry.”

## 2. Comments from PaperlinX Directors

PaperlinX Directors (excluding Mr Boon, given his interest in the resolutions) are not at this time able to support Mr Andrew Price's candidature as a director of the Company. At the time of printing this Notice, Mr Price has not met with the Board to share his ideas for addressing the challenges facing the Company and its future direction.

There is a risk that appointing Mr Price as a director at this critical time will have the effect of destabilising the PaperlinX Board and PaperlinX senior management. As noted above, PaperlinX is currently completing a Strategic Review and related initiatives. PaperlinX Directors consider that stability of the new board and senior management is very important at this time to ensure that PaperlinX can undertake the steps required to implement the initiatives identified in the Strategic Review.

PaperlinX Directors (excluding Mr Boon, given his interest in the resolutions) do not currently believe the appointment of Mr Andrew John Price is in the best interests of the Company and unanimously recommend that shareholders vote **AGAINST** resolution 2.

## Important Note – uncertainty in relation to the resolutions

There is the potential for uncertainty as to the outcome of the meeting in circumstances where resolution 1 is not passed, but resolution 2 is passed. If that were to occur the Company would not have removed Mr Boon as a director, but would have passed a resolution appointing Mr Price in his place. In that situation, Mr Boon would remain a director but it is not clear whether Mr Price would become a director.

The Company raised this issue with the Requisitioning Shareholders and gave them the opportunity to reformulate the resolutions to remove the uncertainty. The Requisitioning Shareholders responded that in their view to the extent that any clarification is required, resolution 2 need only be put to the meeting if resolution 1 is passed.

Shareholders should note that the uncertainty will only arise if shareholders vote against resolution 1 and for resolution 2.



**PaperlinX Limited**

ABN 70 005 146 350

**Lodge your proxy form:**



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 4768 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 662 058  
(outside Australia) +61 3 9415 4021

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



## Proxy Form



Lodge your proxy form online or view the meeting documents, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**



**Direct your proxy how to vote**



**Access the meeting documents**



**Review and update your securityholding**

*Your secure access information is:*

**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**



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

**For your vote to be effective it must be received by 9:30am Melbourne time Wednesday 21 March 2012**

### 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 as they choose. 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. Alternatively, an additional proxy form can be obtained by contacting Computershare.

**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.

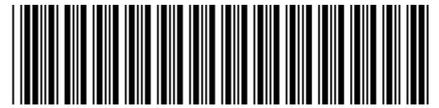
### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.computershare.com](http://www.computershare.com).

**GO ONLINE TO LODGE YOUR PROXY,  
or turn over to complete the form →**

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.



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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 Paperlinx Limited 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 General Meeting of PaperlinX Limited to be held at Ballroom 3, Hilton on the Park, 192 Wellington Parade, East Melbourne, 3002 Victoria on Friday, 23 March 2012 at 9.30am (Melbourne time) and at any adjournment of that meeting. Registration will commence at 9.00am.

### 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 and your votes will not be counted in computing the required majority.

#### BUSINESS

	For	Against	Abstain
Item 1 Removal of Director - Mr Harry Boon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Appointment of new Director - Mr Andrew John Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies against each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / /

PPX

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