

CROSS RELEASE TO PXUPA

21 February 2013

REMUNERATION FOR EXECUTIVE DIRECTOR

Following the announcement made at the AGM in November 2012 concerning the appointment of Mr Andrew Price as an Executive Director, the Board of PaperlinX Limited today advise the details of his remuneration package.

Mr Price is currently based in Europe and working with management to add weight to the restructuring efforts in this region. His relocation to Europe is for a provisional six month period (which may be extended). The terms of his remuneration are heavily performance based and involve a fixed component of \$240,000 per annum and 35 million options to take up PaperlinX shares at strike prices of between 10 cents to 50 cents per share at exercise dates over five (5) years from the date of shareholders' approval ("Incentive Package"). The current value of the Incentive Package is calculated based on PaperlinX ordinary share price of 9.5 cents and using suitable parameters to equate to approximately \$1 million. The Incentive Package is subject to shareholders' approval at the next General Meeting.

Commenting on Mr Price's remuneration package, PaperlinX Chairman, Mike Barker said, "The structure of Andrew's remuneration package is appropriate as it is designed to reward Mr Price for services performed to date as well as to reflect his contribution in respect of work to be performed in relation to the current restructuring programmes. In addition, the remuneration package is aligned with shareholders interest."

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