



**NOTICE OF
ANNUAL GENERAL
MEETING 2022**

Notice of Annual General Meeting 2022

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Saunders International Limited (**Saunders** or **Company**) (ABN 14 050 287 431) will be held:

Date: Monday, 7 November 2022

Time: 10.00am (AEDT)

Venue: Saunders International – Level 2, Suite 2.0, 1F Homebush Bay Drive, Rhodes, New South Wales, Australia, 2138

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM.

The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.



The EXPLANATORY STATEMENT containing information in relation to each of the following items of business accompanies this Notice of Annual General Meeting.

Agenda

Ordinary Business

FINANCIAL STATEMENTS AND REPORTS FOR 2022

The first item of business is to receive and consider the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the financial year ended 30 June 2022.

All shareholders can view the Company's Annual Report which contains the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the year ended 30 June 2022 on the Company's website at <https://saundersint.com>.

Shareholders are not required to vote on this item. However, during this item, shareholders will be given an opportunity to ask questions about and make comments, on the Saunders 2022 Annual Report.

Following consideration of the Reports, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chairman of the Meeting will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit.

RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT THE REMUNERATION REPORT

To consider and, if thought fit, pass the following as a non-binding ordinary resolution of the Company:

"That the Company's Remuneration Report for the financial year ended 30 June 2022, as set out in the Directors' Report, be adopted."

The Remuneration Report is contained in the 2022 Annual Report. Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2022 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).



However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 1 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act.

RESOLUTION 2 – RE-ELECTION OF MR. GREGORY FLETCHER AS A DIRECTOR

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

“To re-elect as a Director of the Company, Mr. Gregory Fletcher, who retires by rotation in accordance with Clause 5.1 of the Company’s Constitution and, being eligible, offers himself for re-election.”

RESOLUTION 3 – APPROVAL FOR THE GRANTING OF PERFORMANCE RIGHTS UNDER THE SAUNDERS PERFORMANCE RIGHTS PLAN TO THE MANAGING DIRECTOR

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of up to 250,000 Performance Rights to Mr Mark Benson under the Saunders Performance Rights Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a. Mr Mark Benson; or
- b. an associate of Mr Mark Benson.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 3 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (or their associates) who is eligible to participate in the employee incentive scheme in question.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- b. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman of the Meeting decides; or

c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and

the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

BY ORDER OF THE BOARD



Mr Rushan Sheriff
Company Secretary

Dated: Tuesday 4th October 2022

ALL RESOLUTIONS BY POLL

Voting on each of the proposed resolutions at the Meeting will be conducted by poll.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm (AEDT) on Saturday, 5 November 2022 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

APPOINTMENT OF PROXY

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (**Corporations Act**) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 10.00am (AEDT) on Saturday, 5 November 2022 (being 48 hours before the AGM). Proxies must be received before that time by one of the following methods:

Online (preferred): www.linkmarketservices.com.au

BY MAIL: Saunders International Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX: 02 9287 0309 (within Australia)
+61 2 9287 0309 (from outside Australia)

BY HAND: Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am to 5:00pm) and subject to public health orders and restrictions if in place.

ONLINE: www.linkmarketservices.com.au

ALL ENQUIRIES TO: Telephone: 1300 554 474 Overseas: +61 1300 554 474



To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

POWER OF ATTORNEY

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.00am (AEDT) on Saturday, 5 November 2022, being 48 hours before the AGM.

CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IMPORTANT: If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 1 and 3 then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

SHAREHOLDER QUESTIONS – SUBMITTED PRIOR TO THE MEETING

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au select Voting then click 'Ask a Question', or alternatively submit the enclosed AGM Question Form.

This includes any questions for the Chairman or Deloitte (our external auditor).

To allow time to collate questions and prepare answers, please submit any questions by 10:00am (AEDT) on Monday, 31 October 2022 (being no later than the fifth business day before the AGM is held). Questions will be collated, and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

CONDUCT OF THE MEETING

Saunders is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders) who attend the meeting with the opportunity to participate in the business of the meeting in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about the Company generally. Saunders will not allow conduct at any shareholder meeting which is discourteous to those who are present at the meeting, or which in any way disrupts or interferes with the proper conduct of the meeting. The Chairman of the Meeting will exercise his powers as the Chairman to ensure that the meeting is conducted in an orderly and timely fashion, in the interests of all attending shareholders.

ENCLOSURES

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Saunders' share registry's website at www.linkmarketservices.com.au to ensure the timely and cost-effective receipt of your proxy; and
- a reply-paid envelope for you to return the proxy form and the AGM question form.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting of the Company convened for 7 November 2022 commencing at 10:00am (AEDT).

The purpose of the Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 2 and 3 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the Resolution.

Resolution 1 relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

FINANCIAL STATEMENTS AND REPORTS FOR 2022

The Corporations Act requires the Company to lay before the Annual General Meeting the Financial Statements and Reports for the financial year that ended 30 June 2022. Copies of these Statements and Reports are contained in the Annual Report which is available on the Saunders website: <http://saundersint.com/annual-reports/>

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's Auditor will also be present at the meeting and shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT THE REMUNERATION REPORT

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of non-executive directors, executive directors and senior executives and is set out in the Company's 2022 Annual Report. The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will be provided with a reasonable opportunity to ask questions, or make comments on, the remuneration report at the Annual General Meeting.

If you appoint the Chairman as your proxy, you can direct him to vote "for", "against" or "abstain" on Resolution 1 by marking the appropriate box on the Proxy Form. Where the Chairman is appointed as your proxy (or as your proxy by default), unless you direct the Chairman on how to vote by ticking the 'for', 'against' or 'abstain' box, you will be taken to be directing the Chairman to vote in accordance with his stated voting intention. The Chairman intends to vote any undirected proxy in favour of Resolution 1. You can appoint the Chairman as your proxy with a direction to cast your vote contrary to the Chairman's stated voting intention or to abstain from voting on Resolution 1.

Recommendation: Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1.



RESOLUTION 2 - RE-ELECTION OF MR. GREGORY FLETCHER AS A DIRECTOR

In accordance with Rule 5.1 of the Company's Constitution, at each Annual General Meeting of the Company, one-third of the directors (other than the Managing Director), or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, need to retire from office by rotation. Further, and in accordance with the ASX Listing Rules, no director may retain office for more than three years without submitting himself or herself for re-election even though this would result in more than one-third of the directors retiring from office.

Accordingly, Mr Fletcher is required to retire by rotation at the Annual General Meeting, and being eligible, offers himself for re-election as a director.

Information on Mr Gregory Fletcher as follows: -

Greg Fletcher, BComm, is a company director having retired from the Deloitte partnership in 2009 to take on board roles. He is an independent director and Co-Vice Chairman of ASX listed company Yancoal Limited. He is the Chairman of the Audit and Risk Committee of a number of government-owned businesses and entities. Mr Fletcher has been a director of Saunders since 1 July 2015.

The Board considered whether Gregory Fletcher has any interest, position or relationship that may interfere with his independence as a Director, having regard to the relevant factors as set out in the ASX Corporate Governance Council Principles & Recommendations (4th edition) (ASX Principles). The Board considers that Gregory Fletcher (if re-elected), will continue to be an independent Director.

Prior to submitting himself for election, Gregory Fletcher has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.

The Board supports the re-election of Gregory Fletcher as he contributes to the Board significant experience in the areas of audit and risk, commercial negotiation and governance, as well as complementing the skills of the existing directors.

Resolution 2 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Recommendation: The Directors (with Gregory Fletcher abstaining) unanimously recommend that shareholders vote in favour of Resolution 2.

RESOLUTION 3 - APPROVAL FOR THE GRANTING OF PERFORMANCE RIGHTS UNDER THE SAUNDERS PERFORMANCE RIGHTS PLAN TO THE MANAGING DIRECTOR

This resolution deals with the proposed grant of Performance Rights under the Saunders Performance Rights Plan (Plan) to Mr Mark Benson, the Managing Director of the Company.

The Company proposes to grant up to a total of 250,000 Performance Rights to Mr Benson under the terms of the Plan subject to shareholder approval (proposed grant).

The proposed grant under the Plan to Mr Benson is to further encourage and facilitate share ownership for the Managing Director and as a means for enhancing the alignment of interests between the Managing Director and shareholders generally.

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme.

Accordingly, approval is sought for the proposed grant to Mr Benson of up to 250,000 Performance Rights under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by the Company without approval of shareholders in any rolling twelve-month period. However, The Company is permitted to issue shares (or other securities) in excess of the 15% limit if those shares or securities are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders.

Resolution 3, if passed, will provide approval for this purpose in relation to both the Performance Rights and any Shares issued on vesting of those rights. If approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, in accordance with Exception 14 in ASX Listing Rule 7.2.

If shareholders do not approve Resolution 3, the proposed issue of Performance Rights to Mr Benson will not proceed. However, to ensure the Company can attract and retain the right talent and align Mr Benson with those of shareholders, the Board considers it is important for The Company to offer incentives to its directors and executives that are in line with market practice. The Board would need to consider alternative remuneration arrangements.

The Company has determined that the proposed grant of Performance Rights under the Plan pursuant to Resolution 3 as part of Mr Benson's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Key terms of the Performance Share Rights grant to Mr Mark Benson:

Tranche	Maximum as % of Total Fixed Remuneration	Maximum Number of Performance Rights	Measurement Periods Commencing 1 July 2022	Vesting Condition
21	20%	125,000	3 years	RTSR
22	20%	125,000	3 years	NEPSG
Total	40%	250,000		

The maximum number of Performance Rights will vest only if stretch objectives for each tranche are achieved. Half of the Performance Rights will vest if the target objectives are achieved. The end of the measurement period for a tranche of Performance Rights will be extended by up to two years at the board's discretion if significantly less than target vesting would have been achieved for that tranche at the end of the measurement period.

The Performance Rights will be granted at nil cost to the grantee. The Black-Scholes formula is used for calculating the maximum number of Performance Rights to be granted. The share price to be used in the formula for determining the number of Performance Rights to be allocated to Mr Benson is the daily average of the volume weighted price of Saunders' shares for the 14 trading days following the release of Saunders results for the year ended 30 June 2022 (\$1.071), adjusted for the estimated value of dividends during the vesting period that do not attach to the rights.

The two vesting conditions to be used will be relative total shareholder return (**RTSR**) and normalised earnings per share growth (**NEPSG**).

RTSR Tranches: RTSR will be measured by comparing the Company's TSR over the measurement period with the TSRs achieved by companies that are in a comparator group and remain listed on the ASX at the end of the measurement period. Total shareholder return (TSR) is the percentage return generated from an investment in a company's shares over the measurement period assuming that dividends are reinvesting into the company's shares.

The vesting scale will be applied to the tranches subject to objective measurement of Saunders performance relative to the comparator group with the vesting scale ranging continuously from 100% for very good performance to 0% for very poor performance with 50% for on-target performance which would normally represent the 50th percentile of the comparator group.

NEPSG Tranches: NEPSG will be assessed as the compound annual growth rate (**CAGR**) reflected in the increase in normalised earnings per share (**EPS**) from the base year (**FY2022**) to normalised EPS for the final year of the measurement period. Normalised EPS will relate to normal operations and will exclude abnormal items as determined by the Board in its discretion.

The vesting scale will be applied to the tranches subject to objective review of Saunders performance with the vesting scale ranging continuously from 100% for very good performance to 0% for very poor performance with 50% for on-target performance.

No tax deduction is available to the Company for the value of the Rights granted but it is anticipated that the Company will obtain a tax deduction equal to the value of the shares issued pursuant to the exercising of vested rights

ASX Listing Rule 10.15 contains requirements as to the contents of a Notice sent to Shareholders for the purposes of ASX Listing Rule 10.14 and the following information is included in this Explanatory Statement for that purpose:

- 10.15.1 Mark Benson or his nominee.
- 10.15.2 Mark Benson is a Director and accordingly shareholder approval for Mark Benson to acquire securities under an employee incentive scheme is required.
- 10.15.3 The maximum number of Performance Share Rights to be issued to Mark Benson is 250,000
- 10.15.4 Mark Benson's total remuneration package for FY2022 included:
 - Salary and superannuation of \$553,566
 - Cash bonus of \$280,404
 - Equity settled performance rights of \$111,300
 - A total remuneration package of \$945,270.

Further information regarding the remuneration of Mark Benson is set out in the Company's Remuneration Report which forms part of the 2022 Annual Report.

- 10.15.5 Mark Benson has previously received the following securities under the Plan:
310,056 Performance Share Rights were issued under the Plan on 17th November 2021 following approval by Shareholders at the 2021 Annual General Meeting held on 21st October 2021 (issued for nil financial consideration).
- 10.15.6 A summary of the material terms of the Performance Share Rights are included above in this Explanatory Memorandum.

The Performance Share Rights are being issued to further encourage and facilitate share ownership for the Executive Director and as a means for enhancing the alignment of interests between the Executive Director and shareholders generally.

The Performance Rights will be granted at nil cost to the Mark Benson. Each Performance Right will convert to one ordinary share once all vesting conditions are met.

The value that the Company attributes to the Performance Rights being issued is calculated as 40% of Mr Benson's fixed remuneration divided by \$1.071 being the daily average of the volume weighted price of Saunders' shares for the 14 trading days following the release of Saunders results for the year ended 30 June 2022, adjusted for the estimated value of dividends during the vesting period that do not attach to the rights. Each performance right will convert to one ordinary share once all vesting conditions are met.

The value of any shares that may be received by Mark Benson at a future date as a result of the allocation of Performance Rights will depend on factors including the extent to which the performance hurdles are achieved and the future price of the Company's shares when the shares are allocated.

- 10.15.7 It is intended that the Performance Share Rights will be issued to Mark Benson following the AGM subject to shareholder approval. In any event the Performance Share Rights will be issued no later than three years after the date of the Meeting.
- 10.15.8 The Performance Share Rights will be issued to Mark Benson (and/or his nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Performance Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included at Annexure A of this Explanatory memorandum.
- 10.15.10 No loan will be provided to Mark Benson in relation to the Performance Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company 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 scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- 10.15.12 A voting exclusion statement is included in the description of Resolution 3 in the Agenda.

Resolution 3 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Recommendation: The Directors considers that the award of Performance Share Rights to Mr Mark Benson is an appropriate incentive in the best interests of the Company and therefore recommends (with Mr Mark Benson abstaining from making a recommendation) that shareholders vote in favour of Resolution 3.

Annexure A – Summary of key features of the Saunders Performance Rights Plan

Feature	Details
Instrument	The Plan uses Rights which are an entitlement on vesting to the value of a Share which may be satisfied either in cash or in Shares, or a combination of cash and Shares. Generally, it is expected that vested Rights would be satisfied in Shares. Rights are granted for no monetary consideration and the exercise price of a Right is nil unless otherwise determined by the Board. The value that will be realised is then a function of performance against indicators (Vesting Conditions) and the Share Price at the time of vesting using a 14 ASX day volume weighted average price (VWAP) calculation. The term of the Rights will be 5 years from their date of grant (Term). If not exercised within their Term the Rights will lapse. The Plan allows for three kinds of Rights which may be appropriate forms of remuneration under various circumstances, being; Performance Rights which vest when performance conditions have been satisfied, Retention Rights which vest after the completion of a period of service, and Restricted Rights which are vested but subject to disposal restrictions. It is currently anticipated that Performance Rights only will be used initially but Retention and/or Restricted Rights may be used in the future.
Eligibility	Employees of Saunders are eligible to participate. Non-executive directors are not eligible so as to ensure their independence with regards to the oversight of the Plan.
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights under the Plan, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Performance Rights offered will be subject to Vesting Conditions which are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the Plan include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to Shareholders and the treatment of Rights in the circumstances of various forms of termination
Number of Rights	The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Total Fixed Remuneration, relevant market practices and the relevant policies of the Company regarding their remuneration.
Measurement Period	The Measurement Period may be determined by the Board as part of each offer but is initially intended to be three years (starting from the start of the financial year in which a grant is made) with no vesting prior to the end of the Measurement Period. Different Measurement Periods may be applied when warranted.
Vesting Conditions	Vesting Conditions are to be determined by the Board as part of each offer, however the conditions selected are intended to create alignment with the experiences and expectations of Shareholders over the Measurement Period. The Board retains discretion to vary vesting including if it forms the view that the level of vesting that would otherwise apply would be inappropriate in the circumstance having regard to the experience of Shareholders during the relevant Measurement Period.
Exercise of Vested Rights	Vested Rights may be exercised at any time within their Term by completing an exercise form and submitting it along with payment of the Exercise Price, if any, to the Company Secretary. On exercise of vested Rights, the Board will decide to pay the value of the Rights (number of rights x Share Price) in either Company shares (Shares), cash or a combination of Shares and cash. If in

	Shares they may be provided directly by a new issue or via the Saunders International Limited Employee Share Trust (EST).
Cessation of Employment	The Plan contains provisions concerning the treatment of vested and unvested Rights in the event that a Participant ceases employment. If a Plan Participant ceases employment other than in Special Circumstances, all unvested Rights held by the Participant will lapse unless otherwise determined by the Board. If a Participant ceases employment in Special Circumstances (death, total and permanent disablement, retirement, redundancy, retrenchment and other company-initiated terminations for other than cause) the Rights that were granted to the Participant during the financial year in which the termination occurred will be forfeited in the same proportion as the remainder of the financial year bears to the full year. All remaining Rights for which Vesting Conditions have not been satisfied as at the date of cessation of employment will then remain "on foot", subject to the original Vesting Conditions.
Change of Control of the Company	In the event of a change of control unvested Rights would vest in the same proportion as the Share Price has increased since the beginning of the Measurement Period. Remaining Rights would either lapse or some or all may vest at the Board's discretion.
Voting and Dividend Rights	Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry the rights and entitlements of Shares, including voting and dividend rights.
No Transfer of Rights	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered except where the transfer is affected by operation of law.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.
Variation of Terms and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the Plan. This includes varying the number or terms of securities to which a Participant is entitled in the case of a reorganisation of capital or bonus issues such that the participant will neither be advantaged nor disadvantaged.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights are exercised may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Plan.
Other Terms of the Plan	The Plan also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.
Hedging	The Company prohibits the hedging of Rights and Shares subject to dealing restrictions by Participants.
Lapse and Forfeiture of Rights	Rights will lapse if they are unvested and there is no possibility for them to vest.

LODGE YOUR VOTE

-  **ONLINE**
<https://investorcentre.linkgroup.com>
-  **BY MAIL**
 Saunders International Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia
-  **BY FAX**
 +61 2 9287 0309
-  **BY HAND**
 Link Market Services Limited
 Level 12, 680 George Street, Sydney NSW 2000
-  **ALL ENQUIRIES TO**
 Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Saunders International Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) on Monday, 7 November 2022 at Saunders International – Level 2, Suite 2.0, 1F Homebush Bay Drive, Rhodes, New South Wales, Australia, 2138 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 & 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).


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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*
1 NON-BINDING RESOLUTION TO ADOPT THE REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 RE-ELECTION OF MR. GREGORY FLETCHER AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 APPROVAL FOR THE GRANTING OF PERFORMANCE RIGHTS UNDER THE SAUNDERS PERFORMANCE RIGHTS PLAN TO THE MANAGING DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) <input style="width: 100%; height: 30px;" type="text"/>	Joint Shareholder 2 (Individual) <input style="width: 100%; height: 30px;" type="text"/>	Joint Shareholder 3 (Individual) <input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEDT) on Saturday, 5 November 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Saunders International Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**