

ASX ANNOUNCEMENT

NOTICE OF FURTHER ARBITRATION OVER PLA: DECLARATIONS SOUGHT BY STANDARDS AUSTRALIA OVER INTERPRETATION OF PLA RENEWAL PROVISIONS

7 November 2016, Sydney, Australia: On the evening of Friday 4 November 2016, Standards Australia served notice on SAI Global that it has commenced an arbitration in relation to application of clause 7.1 of the Publishing Licence Agreement between the parties ("the PLA"). Clause 7 of the PLA provides for a process by which the Term of the PLA may, at SAI Global's option, be extended for a period of 5 years. The PLA is the agreement under which SAI Global has exclusive rights to publish, distribute, market and sell certain "licensed material", including Australian Standards.

Standards Australia's referral to arbitration is not based on any alleged breach of the PLA and Standards Australia does not seek any damages or other financial relief.

Under the PLA, one of the key material contracts that underpinned Standards Australia's public offer of its shares in SAI Global Limited in 2003, SAI Global has a contractual right (a first right of refusal) to initiate an extension of the Term of the PLA via a specific process.

The Process as prescribed by Clause 7 extending the Term of the PLA is as follows:

- a) Six months before the expiry of the Initial Term (15 years) of the PLA, SAI Global may make an offer as to the terms on which it wishes to extend the Term of the PLA for a further 5 years. The Initial Term of the PLA expires in December 2018, so this offer must be made by SAI Global by June 2018, presently about 1 year and 8 months away.
- b) If Standards Australia considers that the terms offered by SAI Global are not 'market terms' then it may refer the issue to an Independent Expert who will determine what 'market terms' are. The PLA provides that 'market terms' are terms which are as favourable as those which are available from third party publishers during the final year of the Initial Term.
- c) SAI Global may accept the Independent Expert's determination in which case the PLA shall be extended for a further 5 years.
- d) If SAI Global does not accept the Independent Expert's opinion, then the Term of the PLA is not extended and the PLA terminates.
- e) If the Term of the PLA is not extended at the end of the Initial Term and Standards Australia negotiates terms of a licence with a third party to publish, distribute, market or sell any of the Licensed Material, then it must offer to SAI Global the opportunity to match those terms. If SAI Global offers to match those terms, then Standards must enter into a Licence with SAI Global on those terms (a last right of refusal).

Standard's Australia's new Arbitration

Standards Australia's latest referral to Arbitration seeks a number of "Declarations", primarily, that :

- 1 'market terms' can include terms for a licence on a non-exclusive basis.
- 2 the Independent Expert can look beyond the terms of the PLA to ascertain 'market terms';
- 3 'market terms' are terms at least as favourable to Standards Australia as those available in the global market; and
- 4 Standards Australia's reasonable preferences must be taken into account in ascertaining market terms.

Reference is also made to SAI Global's ASX announcement on 26th September 2016 in relation to its execution of a Scheme Implementation Agreement ("SID") with Baring Asia. Under the SID, the commencement of an arbitration, if material, could give rise to a termination right on the part of Baring Asia. SAI Global considers that the commencement of this arbitration is immaterial in the context of the Scheme and that it does not give rise to a termination right under the SID.

END

Investor inquiries

Andrew Dutton
Chairman
SAI Global
Tel: +61 (2) 8206 6075

Peter Mullins
Chief Executive Officer and Managing Director
SAI Global
Tel: +61 (0) 450 775 123

Media inquiries

John Frey
GRACosway
+61 411 361 361

For more information please visit www.saiglobal.com.

About SAI Global

SAI is a leading global provider of risk management products and services to businesses worldwide to proactively manage risk to achieve business excellence, growth, sustainability and ultimately, create trust.

SAI's integrated advisory, services and platforms operate across the entire lifecycle allowing businesses to focus on opportunities presented by uncertainty. Its solutions include risk management software, standards and regulatory content, ethics and compliance learning, risk assessments, certification, testing and audits.

In Australia, it is also a leading provider of settlement related services; company, personal and property information.

SAI is listed on the ASX with its head office located in Sydney, Australia. The company employs more than 2,000 people across 29 countries and 51 locations across Europe, North America and Asia. For more information, please visit www.saiglobal.com.

About Baring Private Equity Asia

Baring Private Equity Asia is one of the largest and most established independent alternative asset management firms in Asia, advising funds with total committed capital of over US\$10 billion.

The firm runs a pan-Asian investment program, sponsoring buyouts and providing growth capital to companies for expansion or acquisitions, as well as a private credit and a pan-Asian real estate private equity investment program. The firm has been investing in Asia since its formation in 1997 and has over 140 employees located across offices in Hong Kong, China, India, Japan and Singapore.

Baring Private Equity Asia advised funds currently have over 35 portfolio companies active across Asia with a total of 150,000 employees and sales of approximately US\$31 billion in 2015. For more information, please visit www.bpeasia.com.