



13 October 2014

Dear Shareholder,

**Re: ANNUAL GENERAL MEETING 2014**

I have pleasure in inviting you to attend our 2014 Annual General Meeting and have enclosed the Notice of Meeting which sets out the items of business. The meeting will be held at The Institute of Chartered Accountants, 33 Erskine Street, Sydney on Tuesday 18 November 2014 at 10.30am.

The 2014 Annual Report may be viewed on our website at **[www.saunders-international.com.au](http://www.saunders-international.com.au)** after 20 October 2014. A hard copy will be separately mailed to you if you have requested a copy by mail.

If you are unable to attend the meeting, you are encouraged to vote directly or to appoint a proxy. Voting may be conducted online by following the instructions on the enclosed Shareholder Voting Form. Alternatively the Shareholder Voting Form should be returned in the envelope provided or faxed to our Share Registry on (02) 9287 0309 so that it is received by 10.30am on Sunday 16 November 2014.

I look forward to your attendance at the meeting.

Yours sincerely,  
Saunders International Limited

T J Burnett  
Chairman

Encl.



ABN 14 050 287 431  
PO Box 281 Condell Park NSW Australia 2200  
271 Edgar Street Condell Park NSW Australia 2200

**SAUNDERS INTERNATIONAL LIMITED**

Phone: (02) 9792 2444 Fax: (02) 9771 2640  
E-Mail: [mail@saunders-international.com.au](mailto:mail@saunders-international.com.au)  
Web: [www.saunders-international.com.au](http://www.saunders-international.com.au)



## Notice of Annual General Meeting

Tuesday 18 November 2014

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of Saunders International Limited (ABN 14 050 287 431) (the Company) will be held at The Institute of Chartered Accountants, 33 Erskine Street, Sydney on Tuesday 18 November 2014 at 10.30am.

### AGENDA

#### EXPLANATORY STATEMENT

An Explanatory Statement containing information in relation to each of the following items of business accompanies this Notice of Annual General Meeting.

#### FINANCIAL STATEMENTS AND REPORTS FOR 2014

To receive and consider the Financial Statements of the Company for the year ended 30 June 2014, consisting of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, the Directors' Report, the Directors' Declaration and the Independent Auditors' Report.

#### RESOLUTION 1 – Non Binding Resolution to adopt Remuneration Report

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

*"That pursuant to and in accordance with section 250R(2) of the Corporations Act, the Remuneration Report as contained within the Directors' Report be adopted."*

#### RESOLUTION 2 – Re-election of Mr. Malcolm McComas 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. Malcolm McComas, 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 to increase the aggregate total annual remuneration of non-executive directors

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

*"To increase the aggregate total annual remuneration for non-executive directors to \$400,000."*



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#### SAUNDERS INTERNATIONAL LIMITED

Phone: (02) 9792 2444 Fax: (02) 9771 2640  
E-Mail: [mail@saunders-international.com.au](mailto:mail@saunders-international.com.au)  
Web: [www.saunders-international.com.au](http://www.saunders-international.com.au)

## **OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'SD', enclosed within a large, loopy circular flourish.

**Steven Dadich**  
Company Secretary

Dated: 13 October 2014

## **ENTITLEMENT TO VOTE**

For the purpose of the Corporations Act 2001, the Company has determined that members holding ordinary shares at 4.00pm AEDT on Saturday 15 November 2014 will be entitled to attend and vote at the AGM.

## **VOTING EXCLUSION STATEMENT**

The Corporations Act 2001 sets out certain voting exclusions which will be applicable to Resolutions 1 and 3.

## **SHAREHOLDER VOTING FORM**

The enclosed Shareholder Voting Form contains the instructions for direct voting and the appointment of a proxy.



## **EXPLANATORY STATEMENT**

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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 Tuesday 18 November 2014 commencing at 10.30am.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting.

## **FINANCIAL STATEMENTS AND REPORTS 2014**

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 2014. Copies of these Statements and Reports are contained in the Annual Report which is available on the Saunders website - [www.saunders-international.com.au](http://www.saunders-international.com.au)

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 – ADOPTION OF 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 2014 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 Shareholder Voting 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:** The directors recommend that Shareholders vote in favour of Resolution 1.

## **RESOLUTION 2 – RE-ELECTION OF MR. MALCOLM MCCOMAS AS 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. McComas 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. McComas is as follows:-

Malcolm McComas - BEc, LLB, SFFin, FAICD - is a company director and a former investment banker and lawyer. He has experience in equity capital markets, mergers and acquisitions and has worked with many growth companies over a career at County NatWest (now Citi Group) where he was managing director of investment banking for 10 years and at Grant Samuel for 11 years.

Mr. McComas is currently chairman of Pharmaxis Limited and Fitzroy River Corporation Limited, a director of BC Iron Limited and the private entity Consolidated Minerals Limited. His community roles include director of the Australian Leukaemia and Lymphoma Group (ALLG).

Mr. McComas was appointed to the board on 4 September 2012.

**Recommendation:** The directors (excluding Mr. McComas) recommend that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3 – APPROVAL TO INCREASE THE AGGREGATE TOTAL ANNUAL REMUNERATION OF NON-EXECUTIVE DIRECTORS**

Fees for non-executive directors are set at a level to attract and retain directors who have the necessary skills and experience to contribute to the success and growth of the Company. When considering the appropriate remuneration level, the board takes into account a variety of factors such as external market data on remuneration, the size and nature of the Company's operations and the workload and demands placed on the non-executive directors as board and committee members.

Details of the FY13 and FY14 fees paid to non-executive directors are disclosed in the 2014 Annual Report. On the basis of a recent market data analysis, the board has set the FY15 remuneration of the Chairman at \$120,000 p.a. and non-executive directors at \$60,000 p.a. These amounts include participation in committees and superannuation contributions.

Currently the aggregate total annual remuneration for the Company's non-executive directors is limited to \$300,000 as set by the Company's shareholders in the 19<sup>th</sup> October 2007 AGM. Shareholder approval is sought to increase this limit to \$400,000. This amount includes all board and committee fees and superannuation contributions made on behalf of the non-executive directors. This limit does not include remuneration paid to executive directors.

The board believes that the proposed increase of the aggregate total annual remuneration for non-executive directors to \$400,000 is appropriate to allow for the option for the board's composition to increase from three to four non-executive directors and to permit future adjustments to the annual remuneration payable to non-executive directors to ensure that the remuneration is competitive.

### **Reason for Shareholder Approval**

ASX Listing Rule 10.17 and clause 38.2 of the Company's constitution requires shareholder approval for a proposed increase in the aggregate total annual remuneration for non-executive directors.

**Directors' Recommendation:** As the directors have an interest in the outcome of Resolution 3 the directors make no voting recommendation to shareholders as to how to vote in relation to Resolution 3.



**Saunders International Limited**  
ABN 14 050 287 431

## LODGE YOUR VOTE



**ONLINE**

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



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



**By fax:** +61 2 9287 0309



**All enquiries to: Telephone:** +61 1300 554 474



**X99999999999**

## VOTING FORM

### STEP 1 Please mark either Box A or Box B

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

#### A VOTE DIRECTLY

☐ elect to lodge my/our  
vote(s) directly (mark box)

**i** in relation to the Annual General Meeting of the Company to be held at **10:30am on Tuesday, 18 November 2014**, and at any adjournment or postponement of the Meeting.  
You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

#### B 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 (excluding the registered Shareholder) you are appointing as your proxy below.

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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:30am on Tuesday, 18 November 2014 at The Institute of Chartered Accountants, 33 Erskine Street, Sydney** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Voting Directions 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 **X**

### STEP 2

#### VOTING DIRECTIONS

	For	Against	Proxy Only Abstain*		For	Against	Proxy Only Abstain*
<b>Resolution 1</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 3</b> Approval to increase the aggregate total annual remuneration of non-executive directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-election of Mr. Malcolm McComas as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

#### Important for Resolution 1 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

If the Chairman of the Meeting is your proxy or is appointed as your proxy by default and you do not mark any of the boxes in step 2 above on Item 1, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions as set out below and in the Notice of Meeting even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel. Please note you can direct the Chairman of the Meeting to vote for, against or abstain from voting on Item 1 by marking the appropriate box in step 2 above. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

**i** \* If you are voting under Box B and 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.

### STEP 3

#### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).

**SND PRX403R**



## HOW TO COMPLETE THIS VOTING 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.**

### Voting under Box A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

### Voting under Box B - Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Box B. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Box B. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

### Votes on Items of Business - Proxy Appointment

You should 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 attend 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:

- on each of the first Voting Form and the second Voting 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
- 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 have already lodged 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 attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should 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](http://www.linkmarketservices.com.au).

## Lodgement of a Voting Form

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Sunday, 16 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting.

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



**ONLINE** > [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Voting 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) as shown on the front of the Voting Form).



**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, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.**