



ADDENDUM RESOLUTION 6 – APPROVAL FOR THE ISSUING OF SHARES UNDER THE EMPLOYEE SHARE PLAN TO THE MANAGING DIRECTOR

The Company is seeking shareholder approval for the Issuing of 400,000 Shares under the existing Saunders Employee Share Plan (See Resolution 4 above) to Mr Mark Benson, the Managing Director.

The board of the Company consider that it is important that the Managing Director should be a shareholder of the Company from the commencement of his appointment in order to create alignment between him and the shareholders. As part of an industry competitive remuneration package, the Company committed to this share issue to attract the best candidate for the role.

The shares under the Employee Share Plan are to be issued based upon the Share Price at the time of issue using a 14 ASX day volume weighted average price (VWAP) calculation.

No persons referred to in rule 10.14 have received securities under the scheme since the last approval.

The Company will issue the securities, no later than 12 months after the meeting.

ASX Listing Rules 10.4 requires the Company to obtain shareholder approval for the issue of securities to a director under an employee incentive scheme. Chapter 2E of the Corporations Act requires the Company to seek shareholder approval for a financial benefit to a related party of the Company.

Recommendation: The non-executive directors recommend that the shareholders vote in favour of this resolution.

ADDENDUM RESOLUTION 7 - APPROVAL FOR THE GRANTING OF PERFORMANCE RIGHTS TO A DIRECTOR

The Saunders Performance Rights Plan (Plan) is to be used for the proposed granting of Rights to Mr Mark Benson, Managing Director. Details of the Plan are presented in the Explanation Statement relating to Resolution 5. The Plan has been designed to facilitate the Company moving towards best practice remuneration structures for executives. A key component of effective remuneration for executives is a long term incentive to support retention, drive shared performance objectives and link remuneration to company performance.

ASX Listing Rules 10.14 requires the Company to obtain shareholder approval for the issue of securities to a director under an employee incentive scheme. Chapter 2E of the Corporations Act requires the Company to seek shareholder approval for a financial benefit to a related party of the Company. The Company is seeking shareholder approval for the proposed grant of Performance Rights to the Mr Mark Benson, Managing Director as set out below.

The features of the proposed offer of Performance Rights to the Managing Director in the period to 30 June 2016 are as follows

Approval is sought to grant the following Performance Rights. The tranches 3 to 6 with Measurement Periods of less than 3 years are designed to provide a phase-in at-risk remuneration component and it is intended that future grants will have 3 year Measurement Periods.

Tranche	Maximum as % of Total Fixed Remuneration	Maximum Number of Performance Rights	Measurement Periods Commencing in FY2016	Vesting Condition
1	20%	496,278	3 years	RTSR
2	20%	496,278	3 years	NEPSG
3	10%	215,983	2 years	RTSR
4	10%	215,983	2 years	NEPSG
5	10%	191,205	1 year	RTSR
6	10%	191,205	1 year	NEPSG
Total	80%	1,806,932		

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 Black-Scholes formula is used for calculating the maximum number of Performance Rights to be granted

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. For the phase-in tranches where the Measurement Period is less than 3 years, performance may also be evaluated by the board's assessment of the establishment of strategic foundations for superior TSR over the long term.

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.

NESPG Tranches: NESPG will be assessed as the compound annual growth rate (CAGR) reflected in the increase in normalised earnings per share (EPS) from the base year (FY2016) 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. For the phase-in tranches where the Measurement Period is less than 3 years, performance may also be evaluated by the board's assessment of the establishment of strategic foundations for superior NESPG over the longer term.

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 represented by CAGR of 0% 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 Rights when exercised following vesting.

No grants of Performance Rights under the Plan have been made previously.

No loans will be provided to Mr Benson in relation to the acquisition of Performance Rights under the Plan.

The Performance Rights are to be issued based upon the Share price using a 14 ASX day volume weighted average price (VWAP) calculation.

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.

If approved, the Performance Rights will be issued to Mr Benson no later than 30 June 2016.

Recommendation: The non-executive directors recommend that shareholders vote in favour of this resolution.