



11 September 2017

Dear Shareholder

**NON-RENOUNCEABLE RIGHTS ISSUE – NOTICE TO INELIGIBLE SHAREHOLDERS**

On 6 September 2017, Saunders International Limited ACN 050 287 431 (the **Company**) announced it would undertake a non-renounceable pro rata rights issue under which shareholders registered as such at 7pm on 15 September 2017 (**Record Date**) would have the right to subscribe for 1 new fully paid ordinary share (**New Share**) for every 8 fully paid ordinary shares (**Shares**) at an issue price of \$0.50 per New Share (the **Offer**). Approximately 11.6 million New Shares will be offered to eligible shareholders under the Offer to raise approximately \$5.8 million before costs. The Offer is fully underwritten by Taylor Collison Limited (the **Underwriter**).

The details of the Offer are set out in an offer document lodged by the Company with the Australian Securities Exchange (**ASX**) on or about the date of this letter (to be available on ASX's company announcement platform at [www.asx.com.au](http://www.asx.com.au) and at [www.saunders.com.au](http://www.saunders.com.au)).

Unfortunately, shareholders with registered addresses outside Australia and New Zealand will not be eligible to participate in the Offer. The Company is of the view that it is unreasonable to make offers under the Offer to shareholders outside of Australia and New Zealand having regard to:

1. the small number of shareholders outside of Australia and New Zealand;
2. the number and value of the New Shares that would be offered to shareholders outside of Australia and New Zealand; and
3. the cost of complying with the legal requirements and requirements of the regulatory authorities in the respective overseas jurisdictions.

As your registered address is outside Australia and New Zealand, you are not eligible to participate in the Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1, the Company advises you that the Offer will not be extended to you.

You do not have to take any further action in relation to the Offer.

If you have any questions or require any clarifications in relation to this letter, please consult your stockbroker or professional adviser or contact the Company's Share Registry, Link Market Services Limited on +61 1300 794 935.

Yours faithfully

Steven Dadich  
Company Secretary