



12 September 2016

Dear Shareholder,

I have pleasure in inviting you to attend the 2016 Annual General Meeting of Saferoads Holdings Limited to be held Thursday 13 October 2016 at 2.00pm AEDT at the office of Grant Thornton located at The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria.

I invite you to come along, meet the Directors and to hear from the Chief Executive Officer and myself about the performance of the Company during the year, and the Company's plans for the future.

The Notice of Meeting (overleaf) details the business to be dealt with on the day. An Appointment of Proxy form is also enclosed.

If you are unable to attend, I encourage you to complete and return the proxy form in the enclosed reply paid envelope.

I look forward to seeing you at the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read "David Ashmore", followed by a horizontal line.

David Ashmore
Chairman

SAFEROADS HOLDINGS LIMITED

ABN 81 116 668 538

PO Box 2030, Pakenham
Victoria Australia 3810

NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice is hereby given that the 2016 Annual General Meeting of Saferoads Holdings Limited (the "Company"), will be held at the office of Grant Thornton located at The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria, on Thursday 13 October 2016, commencing at 2.00pm AEDT.

ORDINARY BUSINESS

CHAIRMAN AND CEO PRESENTATIONS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial statements and reports of the Directors for the year ended 30 June 2016, together with the Directors' and Auditor's report for that period.

2. REMUNERATION REPORT

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

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes approval is given for the adoption of the remuneration report for the financial year ended 30 June 2016."

Voting restriction: No votes may be cast on this resolution by members of the key management personnel of the Company or their closely related parties. However, a vote may be cast by such a person as a proxy for a person who is entitled to vote on this resolution, appointed by way of a proxy form that directs the proxy to vote on the resolution.

3. RE-ELECTION OF MR DAVID CLELAND AS A DIRECTOR

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

"That, being eligible, Mr David Cleland be re-elected as a Director."

Please refer to the Notes and Explanatory Memorandum for further information on the proposed resolutions.

By order of the Board



Sonia Joksimovic
Company Secretary

12 September 2016

NOTES

EXPLANATORY MEMORANDUM

The Explanatory Memorandum and the annexure accompanying this Notice of Annual General Meeting ("Notice") are incorporated in and comprise part of this Notice and should be read in conjunction with this Notice.

WHO MAY VOTE

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Company (as convenor of the Meeting) has determined that a person's entitlement to attend and vote at the Meeting will be those persons set out in the register of Members as at 7.00pm (AEDT) on Tuesday 11 October 2016. This means that any Member registered at 7.00pm (AEDT) on Tuesday 11 October 2016 is entitled to attend and vote at the Meeting.

PROXIES

A Member entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote on behalf of that Member at the Meeting.

- a) A proxy need not be a Member.
- b) If the Member is entitled to cast two or more votes at the Meeting, the Member may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Member.
- c) If the Member appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Member appoints two proxies, only one proxy is entitled to vote on a show of hands.
- d) Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- e) A Form of Proxy accompanies this Notice.
- f) Unless the Member specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstains from voting.
- g) If a Member wishes to appoint a proxy, the Member should complete the form of proxy and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- h) The form of proxy must be signed by the Member or his or her attorney duly authorised in writing or, if the Member is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the *Corporations Act 2001* (Cth).
- i) If any attorney or authorised officer signs the form of proxy on behalf of a Member, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the form of proxy.
- j) The form of proxy (together with any relevant authority) must be received by no later than 2.00 pm AEDT on Tuesday 11 October 2016 before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).

The completed Form of Proxy may be lodged:

Online: <https://investor.automic.com.au/#/loginsah>

By Mail: Automic Pty Ltd
PO BOX 2226
Strawberry Hills NSW 2012

In Person: Suite 310, Level 3, 50 Holt Street, Surry Hills, NSW 2010, Australia

CORPORATE REPRESENTATIVE

Any corporate Member who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the *Corporations Act 2001* (Cth) authorising him or her to act as that company's representative. The authority must be sent to the Company (attention: Company Secretary) and/or registry at least 24 hours in advance of the Meeting.

SAFEROADS HOLDINGS LIMITED

ABN 81 116 668 538

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Members of Saferoads Holdings Limited (the "Company") to be held at 2.00pm AEDT on Thursday 13 October 2016.

This Explanatory Memorandum is to assist Members in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolution. Both documents should be read in their entirety and in conjunction with each other.

ITEM 2: ADOPTION OF THE REMUNERATION REPORT FOR YEAR ENDED 30 JUNE 2016

The Corporations Act requires that at a listed Company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company. Nevertheless the Board will take into account the outcome of the vote when considering the future remuneration policies and practices of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel of the Company. The Remuneration Report is part of the Annual Report for the year ending 30 June 2016.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

The Remuneration Report for the year ended 30 June 2016:

- Describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between remuneration of executives and the Company's performance;
- Sets out the remuneration arrangements for Key Management Personnel; and
- Explains the difference between the basis for remunerating Non-Executive Directors and Senior Managers.

Voting consequences

Under the changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a Remuneration Report resolution are voted against the adoption of the Remuneration Report in two consecutive Annual General Meetings, the Company will be required to put to Shareholders a resolution ("Spill Resolution") proposing the calling of an extraordinary general meeting ("Spill Meeting") to consider the appointment of Directors of the Company at the second Annual General Meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors of the Company who were in office when the Directors Report (as included in the Company's annual financial report for the financial year ended immediately before the second Annual General Meeting) was approved, other than the Executive Directors of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

At the Company's previous Annual General Meeting the votes cast against the Remuneration Report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Proxy Restrictions

Members of the Key Management Personnel ("KMP") and their proxies and Closely Related Parties ("CRP") are restricted from voting on a resolution put to Shareholders that the Remuneration Report of the Company be adopted.

The Voting Restriction does not apply where:

- (a) the chairperson or any other member of the KMP is appointed in writing (by a shareholder who is not a member of the KMP or a CRP of KMP) as a proxy with specific instructions on how to vote on a resolution to adopt the Remuneration Report of the Company; or
- (b) the chairperson is appointed in writing (by a shareholder who is not KMP or a CRP of KMP) as a proxy with no specific instructions on how to vote on a non-binding shareholder vote on remuneration, where the shareholder provides express authorisation for the chairperson to do so.

Shareholders should be aware that any undirected proxies given to the Chairperson will be cast by the Chairperson and counted in favour of the resolutions of this Meeting, including this Resolution, subject to compliance with the *Corporations Act 2001* (Cth).

Definitions

Key Management Personnel ("KMP") has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Closely related party of a member of the KMP means:

- (a) A spouse or child of the member;
- (b) A child of the member's spouse;
- (c) A dependant of the member or the member's spouse;
- (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the *Corporation Act 2001* (Cth).

ITEM 3: RE-ELECTION OF MR DAVID CLELAND AS A DIRECTOR

In accordance with the Company's Constitution, at every Annual General Meeting, one third of the Company's Directors must retire from office and are eligible for re-election. The Directors to retire are those who have been longest in office since their last re-appointment.

David Cleland was appointed to the Board on 1 December 2010 as Non-Executive Director and re-elected at the October 2011 and November 2014 AGMs. He was appointed acting Chief Executive Officer on 28 November 2011, handing over the role to Darren Hotchkin on 10 April 2012. He is the Chairman of the Audit & Risk Committee and member of the Remuneration & Nomination Committee.

David is a mechanical engineer with extensive experience as Chief Executive Officer of companies manufacturing and distributing industrial products. His career includes manufacturing experience (including lean manufacturing), brand management, product research and development, outsourcing and company mergers and acquisitions. He was formally an inaugural trust member of the Greater Metropolitan Cemeteries Trust and is a Director of a privately owned company.

David has not served as a Director of any other listed companies during the preceding three years.

The Board unanimously recommends the re-election of Mr David Cleland as a Director of the Company.



Saferoads Holdings Limited
ABN 81 116 668 538

AGM Registration Card

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

[BARCODE]

[HolderNumber]

[Name/Address 1]
[Name/Address 2]
[Name/Address 3]
[Name/Address 4]
[Name/Address 5]
[Name/Address 6]

XXX: [BARCODE] Holder Number: [HolderNumber]

Vote by Proxy

Option A – Please choose to vote online, because:

- ✓ **Save Your Money:** This company you own a part of has to spend thousands of dollars each year in print and postage costs. Online voting will reduce this unnecessary expense.
- ✓ **It's Quick and Secure:** Voting online provides you with greater privacy over your instructions, eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **Receive Vote Confirmation:** Voting online is the only method which provides you with confirmation that your vote has been processed. It also allows you to amend your vote if required.



To Access online voting you can scan the barcode to the right with your tablet or mobile device or you can enter the following link into your browser.
Voting online is quick and easy to do.

<https://investor.automic.com.au/#/loginsah>

Option B – Appoint a proxy, by paper:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at 2.00pm AEDT on Thursday, 13 October 2016 at the office of Grant Thornton, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria hereby:

Appoint the Chairman of the Meeting (Chair) 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 so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 1: Please appoint a proxy

Resolutions

2 Remuneration Report

3 Re-election of Mr David Cleland as a Director

For Against Abstain

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution 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 2: Voting Direction

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016

Email Address

STEP 3

HOW TO COMPLETE THIS PROXY VOTING FORM

LODGING YOUR PROXY VOTE


This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by 2.00pm AEDT on Tuesday, 11 October, 2016, being **not later than 48 hours** before the commencement of the Meeting. Any Voting Forms received after that time will not be valid for the scheduled Meeting.

Voting Forms can be lodged:


 **ONLINE**
<https://investor.automic.com.au/#/loginsah>



Login to the Automic website using the holding details as shown on the Voting Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, shareholders will need their Holder Number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on front of the Voting form.

 **BY MAIL**
Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012

 **BY HAND**
Automic Registry Services
Suite 310, Level 3, 50 Holt Street, Surry Hills NSW 2010

 **ALL ENQUIRIES TO**
Telephone: 1300 288 664 Overseas: + 61 2 9698 5414

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/loginsah> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

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. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these 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 Voting 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 marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Voting Forms together. If you require an additional Voting Form, contact Automic Registry Services on 1300 288 664 or you may copy this form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided. **By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.**

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.