



18 October 2013

Dear Shareholder,

I have pleasure in inviting you to attend the 2013 Annual General Meeting of Saferoads Holdings Limited, to be held at the offices of Grant Thornton, Level 30, 525 Collins St, Melbourne on Tuesday 19 November 2013, commencing at 2.00pm (AEDT). The venue will be opened at 1.15pm (AEDT) to allow time for registration.

I invite you to take advantage of this opportunity to meet the Directors, and to hear from the Chief Executive Officer and myself about the performance of the Company during the 2012-2013 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".

David Ashmore
Chairman

SAFEROADS HOLDINGS LIMITED

ABN 81 116 668 538

PO Box 340, Drouin
Victoria Aust 3818

NOTICE OF 2013 ANNUAL GENERAL MEETING

Notice is hereby given that the 2013 Annual General Meeting of Saferoads Holdings Limited (the "Company"), will be held at the offices of Grant Thornton, Level 30, 525 Collins St, Melbourne on Tuesday 19 November 2013, 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 2013, together with the Directors' and Auditor's report for that period.

Note: There is no requirement for Shareholders to approve these reports.

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 2013."

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. ELECTION OF MR DAVID ASHMORE AS DIRECTOR

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

"That, Mr David Ashmore, a Director of the Company appointed to fill a casual vacancy since the previous Annual General Meeting, who is eligible for election, be elected as a Director of the Company."

During the 2012 – 2013 year the Board appointed Mr Ashmore as a Non-Executive Director under clause 58 of the Company's constitution. Under this clause Mr Ashmore holds office until the end of the 2013 annual general meeting at which he must retire.

Accordingly, Mr Ashmore retires, and being eligible, offers himself for re-election.

Note: The Board recommends that Shareholders vote in favour of the election of Mr David Ashmore.

4. RE-ELECTION OF MR DARREN HOTCHKIN AS A DIRECTOR

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

"That, being eligible, Mr Darren Hotchkin be re-elected as a Director."

Note: The Board recommends that Shareholders vote in favour of the re-election of Mr Darren Hotchkin.

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

By order of the Board of Directors



Elissa Hansen

Company Secretary
18 October 2013

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 15 November 2013. This means that any Member registered at 7.00pm (AEDT) on 15 November 2013 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 on 19 November before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).

The completed Form of Proxy may be:

- Mailed to the address on the Form of Proxy; or
- Faxed to Saferoads Holdings Limited, Attention: Company Secretary, on facsimile number +61 2 9290 9655.

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.

IF YOU ARE ATTENDING THIS MEETING PLEASE BRING THIS NOTICE & THE PROXY FORM WITH YOU.

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 19 November 2013.

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 2013

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 2013.

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 2013:

- 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: ELECTION OF MR DAVID ASHMORE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

In accordance with the Company's Constitution, Directors have power at any time to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing Directors. The appointed Director will hold office until the end of the next annual general meeting of the Company when the Director may be re-elected but will not be taken into account in determining the number of directors who must retire by rotation.

David Ashmore is Chairman of the Board and the Remuneration Committee.

Mr Ashmore is a career Chartered Accountant with 40 years of professional public practice experience focused on audit, finance, due diligence, risk and governance advisory. He has worked with many dynamic private and public companies where his experience has assisted them with understanding their underlying financial position, their financial management issues and business growth challenges. Those challenges have typically included the development of sustainable executive management structures and financial assessment and reporting systems to clearly track underlying financial performance. He

also has significant experience with the identification and management of financial and business risks and the development of structured business decision making protocols

The Board unanimously recommends the election of Mr David Ashmore as a Director of the Company.

ITEM 4: RE-ELECTION OF MR DARREN HOTCHKIN 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.

Darren Hotchkin is the Chief Executive Officer of the Company.

Darren Hotchkin was appointed to the Board on 21 October 2005 as Managing Director. On 7 February 2011 he stepped aside as Managing Director but remained on the Board as a Non-Executive Director and was re-elected at the October 2011 AGM. He was appointed acting Chief Executive Officer on 10 April 2012 and formal Chief Executive Officer on 30 June 2012.

Darren is the founder of Saferoads. He has a background in the automotive industry where he owned and operated several businesses. In 1992 he founded the company now trading as Saferoads Pty Ltd to commercialise his invention of a rubber guide post manufactured from recycled car tyres.

As Managing Director, Darren's key contribution to the business was in the strategic development of the Company's product range and manufacturing processes as well as in business development. He continues to be active in Research and Development and in seeking to effectively expand the Company's product base through international research of products which have the potential to find a sustainable place in the Australian market.

The Board unanimously recommends the re-election of Mr Darren Hotchkin as a Director of the Company.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm AEDT on Sunday, 17 November 2013.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm AEDT on Sunday, 17 November 2013.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Saferoads Holdings Limited** and entitled to attend and vote hereby appoint

☐

Appoint 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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the Annual General Meeting of Saferoads Holdings Limited to be held at the offices of **Grant Thornton, Level 30, 525 Collins St, Melbourne VIC 3000 on Tuesday, 19 November 2013 at 2:00pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Item 2, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of Item 2 and that votes cast by the Chair of the meeting for this item other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Item 2 and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business including Item 2.

STEP 2 VOTING DIRECTIONS

* If you 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Item 2	Non-binding resolution to adopt the Remuneration Report	☐	☐	☐
Item 3	Election of Mr David Ashmore as a Director	☐	☐	☐
Item 4	Re-election of Mr Darren Hotchkin as a Director	☐	☐	☐

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2013