# CORPORATE GOVERNANCE STATEMENT

*Approved by the Board to take effect on*

1 July 2026

SAFEROADS HOLDINGS LIMITED

ABN 81 116 668 538

# CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Saferoads Holdings Limited (SRH, Company or Group) is responsible for the corporate governance of the Saferoads group. The Board has considered the ASX Corporate Governance Principles and Recommendations ("ASX Governance Principles") 4th edition and reports on compliance with the recommendations contained within them.

This Corporate Governance Statement is based on the policies and practices in place and endorsed by the Board. The Board's objective is to ensure investor confidence in the Group and its operations given its current size, stage of development and complexity.

The Group has a Corporate Governance Charter, a copy of which is located on the Company's website *(www.saferoads.com.au)* under the Investors icon.

The Board advises that it complies with the ASX Corporate Governance Principles set out below where stated and provides explanations in accordance with the "if not, why not" reporting practices where any variations occur.

### ROLES OF BOARD AND MANAGEMENT

The Company has established the functions reserved for the Board and those delegated to Management which is detailed in the Company's Corporate Governance Charter and published on the Company's website.

The primary responsibilities of the Board are to:

- determine the strategic direction of the Company,
- set financial targets,
- monitor the implementation and execution of strategy and performance against financial targets, and
- appoint and oversee the performance of executive management.

The Board has delegated day-to-day management responsibility to the Managing Director and his management team, reserving to itself the functions of strategic oversight and managerial guidance. Senior management responsibilities have been clearly set out in letters of appointment, position descriptions and employment contracts.

In essence, it is the responsibility of Management to manage the day-to-day operation of the business, ensuring that key performance indicators and financial measures are met, whilst also managing the Company in accordance with the strategies, plans and policies approved by the Board. The Board has also delegated to Management the responsibility for identifying areas of organic and acquisition growth and strategic divestments and developing appropriate business cases for board review and strategic decision making. The board will also acquire access to independent advice as and when a need arises.

The Board accepts its responsibility for ensuring the management team performs to a consistently high standard. This is achieved through regular board meetings, usually monthly, where monthly performance reports are received and reviewed, and through regular briefings from Senior Management on progress in strategic developments.

The company is a compact entity with a board of four directors, three independent non-executive directors, including the Chairman, and one executive Managing Director. The structure and conduct of the board committees, (Nomination and Remuneration and the Audit and Risk) reflects this compact board composition. The board as a whole addresses the functions of the two committees within their regular meetings. This is done by including agenda items appropriate for each committee and with those agenda items being chaired by the nominated director for those respective committees. The Managing Director is mostly in attendance at these committee discussions for his comment and to answer any questions the committee members may ask but cannot vote on any matters and is excluded from attending should the independent directors so determine.

## DIRECTOR AND SENIOR EXECUTIVE APPOINTMENTS

The Company will undertake appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director. Further, the Company is committed to providing shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company ensures there is a written agreement in place for each director and senior executive of the Company which sets out the terms of their appointment including their role and responsibilities and the Company's expectations of them.

The Company Secretary is accountable directly to the board through the Chairman.

The Company has a program for inducting new directors and provides appropriate professional development opportunities for directors to develop and maintain the skill and knowledge needed to perform their role as directors effectively.

## BOARD STRUCTURE

The Company acknowledges the importance of having independent directors on its board and is committed to having a board whose members have the capacity to act independently, together with having the composite skills to optimise the financial and operational performance of the Group. The Board currently comprises three independent non-executive directors and one non-independent executive director.

None of the Directors deemed to be independent will have any business or other relationship with the Company unless otherwise disclosed, other than a shareholding in the company, which could materially interfere with – or which could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

The skills, experience, and expertise of each of the directors are included in the Directors' Report.

The current Chairman of the Board, Mr D Ashmore, is considered an independent director. Mr Ashmore has advised the Board that other positions he holds will not hinder his effective performance in the role of Chairman or pose any conflict of interest. The current Managing Director is Mr D Hotchkin and there is clear delineation between their respective duties.

## BOARD AND SENIOR EXECUTIVE PERFORMANCE

The Company has in place a Board Evaluation and Performance Review Self-Administered Questionnaire which is broadly aligned with the ASX Corporate Governance Principles and provides for additional comment from each of the Directors and Company Secretary. The results of the questionnaire are consolidated and then discussed by the Board.

The Managing Director is performance-evaluated by the Board on an annual basis against key performance indicators (KPIs) clearly stated in position descriptions and as updated annually.

The KPIs are primarily growth and earnings related but also address non-financial measures including quality, safety, environmental and human resource issues.

## ACCESS TO EXTERNAL RESOURCES

The Directors have access to external resources including independent professional advice, as required to fully discharge their obligations as directors of the Company as detailed in the Board Charter, published on the Company's website. The use of this resource is co-ordinated through the Chairman of the Board.

## NOMINATION COMMITTEE

The Board has established a combined Remuneration and Nomination Committee which carries out the duties of both functions under the one Committee. The Remuneration and Nomination Committee Charter is available on the Company's website.

The Board reviews its composition periodically and at least annually to ensure that it has the appropriate mix of expertise and experience. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience. External advisors may be used to assist in such a process.

Following the appropriate checks, the Board may then appoint the most suitable candidate who must then stand for election at the next annual general meeting of shareholders.

## BOARD SKILLS MATRIX

The Company aims to maintain a Board that comprises Directors with a broad range of competencies, skills, expertise, and experience who are able to effectively understand and manage the issues arising in the Company's business, review and challenge the performance of management and optimise the Company's performance. To this end, the Nomination Committee periodically assesses the appropriate mix of competencies, skills, experience, and expertise required by the Board, to the extent to which the required skills and experience are represented on the Board.

A review of the skills matrix revealed that the Board has sufficient skills and experience to carry out its duties as shown by the table below.

| **Skill/Experience Sought (not in priority order)** | **Number of Directors with Attribute** | **David Ashmore** | **Darren Hotchkin** | **Steven Difabrizio** | **Andrew Kaye** |
|---|---|---|---|---|---|
| Executive/Management Experience | 4 | Yes | Yes | Yes | Yes |
| Road Safety Industry Experience | 2 | No | Yes | Yes | No |
| Financial Acumen | 3 | Yes | Yes | Yes | Yes |
| Online/Digital | 2 | No | Yes | Yes | Yes |
| Other Listed Board Experience | 1 | Yes | No | No | No |
| Risk Management | 3 | Yes | Yes | Yes | Yes |
| Government Relations | 3 | Yes | Yes | Yes | Yes |
| People & Culture | 3 | Yes | Yes | Yes | Yes |
| Strategy/M&A/Capital Management | 3 | Yes | Yes | Yes | Yes |
| Environment, Social and Governance (ESG) | 3 | Yes | Yes | Yes | Yes |

## CODE OF CONDUCT

The Company has established a Code of Conduct for directors as a guide to be followed in performing their duties, with a view to enabling them to achieve the highest possible standards in the discharge of their obligations. The Code is contained in the Corporate Governance Charter, section 4.

The Company has entered into employment agreements or contracts with other key management personnel. These agreements address issues of all senior personnel's ethical and responsible decision-making in the performance of their respective roles in the Company.

## DIVERSITY AND EQUALITY POLICY

The Company has established a Diversity and Equality Policy which enshrines diversity and equality of employment throughout all levels of the Company.

In respect to gender diversity the Company notes that it is a small to medium sized enterprise that operates largely in a manufacturing environment. The Company recognises that a talented and diverse workforce is a key element in ongoing growth and business success and endeavors to employ the best available personnel to manage and service the Company.

A copy of the Company's Diversity and Equality Policy is located on the Company's website (*www.saferoads.com.au)* under the Investors icon.

Having regard to the Company's size and operations, the objectives of the Board are to maintain the current levels of gender diversity across the Company. As the opportunity to recruit across the Company arises, new appointments will be made in accordance with the Company's Diversity and Equality Policy.

**AUDIT AND RISK COMMITTEE**

The Board has established an Audit and Risk Committee.

Crowe Audit Australia (Crowe) is the appointed independent external auditor. The independent auditor reports directly to the Audit and Risk Committee and is also required to attend the annual general meeting of the Company to answer any shareholder questions about the audit and the preparation and content of the audit report.

The Audit and Risk Committee since June 2026 comprises Mr D Ashmore (non-executive Director and Chairman of the committee) and Mr S Difabrizio (non-executive director), Mr A Kaye (non-executive director) and the Company Secretary. The Managing Director is also invited to attend as an invitee. Given the size of the Company and the Board, the structure of the Committee is such that all non-executive Board members are in attendance. This structure is considered appropriate at this time given the size and structure of the Board. With the addition of Mr Kaye in June 2026, the Committee now complies with the recommended structure of three independent directors.

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It is noted that the Chairman of the Audit and Risk Committee is also the Chairman of the Board, which is not in accordance with the recommendations of the ASX Corporate Principles. Given Mr Ashmore's experience and qualifications, the Board is of the view that Mr Ashmore is the most suitably qualified independent non-executive director to chair the Audit and Risk Committee.

The Audit and Risk Committee's charter provides that the purpose of the Committee is to independently verify and safeguard the integrity of the company's financial reporting and to oversee the independence of the external auditor.

Responsibilities include:

- monitoring the establishment of an appropriate internal control framework
- monitoring corporate risk assessment and compliance with internal controls
- overseeing business continuity planning and risk mitigation arrangements
- reviewing reports on any material defalcations, frauds and thefts involving the Company
- monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Company Secretary in relation to those requirements
- reviewing the nomination, performance, and independence of the external auditors
- liaising with the external auditors and ensuring that the annual audit is conducted in an effective manner that is consistent with committee members' information and knowledge and is adequate for Shareholder needs
- reviewing management processes supporting external reporting
- reviewing financial statements and other financial information distributed externally; and
- reviewing external audit reports to ensure that, where any major deficiencies or breakdowns in controls or procedures have been identified, ensure appropriate and prompt remedial action is taken by management.

The Audit and Risk Committee's charter is contained within the Company's Corporate Governance Charter (Section 5), a copy of which is located on the Company's website *(www.saferoads.com.au)* under the Investors icon.

Before approving Financial Statements, the Board ensures it receives a written declaration from the Managing Director and the Chief Financial Officer, in accordance with section 295A of the Corporations Act stating that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company does not currently have an internal audit function given its size and limited resources.

However, in addition to the establishment of an Audit and Risk Committee, the Company has adopted internal control procedures which include the following:

a) identification of key risks;

b) managing activities within budgets and operational and strategic plans;

c) monthly financial reporting to Management and the Board against budget;

d) reliance on auditor reviews and senior management declarations

The Managing Director, General Manager and Financial Controller are charged with evaluating and considering improvements to the Company's risk management and internal control processes on an ongoing basis.

The Board considers therefore an internal audit function is not currently necessary given the current size and scope of the Company's operations.

## CONTINUOUS DISCLOSURE POLICY

The Board is aware of its obligations to make timely and balanced disclosures both to the ASX and to the financial market in general. Continuous disclosure is a standing item on the agenda for each Board meeting, and the Board will make announcements as material issues arise.

The Company has a written Continuous Disclosure Policy designed to ensure compliance with the ASX Listing Rules. The policy identifies the type of information that should be disclosed, the decision-making process concerning the disclosure obligation, the roles and responsibilities of directors and senior management in the disclosure context, and identification of the personnel authorised to make disclosure to the ASX and to discuss corporate issues with analysts, the media, shareholders and the general public.

A copy of the Company's Continuous Disclosure Policy is located on the Company's website *(www.saferoads.com.au)* under the Investors icon.

## SHAREHOLDER COMMUNICATION POLICY

The Company's approach to communications with shareholders is contained in Section 2.15 of the Company's Corporate Governance Charter. The Company aims to ensure that shareholders are kept informed of all major developments affecting the Company. This is achieved through compliance with the ASX continuous disclosure rules and through providing links from the Company's website to announcements made to the market via the ASX.

The Board encourages full attendance at and participation in the annual general meeting where presentations of the Company's current performance and future growth prospects are made. If shareholders are unable to attend in person, they are encouraged to appoint a proxy to exercise their voting rights on their behalf.

A copy of the Company's Corporate Governance Charter is located on the Company's website *(www.saferoads.com.au)* under the Investors icon.

## RISK

The Company's Audit and Risk Committee focuses on both audit and risk. The Committee is responsible for ensuring that adverse risks are identified, and appropriate actions are put in place to mitigate those risks.

The Company has a Risk Management Policy, a copy of which is located on the Company's website *(www.saferoads.com.au)* under the Investors icon.

A register of material business risks has been established, risks have been analysed and evaluated, risk management processes and controls have been put in place and reporting schedules developed. The Company's risk management framework is reviewed annually to satisfy itself that it continues to be sound.

The Company continually reviews and evaluates various risks, both ongoing and emerging, to ensure they are effectively managed. Senior Management has reported to the Board that it considers that the management of the Company's material business risks has been effective. Further, the Company is accredited with ISO 9001, 14001 and 18001, which includes the review of processes, policies and risks associated with quality assurance, environment, and safety.

## REMUNERATION COMMITTEE

The Board is committed to ensuring that appropriate remuneration practices are established and followed within the Company, and that they are aligned with its Corporate Strategy. For this reason, the Company has established a Remuneration and Nomination Committee.

The Committee's purpose is to advise on remuneration and issues relevant to remuneration policies and practices for Senior Management. Responsibilities include:

- Reviewing and evaluating market practices and trends in relation to remuneration relevant to the Company;
- Reviewing and making recommendations to the Board in relation to the Company's remuneration policies and practices for Senior Management; and
- Preparing for the Board any report that may be required under applicable legal or regulatory requirements in relation to remuneration matters.

Meetings and attendance are reported in the Directors' Report.

The Remuneration and Nomination Committee since June 2026 is comprised of Mr S Difabrizio (non-executive Director and Chairman of the committee) Mr D Ashmore and Mr A Kaye. With the addition of Mr Kaye in June 2026, the Committee now complies with the recommended structure of three independent directors.

Detailed disclosure of the remuneration of non-executive Directors, executive Directors and Senior Management is made in the Remuneration Report forming part of the Directors' Report.

Typically, the remuneration of non-executive directors comprises only directors' fees and statutory superannuation. They have no other entitlement but have stepped into executive roles from time to time where appropriate to cover short-term management vacancies. Appropriate disclosures are made in the Remuneration Report when this occurs. The remuneration of senior managers comprises a base salary, statutory superannuation and can include a motor vehicle and an "at-risk" component based on critical key performance indicators for their respective roles.

There is no scheme for retirement benefits for non-executive directors, other than for statutory superannuation for non-executive directors.

The Company currently does not have an active equity-based remuneration scheme.

A copy of the Remuneration and Nomination Committee Charter is included in the Corporate Governance Charter, section 6 which is located on the Company's website *(www.saferoads.com.au)* under the Investors icon.