

THIS IS AN IMPORTANT DOCUMENT

AND REQUIRES YOUR ATTENTION

**If you are in doubt as to how to deal with it,
please consult your financial or other professional adviser.**



TRAFFIC TECHNOLOGIES LTD

ACN 080 415 407

**NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS
INCORPORATING EXPLANATORY MEMORANDUM
AND PROXY FORM**

DATE OF MEETING

Friday 24 November 2017

TIME OF MEETING

10.00 a.m. (AEDT)

PLACE OF MEETING

The offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne Victoria 3000

If you are unable to attend the Annual General Meeting of Members, please complete the proxy form and return it in accordance with the instructions set out in that form.

LETTER TO SHAREHOLDERS

24 October 2017

Dear Shareholder,

Enclosed with this letter are the Notice of Annual General Meeting (**Notice**) and Explanatory Memorandum detailing the proposed Resolutions for consideration by Shareholders. Shareholders should consider all of this material before determining how they will vote at the Annual General Meeting. The Annual General Meeting of the Company is to be held at 10.00 a.m. (AEDT) on Friday 24 November 2017 at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne Victoria 3000.

The enclosed Notice and Explanatory Memorandum contain details of the ordinary business of the Company, of receiving the financial report of the Company for the year ended 30 June 2017, the re-election of a director and the approval of the Remuneration Report.

Further details of the Resolutions in the Notice of Annual General Meeting are contained in the Explanatory Memorandum that accompanies the Notice. The Explanatory Memorandum should be read together with, and forms part of, the Notice.

If you are unable to attend the Annual General Meeting, you are urged to complete the attached Proxy Form and return it, marked attention to the Secretary, so that it is received not later than 10.00 a.m. (AEDT) on Wednesday 22 November 2017:

By facsimile within Australia 1800 783 447 (or from outside Australia +61 3 9473 2555)

By mail to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Vic 3001

By hand to:

Computershare Investor Services Pty Limited
"Yarra Falls"
452 Johnston Street
Abbotsford Vic 3067

Via our online facility:

Please visit www.investorvote.com.au to submit your voting intentions (if any). To use this online facility, you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and the six digit Control Number shown on the Proxy Form.

Custodian voting - For Intermediary online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Yours faithfully

Garry Lowrey
Chairman
Traffic Technologies Ltd

TRAFFIC TECHNOLOGIES LTD
ACN 080 415 407
NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given that the Annual General Meeting (**Meeting**) of the members of Traffic Technologies Ltd (ABN 21 080 415 407) (**Company** or **Traffic Technologies**) (**Members**) will be held on Friday 24 November 2017 at 10.00 a.m. (AEDT) at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne Victoria 3000, for the purpose of considering the items of business in this Notice of Annual General Meeting (**Notice**).

An Explanatory Memorandum containing information relevant to the following Resolutions and a Proxy Form accompany this Notice.

AGENDA

ORDINARY BUSINESS

A. Financial Statements and Reports

To receive and consider the Financial Report, Director's Report and Auditor's Report on the Company and its controlled entities for the financial year ended 30 June 2017.

To receive Members' questions and comments on the management of the Company.

B. Ordinary Resolutions

Resolution 1: Re-election of Mr. Mark Hardgrave as a Director

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

"That Mr. Mark Hardgrave, who retires by rotation as a Director of the Company at this Annual General Meeting in accordance with clause 15.3 of the Company's Constitution, be re-elected as a Director of the Company."

Resolution 2: Approval of Remuneration Report

To consider and, if thought fit, to pass with or without amendment the following **non-binding** resolution as an ordinary resolution:

"That the Remuneration Report set out in the Company's Annual Report for the financial year ended 30 June 2017 be approved by the Members."

Members should note this Resolution is advisory only and does not bind the Directors or the Company. Members should refer to the Explanatory Memorandum accompanying this Notice for more information.

Voting exclusion:

The Company will disregard any vote cast on Resolution 2 by, or on behalf of:

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, a person (**Voter**) described above may cast a vote on the resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (d) the Voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; or
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

GENERAL BUSINESS

To transact any business which may legally be brought forward in accordance with the Constitution.

By Order of the Board
Garry Lowrey
Chairman

Dated: 24 October 2017

WHO MAY VOTE

The Company determines that only Members holding Shares as at 7.00 p.m. (AEDT) on Wednesday 22 November 2017 will be entitled to vote at the Annual General Meeting on Friday 24 November 2017 or at any adjourned meeting.

HOW TO VOTE

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and time and at the place set out above. If you plan on attending the Meeting, please arrive at the venue 30 minutes prior to the time designated for the Meeting so that the Company may check your shareholding against the Company's share register and note your attendance. In order to vote in person at the Meeting, a corporation that is a Member may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of their appointment, including any authority under which such appointment is signed.

Voting by Proxy

You are entitled to appoint a proxy. The proxy need not be a Member of the Company. If you are entitled to cast two (2) or more votes you may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. To vote by proxy, please complete and sign the proxy form attached to this Notice as soon as possible and return it so that it is received by the Company not later than 10.00 a.m. (AEDT) on Wednesday 21 November 2017:

By facsimile: Within Australia on 1800 783 447 (or from outside Australia on +61 3 9473 2555)

By mail to: Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Vic 3001

By hand to: Computershare Investor Services Pty Limited
"Yarra Falls"
452 Johnston Street
Abbotsford Vic 3067

Via our online facility: Please visit www.investorvote.com.au to submit your voting intentions (if any). To use this online facility, you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and the six digit Control Number shown on the Proxy Form.

Custodian voting - For Intermediary online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

FURTHER INFORMATION

Further details of the Resolutions in this Notice are contained in the Explanatory Memorandum accompanying this Notice. The Explanatory Memorandum should be read together with and forms part of this Notice.

TRAFFIC TECHNOLOGIES LTD

ACN 080 415 407

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the purposes of the Corporations Act and the Listing Rules. The purpose of this Explanatory Memorandum is to provide Members with all the information known to the Company that is material to Members in deciding whether or not to approve the Resolutions as set out in the Notice.

The Directors recommend that Members read this Explanatory Memorandum in full and in conjunction with the Notice before making any decision in relation to the proposed Resolutions.

2. ITEMS OF ORDINARY BUSINESS

2.1 Financial Statements and Reports

Members can now elect to receive the Company's Annual Report via a variety of means. Members who opted to access the Annual Report electronically should have received an email link to the electronic document. Members who opted to continue to receive a printed copy of the Annual Report should now have received it. Members who took no action are advised that they can now access an electronic copy of the Annual Report online at the Company's website. Copies of the annual financial statements and reports of the Directors and Auditor will also be tabled at the Meeting.

The purpose of tabling the annual financial report of the Company at the Meeting and the reports of the Directors and Auditor is to provide Members with a reasonable opportunity to ask questions or discuss matters relevant to the management of the Company. The Auditor has been invited to be present at the Meeting and Members will have a reasonable opportunity to ask the Auditor questions relevant to the conduct of the audit and the preparation and content of the Auditor's report. It is not the purpose of the Meeting, nor a requirement of the Corporations Act or the Constitution, that the financial statements be approved or rejected.

2.2 Re-election of Director

Resolution 1 seeks approval for the re-election of the Director who is retiring by rotation. Pursuant to clause 15.3(a)(ii) of the Company's Constitution, at every annual general meeting one-third of the previously elected Directors must retire and are eligible for re-election. The Directors to retire are the Directors longest in office since last being elected and, between Directors who are elected on the same day, the Director to retire is decided by lot to be conducted by the Chairman, or if he or she is a candidate, by the deputy Chairman, unless they agree otherwise. In this regard, the Director of the Company who will retire at the Meeting is Mr. Mark Hardgrave, who has indicated that he will offer himself for re-election. His profile is set out below:

Profile of Mr. Mark Hardgrave, B Com ACA MAICD

Non-Executive Director Appointed January 2013.

Mr. Hardgrave has a corporate advisory and investment management background. Until recently he was a Director of M&A Partners, a Melbourne based private investment and corporate finance group. Earlier in his career he worked in senior roles in a number of investment groups including Brencorp Group, Merrill Lynch and the Thorney Investment Group. Mr. Hardgrave was previously Chief Executive Officer of Bennelong Group, which specialises in listed equities, property and private equity. Mr. Hardgrave holds a Bachelor of Commerce degree from the University of Queensland. He currently serves on the board of NFP group Reclink Australia. He is a chartered accountant and a member of the Australian Institute of Company Directors. Mr. Hardgrave is Chairman of the Audit, Risk, Nomination & Remuneration and Corporate Governance committees. Mr. Hardgrave has not served as a Director of any other listed companies during the three years prior to June 2017.

Recommendation: The Board recommends that Members **vote in favour** of this Resolution. Mr. Hardgrave has abstained from making a recommendation in relation to this Resolution.

2.3 Approval of Remuneration Report

Under section 250R of the Corporations Act, Members have the opportunity to pass a non-binding resolution on the Remuneration Report at the Meeting and, under section 250S of the Corporations Act, the Chairman must allow the Members a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Remuneration Report, which explains the Board's policies in relation to the nature and level of remuneration paid to key management personnel of the Company and which sets out the remuneration details for each of them, forms part of the Directors' Report included in the Annual Report for the financial year ended 30 June 2017. Accordingly, the contents of the Remuneration Report are not reproduced in this Explanatory Memorandum. Members are referred to pages 6-15 of the Annual Report for full details of the remuneration of the Directors and Key Management Personnel.

Members should note that, as specified in section 250R of the Corporations Act, Resolution 2 is a non-binding resolution and is not binding on the Company. However, if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike", as no "strike" occurred at the 2016 annual general meeting. Where this occurs, the Company's subsequent remuneration report must include an explanation of the Board's proposed action in response to the "no" vote or an explanation of why no action has been taken.

If:

- (a) a "first strike" occurs at the Meeting; and
- (b) the Company's subsequent remuneration report also receives a "no vote" at the 2017 Annual General Meeting of at least 25% of the votes cast,

then, at the 2018 Annual General Meeting Members will be asked to vote on a "spill resolution" under section 250V of the Corporations Act. If more than 50% of Members (excluding Key Management Personnel) vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the 2018 Annual General Meeting. All of the Directors who are in office when the Company's 2017 Directors' Report is approved, other than the Managing Director, 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, each person whose election or re-election as a Director is approved, will become a Director of the Company.

The Chairman intends to exercise all undirected proxies in favour of Resolution 2. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 2, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Recommendation: The Board **abstains** from making a recommendation in relation to this Resolution.

3. OTHER INFORMATION

The Board is not aware of any other information which is relevant to the consideration by Members of the proposed Resolutions which are detailed in the Notice. Prior to making any decision, Members may wish to seek advice from their own independent financial adviser or stockbroker as to the effect of the proposed Resolutions.

4. DIRECTORS' APPROVALS AND RECOMMENDATIONS

To the extent permitted by law, it is the intention of the Chairman of the Meeting to vote all undirected proxies granted to him in favour of the Resolutions.

5. GLOSSARY

The following definitions apply throughout the Notice and the accompanying Explanatory Memorandum, unless the context otherwise requires:

Annual General Meeting or Meeting means the annual general meeting of Shareholders of the Company to which the Notice relates;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited (ACN 008 624 691);

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Australia;

Board means the current board of Directors of the Company;

Chairman means the chairman of the Meeting;

Company means Traffic Technologies Limited (ACN 080 415 407);

Constitution means the current Constitution of the Company;

Corporations Act means the *Corporations Act 2001 (Cth)*;

Director means a Director of the Company as at the date of the Explanatory Memorandum;

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice;

Listing Rules means the official rules of the ASX as at the date of this Notice;

Member or Shareholder means a holder of Shares in the Company;

Notice means the notice of Meeting;

Proxy Form means a proxy form in the form enclosed with this document which is given by a Member who is eligible to vote at the meeting;

Resolutions means the resolutions referred to in the Notice;

Secretary means any person appointed to perform the duties of a secretary of the Company; and

Share means a fully paid ordinary share in the capital of the Company.

Where a term used in this Notice and Explanatory Memorandum is not defined but is defined in the Corporations Act, then that term will have the meaning given to it in the Corporations Act.

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

TTI
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10.00 am (AEDT) on Wednesday 22 November 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Traffic Technologies Ltd hereby appoint

☐

the Chairman
of the Meeting

OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Traffic Technologies Ltd to be held at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne Victoria 3000 on Friday 24 November 2017 at 10.00 am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman 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 key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Mr. Mark Hardgrave as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

TTI

999999A

Computershare +