

Traffic Technologies Limited

ACN 080 415 407
(ASX code: TTI)

NON-RENOUNCEABLE RIGHTS ISSUE OFFER

Non-renounceable pro-rata offer to Eligible Shareholders on the basis of 3 New Share for every 4 Shares held as at the Record Date at an Issue Price of \$0.03 (**Offer**).

IMPORTANT NOTICE

This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document.

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

Please read the instructions in this Offer Document and on the accompanying Entitlement & Acceptance Form regarding the acceptance of your Entitlement.

This Offer Document is not for release, publication or distribution in the United States.

IMPORTANT NOTES

1. Offer document

This Offer Document has been prepared by Traffic Technologies Limited ACN 080 415 407 (**TTI** or **Company**). This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. The Offer contained in this Offer Document is being made without disclosure in accordance with section 708AA of the *Corporations Act 2001* as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*.

As a result, it is important for Eligible Shareholders to read and understand the information on TTI and the Offer made publicly available, before accepting all or part of their Entitlement. In particular, please refer to the information in this Offer Document, TTI's annual reports and other announcements made available at www.trafficltd.com.au or www.asx.com.au.

2. This is an important document

The information contained in this Offer Document does not constitute investment advice and has been prepared without taking into account each Eligible Shareholder's investment objectives or financial circumstances. You should seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

The Offer Document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document.

3. Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

To the extent permitted by law, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

4. Future performance and forward looking statements

Neither the Company nor any other person warrants, represents or guarantees (expressly or by implication) the future performance of the New Shares or any particular rate of return on any investment made pursuant to the Offer, or any particular tax treatment.

This Offer Document contains certain "forward looking statements". Forward-looking statements include those words such as "believe", "anticipate", "estimate", "expect", "will", "plan", "should", "may", "intend", "likely", "forecast" and other similar expressions but not limited to statements regarding the outcome and effects of the Offer. Forward-looking statements, opinions and estimates provided in the information in this Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements in this Offer Document are current and speak only as at the date of this Offer Document.

No representation or warranty (express or implied) is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Offer Document.

While due care and attention have been used in the preparation of forward-looking statements, you are cautioned not to place undue reliance on such statements. To the maximum extent permitted by law, the Company disclaims any obligation or undertaking to release any updates or revisions to such information to reflect any change in expectations or assumptions.

5. Risks

An investment in the Company is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Document. Refer to the 'Risk' section included in section 4.3 of this Offer Document for a summary of general and specific risk factors that may affect the Company.

6. Past performance

Investors should note that the Company's past performance including Share price performance provides no guarantee or guidance as to future Share price performance. Any past performance information given in this Offer Document is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance including the Company's future financial position or Share price performance.

7. Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement & Acceptance Form sent with this Offer Document (or payment via BPAY[®], as described herein). The Entitlement & Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

8. Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document. No action has been taken to permit a public offering of the New Shares under the Offer in any jurisdiction outside of Australia and New Zealand.

It is not practicable for the Company to comply with the securities laws of any other overseas jurisdictions other than Australia and New Zealand, having regard to the number of overseas Shareholders, the number and value of the New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement & Acceptance Form (or payment by BPAY[®]) will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand. Shareholders outside Australia or New Zealand (**Ineligible Foreign Shareholders**) should refer to Section 2.14 for details of how their Entitlement will be dealt with.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Offer.

9. Currency

All references to A\$, \$A, dollar or \$ in this Offer Document are to Australian currency.

10. Definitions and references to time

Capitalised words and expressions in this Offer Document have the meaning given to them in Section 6. Unless otherwise stated, any reference to time in this Offer Document is a reference to Melbourne, Australia time.

11. Date of this Offer Document

This Offer Document is dated 9 March 2018.

KEY OFFER DETAILS

Key details of the Offer	
Offer to Eligible Shareholders	3 New Shares for every 4 Shares held at the Record Date
Issue Price per New Share	\$0.03 payable in full on Application
Maximum number of New Shares under the Offer	206,667,664 New Shares
Maximum proceeds from the Offer (excluding costs associated with the Offer)	\$6,200,030
Maximum number of Shares on issue following the Offer (refer to Section 2 below)	482,224,549 Shares

IMPORTANT DATES

Event	Date
Announcement of the Offer	28 February 2018
Lodgement of Cleansing Notice and Appendix 3B with ASX	28 February 2018
Appendix 3B information letter sent to security holders	2 March 2018
"Ex" date for the Offer (being the date that Shares start trading without the Entitlements to participate in the Offer)	5 March 2018
Record Date to determine Entitlements under the Offer	6 March 2018
Opening Date of Offer	9 March 2018
Despatch of the Offer Document and Entitlement & Acceptance Form to Eligible Shareholders and announcement that this despatch has occurred	
Closing Date for acceptances under the Offer	21 March 2018
New Shares quoted on a deferred settlement basis	22 March 2018
Shortfall (if any) announced to the ASX	26 March 2018
Issue of the New Shares (Deferred settlement trading of New Shares ends)	28 March 2018
Trading of New Shares expected to commence	29 March 2018
Despatch of Holding Statements	29 March 2018

The above dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date or to withdraw the Offer at any time without prior notice, in which case all Application Monies will be refunded (without interest) as soon as practicable. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares. All dates and times are references to Melbourne, Australia time.

LETTER FROM THE CHAIRMAN

9 March 2018

Dear Shareholder

On behalf of the Board of Traffic Technologies Limited ACN 080 415 407 (**TTI** or the **Company**), I invite you to participate in the Company's non-renounceable pro-rata entitlement offer of 3 New Shares for every 4 Shares held at the Record Date of 7.00pm (AEDT) on 6 March 2018, at an Issue Price of \$0.03 per New Share (**Offer** or **Rights Issue**).

The Offer is summarised as follows:

- Australian and New Zealand residents holding TTI Shares may subscribe under the Offer for 3 new Shares for every 4 held as at the Record Date of 7.00pm (AEDT) on 6 March 2018.
- New Shares are priced at \$0.03 per new Share.
- The Offer of approximately 206,667,664 New Shares may raise up to \$6,200,030 (before the costs of the Offer).
- Holders may subscribe for Additional Shares beyond their entitlement of 3 for 4 on the basis that some existing Holders may be either ineligible (non Australian or New Zealand residents) or may fail to fully take up their Entitlement. This additional ability is restricted only to eligible holders and is referred to as a Top-Up Facility.

The Offer is to be made pursuant to s708AA of the Corporations Act and the Offer Document has been lodged with the ASX. A copy of that document can be accessed on the ASX website or TTI's website. For those eligible Shareholders, the Offer Document is anticipated to be despatched (with personalised Entitlement & Acceptance Forms) on or around 9 March 2018.

The funds from the Offer are important and will be applied for working capital purposes including in part repayment to Westpac Banking Corporation and funding the costs of refinancing and the Offer expenses. As announced to the ASX market on 28 February 2018, this Offer is being undertaken contemporaneously with a restructure by the Company of its current bank facility arrangements with the objective to achieve a level of gearing more consistent with market practice and provide it with greater balance sheet capacity and flexibility to continue development of the Company's growth opportunities.

An investment in New Shares in the Company is subject to a range of material risks including no guarantee of funds under this Offer being raised. A summary of the main risks are outlined in section 5.3 of this Offer Document. As a Board, we appreciate the support of our existing Shareholders and we have been mindful of providing existing Shareholders this opportunity to maintain or increase their investment in the Company.

We look forward to your participation in the Offer.

Yours sincerely,

Garry Lowrey
Traffic Technologies Limited

SUMMARY

		Where to find more information
What is the Offer?	Non-renounceable rights issue offer of New Shares (Rights Issue or Offer) plus a Top-Up Facility for Shareholders who fully participate in this Rights Issue.	Section 2.1
What are the terms of the Offer?	<p>3 New Shares for every 4 Shares held on the Record Date at an issue price of \$0.03 per Share. The Offer is also conditional on the Company:</p> <p>(a) receiving applications under the Offer for the full amount sought to be raised (\$6.2 million); and</p> <p>(b) completing the proposed refinancing (see section 1.3 for more details).</p> <p>If these conditions are not satisfied by the proposed allotment date, the Company will return all applications received (without interest).</p>	Section 2.1
Can I sell or transfer my Entitlements?	No, the Offer is non-renounceable and, accordingly, you cannot offer to sell or transfer any of your Entitlement on ASX or via an off-market transfer.	Section 1.8
Can I purchase Additional Shares at the same price?	Yes, the Company is also offering a Top-Up Facility so Eligible Shareholders who fully subscribe under the Offer will also have the right to apply for Additional Shares (being Shares not subscribed for by other Eligible Shareholders) at the same price.	Section 4.3
Is the Offer underwritten?	No. However, please refer to section 2.10 of this Offer Document which outlines the Directors' interests and partial underwriting of the Offer.	Sections 2.9 and 2.10
How do the New Shares rank in comparison to existing Shares	All New Shares issued under the Rights Issue or the Top-Up Facility will rank equally in all respects with existing Shares from the date of their issue.	Section 2.17
Who can invest?	Eligible Shareholders of the Company as at 7.00pm on the Record Date of 6 March 2018.	Section 2.6
What are my choices?	<p>As an Eligible Shareholder you may:</p> <ul style="list-style-type: none"> • take up part or all of your Entitlement under the Offer (and if you have taken up all your Entitlement, also apply for participation in the Top-Up Facility); or • exercise only a portion of your Entitlement and allow the balance to lapse; or • do nothing, in which case all of your Entitlements will lapse and you will receive no value for those lapsed Entitlements. 	Section 4.1

1. DETAILS OF THE OFFER

1.1 The Offer

The Company is offering Eligible Shareholders the opportunity to subscribe for 3 New Shares for every 4 Shares held at 7:00pm (AEDT) on 6 March 2018 (**Record Date**) at an Issue Price of \$0.03 per New Share plus for Eligible Shareholders the opportunity also to take up an offer of Shares under the Top-Up Facility. Any fractional Entitlements to New Shares will be rounded up to the next whole Entitlement.

Your Entitlement under the Offer is shown on the accompanying Entitlement & Acceptance Form. Details on how to accept the Offer are set out in Section 3.

Eligible Shareholders who fully subscribe for their Entitlements under the Offer may also apply under the Top-Up Facility for Additional Shares. The allocation of any Additional Shares will be limited to the extent that there are sufficient New Shares available after the close of the Offer which have not been taken up by some of the Eligible Shareholders. Subject to the Corporations Act and the Listing Rules, Additional Shares will only be allocated to Eligible Shareholders, if and to the extent that the Directors so determine, in their absolute discretion.

1.2 Size of the Offer

As at the date of this Booklet, the Company has on issue 275,556,885 Shares. Approximately 206,667,664 New Shares will be offered under the Offer to raise approximately \$6,200,030 before the expenses of the Offer are taken into account. In addition, where Eligible Shareholders fail to fully take up their Entitlement, the Shares not taken up may be issued under the Top-Up Facility.

Please note there is no guarantee the Offer will be fully subscribed, but if the maximum raise is not achieved, the Company will be returning all applications received (without interest).

1.3 Use of Funds

It is currently proposed to use the funds raised under the Offer to maintain working capital and in part to pay down existing Company bank debt owed to Westpac Banking Corporation Ltd (**Westpac**).

The Company recently announced that Westpac and a lending entity which is wholly owned by funds managed by Asia Debt Management Hong Kong Limited (**ADM Capital**) which is regulated by the Securities and Futures Commission of Hong Kong have signed a transfer agreement for the transfer of the Company's existing finance documents and security documents from Westpac to ADM Capital (**Debt Transfer**). As part of the Debt Transfer, the Company has entered into new debt facility arrangements with ADM Capital (**Debt Facility**) which will replace the present debt facilities with Westpac (other than certain transactional facilities which will remain) at completion of the Debt Transfer. The Company will continue as a Westpac banking customer. The key terms of the new Debt Facility were outlined to the market on 28 February 2018.

As outlined below, from the funds under the Offer, \$2.5 million is to be used in part repayment of the Company's existing debt to Westpac. Assuming that the maximum amount is raised under the Offer, the funds raised are intended to be allocated as follows:

Description	Total (maximum amount)
Part repayment of the existing Company debt owed to Westpac Banking Corporation and to fund direct costs of refinancing.	\$2,500,000
Security deposit for ongoing Westpac Banking Corporation operational banking facilities	\$300,000
General working capital purposes	\$2,900,030
Costs of the Offer (inclusive of the \$60,000 corporate fee and 6% commission on all funds raised under the Offer payable to Sequoia Corporate Finance Pty Ltd)	\$500,000
Maximum funds raised under the Offer	\$6,200,030

1.4 Condition of the offer - full capital raising and completion of refinancing

The Offer is inter dependent on the Company:

- (a) receiving in aggregate applications under the Offer; the Top-Up Facility and any placement of any shortfall by the Board (as permitted under section 1.10 below) for the full amount sought to be raised (i.e. \$6.2 million); and
- (b) the proposed refinancing referred to in section 1.3 above being committed and as outlined in the Company's ASX announcement on 28 February 2018.

If these conditions are not satisfied by the proposed allotment date, the Company will return all applications received (without interest).

1.5 Opening and Closing Date

The Offer will open for receipt of acceptances on 9 March 2018. The Closing Date for acceptance of your Entitlement is 5.00pm (AEDT) on 21 March 2018.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the last date for receipt of the Entitlement & Acceptance Form (or payment by BPAY®), or to delay or withdraw the Offer at any time without prior notice. Where the Offer is withdrawn, all Application Monies will be refunded (without interest) as soon as practicable by cheque to your registered address as noted on the Company's share register.

Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

1.6 Entitlements under the Offer

The Offer is non-renounceable and therefore Eligible Shareholders cannot offer to sell or transfer any of their Entitlement on ASX or via an off-market transfer (or any other exchange or privately transferred).

Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company diluted as compared to that percentage as at the date the Offer is made. Shareholders who take up their Entitlements in full and make application for Additional Shares and that application is accepted, may have their percentage interest in the Company increased as compared to the date the Offer is made.

As described in Section 1.10, any New Shares not taken up by an Eligible Shareholder by the Closing Date will form part of the Shares available under the Top-Up Facility.

1.7 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement & Acceptance Form accompanying this Offer Document.

1.8 No rights trading

The Offer is non-renounceable. Accordingly, the Entitlements under the Offer will not be tradable on the ASX or otherwise capable of being sold or transferred. Shareholders who do not take up their Entitlement in full will not receive any value in respect of that part of the Entitlement they do not take up.

1.9 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been received.

1.10 Shortfall / Top-Up Facility

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for any number of Additional Shares in excess of their Entitlements by using the Top-Up Facility.

Additional Shares will only be available where the number of Shares the subject of Applications received under the Offer is less than the maximum number of New Shares (206,667,664) proposed to be issued under the Offer. Any Additional Shares issued will be at the Issue Price of \$0.03 per Share.

Details on how to apply for Additional Shares under the Top-Up Facility are set out in Section 3.3. There can be no guarantee that there will be any allocation of Additional Shares under the Top-Up Facility.

Subject to the Corporations Act and the Listing Rules, the Directors will exercise their discretion in determining the allocations of Additional Shares applied for by Eligible Shareholders through the Top-Up Facility. For the avoidance of doubt, the prohibitions set out in section 606 of the Corporations Act on certain acquisitions of relevant interests in voting shares will apply to limit the acquisition of Additional Shares through the Top-Up Facility. It is an express term of the Offer that Eligible Shareholders who apply for Additional Shares are bound to accept a lesser number of Additional Shares than they applied for or may be allocated no Additional Shares at all. In both cases, excess Application Monies will be refunded without interest.

If any Shortfall remains after applications for Additional Shares under the Top-Up Facility are considered, the Directors reserve the right, subject to the Corporations Act, the Listing Rules, to place any further shortfall at their discretion (other than to Directors and related parties of the Company) within 2 months after the close of the Offer (at a price not less than the Issue Price of \$0.03 per New Share). The Company has retained Sequoia Corporate Finance Pty Ltd to assist in placing any such Shortfall.

1.11 Directors' interests

The relevant interest of each of the Directors in the securities of the Company as at the Record Date together with their respective Entitlement is set out in the table below:

Director	Shares	Options	Entitlement Shares***
Con Liosatos*	21,808,919	-	16,356,690
Mark Hardgrave**	1,548,388	-	1,161,291***
Garry Lowrey	500,000	-	375,000***

Notes:

* This refers to Mr Liosatos' direct and indirect interests including securities held through the Liosatos Superannuation Fund. Mr Liosatos has indicated an intention to take up at least 50% of his entitlements detailed above; but his final level of participation has not been finalised as at the date of the Offer.

** This refers to Mr Hardgrave's direct and indirect interests including securities held through the Hardgrave Superannuation Fund.

*** Mr Hardgrave and Mr Lowrey have indicated that they both intend to take up their Entitlement in full, representing an investment of approximately \$34,839 and \$11,250 respectively in the Company. Additionally, they have entered into an underwriting with the Company where Mr Hardgrave and Mr Lowrey are required to underwrite \$50,000 and \$200,000 less their Entitlement (detailed above) respectively should there be a balance remaining after applications under the Rights Issue and the Top-Up Facility.

1.12 Issue and despatch

The issue of New Shares offered by this Offer Document is expected to occur on 28 March 2018. The New Shares will be traded on a deferred settlement basis from 22 March 2018 until 28 March 2018.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares without making such determination do so at their own risk.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their holdings statements, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or otherwise.

1.13 ASX listing

The Company has made an application for official quotation by ASX of the New Shares offered under this Offer Document. If that permission is not granted by ASX, the Company will not issue any New Shares and all Application Monies received will be refunded (without interest) in full to the Applicants.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. Neither ASX nor any of its officers accepts takes any responsibility for the contents of this Offer Document.

It is expected that normal trading on ASX will commence in relation to New Shares on 29 March 2018.

1.14 CHESS

The Company will apply to ASX to participate in CHESS for those Shareholders who have, or wish to have, a sponsoring stockbroker. Shareholders who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, Shareholders will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise Shareholders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to Shareholders if there have been any changes in their interest in the Company during the preceding month.

1.15 Ineligible Foreign Shareholders

In accordance with ASX Listing Rule 7.7.1 and Section 9A of the Corporations Act, the Company has decided that it is unreasonable to make the Offer to any Shareholder with a registered address outside Australia or New Zealand as at the Record Date (**Ineligible Foreign Shareholder**), having regard to:

- (a) the number of Shareholders with addresses in such other countries as a proportion of total Shareholders in the Company;
- (b) the number and value of the Shares those Shareholders would be offered under the Offer; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

To the extent that there are any Ineligible Foreign Shareholders registered at the Record Date, the Company will send details of the Offer to each Ineligible Foreign Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Offer.

1.16 Overseas shareholders

No action has been taken by the Company to register the New Shares or otherwise permit an offering of the New Shares in any jurisdiction other than Australia or New Zealand. Eligible Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

This Offer Document does not, and is not intended to, constitute an offer or invitation in the United States, to any U.S. person, to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The New Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or jurisdiction in the United States and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. person.

It is the responsibility of a Shareholder to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form (or making payment via BPAY®) will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

1.17 Custodians

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. The Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any underlying beneficial owners of Shares (UBH).

In respect of nominees, trustees or custodians acting on behalf of UBHs:

- The offer to apply for additional Shares under the Top Up Facility will be available to the UBH of custodians / nominees.
- Each custodian or nominee who is applying for additional shares on behalf of their individual UBH will need to submit a schedule showing the Record Date holding, the Rights Issue entitlement and the amount of entitlement and additional shares taken up for each UBH.
- Each UBH will need to apply for their maximum entitlement before applying for additional Shares under the Top Up Facility. Therefore, the requirement to fulfil a shareholders maximum entitlement before applying for additional Shares under the Top Up Facility won't apply to the registered custodian / nominee holding – the Company intends to process the amount of Shares as entitlement acceptance and also the amount of Shares as additional acceptance under the Top Up Facility (per schedule supplied by the Custodian).
- The foreign restrictions under the offer will be applied at the registered address of the Custodian. This will be irrespective of whether the holder is a QIB or sophisticated investor.
- Any scaleback will be applied at the UBH level.

1.18 Offer in New Zealand

The Offer contained in this Offer Document to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the provisions of the *Financial Markets Conduct Act 2013 (New Zealand) (FMC Act)*, the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

This Offer Document has been prepared in accordance with Australian law and has not been registered, filed with, or approved by the New Zealand regulatory authority under the FMC Act. This Offer Document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

To the extent that a person holds Shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complies with applicable foreign laws. The Company reserves the right to reject any Application that it believes come from a person who is not an Eligible Shareholder.

1.19 Rights and liability attaching to New Shares

The New Shares issued under the Offer will be on a fully paid basis and will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours. You may also contact the Company's Share registry on 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia) to request a copy of the Company's constitution.

2. EFFECT OF THE OFFER

2.1 Effect of the Offer on the capital structure of the Company

The total number of New Shares to be issued under the Offer will be approximately 206,667,664 (the exact number depends on the rounding up of individual holdings).

The table below sets out, for illustrative purposes only, the existing capital structure (before the Offer) together with the impact of the issue of the New Shares under the Offer. It assumes that all New Shares are issued under the Offer or placed after the Offer closes.

Shares	Number
Existing Shares as at date of this Offer Document	275,556,885
Maximum number of New Shares issued pursuant to the Offer	206,667,664
Total issued Shares following completion of the Offer	482,224,549

The effect of the Offer will be to increase the number of Shares on issue in the Company and increase the cash held by the Company by up to \$2,755,000 (before taking into account the expenses of the Offer). Expenses of the Offer are expected to be approximately \$500,000 (inclusive of the \$60,000 corporate fee and 6% commission on all funds raised under the Offer payable to Sequoia Corporate Finance Pty Ltd).

2.2 Potential effect on control of the Company

Eligible Shareholders who take up their Entitlements in full should not have their interest in the Company diluted by the Offer.

The potential effect the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.

The potential effect of the Offer (including Shares which may be issued under the Top-Up Facility) on the control of the Company is as follows:

- (a) If all Eligible Shareholders take up their Entitlements under the Offer, then the Offer will have no significant effect on the control of the Company.
- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.
- (c) The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Offer.
- (d) Shareholders that apply for Additional Shares under the Top-Up Facility may increase their interests beyond their Entitlement. This could result in the dilution of holdings of those who did not accept their Entitlements in full and those who did not apply for Additional Shares.

2.3 Pro-Forma Balance Sheet

The following pro-forma consolidated balance sheet illustrates the effect of the Offer on the Company. It has been prepared based on the financial statements as at 31 December 2017. It is not intended to represent the financial position of the Company upon completion of the Offer. It is provided as an illustration of the effect of the Offer. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

The unaudited pro-forma balance sheet as at 31 December 2017 below has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the changes to its financial position as noted below. It has been prepared on the basis that the New Shares pursuant to the Offer are issued.

The pro-forma balance sheet has been prepared to provide Eligible Shareholders with information on the pro-forma assets and liabilities of the Company. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	31 Dec 2017 \$'000	Pro forma \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	1,386	4,141
Trade and other receivables	8,063	8,379
Inventories	15,054	15,054
Total Current Assets	24,503	27,574
Non-Current Assets		
Property, plant and equipment	1,190	1,190
Goodwill	10,554	10,554
Intangible assets	7,576	7,576
Deferred tax assets	116	116
Total Non-Current Assets	19,436	19,436
TOTAL ASSETS	43,939	47,010
LIABILITIES		
Current Liabilities		
Trade and other payables	10,026	10,026
Interest-bearing liabilities	4,991	106
Provisions	2,457	2,457
Total Current Liabilities	17,474	12,589
Non-Current Liabilities		
Interest-bearing liabilities	17,377	12,607
Provisions	272	272
Total Non-Current Liabilities	17,649	12,879
TOTAL LIABILITIES	35,123	25,468
NET ASSETS	8,816	21,542
EQUITY		
Contributed equity	49,029	54,753
Accumulated losses	(40,213)	(33,211)
TOTAL EQUITY	8,816	21,542

* **Please note:** The above pro forma balance sheet of the Company as at 31 December 2017 reflects adjustments to the reported 31 December 2017 balance sheet to show the impact of:

- the debt restructuring as if it had been implemented on 31 December 2017;
- the completion of the rights issue capital raising assuming 100% of the proposed capital was raised as at 31 December 2017 and associated costs.

3. ACTION REQUIRED BY SHAREHOLDERS

3.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled (your **Entitlement**) is shown on the accompanying Entitlement & Acceptance Form.

If you do not take up your Entitlement and the Offer proceeds, then your percentage holding in the Company will be diluted (refer to Section 2.2 above).

As an Eligible Shareholder you may:

- (a) take up all or part of your Entitlement (refer to Section 3.2 below); or
- (b) take up all of your Entitlement and apply for Additional Shares under the Top-Up Facility (refer to Section 3.3 below); or
- (c) do nothing, in which case all of your Entitlements will lapse (refer to Section 3.4 below).

As detailed in Section 1.17, Ineligible Foreign Shareholders cannot take any of the steps set out in Sections 3.1, 3.2, 3.3 and 3.4.

3.2 Applying for New Shares

You may take up all or part of your Entitlement by (i) making payment by BPAY® corresponding to the component (part or all) of your Entitlement you wish to accept or (ii) by completing the Entitlement & Acceptance Form and attaching payment by cheque, bank draft or money order to reach Computershare Investor Services Pty Limited (**Share Registry**) at the following address.

Traffic Technologies Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505, Melbourne VIC 3001
Australia
by no later than 5:00pm (AEDT) on the Closing Date.

The Issue Price for each New Share accepted under your Entitlement is payable on application. You have the following payment options:

- (a) By attaching to your completed Entitlement & Acceptance Form a cheque, bank draft or money order in Australian currency for the amount of your application money to “**Traffic Technologies Limited**” and crossed “**Not Negotiable**”.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares for which you have applied in your Entitlement & Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement & Acceptance Form). Alternatively, your Application will not be accepted.

- (b) If paying via BPAY®:
- (i) Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above;
 - (ii) you must follow the instructions for BPAY® set out in the Entitlement & Acceptance Form;
 - (iii) you do not need to return the Entitlement & Acceptance Form but are taken to make each of the statements and representations on that form referred to in this Offer Document; and
 - (iv) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

3.3 Top-Up Facility

As detailed in Section 1.10 above, Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement & Acceptance Form and make payment for your full Entitlement plus the Additional Shares (also at the Issue Price of \$0.03 for each Additional Share).

If your payment is being made by BPAY® and is in excess of the payment required for your Entitlement:

- (a) you do not need to submit the personalised Entitlement & Acceptance Form but are taken to make each of the statements and representations on that form referred to in this Offer Document; and
- (b) you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application Monies.

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application Monies will be refunded without interest.

3.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you currently hold and your rights attaching to those Shares (such as voting rights) will not be affected should you choose not to accept any part of your Entitlement. If you do not participate in the Offer and the Company proceeds with the Offer, your percentage holding in the Company will be reduced.

3.5 Entitlement & Acceptance Form is binding

A completed and lodged Entitlement & Acceptance Form (or payment by BPAY®) constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Entitlement & Acceptance Form is not completed correctly, it may still be treated as a valid application

for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement & Acceptance Form is final.

3.6 Representations you will be taken to have made by accepting the Offer

By completing and returning your Entitlement & Acceptance Form or making a payment by BPAY®, you will be deemed to have:

- (a) fully read and understood this Offer Document and the Entitlement & Acceptance Form in their entirety;
- (b) agreed to be bound by the terms of the Offer, the provisions of this Offer Document and the Company's Constitution;
- (c) declared that you are over 18 years of age and have the legal capacity and power to perform all your rights and obligations under the Offer and your Entitlement & Acceptance Form;
- (d) authorised the Company to register you as the holder of the New Shares (and if applicable, the Additional Shares);
- (e) acknowledged that once the Company receives your Entitlement & Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- (f) confirmed that you have a registered address in Australia or New Zealand as at the Record Date;
- (g) confirmed that you were the registered holder at the Record Date of the Shares indicated in the Entitlement & Acceptance Form as being held by you on the Record Date;
- (h) agreed to apply for and be issued up to the number of New Shares (and if applicable, any Additional Shares) specified in the Entitlement & Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Issue Price per New Share;
- (i) authorised the Company, the Share Registry and their respective officers, employees or agents to carry out on your behalf all necessary actions for the New Shares to be issued to you;
- (j) understood and acknowledged that the information contained in this Offer Document and your Entitlement & Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or circumstances;
- (k) acknowledged that this Offer Document is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to the ASX;
- (l) acknowledged that investment in the Company is subject to the risk factors outlined in Section 4.3 of this Offer Document;
- (m) acknowledged that the Company or its related bodies corporate, affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers do not guarantee the performance of the Company or the Share price, nor do they guarantee the repayment of capital;

- (n) authorised the Company to correct any errors in your Entitlement & Acceptance Form or any other document provided to you;
- (o) agreed to provide any requested substantiation of your eligibility to participate in the Offer and your holding of Shares on the Record Date;
- (p) represented and warranted that:
 - (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (ii) the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
 - (iii) you have not and will not send any materials relating to the Offer to any person in the United States or a person acting for the account or benefit of a person in the United States.

3.7 Privacy Act

If you complete an application for New Shares (or make payment via BPAY®), you will be providing personal information to the Company (directly or by the Company's Share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

3.8 Brokerage

No brokerage is payable by Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

3.9 Queries concerning your Entitlement

If you have any queries concerning your Entitlement please contact the Company's Share registry on 1300 850 505 (with Australia) or +61 (0)3 9415 4000 (outside Australia).

4. ADDITIONAL INFORMATION REGARDING THE OFFER

4.1 Reliance on Offer Document

The Offer is made pursuant to section 708AA of the Corporations Act without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. These provisions of the Corporations Act allow rights issues and related issues to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Offer, when read with this Offer Document, is publicly available.

This Offer Document is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other Australian or foreign law) and has not been lodged with ASIC.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Corporations Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company has lodged a cleansing notice in respect of the Offer with ASX on 28 February 2018.

4.2 Announcements

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Eligible Shareholders intending to participate in the Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: TTI), and the Company's website, www.trafficltd.com.au.

Additionally, the Company is also required to prepare and lodge with ASX yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company's and ASX's websites.

Copies of the Company's announcements and yearly and half yearly financial reports will also be available from the Company Secretaries.

4.3 Risks

Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares.

An investment in New Shares should be regarded as very speculative and involves many risks. The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed and Shareholders should have regard to those risk factors that may be relevant to their own personal circumstances before deciding to invest in New Shares pursuant to this Offer Document.

(a) No guarantee of fundraising

There is no guarantee of the amount which may be raised by the Company from Shareholders under the Offer or the Top-Up Facility.

(b) Financial risks

- (i) **Higher than expected borrowing costs** – the Company may not and there is no guarantee that the Company will be able to obtain, maintain or refinance borrowings upon expected terms and conditions. If the Company is unable to refinance borrowings, TTI's standard bank facility review with the Westpac Banking Corporation will occur mid 2018 and there is a risk that the banking facility may not be rolled over or extended. Further even where TTI is able to complete the debt restructuring (which is a pre-condition to the Company accepting applications under the Offer), there is no guarantee that the Company will be able subsequently to refinance that new US\$ debt facility.
- (ii) **Exchange Rate** – variations in the exchange rate between two currencies is a normal part of global operations. The finance debt restructuring is in US\$ and inherently there is a currency exchange risk in that the majority of the Company's revenue is not in US\$. There is a risk that unfavourable movements in the exchange rate could lead to an increase in the amount of interest and principal payable in A\$ terms which is capable of adversely affecting the Company's ability to repay its US\$ financing facilities. The Company as part of the finance debt restructure contemplates seeking hedging facilities for up to 12 months to hedge the adverse movement in exchange rates relating to the repayment of the principal amount of the restructured finance debt, but hedging comes at a cost and such costs (including margin calls) can increase with adverse movements in exchange rates. There is no guarantee that the Company will be able to secure adequate hedging arrangements in respect of its principal repayment obligations under the new US\$ facility and it is not proposed to hedge the Company's US\$ interest payment obligations under that facility.

- (iii) **Repayment of debt** - While it is a condition of the Offer that the Company's existing bank arrangements are to be restructured (as outlined in section 1.3), the Company will after the restructure still have a primary obligation under the terms of the debt facilities to pay interest and on maturity to repay principal. The occurrence of an event of default under the Company's facilities can result in an obligation to repay its debt prior to the maturity date. There is no guarantee the Company will have sufficient funds to repay such existing indebtedness.

(c) Business / operating risks

Without limiting the above, some risks particular to the TTI business include:

- (i) **Failure to retain existing customers and attract new customers** - The Company's success depends on its ability to continue to retain its current customer base, organically grow the service requirements of those existing customers and attract new customers. Failure to retain existing customers or attract new customers would materially impact the Company's ability to generate revenue which will have an adverse effect on the Company's operating and financial performance.
- (ii) **Reliance on key personnel** – TTI operates with a small management team and the loss of key management personnel could cause a material disruption and adversely affect the Company including the achievement of its product and service development.
- (iii) **Reliance on third party service providers** – There is a risk that third party service providers engaged in TTI's operations do not perform their contractual obligations and the value of the TTI's assets may be adversely affected by such non-performance.
- (iv) **Disruption of business operations** - The Company and its customers are exposed to a large range of operational risks relating to both current and future operations. Such operational risks include occupational health & safety, industrial action or disputes and natural disasters. A disruption in the Company's operations or those of its customer may have an adverse impact on the Company's growth prospects, operating results and financial performance.
- (v) **Regulatory risks** - The Company; its services and products are subject to various laws and regulations including but not limited to product compliance; accounting standards and tax laws. Changes in these laws and regulations (including interpretation and enforcement) could adversely affect the Company's financial performance.

The information in this document does not constitute a recommendation to subscribe for New Shares and this document does not purport to contain all the information that you may require to evaluate a possible application for New Shares. You should make your assessment of what information is relevant to your decision to participate in the Offer.

4.4 Taxation implications

Eligible Shareholders should be aware that there may be taxation implications associated with participating in the Offer. The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

4.5 Governing law

This Offer Document and the contracts which arise on the acceptance of the personalised Entitlement & Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Eligible Shareholder submits to the non-exclusive jurisdiction of the courts of Victoria.

4.6 Enquiries concerning this Offer Document

Enquiries relating to this Offer Document should be directed to the Company's Share registry on 1300 850 505 (with Australia) or +61 (0)3 9415 4000 (outside Australia).

5. DEFINED TERMS

\$ or AUD means Australian dollar.

Additional Shares means New Shares applied for by an Eligible Shareholder under the Top-Up Facility that are in excess of the Eligible Shareholder's Entitlement.

Applicant refers to a person who submits an Entitlement & Acceptance Form or makes payment via BPAY®.

Application refers to the submission of an Entitlement & Acceptance Form or making payment via BPAY®.

Application Monies means monies payable by Applicants in respect of their Applications.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context may require.

Board means the board of Directors.

Closing Date means the closing date of the Offer being 5.00pm (AEDT) on 21 March 2018 (subject to the right of the Company to vary the date without notice).

Company or **TTI** means Traffic Technologies Limited ACN 080 415 407.

Corporations Act means *Corporations Act 2001 (Cth)*.

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for 3 New Shares for every 4 Shares held by an Eligible Shareholder on the Record Date and as set out in the Entitlement & Acceptance Form and **Entitlements** has a corresponding meaning.

Entitlement & Acceptance Form means the Entitlement & Acceptance Form accompanying this document.

Ineligible Foreign Shareholder means a Shareholder, at the Record Date whose registered address is not situated in Australia or New Zealand.

Issue Price means \$0.03 per New Share.

Listing Rules means the listing rules of the ASX.

New Shares means the Shares proposed to be issued pursuant to this Offer.

Offer or **Rights Issue** means non-renounceable pro rata offer of New Shares on the basis of 3 New Shares for every 4 Shares held on the Record Date at the Issue Price pursuant to this Offer Document.

Offer Document means this offer document.

Opening Date means the opening date of the Offer being 9 March 2018 (subject to the right of the Company to vary the date without notice).

Record Date means 7.00pm (AEDT) on 6 March 2018.

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

Shareholder means a holder of Shares.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Top-Up Facility means the mechanism by which Eligible Shareholders can apply for Additional Shares.

6. CORPORATE DIRECTORY

DIRECTORS

Mr. Garry Lowrey

Mr. Con Liosatos

Mr. Mark Hardgrave

COMPANY SECRETARY

Mr. Peter Crafter

REGISTERED OFFICE

Traffic Technologies Ltd

31 Brisbane Street

Eltham VIC 3095

WEBSITE

www.trafficltd.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited

(hand deliveries) Yarra Falls, 452 Johnson Street, Abbotsford, Victoria, 3067

(postal deliveries) GPO Box 505, Melbourne VIC 3001, Australia

For all enquiries:

Phone:
(within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000

Web:
www.investorcentre.com/contact

TTI
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AEDT) on Wednesday 21 March 2018**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 9 March 2018.

Choose one of the payment methods shown below.

BPAY[®]: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Traffic Technologies Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form with Additional Shares

X IND

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For your security keep your SRN/
HIN confidential.

Entitlement No:

Offer Details: Existing shares held and entitled to participate as at
Tuesday 6 March 2018:

Entitlement to New Shares
on a 3 for 4 basis:

Amount payable on full acceptance
at \$0.03 per New Share:

STEP 2 Make Your Payment

B

PAY

Billers Code:
Ref No:

Contact your financial institution to make your
payment from your cheque or savings account.

Pay by Mail:
Make your cheque, bank draft or money order payable to "Traffic Technologies
Limited" and cross "Not Negotiable".
Return your cheque with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance
If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received
by no later than 5:00pm (AEDT) on Wednesday 21 March 2018. Applicants should be aware that their own financial institution may implement earlier cut off times
with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited
(CIS) nor Traffic Technologies Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the
applicant to ensure that funds submitted through BPAY are received by this time.
If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEDT) on Wednesday 21 March
2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to
affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Traffic Technologies Limited accepts any responsibility if you
lodge the payment slip below at any other address or by any other means.

Privacy Notice
The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of
securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send
you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details
provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and
ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us
in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the
issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located
outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For
further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our
Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Traffic Technologies Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional Shares
applied for:

Amount enclosed at \$0.03 per
New Share:

A\$



Entitlement No:

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (AEDT) on Wednesday 21 March 2018

Contact Details

Contact
Name

Daytime
Telephone

Cheque Details

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque
A\$