

# ASX ANNOUNCEMENT

26 September 2019

Redflex Holdings Limited | ABN 96 069 306 216

Redflex

## 2019 Annual General Meeting Materials

Further to the Company's announcement on 2 September 2019, the Annual General Meeting (**AGM**) for Redflex Holdings Limited (ABN 96 069 306 216) (**ASX:RDF**) will be held at 1.00PM on Tuesday 29 October 2019 at the offices of Baker McKenzie Lawyers, Level 19, 181 William Street, Melbourne, Victoria, 3000, Australia.

Also **attached** is the Chairman's letter to Shareholders, the 2019 AGM Notice of Meeting (including the Explanatory Statement), Proxy Form, Shareholder Question Form and Lost Shareholder Notice all dispatched to shareholders today.

A copy of the 2019 Annual Report of the Company is available in the Investors / ASX Announcements section of the Company's website **www.redflex.com**.

For further information:

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Group Chief Executive Officer  
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### Redflex Holdings Limited

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RDF

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

26 September 2019

Dear Shareholder

### **Redflex Holdings Limited – 2019 Annual General Meeting**

On behalf of the Board I am pleased to invite you to attend the 2019 Annual General Meeting (**AGM**) of Redflex Holdings Ltd (**Company**) and **enclose** the following information:

- Notice of Annual General Meeting (including an Explanatory Statement) (**Notice**);
- Proxy Form;
- Shareholder Question Form; and
- A 'Reply Paid' envelope for lodging your Proxy Form and/or sending any written questions to the Company prior to the AGM.

### **Time, Date and Venue of AGM**

The 2019 AGM will be held at 1.00PM (AEDST) on Tuesday 29 October 2019 at the offices of Baker McKenzie Lawyers, Level 19, 181 William Street, Melbourne, Victoria, 3000, Australia.

### **Business of the AGM**

The formal business of the AGM is set out in the Notice. The Notice, together with the Explanatory Statement, provide important information in relation to the matters to be considered by shareholders at the meeting and I encourage you to read these materials carefully.

### **Attendance**

As a shareholder, you can attend and vote at the AGM in person and as a proxy for another shareholder. If you are attending the AGM as a proxy for another shareholder, please bring the properly signed proxy form to allow our share registry provider (Computershare) to promptly register your attendance at the meeting. The registration desk will be open from 12:00pm (AEDST).

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the AGM in your place. Please refer to the Notice and Proxy Form regarding the appointment of a proxy.

## Shareholder Questions

If you have a question that you would like to ask in advance of the meeting, please complete the **enclosed** Shareholder Question Form. During the AGM we intend to respond to as many questions as possible. However, please note that due to the number of questions that may be received individual responses will not be sent.

Written shareholder questions should be submitted prior to the AGM and should be received by the Company by 5:00pm on Tuesday 22 October 2019 (AEDST). However, despite this deadline, shareholders still can ask questions on the day, in person, at the AGM.

In closing, on behalf of the Company and its management, I sincerely hope that you can attend the Company's 2019 AGM and we look forward to seeing you there.

With best wishes,

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adam Gray', written in a cursive style.

**Adam L. Gray**  
Chairman

Notice is hereby given that the Annual General Meeting ("AGM") of Redflex Holdings Limited (the "Company") will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria, 3000, Australia on Tuesday 29 October 2019 at 1:00 pm (AEDST) to transact the following business:

### Financial Report and Directors' and Auditor's Reports

To receive and consider the Financial Report and the Reports of the Directors and the Auditor for the year ended 30 June 2019.

### Re-election of Mr Terence Winters

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

*"That Terence Winters, who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.4, be re-elected as a Non-executive Director of the Company."*

### Election of Mr John Worthington

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

*"That John Worthington, a Non-executive Director of the Company who was appointed by the Board on 9 September 2019, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, be elected as a Non-executive Director of the Company."*

### Adoption of the Remuneration Report

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

*"That the Remuneration Report (forming part of the Directors' Report) for the year ended 30 June 2019 be adopted."*

**Note:** In accordance with section 250R of the *Corporations Act 2001* (Cth), the vote on Resolution 3 will be advisory only and will not bind the Directors of the Company.

### Performance Rights for Mr Mark J. Talbot, Group Chief Executive Officer and Managing Director

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

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant of 532,653 performance rights to Mark J. Talbot (Group Chief Executive Officer and Managing Director) by the Company on the terms set out in the Explanatory Statement be approved."*

### Options for Mr Mark J. Talbot, Group Chief Executive Officer and Managing Director

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 786,174 options to Mark J. Talbot (Group Chief Executive Officer and Managing Director) by the Company on the terms and conditions set out in the Explanatory Statement be approved."*

By order of the Board

A handwritten signature in blue ink, appearing to read "Craig Durham".

Craig Durham  
Company Secretary

20 September 2019

## INFORMATION FOR SHAREHOLDERS

### Eligibility to vote

The Company has determined that for the purposes of the meeting, shares will be taken to be held by those shareholders recorded in the Company's Register of Members as at 7.00PM (AEDST) on Sunday 27 October 2019. Share transfers registered after that time will be disregarded in determining entitlements to vote at the Annual General Meeting (AGM).

In addition, Australian legal requirements limit the eligibility of certain people to vote on some of the items of business to be considered at the AGM. These voting exclusions are designed to limit the capacity of people who stand to benefit from a resolution to influence whether the resolution is passed. Accordingly, the people who are captured by the additional voting restrictions vary for each item of business depending on the nature of the resolution proposed.

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (which includes those people described as Key Management Personnel in the Remuneration Report) of the Company (being Resolutions 3, 4 and 5), the Corporations Act 2001 (Cth) (**Corporations Act**) restricts Key Management Personnel and their closely related parties from voting in some circumstances.

A "closely related party" of a member of the Key Management Personnel is defined in the Corporations Act to include:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls.

### Proxies

A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a shareholder of the Company and a proxy can be either an individual or a body corporate.

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally between the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the chair of the meeting as their

proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the chair of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Proxy appointments in favour of the chair of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to vote in favour of each of the resolutions proposed in this Notice of Meeting. The Key Management Personnel of the Company and their closely related parties will not be able to vote your proxy on Resolutions 3, 4 and 5 unless you direct them how to vote. If you intend to appoint a member of the Key Management Personnel or any of their closely related parties as your proxy, please ensure that you direct them how to vote on Resolutions 3, 4 and 5. If you intend to appoint the chair of the meeting as your proxy, you can direct him or her to vote by either marking the box for the resolution, or by appointing the chair of the meeting as your proxy in accordance with the instructions on the proxy form (in which case the chair of the meeting will vote in favour of each of the resolutions proposed in this Notice of Meeting).

### Lodgement of Proxies

To be valid, a proxy, and the power of attorney or other authority (if any) under which it is signed (or a certified copy of the power of attorney or authority), must be lodged by one of the following methods and received not less than 48 hours before the commencement of the AGM or any adjournment of the AGM.

- ✓ electronically, via:  
www.investorvote.com.au and then inputting the shareholder's secure access information,  
or  
www.intermediaryonline.com for Custodian Voting  
or
- ✓ by mail or in person at the registered office of the Company or the office of the Company's Share Registry (a reply paid envelope is enclosed as appropriate);  
  
Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne, Victoria, Australia, 3001;  
or  
Yarra Falls, 452 Johnston Street,  
Abbotsford, Victoria, Australia.  
or
- ✓ by fax to Computershare, the Company's Share Registry, on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

### Corporate Representatives

If a representative of either a corporate shareholder or a proxy which is a body corporate is to attend and/or vote at the meeting, an Appointment of Representative Form, which can be obtained from Computershare's Investor Centre website [www.investorcentre.com](http://www.investorcentre.com), or other evidence satisfactory to the chair of the meeting, must be produced prior to admission to the meeting.

### Annual Report – Online

Redflex's Annual Report for the year ended 30 June 2019 is available on the Company's website in the Investor Relations / Financial Reports section of [www.redflex.com](http://www.redflex.com).

Shareholders can elect to receive a copy of the Annual Report in hard copy form by contacting the Company.

## EXPLANATORY STATEMENT

### Financial Report and Directors' and Auditor's Reports

The financial report and the reports of the Directors and the Auditor for the year ended 30 June 2019 will be presented at the AGM for consideration by shareholders.

No resolution is required on these reports.

Shareholders will be given a reasonable opportunity to ask questions and to make comments on the reports and on the management and performance of the Company.

The Company's auditor will be present at the meeting. Shareholders will be given a reasonable opportunity to ask questions of the auditor about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

#### 1 Re-election of Mr Terence Winters

Mr Winters, a Non-Executive Director of the Company, retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election.

Mr Winters was first appointed to the Board on 7 August 2013.

Mr Winters has served as Chairman and Non-Executive Director of Australian listed and private companies and charities. Mr Winters is currently Chairman of Converge International Pty Limited, Intellex Pty Ltd and TasmaNet Pty Ltd and is a Non-Executive Director of Many Rivers Microfinance Limited.

Mr Winters brings valued experience in the governance and operations of international technology companies and has a positive track record of influencing strategic and cultural change programs at board level.

After working for Motorola for 10 years, Mr Winters founded Link Telecommunications Pty Ltd in Australia and was Chief Executive Officer and/or Chairman of Link at different times until he sold his interest in the company. Mr Winters led the creation of Optus Communications Pty Ltd from 1989 to 1992 and served on the Optus board until 1995.

In addition, Mr Winters has spent many years on several charity boards including a term as global Chairman of Opportunity International Network Inc. Opportunity is a non-government organisation

(NGO) involved in the provision of Micro Enterprise Development and regulated Micro Finance Banking Services in over 30 developing countries.

Mr Winters serves as Chair of the Nominations Committee and is a member of the Audit & Risk Committee and the People, Culture & Remuneration Committee.

The Directors (with Mr Winters abstaining) unanimously recommend that shareholders vote in favour of Resolution 1.

The chair of the meeting intends to vote any undirected proxies in favour of Resolution 1.

#### 2 Election of Mr John Worthington

Mr Worthington, a Non-executive Director who was appointed as a Non-executive Director of the Company on 9 September 2019, retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for election.

Mr Worthington brings to the Company a wealth of knowledge and experience in the Intelligent Traffic Systems (ITS) industry with more than 30 years spent in the transportation engineering sector based in Arizona in the United States of America.

From the 1990s through to 2009, Mr Worthington was a founder, Chief Operating Officer, President, Chief Executive Officer and Chairman at TransCore, a Pennsylvania-based transportation technology firm that was acquired by the NYSE-listed conglomerate Roper Technologies in 2004. Mr Worthington went on to serve as a Managing Director for Business Development at Roper Technologies from 2009 to 2011. He subsequently joined the Texas-based traffic systems manufacturing and software company TrafficWare, where he was Chief Executive Officer, Chairman and ultimately Executive Chairman. Mr Worthington oversaw the sale of the company to the NYSE-listed technology group Cubic Corporation in October 2018, after which he resigned from TrafficWare.

Mr Worthington has since held board memberships at technology and transportation firms, including the U.S. transportation engineering firm DKS Associates.

Prior to his appointment as a non-executive director of the Company, Mr Worthington has been consulting to and advising the Company since January 2019.

## EXPLANATORY STATEMENT

From 13 September 2019, Mr Worthington has served as a Member of the People, Culture & Remuneration Committee.

The Directors (with Mr Worthington abstaining) unanimously recommend that shareholders vote in favour of Resolution 2.

The chair of the meeting intends to vote any undirected proxies in favour of Resolution 2.

### 3. Adoption of the Remuneration Report

The Company's Remuneration Report is included within the Directors' Report of the Annual Report for the year ended 30 June 2019 (**2019 Remuneration Report**). It sets out a range of matters relating to the remuneration of Directors and executives of the Company.

During this item of business, shareholders will be given a reasonable opportunity to comment on and ask questions about the 2019 Remuneration Report.

The Corporations Act provides that the vote on Resolution 3 is advisory only and does not bind the Company or its Directors.

The Directors unanimously recommend that shareholders vote in favour of Resolution 3.

The chair of the meeting intends to vote any undirected proxies in favour of Resolution 3.

### Voting Restriction

In accordance with sections 250R(4) and (5) of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 3 by or on behalf of a member of the Key Management Personnel of the Company (who is named in the Remuneration Report) and any closely related party (as defined in the Corporations Act) of any member of the Key Management Personnel unless the vote is cast:

- as a proxy for a person who is entitled to vote on this resolution in accordance with their directions on the proxy form; or
- by the person chairing the meeting as a proxy for a person who is entitled to vote on this resolution in accordance with an express authority to vote undirected proxies as the person chairing the meeting sees fit.

### 4. Grant of Performance Rights to Mr Mark J. Talbot, Group Chief Executive Officer & Managing Director

ASX Listing Rule 10.14 provides that shareholder approval is required for the issue of securities to a Director under an employee incentive scheme.

Mr Mark J. Talbot was appointed as Group Chief Executive Officer effective from 21 August 2017 and Managing Director effective from 29 November 2017.

The Board has determined that Mr Talbot will be entitled to receive an incentive bonus of up to USD156,600 (AUD223,714) in respect of the financial year ended 30 June 2020, being 36% of Mr Talbot's Base Salary, comprising:

- 12% based on time-based qualifications until 30 June 2022; and
- 20% based on achieving and up to 24% based on exceeding various share price growth targets over the 3-year period ending on the 3rd trading day after the Company releases its FY2022 results to the market.

Rather than paying the incentive bonus in cash, the Board is proposing, subject to obtaining shareholder approval, to satisfy the incentive bonus (if payable) by the issue of performance rights to Mr Talbot.

Under the Board's proposal, subject to obtaining shareholder approval, Mr Talbot would be issued, shortly after the 2019 AGM and in any event no later than one month thereafter, performance rights equal in value to USD156,600 (AUD223,714) based on the market price of the Company's shares determined at market close on 1 August 2019 (being AUD0.42 per share). This calculation results in 532,653 performance rights being granted to Mr Talbot. Each performance right on vesting would entitle Mr Talbot to be issued with one fully paid ordinary share in the Company for no monetary consideration.

If Mr Talbot becomes eligible for an incentive bonus, that number of performance rights equal in value to the bonus (based on the above Company share price) would be issued as shares and any remaining performance rights would immediately lapse.

If the agreed vesting conditions are satisfied, vesting of the performance rights occurs over the period from 30 June 2022 to 1 October 2022 with vesting generally dependant on Mr Talbot being

## EXPLANATORY STATEMENT

employed by the Company on the relevant vesting date. Otherwise, all of the performance rights that would otherwise vest on that date will immediately lapse.

More detailed provisions dealing with a range of circumstances including change of control circumstances, corporate reconstruction circumstances and other aspects are to be governed by the precise terms of the LTI Performance Rights Plan Rules, a copy of which is disclosed on the Company's website.

If shareholder approval is not obtained and Mr Talbot meets his agreed vesting conditions, the Company will pay the applicable incentive bonus to Mr Talbot in cash.

Below are the details of Mr Talbot's current Company share, options and performance rights balances as at the date of this Notice of Meeting:

	Shares	Options	Performance Rights
<b>Mark J. Talbot</b>	1,063,950	2,218,195 (granted on 21 August 2017 exercisable at 48.14 cents each)	533,573 (due to vest on 21 August 2020)

The remuneration and emoluments from the Company to Mr Talbot for FY2019 and the proposed remuneration and emoluments for FY2020 are set out below:

Mark J. Talbot	FY2019	FY2020
Base Salary	USD435,000	USD435,000
Short Term Incentive	USD150,000	Up to 40% of Base Salary for achieving target financial and individual performance targets set by the Board and up to 60% of Base Salary for exceeding those targets
Performance Rights (Time Based)	1,597,523 (of which 1,063,950 have already vested and been converted to Redflex shares as at 21 August 2019)	533,573 Performance Rights (to be tested on 21 August 2020)
Long Term Incentive	Nil	Up to 40% of Base Salary for achieving targets (including revenue, time based and share price growth targets) set by the Board and up to 44% of Base Salary (of which 8% is cash remunerated) for exceeding those targets.

The performance rights are in addition to the proposed issue of Related Party Options to Mr Talbot proposed in Resolution 5.

Mr Talbot is the only person referred to in Listing Rule 10.14 entitled to participate in the plan, because even though the plan could potentially extend to all Directors including Non-Executive Directors, the plan is only intended to be used for Executive Directors (of which Mr Talbot is the only one). No other person referred to in Listing Rule

10.14 has received performance rights under the plan since the approval of the plan at the 2017 AGM.

Having regard to the circumstances of Mr Talbot (including the responsibilities involved in his office and employment) and the Company, the Board considers that the incentive bonus arrangement (including the grant of the performance rights, if approved) represents reasonable remuneration for Mr Talbot.

The Board (excluding Mr Talbot due to his personal interest in Resolution 4) unanimously recommends that shareholders vote in favour of Resolution 4.

The chair of the meeting intends to vote any undirected proxies in favour of Resolution 4.

### Voting Exclusion Statement

The Company will disregard any votes cast in favour on Resolution 4 by a Director of the Company and any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Voting Restriction

In accordance with sections 250R(4) and (5) of the Corporations Act, the Company will disregard any votes cast in favour on Resolution 4 by or on behalf of a member of the Key Management Personnel of the Company (who is named in the Remuneration Report) and any closely related party (as defined in the Corporations Act) of any member of the Key Management Personnel unless the vote is cast:

- as a proxy for a person who is entitled to vote on this resolution in accordance with their directions on the proxy form; or
- by the person chairing the meeting as a proxy for a person who is entitled to vote on this resolution in accordance with an express authority to vote undirected proxies as the person chairing the meeting sees fit.

### 5. Grant of Options to Mr Mark J. Talbot, Group Chief Executive Officer & Managing Director

The Company has agreed, subject to obtaining shareholder approval, to issue 786,174 options (**Related Party Options**) to Mr Mark J. Talbot, Group



## EXPLANATORY STATEMENT

Chief Executive Officer and Managing Director on the terms and conditions set out below and in this Notice of Meeting.

ASX Listing Rule 10.11 provides that shareholder approval is required to issue the Related Party Options to Mr Talbot.

The Related Party Options are exercisable at a price of AUD0.44 each over a maximum 5 year period after vesting. They vest as follows:

- 29,117 Related Party Options per month starting on 21 November 2019 and ending on 21 December 2021; and
- 29,132 Related Party Options on 21 January 2022.

The Explanatory Statement for Resolution 4 above sets out various details in relation to Mr Talbot's current Company share, options and performance right balances, as well as his remuneration and emoluments for FY2019 and FY2020.

If shareholder approval is obtained, the Related Party Options will be granted immediately following and no later than one month after the date of the 2019 Annual General Meeting.

The Related Party Options will be issued for nil cash consideration so no funds will be raised from their issue, with any funds raised on exercise to be applied for working capital purposes.

The terms and conditions of the Related Party Options are set out in Schedule 1 to this Notice of Meeting.

The value of the Related Party Options is AUD149,911 and the valuation and pricing methodology is set out in Schedule 2 to this Notice of Meeting.

The valuation of the Related Party Options represents approximately 24% of Mr Talbot's FY2020 Base Salary which is considered an appropriate form of incentive in addition to his Short Term Incentive, Long Term Incentive and existing options and performance rights.

If the granted Related Party Options are exercised a total of 786,174 shares would be issued to Mr Talbot. This would increase the number of shares on issue from 150,750,407 shares to 151,536,581 shares (assuming no other options are exercised and no other shares were issued). That is, the 786,174 options, if exercised, will represent 0.52% of the total (post-exercise) equity in the Company.

The market price for shares during the term of the Related Party Options would normally determine whether the Related Party Options are exercised. If, at any time, any of the Related Party Options are exercised and the shares are traded on the ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

The trading history of shares on the ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Date
Highest	0.62	18 February 2019
Lowest	0.34	2 September 2019
Last	0.555	19 September 2019

Having regard to the circumstances of Mr Talbot (including the responsibilities involved in his office and employment) and the Company, the Board considers that the grant of the Related Party Options (if approved) represents reasonable remuneration for Mr Talbot.

The primary purpose of the grant of the Related Party Options to Mr Talbot is to provide an additional long term incentive component in Mr Talbot's remuneration package to continue to motivate future financial performance of the Company over the long term and to align it with shareholder expectations.

The exercise price of the Related Party Options of AUD0.44 each is lower than the exercise price of Mr Talbot's existing options (being AUD0.4814 each) to create a more achievable incentive for Mr Talbot to share in the benefit of a share price increase.

The specific number of additional options proposed to be granted to Mr Talbot is to restore the dilutive effect on the original grant of options resulting from the Company's very successful accelerated non-renounceable entitlement offer (or rights issue) that was completed in late 2017.

The Redflex Board recognises that:

- the entitlement offer had the effect of reducing the exercise price of Mr Talbot's current options from 50.86 cents to 48.14 cents; and
- Mr Talbot's current options are a fixed quantum as distinct from a percentage of the total Redflex shares on issue.

However, the Redflex Board considers that the additional options are appropriate to be issued for the reasons stated.

## EXPLANATORY STATEMENT

If Mr Talbot ceases to be the Group Chief Executive Officer and Managing Director, any Related Party Options that have not vested will automatically lapse.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to Mr Talbot will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

The Directors (with Mr Talbot abstaining) unanimously recommend that shareholders vote in favour of Resolution 5.

The chair of the meeting intends to vote any undirected proxies in favour of Resolution 5.

### Voting Exclusion Statement

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Talbot and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Voting Restriction

In accordance with sections 250R(4) and (5) of the Corporations Act, the Company will disregard any votes cast in favour on Resolution 5 by or on behalf of a member of the Key Management Personnel of the Company (who is named in the Remuneration Report) and any closely related party (as defined in the Corporations Act) of any member of the Key Management Personnel unless the vote is cast:

- as a proxy for a person who is entitled to vote on this resolution in accordance with their directions on the proxy form; or
- by the person chairing the meeting as a proxy for a person who is entitled to vote on this resolution in accordance with an express authority to vote undirected proxies as the person chairing the meeting sees fit.

## SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

**(a) Entitlement**

Each Option entitles Mr Mark J. Talbot (Group Chief Executive Officer and Managing Director) to subscribe for one share in Redflex Holdings Limited (**Share**) upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (j) of this Schedule 1, the amount payable upon exercise of each Option will be 44 cents (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (Melbourne time) on that date which is five (5) years after the relevant vesting date of those Options (**Expiry Date**) (assuming that the Options have not otherwise expired or lapsed before then). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

Subject to the terms and conditions of the Options, the Options shall vest and are exercisable on the 21st of each month starting from 21 November 2019 and ending on 21 January 2022. The number of Options will be 29,117 per month starting on 21 November 2019 and ending on 21 December 2021 and 29,132 Options on 21 January 2022.

**(e) Exercise Notice**

The Options may be exercised by Mr Talbot by notice in writing (**Exercise Notice**) to the Company in the manner specified in the existing Option Deed dated 22 August 2017 between Mr Talbot and the Company (**Option Deed**) and payment of the Exercise Price for each Option in accordance with clause 4.5.3 of the Option Deed.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Exit Event**

An Exit Event means the occurrence of any of the following events:

- (i) a merger, consolidation or reorganisation of the Shares with or involving any other entity (which is not a related body corporate of the Company) that will, on completion of such transaction, result in a change of the beneficial or legal ownership of at least 50.1% of the issued share capital of the Company; or
- (ii) a sale of (or the grant of a right to acquire or dispose of) any of the Shares (in one transaction or a series of transactions) which will, on completion of such transaction, result in the buyer of those Shares (or grantee of that right) (who is not a related body corporate of the Company) and persons acting in concert with the buyer together acquiring the beneficial or legal ownership of at least 50.1% of the issued share capital of the Company; or
- (iii) any other transaction involving the Company or any other Redflex Group company (either directly or indirectly) which the Board determines to be an 'Exit Event' for the purposes of the Option Deed.

Where an Exit Event occurs, the Vesting Terms (as defined in the Option Deed) attached to all Options held by the Executive that have not lapsed in accordance with the Option Deed will be automatically deemed to have been satisfied and, subject to (and to the maximum extent permitted by) the Corporations Act, all of those Options will immediately vest on the relevant Transfer Date (as defined in the Option Deed) for that Exit Event.

**(h) Timing of issue of Shares on exercise**

Within ten (10) Business Days of the Company receiving the Exercise Price and Mr Talbot complying with the other requirements of the Option Deed, the Company must issue Mr Talbot that number of Shares that relate to the Options being exercised.

## SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

**(i) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company including in respect of all rights, issues and distributions which have a record date for determining entitlements on or after the issue of those Shares.

**(j) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of Mr Talbot are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(k) Participation in new issues**

An Option does not confer a right to participate in new issues of securities of the Company unless Mr Talbot has first become entitled to exercise the Option and has exercised the Option before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of fully paid ordinary shares in the Company.

**(l) Change in exercise price**

Unless otherwise stated in the Option Deed (which provides for a change in the Exercise Price in the event of a reorganisation, bonus issue or pro rata issue in each case in accordance with the ASX Listing Rules), an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(m) Options are personal**

Except as part of an Exit Event or any transaction related to an Exit Event or as otherwise agreed by the Board, Mr Talbot must not Dispose (as defined in the Option Deed) of or grant an Encumbrance (as defined in the Option Deed) over or otherwise deal with an Option or an interest in an Option.

**(n) Ceasing to be Group CEO**

If Mr Talbot ceases to be the Group Chief Executive Officer and Managing Director for any reason, any Options held by him that have not vested by the date of cessation or termination of employment will automatically lapse on that date and all his rights in respect of those Options will immediately cease and lapse at that time.

**(o) Additional lapsing events**

If Mr Talbot commits an Act of Default within the meaning of the Option Deed, all Options (whether vested or not) held by him will immediately lapse with effect from the date of the Act of Default and all his rights in respect of those Options will immediately cease and lapse at that time.

**(p) Exit Event early expiry**

Where an Exit Event occurs, Mr Talbot shall be notified accordingly and shall have 7 days to provide an Exercise Notice to the Company as specified above, and in the absence of doing so all his rights in respect of those Options will immediately cease and lapse at that time.

**(q) General**

Except to the extent inconsistent with these terms and conditions, the other provisions of the Option Deed shall equally apply to the Options.

## SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to Mr Talbot pursuant to Resolution 5 in the 2019 Annual General Meeting Notice of Meeting have been independently valued.

Using the Black & Scholes option pricing model and based on the assumptions set out below, the Related Party Options were ascribed the following value range:

<b>Assumptions</b>			
Valuation Date:	13 September 2019		
Market Price of shares:	AUD0.41 cents per share		
Exercise Price:	AUD0.44 each		
Expiry Date:	Five (5) years after the relevant vesting date of those Options		
Risk free interest rate:	1.0%		
Volatility	53%		
Value of Related Party Options:	<b>AUD149,911</b> (using a AUD0.41 share market price)	<b>AUD116,435</b> (using a AUD0.35 share market price)	<b>AUD173,271</b> (using a AUD0.45 share market price)

**Note:** The Valuation ranges above are not necessarily the market prices that the Related Party Options could be traded. Moreover, they are not automatically the market prices for taxation purposes.



Redflex Holdings Limited

ABN 96 069 306 216

## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

RDF

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00 pm (AEDST)**  
**Sunday 27 October 2019.**

# Proxy Form

## 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

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Use your computer or smartphone to appoint your proxy and vote at [www.investorvote.com.au](http://www.investorvote.com.au) or scan your personalised QR code below using your smartphone.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

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

XX

I/We being a member/s of Redflex Holdings Limited 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 Redflex Holdings Limited to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000 on Tuesday 29 October 2019 at 1:00 pm (AEDST) 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 Resolutions 3, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 3, 4 and 5 are 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 Resolutions 3, 4 and 5 by marking the appropriate box in step 2.

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 Terence Winters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr John Worthington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Performance Rights to Mr Mark J. Talbot, Group Chief Executive Officer & Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Options to Mr Mark J. Talbot, Group Chief Executive Officer & Managing Director	<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.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/

/

Date

Update your communication details

(Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



REDFLEX HOLDINGS LIMITED  
(ABN 96 069 306 216)

## Shareholder Question Form

The Annual General Meeting of Redflex Holdings Limited (**AGM**) will be held at 1.00PM (AEDST) on Tuesday 29 October 2019 at the offices of Baker McKenzie Lawyers, Level 19, 181 William Street, Melbourne, Victoria, 3000, Australia.

Shareholders are invited to send written questions to the Company in advance of the AGM. Shareholder questions should be received by the Company by **5:00pm on Tuesday 22 October 2019**.

This form should be used to submit any written question (including to the auditor under section 250PA of the *Corporations Act 2001* (Cth)) relating to Redflex Holdings Limited that may be relevant to the 2019 AGM. If your question is to the auditor, your question should relate to the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the audit in relation to the conduct of the audit.

Please return this form to our Share Registry, **Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia** (the envelope provided for the return of the Proxy Form may be used for this purpose) or in person at **Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, Australia** or by **Facsimile 1800 783 447** (within Australia) or **+61 3 9473 2555** (outside Australia). Alternatively, you may scan and email a copy of this form to [redflexholdingslimited@redflex.com.au](mailto:redflexholdingslimited@redflex.com.au) by **5:00pm on Tuesday 22 October 2019**.

### Shareholder Full Name

### Securityholder Reference Number (SRN)

### Holder Identification Number (HIN)

### Question/s

Please tick ☒ if it is a question directed to the Auditor

1.

☐

2.

☐

3.

☐

4.

☐

5.

☐





**Redflex Holdings Limited**

ABN 96 069 306 216

RDFRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Redflex Holdings Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**Redflex Holdings Limited**