

THIS IS AN IMPORTANT DOCUMENT

AND REQUIRES YOUR ATTENTION

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



TRAFFIC TECHNOLOGIES LTD

ACN 080 415 407

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

INCORPORATING EXPLANATORY MEMORANDUM

AND PROXY FORM

DATE OF MEETING

Wednesday 27 October 2021

TIME OF MEETING

10.00 a.m. (AEDT)

VIRTUAL MEETING

Due to the ongoing COVID-19 related restrictions, the meeting will be held virtually via the Zoom Video Communications online platform

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

LETTER TO SHAREHOLDERS

23 September 2021

Dear Shareholder,

Enclosed with this letter are the Notice of Annual General Meeting (**Notice**) and Explanatory Memorandum detailing the proposed Resolutions for consideration by Shareholders. Shareholders should consider all of this material before determining how they will vote at the Annual General Meeting.

In light of current public health restrictions relating to the spread of COVID-19 the Company has made the decision to hold the Annual General Meeting as a fully virtual meeting. This meeting will take place on Wednesday, 27 October 2021 commencing at 10.00am (AEDT).

PARTICIPATION AT THE VIRTUAL MEETING

All Shareholders will have the opportunity to participate in the Meeting online via an internet connection (using a computer, laptop, tablet or smartphone).

The Meeting will be broadcast via the Zoom Video Communications online platform.

If you wish to watch and attend the virtual AGM, you must register with the Secretary, Peter Crafter at peter.crafter@trafficld.com.au at least 24 hours prior to the meeting. You will then be sent a link to the Meeting webcast.

VOTING OPTIONS

Direct voting online during the Meeting

Due to the virtual nature of the Meeting, Computershare, the Company's Share Registry will be facilitating voting during the Meeting. If you wish to cast your vote during the meeting you will need to visit:

web.lumiagm.com/395197254 on your desktop or mobile device. Ensure that your browser is compatible. Lumi AGM supports the latest version of Chrome, Safari, Internet Explorer, Edge or Firefox.

Detailed instructions on how to vote online are set out in the "How to Vote" section of this Notice and the "Online Voting Guide" located on page 7 of this Notice.

If you have any questions, or need assistance with the online process, please contact Computershare on 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

Voting via proxy

If you are unable to attend the virtual Annual General Meeting, you are urged to complete the attached Proxy Form and return it, marked attention to the Secretary, so that it is received not later than 10.00 a.m. (AEDT) on Monday 25 October 2021:

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

By mail to:

*Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Vic 3001*

By hand to:

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

Via our online facility:

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

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

Shareholders are strongly encouraged to lodge a proxy form to vote at the Meeting at least 48 hours before the Meeting.

QUESTIONS

We will provide an opportunity to ask questions at the Meeting however there may be connectivity and other issues during the video conference. Accordingly, we recommend that any Shareholder questions be submitted in advance of the meeting. They should be sent to the Secretary, Peter Crafter at peter.crafter@trafficltd.com.au by 5.00 pm on 25 October 2021.

The enclosed Notice and Explanatory Memorandum contain details of the ordinary business of the Company, of receiving the financial report of the Company for the year ended 30 June 2021, the election of directors, the approval of the Remuneration Report and appointment of new auditors.

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

Yours faithfully

Mark Hardgrave
Chairman
Traffic Technologies Ltd

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

Notice is hereby given that the Annual General Meeting (**Meeting**) of the members of Traffic Technologies Ltd (ABN 21 080 415 407) (**Company** or **Traffic Technologies**) (**Members**) will be held virtually on Wednesday 27 October 2021 at 10.00 a.m. (AEDT) for the purpose of considering the items of business in this Notice of Annual General Meeting (**Notice**).

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

AGENDA

ORDINARY BUSINESS

A. Financial Statements and Reports

To receive and consider the Financial Report, Director's Report and Auditor's Report on the Company and its controlled entities for the financial year ended 30 June 2021.

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

B. Ordinary Resolutions

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

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

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

Resolution 2: Election of Mr. Tim Fry as a Director

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

"That Mr. Tim Fry, who is eligible and who has consented to act, be appointed as a Director of the Company in accordance with clause 15.1(b) of the Company's Constitution."

Resolution 3: Approval of Remuneration Report

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

"That the Remuneration Report set out in the Company's Annual Report for the financial year ended 30 June 2021 be approved by the Members."

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

Voting exclusion:

The Company will disregard any vote cast on Resolution 3 by, or on behalf of:

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

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

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

Resolution 4 – Approval for Appointment of Auditors

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

"That pursuant to section 327B of the Corporations Act 2001 (Cth) and for all other purposes, Grant Thornton having consented to act, be appointed as the Company's auditors effective from the close of the Annual General Meeting."

In accordance with section 328A of the *Corporations Act 2001 (Cth)*, a notice of nomination of Grant Thornton as auditor of the Company is attached to this Notice (see Annexure A).

GENERAL BUSINESS

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

By Order of the Board
Mark Hardgrave
Chairman

Dated: 23 September 2021

WHO MAY VOTE

The Company determines that only Members holding Shares as at 7.00 p.m. (AEDT) on Monday 25 October 2021 will be entitled to vote at the Annual General Meeting on Wednesday 27 October 2021 or at any adjourned meeting.

HOW TO VOTE

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

Voting at the virtual Meeting

In light of current public health restrictions relating to the spread of COVID-19, the Company has made the decision to hold the Meeting as a fully virtual meeting.

All Shareholders will have the opportunity to vote at the Meeting online via an internet connection (using a computer, laptop, tablet or smartphone). Virtual meetings are accessible on both desktop and mobile devices. In order to vote at the Meeting online you will need to:

- (a) visit web.lumiagm.com/395197254 on your desktop or mobile device. Ensure that your browser is compatible (Lumi AGM supports the latest version of Chrome, Safari, Internet Explorer, Edge or Firefox)
- (b) use the unique meeting ID: 395-197-254; and
- (c) use your Shareholder Registration Number "SRN", which can be found on the Proxy Form.

For assistance with the Lumi platform and joining the Meeting, please contact (03) 9415 4024. This line will be active for one hour before the commencement of the Meeting and all calls to this number will be given top priority.

Details of how to vote 'virtually' are also provided in the accompanying Online Meeting Guide which can also be downloaded at www.computershare.com.au/onlinevotingguide. Shareholders are encouraged to review this guide before the Meeting.

As noted above, Shareholders will require the meeting ID – which is 395-197-254 as well as their Shareholder Registration Number "SRN", which can be found on their Proxy Form, for verification purposes. If a person is nominated as a proxy by a Shareholder, the proxy holder will need to obtain the proxy holder user name and password to enable the proxy holder to vote. The proxy holder user name and password can be obtained by contacting Computershare on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

Voting by Proxy

You are entitled to appoint a proxy. The proxy need not be a Member of the Company. If you are entitled to cast two (2) or more votes you may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. To vote by proxy, please complete and sign the proxy form attached to this Notice as soon as possible and return it so that it is received by the Company not later than 10.00 a.m. (AEDT) on Monday 25 October 2021:

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

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

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

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

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

Shareholder questions

While Shareholders will be able to submit questions online at the virtual Meeting, it would be desirable if the Company was able to receive them in advance.

They should be sent to the Secretary, Peter Crafter at peter.crafter@trafficltd.com.au by 5.00pm on 25 October 2021.

Please note that not all questions may be able to be answered during the Meeting. In this case, answers will be made available on the Company's website after the meeting.

FURTHER INFORMATION

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

ONLINE VOTING GUIDE



GETTING STARTED

To submit your vote online you will need to visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

TO LOG IN, YOU MUST HAVE THE FOLLOWING INFORMATION:

Meeting ID

Meeting ID as provided in the Notice of Meeting.

Australian Residents

- > **Username**
(SRN or HIN) and
- > **Password**
(postcode of your registered address).

Overseas Residents

- > **Username**
(SRN or HIN) and
- > **Password**
(three-character country code)
e.g. New Zealand - NZL;
United Kingdom - GBR;
United States of America - USA; Canada - CAN.

A full list of country codes is provided at the end of this guide.

Appointed Proxies

To receive your unique username and password, please contact Computershare Investor Services on +613 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

VOTING AT THE MEETING

- 1 To participate in voting during the meeting, you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.

The login screen features the LUMI agm logo at the top. Below it is a text input field labeled 'Enter Meeting ID'. At the bottom is an orange button labeled 'Join'.

- 2 To proceed into the meeting, you will need to read and accept the Terms and Conditions.

The screen displays the 'Meeting Terms and Conditions'. It states that terms and conditions must be read and accepted prior to proceeding to the meeting. It provides a link to view the full terms and conditions. Below this is a checkbox for 'I agree to all of the above terms and conditions'. At the bottom are two buttons: 'DECLINE' and 'ACCEPT'.

3 Select the relevant log in option to represent yourself in the meeting.

To register as a securityholder, select 'Securityholder or Proxy' and enter your SRN or HIN and Postcode or Country Code.

← 123-456-789

LUMI agm

Securityholder or Proxy

Guest

LUMI agm

SRN or HIN

Postcode or Country Code

Login

OR To register as a proxyholder, select 'Securityholder or Proxy' and you will need your username and password as provided by Computershare. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.

← 123-456-789

LUMI agm

Securityholder or Proxy

Guest

LUMI agm

SRN or HIN

Postcode or Country Code

Login

4 Once logged in, you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.

123-456-789

Computershare

**Computershare Limited
Annual General Meeting**

Mr Sam Sample

Welcome Securityholders and Guests

To View the Webcast
To view/listen to proceedings please select the 'Broadcast' bar. This will display the webcast, please press play to start and ensure that your device isn't muted.

Asking Questions
Shareholders and proxies have the ability to ask questions. Select the speech bubble icon to open the message module. Type your question in to the box at the

Broadcast

5 When the Chair declares the poll open:

- > A voting icon will appear on screen and the meeting resolutions will be displayed
- > To vote, select one of the voting options. Your response will be highlighted
- > To change your vote, simply select a different option to override

The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.

123-456-789

You have voted on 2 of 6 items

Resolution 1
Adoption of Remuneration Report

For - Vote received

For Against Abstain

CANCEL

Resolution 2
Elect Mr Sam Smith as a director

Against - Vote received

For Against Abstain

CANCEL

Broadcast

Icon descriptions

Home page icon, displays meeting information.

Voting icon, used to vote. Only visible when the Chair opens the poll.

FOR ASSISTANCE

If you require assistance before or during the meeting please call +61 3 9415 4024

COUNTRY CODES

Select your country code from the list below and enter it into the password field.

ABW ARUBA	ECU ECUADOR	LIE LIECHTENSTEIN	SEN SENEGAL
AFG AFGHANISTAN	EGY EGYPT	LKA SRI LANKA	SGP SINGAPORE
AGO ANGOLA	ERI ERITREA	LSO LESOTHO	SGS STH GEORGIA & STH SANDWICH ISL
AIA ANGUILLA	ESH WESTERN SAHARA	LTU LITHUANIA	SHN ST HELENA
ALA ALAND ISLANDS	ESP SPAIN	LUX LUXEMBOURG	SJM SVALBARD & JAN MAYEN
ALB ALBANIA	EST ESTONIA	LVA LATVIA	SLB SOLOMON ISLANDS
AND ANDORRA	ETH ETHIOPIA	MAC MACAO	SLE SIERRA LEONE
ANT NETHERLANDS ANTILLES	FIN FINLAND	MAF ST MARTIN	SLV EL SALVADOR
ARE UNITED ARAB EMIRATES	FJI FIJI	MAR MOROCCO	SMR SAN MARINO
ARG ARGENTINA	FLK FALKLAND ISLANDS (MALVINAS)	MCO MONACO	SOM SOMALIA
ARM ARMENIA	FRA FRANCE	MDA MOLDOVA REPUBLIC OF	SPM ST PIERRE AND MIQUELON
ASM AMERICAN SAMOA	FRO FAROE ISLANDS	MDG MADAGASCAR	SRB SERBIA
ATA ANTARCTICA	FSM MICRONESIA	MDV MALDIVES	STP SAO TOME AND PRINCIPE
ATF FRENCH SOUTHERN TERRITORIES	GAB GABON	MEX MEXICO	SUR SURINAME
ATG ANTIGUA AND BARBUDA	GBR UNITED KINGDOM	MHL MARSHALL ISLANDS	SVK SLOVAKIA
AUS AUSTRALIA	GEO GEORGIA	MKD MACEDONIA FORMER YUGOSLAV REP	SVN SLOVENIA
AUT AUSTRIA	GGY GUERNSEY	MLI MALI	SWE SWEDEN
AZE AZERBAIJAN	GHA GHANA	MLT MALTA	SWZ SWAZILAND
BDI BURUNDI	GIB GIBRALTAR	MMR MYANMAR	SYC SEYCHELLES
BEL BELGIUM	GIN GUINEA	MNE MONTENEGRO	SYR SYRIAN ARAB REPUBLIC
BEN BENIN	GLP GUADELOUPE	MNG MONGOLIA	TCA TURKS AND CAICOS ISLANDS
BFA BURKINA FASO	GMB GAMBIA	MNP NORTHERN MARIANA ISLANDS	TCO CHAD
BGD BANGLADESH	GNB GUINEA-BISSAU	MOZ MOZAMBIQUE	TGO TOGO
BGR BULGARIA	GNO EQUATORIAL GUINEA	MRT MAURITANIA	THA THAILAND
BHR BAHRAIN	GRC GREECE	MSR MONTSERRAT	TJK TAJIKISTAN
BHS BAHAMAS	GRD GRENADA	MTQ MARTINIQUE	TKL TOKELAU
BIH BOSNIA & HERZEGOVINA	GRL GREENLAND	MUS MAURITIUS	TKM TURKMENISTAN
BLM ST BARTHELEMY	GTM GUATEMALA	MWI MALAWI	TLS EAST TIMOR DEMOCRATIC REP OF
BLR BELARUS	GUF FRENCH GUIANA	MYS MALAYSIA	TMP EAST TIMOR
BLZ BELIZE	GUM GUAM	MYT MAYOTTE	TON TONGA
BMU BERMUDA	GUY GUYANA	NAM NAMIBIA	TTO TRINIDAD & TOBAGO
BOL BOLIVIA	HKG HONG KONG	NCL NEW CALEDONIA	TUN TUNISIA
BRA BRAZIL	HMD HEARD AND MCDONALD ISLANDS	NER NIGER	TUR TURKEY
BRB BARBADOS	HND HONDURAS	NFK NORFOLK ISLAND	TUV TUVALU
BRN BRUNEI DARUSSALAM	HRV CROATIA	NGA NIGERIA	TWN TAIWAN
BTN BHUTAN	HTI HAITI	NIC NICARAGUA	TZA TANZANIA UNITED REPUBLIC OF
BUR BURMA	HUN HUNGARY	NIU NIUE	UGA UGANDA
BVT BOUVET ISLAND	IDN INDONESIA	NLD NETHERLANDS	UKR UKRAINE
BWA BOTSWANA	IMN ISLE OF MAN	NOR NORWAY	UMI UNITED STATES MINOR OUTLYING
CAF CENTRAL AFRICAN REPUBLIC	IND INDIA	NPL NEPAL	URY URUGUAY
CAN CANADA	IOT BRITISH INDIAN OCEAN TERRITORY	NRU NAURU	USA UNITED STATES OF AMERICA
CCK COCOS (KEELING) ISLANDS	IRL IRELAND	NZL NEW ZEALAND	UZB UZBEKISTAN
CHE SWITZERLAND	IRN IRAN ISLAMIC REPUBLIC OF	OMN OMAN	VAT HOLY SEE (VATICAN CITY STATE)
CHL CHILE	IRQ IRAQ	PAK PAKISTAN	VCT ST VINCENT & THE GRENADINES
CHN CHINA	ISL ICELAND	PAN PANAMA	VEN VENEZUELA
CIV COTE D'IVOIRE	ISM BRITISH ISLES	PCN PITCAIRN ISLANDS	VGB BRITISH VIRGIN ISLANDS
CMR CAMEROON	ISR ISRAEL	PER PERU	VIR US VIRGIN ISLANDS
COD CONGO DEMOCRATIC REPUBLIC OF	ITA ITALY	PHL PHILIPPINES	VNM VIETNAM
COG CONGO PEOPLES REPUBLIC OF	JAM JAMAICA	PLW PALAU	VUT VANUATU
COK COOK ISLANDS	JEY JERSEY	PNG PAPUA NEW GUINEA	WLF WALLIS AND FUTUNA
COL COLOMBIA	JOR JORDAN	POL POLAND	WSM SAMOA
COM COMOROS	JPN JAPAN	PRI PUERTO RICO	YEM YEMEN
CPV CAPE VERDE	KAZ KAZAKHSTAN	PRK KOREA DEM PEOPLES REPUBLIC OF	YMD YEMEN DEMOCRATIC FED REP
CRI COSTA RICA	KEN KENYA	PRT PORTUGAL	YUG YUGOSLAVIA SOCIALIST FED REP
CUB CUBA	KGZ KYRGYZSTAN	PRY PARAGUAY	ZAF SOUTH AFRICA
CXR CHRISTMAS ISLAND	KHM CAMBODIA	PSE PALESTINIAN TERRITORY OCCUPIED	ZAR ZAIRE
CYM CAYMAN ISLANDS	KIR KIRIBATI	PYF FRENCH POLYNESIA	ZMB ZAMBIA
CYP CYPRUS	KNA ST KITTS AND NEVIS	QAT QATAR	ZWE ZIMBABWE
CZE CZECH REPUBLIC	KOR KOREA REPUBLIC OF	REU REUNION	
DEU GERMANY	KWT KUWAIT	ROU ROMANIA	
DJI DJIBOUTI	LAO LAO PDR	RUS RUSSIAN FEDERATION	
DMA DOMINICA	LBN LEBANON	RWA RWANDA	
DNK DENMARK	LBR LIBERIA	SAU SAUDI ARABIA KINGDOM OF	
DOM DOMINICAN REPUBLIC	LBY LIBYAN ARAB JAMAHIRIYA	SCG SERBIA AND MONTENEGRO	
DZA ALGERIA	LCA ST LUCIA	SDN SUDAN	

TRAFFIC TECHNOLOGIES LTD

ACN 080 415 407

EXPLANATORY MEMORANDUM

1. INTRODUCTION

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

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

2. ITEMS OF ORDINARY BUSINESS

2.1 Financial Statements and Reports

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

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

2.2 Election of Directors

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

Profile of Mr. Mark W Hardgrave B Com ACA MAICD

Independent Non-Executive Chairman. Appointed January 2013.

Mr. Hardgrave has a corporate advisory and investment management background. He is also a Non-Executive Director of ASX listed companies Forbidden Foods Limited and Pental Limited. He was co-founder and former Joint Managing Director of M&A Partners. Mr. Hardgrave was also previously Chief Executive Officer of Bennelong Group, which specialises in listed equities, property and private equity. Earlier in his career he worked in senior roles in a number of investment groups including Brencorp Group, Merrill Lynch and Thorney Investment Group. Mr. Hardgrave holds a Bachelor of Commerce degree from the University of Queensland. He is a chartered accountant and a member of the Australian Institute of Company Directors. Mr. Hardgrave was appointed non-executive Chairman of the Company in November 2020.

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

Resolution 2 seeks approval for the election of a new director to the Board who was appointed to fill a casual vacancy on the Board on 26 November 2020. Pursuant to clause 15.1(b) of the Company's Constitution, the Company may, by a resolution passed at a general meeting, appoint a person to be a Director. In accordance with the Company's existing corporate governance policy, the Company seeks to actively maintain a Board structure which provides an appropriate mix of experience and expertise to provide strategic guidance for the Company and effective oversight of management. Having regard to this policy and the current market conditions

faced by the Company, the Company engaged an executive search firm to assist in identifying and screening potential candidates with a view to finding a director who offered a complementary skill set to the existing skills' matrix of the Board. The Board considers that Mr. Tim Fry fulfils all relevant criteria. His profile is set out below.

Profile of Mr. Tim Fry GAICD

Independent Non-Executive Director. Appointed 26 November 2020.

Mr. Fry is an experienced financial professional with established achievements in enabling operational change and improved business outcomes for both internal and external stakeholders. He is currently Chairman of Delre National Food Group and an independent non-executive director of Cloud Paper Group. Previously he was Group Chief Financial Officer of Noske Logistics Group and then Group Financial Controller of Bulla Dairy Foods. Before relocating from the UK to Australia in 2010, Mr. Fry held senior financial positions in the UK, including as Finance Director of Servomex Group Ltd and Seal Analytical Ltd. He holds an accountancy and finance qualification from the University of Sussex in the UK and is a Graduate Member of the Australian Institute of Company Directors. Mr. Fry is Chairman of the Audit, Risk, Nomination & Remuneration and Corporate Governance committees. Mr. Fry is not currently a Director of any other listed companies.

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

2.3 Approval of Remuneration Report

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

The Remuneration Report, which explains the Board's policies in relation to the nature and level of remuneration paid to key management personnel of the Company and which sets out the remuneration details for each of them, forms part of the Directors' Report included in the Annual Report for the financial year ended 30 June 2021. Accordingly, the contents of the Remuneration Report are not reproduced in this Explanatory Memorandum. Members are referred to pages 5-11 of the Annual Report for full details of the remuneration of the Directors and Key Management Personnel.

Members should note that, as specified in section 250R of the Corporations Act, Resolution 3 is advisory only and is not binding on the Company. However, if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike". Where this occurs, the Company's subsequent remuneration report must include an explanation of the Board's proposed action in response to the "no" vote or an explanation of why no action has been taken. The Company received shareholder approvals of the 2020 Remuneration Report of in excess of 98%, and accordingly does not currently have a "first strike".

If:

- (a) a "first strike" occurs at this Meeting; and
- (b) the Company's subsequent remuneration report also receives a "no vote" at the 2022 Annual General Meeting of at least 25% of the votes cast,

then, at the 2022 Annual General Meeting Members will be asked to vote on a "spill resolution" under section 250V of the Corporations Act. If more than 50% of Members (excluding Key Management Personnel) vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the 2022 Annual General Meeting. If the Company was to receive a "second Strike" at the 2022 Annual General Meeting, all of the Directors who are in office when the Company's 2022 Remuneration Report is prepared, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, each person whose election or re-election as a Director is approved, will become a Director of the Company.

Subject to the voting exclusions, the Chairman intends to exercise all undirected proxies in favour of Resolution 3. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 3, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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

2.4 Approval of Change of Auditors

Explanation

As announced on 15 June 2021, pursuant to section 329(5) of the Corporations Act ShineWing Australia resigned as auditors of the Company (with ASIC consent) and pursuant to section 327C of the Corporations Act Grant Thornton were appointed auditors by the Directors, on 11 June 2021, to fill that casual vacancy. Pursuant to section 327C, an auditor appointed to fill a casual vacancy will only hold office until the Company's next annual general meeting, being the Meeting the subject of this Notice.

The purpose of Resolution 4 is to seek Member approval and ratification of the appointment of Grant Thornton as auditor of the Company and its controlled entities in accordance with section 327B of the Corporations Act.

As required by section 328B(1) of the Corporations Act, the Company has received a nomination from a Member that Grant Thornton be appointed as the Company's new auditor. A copy of this nomination is attached to this Explanatory Memorandum. Grant Thornton has given, and not withdrawn, its written consent to act as the Company's auditor. If Resolution 4 is passed, the appointment of Grant Thornton as the Company's auditor is effective as from the close of this Meeting.

If this Resolution is not passed, Grant Thornton's appointment as auditor will not be ratified.

Recommendation: The Board recommends that Members **vote in favour** of this resolution.

3. OTHER INFORMATION

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

4. DIRECTORS' APPROVALS AND RECOMMENDATIONS

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

5. GLOSSARY

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

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

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited (ACN 008 624 691);

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

Board means the current board of Directors of the Company;

Chairman means the chairman of the Meeting;

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

Constitution means the current Constitution of the Company;

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

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

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice;

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

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

Notice means the notice of this Meeting;

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

Resolutions means the resolutions referred to in the Notice;

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

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

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

ANNEXURE A – Nomination of Grant Thornton as auditor

1 September 2021

Mr Peter Crafter
Company Secretary
Traffic Technologies Ltd
31 Brisbane Street
Eltham Vic 3095

NOMINATION OF AUDITOR

In accordance with the provisions of section 328B(1) of the Corporations Act 2001 Cth, I, Michael Seelig, being a shareholder of Traffic Technologies Ltd ACN 080 415 407, hereby nominate Grant Thornton for appointment as Auditor of Traffic Technologies Ltd and its controlled entities as and from the Annual General Meeting to be held on 27 October 2021 or any adjournment of that meeting.

Yours faithfully



Michael Seelig



Traffic Technologies Limited
ABN 21 080 415 407

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

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00 a.m. (AEDT) on Monday, 25 October 2021.**

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to 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 Traffic Technologies Ltd hereby appoint

☐

the Chairman
of the Meeting

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Traffic Technologies Ltd to be held as a virtual meeting on Wednesday, 27 October 2021 at 10.00 a.m. (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 3 (except where I/we have indicated a different voting intention in step 2) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 3 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. Mark Hardgrave as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr. Tim Fry as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for Appointment of Auditors	<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

Securityholder 2

Securityholder 3

/ /

Sole Director & Sole Company Secretary

Director

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

