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AND REQUIRES YOUR ATTENTION

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



TRAFFIC TECHNOLOGIES LTD

ACN 080 415 407

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

DATE OF MEETING

Friday 25 November 2022

TIME OF MEETING

10.00 a.m. (AEDT)

PLACE OF MEETING

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

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

LETTER TO SHAREHOLDERS

24 October 2022

Dear Shareholder,

Enclosed with this letter are the Notice of Annual General Meeting (**Notice**) and Explanatory Memorandum detailing the proposed Resolutions for consideration by Shareholders. Shareholders should consider all of this material before determining how they will vote at the Annual General Meeting. The Annual General Meeting of the Company is to be held at 10.00 a.m. (AEDT) on Friday 25 November 2022 at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne Victoria 3000.

The enclosed Notice and Explanatory Memorandum contain details of the ordinary business of the Company, of receiving the financial report of the Company for the year ended 30 June 2022, the re-election of a director, the approval of the Remuneration Report, the approval for 900,000 Options to be issued to Director Mark Hardgrave (in respect of loan arrangements) and 900,000 Options to be issued to Director Con Liosatos (in respect of loan arrangements).

The Special Business of the Company to be considered at the Meeting will comprise the approval to the Company to have an additional 10% to issue shares under Listing Rule 7.1A. and an amendment to the Company's Constitution to permit the Company to hold shareholder meetings virtually, if it requires to do so.

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

If you are unable to attend the Annual General Meeting, you are urged to complete the attached Proxy Form and return it, marked attention to the Secretary, so that it is received not later than 10.00 a.m. (AEDT) on Wednesday 23 November 2022:

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.

Yours faithfully

Mark Hardgrave
Chairman
Traffic Technologies Ltd

TRAFFIC TECHNOLOGIES LTD
ACN 080 415 407
NOTICE OF 2022 ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given that the 2022 Annual General Meeting (**Meeting**) of the members of Traffic Technologies Ltd (ABN 21 080 415 407) (**Company** or **Traffic Technologies**) (**Members**) will be held on Friday 25 November 2022 at 10.00 a.m. (AEDT) at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne Victoria 3000, for the purpose of considering the items of business in this Notice of Annual General Meeting (**Notice**).

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

AGENDA

ORDINARY BUSINESS

A. Financial Statements and Reports

To receive and consider the Financial Report, Director's Report and Auditor's Report on the Company and its controlled entities for the financial year ended 30 June 2022.

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

B. Ordinary Resolutions

Resolution 1: Re-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 retires by rotation as a Director of the Company at this Annual General Meeting in accordance with clause 15.3 of the Company's Constitution, be re-elected as a Director of the Company."

Resolution 2: Approval of Remuneration Report

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

"That the Remuneration Report set out in the Company's Annual Report for the financial year ended 30 June 2022 be approved by the Members."

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

Voting exclusion:

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

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

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

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (d) the Voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; 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 3: Approval of the Issue of Options to Mr Con Liosatos

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 900,000 Options to Mr Con Liosatos (and/or his related party controlled entities) on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting exclusion:

The Company will disregard any votes cast in favour of this Resolution 3 by any person who is to receive the securities and any other person who will obtain a material benefit as a result of the transaction, including Con Liosatos (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met
 - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and
 - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

Resolution 4: Approval of the Issue of Options to Mark Hardgrave

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 900,000 Options to Mr Mark Hardgrave (and/or his related party controlled superannuation fund) on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting exclusion:

The Company will disregard any votes cast in favour of this Resolution 4 by any person who is to receive the securities and any other person who will obtain a material benefit as a result of the transaction, including Mark Hardgrave (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and
 - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote that way.

C. SPECIAL RESOLUTIONS

Resolution 5: Approval of increased placement capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the increase in the capacity of the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions stated in the Explanatory Memorandum which accompanies this Notice of Meeting."

Voting exclusion:

The Company will disregard any vote cast in favour of Resolution 5 by, or on behalf of:

- (a) if at the time the approval of Resolution 5 is sought the Company is proposing to make an issue of securities under rule 7.1A.2, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of such a member.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and
 - (ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

Resolution 6: Approval to Amend Constitution - virtual meetings

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That pursuant to section 136(2) of the Corporations Act and for all other purposes, the members of the Company approve the amendment of clause 14.22 of the Company's Constitution to permit the Company to hold virtual meetings of members in accordance with the provisions of the Corporations Act, as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting."

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: 24 October 2022

WHO MAY VOTE

The Company determines that only Members holding Shares as at 7.00 p.m. (AEDT) on Wednesday 23 November 2022 will be entitled to vote at the Annual General Meeting on Friday 25 November 2022 or at any adjourned meeting.

HOW TO VOTE

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

Voting in Person

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

Voting by Proxy

You are entitled to appoint a proxy. The proxy need not be a Member of the Company. If you are entitled to cast two (2) or more votes you may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. To vote by proxy, please complete and sign the proxy form attached to this Notice as soon as possible and return it so that it is received by the Company not later than 10.00 a.m. (AEDT) on Wednesday 23 November 2022:

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.

The Chairman in his capacity as proxy holder intends to vote all undirected proxies in favour of approving all Resolutions in this Notice of 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.

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 Resolution 1 - Re-election of Director

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

Mr. Peter Timothy James Fry (Age 58) GAICD

Independent Non-Executive Director. Appointed 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 has not served as a director of any other listed companies during the three years to June 2022.

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

2.3 Resolution 2 - 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 2022. Accordingly, the contents of the Remuneration Report are not reproduced in this Explanatory Memorandum. Members are referred to pages 10-12 of the Annual Report for full details of the remuneration of the Directors and Key Management Personnel.

Members should note that, as specified in section 250R of the Corporations Act, Resolution 2 is 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 2021 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 2023 Annual General Meeting of at least 25% of the votes cast,

then, at the 2023 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 2023 Annual General Meeting. If the Company was to receive a "second Strike" at the 2023 Annual General Meeting, all of the Directors who are in office when the Company's 2023 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 2. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 2, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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

2.4 Resolution 3 - Issue of Options to Mr Con Liosatos

Subject to shareholder approval of this Resolution and subject to Con Liosatos providing the Company with a 2022 Loan of \$100,000, the Board has decided to issue to Con Liosatos 900,000 Options with an exercise price of \$0.015 (which is equivalent to the current TTI trading price for its shares as at the date of this notice), an Expiry Date of 28 February 2025 and shall otherwise be issued subject to the Option Terms and Conditions (a copy of which is attached as Annexure "A" to this Notice).

The loans by Mr Liosatos (subject of Resolution 3) and Mr Hardgrave (Resolution 4) provide short term funding for the Company, are unsecured, repayable on 28 February 2025 and carry an interest rate of 10% plus the benefit of the options proposed under Resolutions 3 and 4 - or failing approval / issue of the options at an interest rate of 13%.

900,000 Options were valued at approximately \$7,000 by the Company using the Black and Scholes valuation method. Where shareholders do not approve the issue of the options under Resolutions 3 or 4, the loan agreements entered into with Mr Liosatos (subject of Resolution 3) and Mr Hardgrave (Resolution 4) provide for an adjusted interest rate of 13% over the period of the loan.

The Company will not be seeking quotation of the Options on the ASX as a separate class of listed securities.

Regulatory Background

Pursuant to the *Corporations Act 2001 (Cth)*, the provision of any financial benefit to a related party requires shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Part 2E.1 applies to the issuance of securities to a related party by the Company to a related party. A "related party" (as defined in the Act) includes the Directors of the Company and their controlled entities.

In addition, ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company and their controlled entities.

With respect to Resolution 3, relating to the issuance of Options to Con Liosatos (and/or his related party controlled superannuation fund), the Board is of the view that the Options proposed to be issued would be issued upon terms that would meet the "arm's length terms" criteria of Section 210 of the *Corporations Act* (and would therefore be exempt from the need to seek shareholder approval pursuant to the *Corporations Act*).

Con Liosatos (being a director of the Company) and his related party controlled superannuation fund are each a "related party" of the Company under the ASX Listing Rules, where no exemption to shareholder approval is applicable, hence shareholder approval is being sought under ASX Listing Rule 10.11.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information -

- (a) *The name of the person and the category under ASX Listing Rules 10.11.1 - 10.11.5 applicable:*
Mr Con Liosatos, managing director of the Company, and/or his related party controlled superannuation fund (namely Liosatos Superannuation Fund), therefore Listing Rule 10.11.1 applies.
- (b) *The number and class of securities to be issued:*
900,000 options to purchase fully paid shares in the capital of the Company.
- (c) *If the securities are not fully paid shares, a summary of the material terms of the securities*
The material terms of the Options are described in the Terms and Conditions, a copy of which is attached to this Explanatory Memorandum as Annexure "A",
- (d) *The date the Options are to be issued:*
Within 1 month after the date of this Meeting.
- (e) *The price or consideration the Company will receive:*
The Company will not receive any consideration from the issue of the Options. However, if all the Options proposed to be issued to Con Liosatos are exercised, a total of \$13,500 will be received, being \$0.015 per Option exercised for 900,000 Options.
- (f) *The purpose of the issue, including intended use of funds:*
There is no guarantee that any of the Options will be exercised. If any of the Options are exercised the Board will determine the use of the funds when the funds are received.
- (g) *If the issue is to a director and is intended to incentivise the person as a director, details of their remuneration package are to be provided:*
The issue of the Options is to be upon provision of \$100,000 loan funds by Con Liosatos and is not intended to remunerate or incentivise Con Liosatos.
- (h) *If the securities are being issued under an agreement, a summary of the material terms of the agreement.*
A summary of the material terms of the loan agreement pursuant to which the Options are to be issued is attached as Annexure "B" to this Explanatory Memorandum.

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of the 900,000 Options to Con Liosatos (and/or his related party controlled superannuation fund). If this Resolution 3 is not approved the Company will not issue the 900,000 Options to Con Liosatos (nor his related party controlled superannuation fund), but the Interest Rate at which the Company must pay interest to Con Liosatos under his Loan Agreement will increase from 10% pa to 13% pa.

Board Recommendation

The Board of Directors (other than Mr Con Liosatos) unanimously recommends that shareholders vote in favour of Resolution 3. Mr Con Liosatos abstains from making a recommendation due to his personal interest in the outcome of the Resolution.

The Chair intends to vote all undirected proxies in favour of Resolution 3.

2.5 Resolution 4 - Issue of Options to Mr Mark Hardgrave

Subject to shareholder approval of this Resolution and subject to Mark Hardgrave providing the Company with a 2022 Loan of \$100,000, the Board has decided to issue to Mark Hardgrave 900,000 Options with an exercise price of \$0.015 (which is equivalent to the current TTI trading price for its shares as at the date of this notice), a Expiry Date of 28 February 2025 and shall otherwise be issued subject to the Option Terms (a copy of which is attached as Annexure "A" to this Notice).

As referred to above loans to the Company have been provided by Mr Liosatos (subject of Resolution 3) and Mr Hardgrave (Resolution 4) to provide some immediate short term funding for the Company, are unsecured, repayable on 28 February 2025 and carry an interest rate of 10% plus the benefit of the options proposed under Resolutions 3 and 4 - or failing approval / issue of the options at an interest rate of 13%.

900,000 Options were valued at approximately \$7,000 by the Company using the Black and Scholes valuation method. Where shareholders do not approve the issue of the options under Resolutions 3 or 4, the loan agreements entered into with Mr Liosatos (subject of Resolution 3) and Mr Hardgrave (Resolution 4) provide for an adjusted interest rate of 13% over the period of the loan.

The Company will not be seeking quotation of the Options on the ASX as a separate class of listed securities.

Regulatory Background

Pursuant to the *Corporations Act 2001 (Cth)*, the provision of any financial benefit to a related party requires shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act, unless one of a number of exceptions applies. Part 2E.1 applies to the issuance of securities to a related party by the Company to a related party. A "related party" (as defined in the Act) includes the Directors of the Company and their controlled entities.

In addition, ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company and their controlled entities.

With respect to Resolution 4, relating to the issuance of Options to Mark Hardgrave (and/or his related party controlled superannuation fund), the Board is of the view that the Options proposed to be issued would be issued upon terms that would meet the "arm's length terms" criteria of Section 210 of the *Corporations Act* (and would therefore be exempt from the need to seek shareholder approval pursuant to the *Corporations Act*).

Mark Hardgrave (being a director of the Company) and his related party controlled superannuation fund are each a "related party" of the Company under the ASX Listing Rules, where no exemption to shareholder approval is applicable, hence shareholder approval is being sought under ASX Listing Rule 10.11.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information -

- (a) *The name of the person and the category under ASX Listing Rules 10.11.1 - 10.11.5 applicable:*
Mr Mark Hardgrave, Non-Executive Chairman of the Company, and/or his related party controlled superannuation fund (namely Hardgrave Superannuation Pty Ltd), therefore Listing Rule 10.11.1 applies.
- (b) *The number and class of securities to be issued:*
900,000 options to purchase fully paid shares in the capital of the Company.
- (c) *If the securities are not fully paid shares, a summary of the material terms of the securities*
The material terms of the Options are described in the Terms and Conditions, a copy of which is attached to this Explanatory Memorandum as Annexure "A",

- (d) *The date the Options are to be issued:*
Within 1 month after the date of this Meeting.
- (e) *The consideration the Company will receive:*
The Company will not receive any consideration from the issue of the Options. However, if all the Options proposed to be issued to Mark Hardgrave are exercised, a total of \$13,500 will be received, being \$0.015 per Option exercised for 900,000 Options.
- (f) *The purpose of the issue, including intended use of funds:*
There is no guarantee that any of the Options will be exercised. If any of the Options are exercised the Board will determine the use of the funds when the funds are received.
- (g) *If the issue is to a director and is intended to incentivise the person as a director, details of their remuneration package are to be provided:*
The issue of the Options is to be upon provision of \$100,000 loan funds by Mark Hardgrave and is not intended to remunerate or incentivise Mark Hardgrave.
- (h) *If the securities are being issued under an agreement, a summary of the material terms of the agreement.*
A summary of the material terms of the loan agreement pursuant to which the Options are to be issued is attached as Annexure "B" to this Explanatory Memorandum.

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of the 900,000 Options to Mark Hardgrave (and/or his related party controlled superannuation fund). If this Resolution 4 is not approved the Company will not issue the 900,000 Options to Mark Hardgrave (nor his related party controlled superannuation fund), but the Interest Rate at which the Company must pay interest to Mark Hardgrave under his Loan Agreement will increase from 10% pa to 13% pa.

Board Recommendation

The Board of Directors (other than Mr Mark Hardgrave) unanimously recommends that shareholders vote in favour of Resolution 4. Mr Mark Hardgrave abstains from making a recommendation due to his personal interest in the outcome of the Resolution.

The Chair intends to vote all undirected proxies in favour of Resolution 4.

3. ITEMS OF SPECIAL BUSINESS

3.1 Resolution 5: Approval of increased placement capacity

a) Placement capacity

ASX Listing Rule 7.1A enables eligible entities, after obtaining shareholder approval at an annual general meeting, to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. This Resolution 5 seeks approval to allow the Board the flexibility to issue additional Shares if it so decided. The Board may decide not to issue any Shares pursuant to this Resolution 5.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If this Resolution 5 is not approved by shareholders then the Company will not have the flexibility of an available additional 10% capacity to issue Shares under the 10% Placement Facility described in this section 5 of the Explanatory Memorandum. The Company not having the 10% Placement Facility will have no effect on the Company's existing Listing Rule 7.1 15% capacity.

b) Description of Listing Rule 7.1A

Any equity securities issued under the 10% Placement Facility (**Placement Securities**) must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has on issue one quoted class of equity securities, being ordinary shares (**Shares**).

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Placement Securities calculated in accordance with the formula in Listing Rule 7.1A.2.

The effect of Resolution 5 will be to allow the Directors to issue the Placement Securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without using any of the Company's 15% placement capacity under Listing Rule 7.1.

c) Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(i) Period for which approval will be valid

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (A) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (B) the time and date of the Company's next annual general meeting; or
- (C) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX

(10% Placement Period).

(ii) Minimum issue price

If any Placement Securities are issued, the minimum price the Placement Securities will be issued for cash consideration which is not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (A) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (B) if the Placement Securities are not issued within 10 trading days of the date in paragraph (A) above, the date on which the Placement Securities are issued.

The actual number of Placement Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(iii) Maximum Number of Shares to be Issued:

Listing Rule 7.1A.2 provides that an eligible entity which has obtained a 7.1A mandate may, during the period of the mandate, issue or agree to issue a number of equity securities (**N**) equal to the 10% Placement Facility, calculated in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$$N = (A \times D) - E$$

where:

A = is the number of shares on issue 12 months before the date of the issue or agreement:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17,
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4,
- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period.

(Note: "A" has the same meaning as in Listing Rule 7.1 when calculating the 15% capacity);

D = 10%;

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period (being the 12 month period immediately preceding the date of the issue or agreement), where the issue or agreement has not been subsequently approved by holders of ordinary securities under Listing Rule 7.4;

(iv) Purposes for which Placement Securities may be issued

The Company may seek to issue the Placement Securities as cash consideration for the acquisition of new assets and/or other investments, or as cash for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Placement Securities.

(v) Effect on existing (non-participating) Shareholders

If Resolution 5 is approved by Shareholders and the Company issues Placement Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (A) the market price for the Company's equity securities may be significantly lower on the date of the issue of the Placement Securities than on the date of the Annual General Meeting; and
- (B) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date.

The below table is included for illustrative purposes and shows the potential dilution of existing Shareholders on the basis of the current market price of the Shares as at 30 September 2022 and the current number of Shares for variable "A" (above) calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (A) Two examples where variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue as at the date of this Notice of Meeting. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing rule 7.1 that are approved at a future shareholders' meeting; and
- (B) Two examples where the issue price of the Shares has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

- (A) The Company issues the maximum number of Placement Securities available under the 10% Placement Facility.
- (B) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (C) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (D) The table shows only the effect of issues of Placement Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (E) The issue of Placement Securities under the 10% Placement Facility consists only of Shares.
- (F) The issue price is \$0.015 being the closing price of the Shares on ASX on 30 September 2022.

Variable 'A' in Listing Rule 7.1A.2		\$0.008 50% decrease in Issue Price	\$0.015 Issue Price	\$0.023 50% increase in Issue Price
Current Variable A 722,170,188 Shares	10% Voting Dilution	72,217,019	72,217,019	72,217,019
	Funds raised	577,736.15	1,083,255.28	1,660,991.43
50 % increase in current Variable A 1,083,255,282 Shares	10% Voting Dilution	108,325,528	108,325,528	108,325,528
	Funds raised	866,604.23	1,624,882.92	2,491,487.15
100% increase in current Variable A 1,444,340,376 Shares	10% Voting Dilution	144,434,038	144,434,038	144,434,038
	Funds raised	1,155,472.30	2,166,510.56	3,321,982.86

(vi) Company's share allocation policy

The Company's share allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (A) the methods of raising funds that are available to the Company, including but not limited to, issues in which existing security holders can participate;
- (B) the effect of the issue of the Placement Securities on the control of the Company;
- (C) the financial situation and solvency of the Company; and
- (D) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(vii) Information under ASX Listing Rule 7.3A.6

As at the date of this Notice the Company has not issued any equity securities under Listing Rule 7.1A.2 in the past 12 months preceding the date of the AGM.

(viii) Information under ASX Listing Rule 7.3A.7

A voting exclusion statement is included above in this Notice. As at the date of this Notice the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2.

Board Recommendation

The Board of Directors unanimously recommends that shareholders vote in favour of Resolution 5.

3.2 Resolution 6: Approval to amend the Constitution

Resolution 6 proposes the amendment of the Company's Constitution, to permit the Company to hold virtual meetings of members in accordance with the provisions of the Corporations Act, by removing the existing clause 14.22 and replacing it with a new clause 14.22 in the form annexed to this Explanatory Memorandum as Annexure "C".

Pursuant to section 136(2) of the Corporations Act, the Company may only modify its Constitution by special resolution. In summary, during the Covid-19 period from 14 August 2021 Companies were permitted to hold shareholder meetings (including their annual general meetings) virtually under the previous temporary provisions introduced by the *Treasury Laws Amendment (2021 Measures No.1) Act 2021 (TLAA)*. The provisions of the TLAA expired on 2 August 2022.

Commencing as from 3 August 2022 the provisions of Schedule 2 to the *Corporations Amendment (Meetings and Documents) Act 2021 (Cth)* relating to electronic meetings and sending of documents came into effect. Under the provisions of that Act, company meetings can now be held:

- physically in person
- partly in person and partly virtually using virtual meeting technology
- entirely virtually using virtual meeting technology, so long as that is *expressly allowed under the company's constitution* – this is a new requirement that was not in place under the previous temporary TLAA provisions.

The current Constitution of the Company does not expressly allow for shareholder meetings to be held virtually. Accordingly, the Company wishes to retain the flexibility to be able to conduct meetings virtually, as it believes in many instances a shareholder meeting held virtually is a more efficient and far less costly means of conducting a shareholder meeting. The proposed changes do not seek to mandate that all shareholders meetings must be held virtually, just that the Company has the ability to do so if it decides to do so. If this Resolution 6 is not approved by Members the Company will not be able to hold member meeting virtually and will not have the above described flexibility and costs savings.

Recommendation

The Board of Directors unanimously recommends that shareholders vote in favour of Resolution 6.

4. 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.

5. 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.

6. 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;

Option means an option to purchase a Share;

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.

Terms and Conditions means the term and conditions attaching to an Option, a copy of which terms is attached to this Notice and Annexure "A".

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"

Option Terms and Conditions

Each option (**Option**) entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in **Traffic Technologies Limited** ABN 21 080 415 407 (**Company**) on the following terms:

1. Subject to clauses 2 and 3 below and also any restrictions imposed by the ASX Limited (**ASX**), each Option is exercisable at any time after the date it is issued (**Issue Date**), until and including their expiry date, namely 5pm on the 28 February 2025 (**Expiry Date**). Any Options not exercised by the Expiry Date will automatically lapse at 5pm on the Expiry Date.
2. The Options may be exercised for part or all of the Options at a particular time by the Option Holder giving written notice in the form set out below (**Notice of Exercise**) to the Company at its registered office prior to the Expiry Date together with payment in full of the exercise price of \$0.015 per Option (**Exercise Price**).
3. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 4 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
 - a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
 - b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
 - c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
4. The Option Holder agrees in respect of any Shares issued on exercise of an Option, the Option Holder will not deal with the entitlement to the relevant Shares or trade / dispose of the relevant Shares until the Company has lodged a cleansing notice in respect of the issue of the Shares (in accordance with section 708A of the Corporations Act) or otherwise able to "cleanse" the allotment of the Shares under section 708A of the Corporations Act.
5. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
6. The Options are transferable by an Option Holder on written notice to the Company, and where the Shares are quoted, in accordance with the ASX Listing Rules, provided that the Options cannot be transferred or assigned within 12 months after the Issue Date except in accordance with the Corporations Act.
7. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
8. An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options. However, the Company will reasonable endeavours to see that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 Business Days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the vested Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
9. In the event of the liquidation of the Company, all unexercised Options will lapse upon the occurrence of that liquidation.
10. The Options do not provide any entitlement to dividends paid to ordinary shareholders.
11. The Options do not entitle the Option Holder to vote at any meeting of shareholders
12. To the extent (if any) that any of these Option Terms And Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms And Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
13. These Terms and Conditions are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

Annexure "B"

Material Terms of the 2022 Loan Agreements

Security	Loan is unsecured
Approved Purpose	Repayment of existing indebtedness and working capital
Interest Payable	Calendar monthly in arrears
Interest Rate	10% per annum
Higher Interest Rate	13% per annum (only applicable to the Loan Agreement referred to in Resolutions 3 and 4 and only applicable to the corresponding loan if Resolutions 3 and/or 4 (respectively) are not approved by Shareholders at this Meeting)
Final Repayment Date	28 February 2025
Representations and warranties	Usual commercial representations and warranties by a lender and borrower for a loan on similar terms and under similar circumstances
Lender Qualification	Lender warrants that the Lender is a person or entity which satisfies the criteria detailed in section 708 of the Corporations Act and that they do not require a disclosure document or prospectus in respect of the Options
Default	Conventional terms allowing the Lender to terminate the Loan Agreement and require repayment upon 30 days' notice for breach of the Loan Agreement by, or the insolvency of, the Borrower
Relevant Jurisdiction	Victoria
Options Entitlement	Subject to, and upon receipt of, Shareholder Approval the Borrower will grant to the unlisted options to purchase Shares upon the basis of 900,000 Options (exercisable for the same number of Shares) for every \$100,000 (Options Ratio) advanced as a loan under the loan agreement (which for the avoidance of doubt, for the purposes of determining the number of Options the loan advanced excludes any Amount Owing which consists of interest). Each Option will automatically expire on the Final Repayment Date if not exercised prior to such date. For a loan advance of more or less than \$100,000, the number of Options to be issued will be determined by applying the Options Ratio to the actual loan advanced, provided that where this calculation results in a fraction of an Option, the number of Options to issue will be rounded up to the nearest whole number.
Option Terms	Each Option will have an Exercise Price of 1.5 cents per Option, shall automatically expire on the Final Repayment Date if not exercised prior to such date and otherwise shall be subject to the Option Terms and Conditions.

Annexure "C"

Amendments to the Constitution of Traffic Technologies Limited dated 14 October 2011 ("Constitution")

A. Section 1.1 of the Constitution is amended by the insertion of the following:

"Meeting Technology means any technology approved by the Directors that is reasonable to use for the purpose of holding a meeting at more than one physical venue or virtually or by a combination of those methods and otherwise satisfies the requirements of this Constitution and the Corporations Act;"

"Present means, in connection with a meeting, the Member being present in person or by proxy, by attorney or, where the Member is a body corporate, by representative, and includes being present at a different venue from the venue at which other Members are participating in the same meeting or virtually where the meeting is held using Meeting Technology, providing the pre-requisites for a valid meeting as set out in this Constitution and the Corporations Act are observed;"

B. The Constitution is further amended as follows:

Clause 14.22 of the Constitution is deleted and the following is inserted in its place

"14.22 Use of technology

Notwithstanding any other provision of this Constitution to the contrary, the following shall apply, and to the extent there is a conflict (if any) between this clause 14.22 and any other provision of this Constitution (other than clause 1.7), the provisions of this clause 14.22 shall prevail:

- (a) *Subject to any applicable Law, the Company may hold a meeting of Members:*
 - (i) *at a physical venue;*
 - (ii) *at one or more physical venues and virtually using Meeting Technology;*
 - (iii) *virtually, using Meeting Technology only; or*
 - (iv) *in any other way permitted by the Corporations Act.*
- (b) *The Company must give the Members entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting, however it is held.*
- (c) *A Member, or a proxy, attorney or representative of a Member, who attends the meeting (whether at a physical venue or virtually by using Meeting Technology) is taken for all purposes to be Present at the meeting while so attending.*
- (d) *If, before or during a meeting of Members, any technical difficulty occurs, such that the Members as a whole do not have a reasonable opportunity to participate, the Chairperson of the meeting may:*
 - (i) *adjourn the meeting until the technical difficulty is remedied; or*
 - (ii) *subject to the Corporations Act, where a quorum remains Present and able to participate, continue the meeting.*
- (e) *Each notice convening a general meeting must specify -*
 - (i) *if Meeting Technology is to be used in holding the meeting, sufficient information to allow Members to participate in the meeting by means of the technology;*
 - (ii) *Where a general meeting is held only virtually using Meeting Technology:*
 - (A) *the place for the meeting is taken to be the address of the registered office of the Company; and*
 - (B) *the time for the meeting is taken to be the time at that place.*

- (f) *If a quorum is not Present within 15 minutes after the time appointed for the general meeting the meeting stands adjourned to a day and at a time and place as the Directors decide or, if no decision is made by the Directors:*
- (i) *the meeting is adjourned to the same day in the next week at the same time;*
 - (ii) *if any of the Members was entitled to physically attend the meeting and the location is not specified, the meeting is adjourned to the same location or locations as were specified for the original meeting; and*
 - (iii) *if Meeting Technology was used in holding the original meeting and sufficient information to allow members to participate in the resumed meeting by means of the technology is not specified, participation in the adjourned meeting by means of the Meeting Technology must be provided in the same manner as set out in the notice for the original meeting.*
- (g) *Subject to clause 14.22(g)(iii), and the requirements of any Law and the Listing Rules, any resolution to be considered at a general meeting will be decided:*
- (i) *on a poll, if:*
 - (A) *Meeting Technology is used in holding the meeting; or*
 - (B) *a poll is demanded at or before the declaration of the result of the show of hands; or*
 - (ii) *otherwise, on a show of hands.*
 - (iii) *Any resolution to be considered at a general meeting and which seeks an approval under (or in connection with) the Listing Rules must be decided by way of a poll.*
- (h) *The Directors may hold a valid meeting of Directors using Meeting Technology, and in that case:*
- (i) *the participating Directors are taken for all purposes to be present at the meeting while so participating;*
 - (ii) *subject to the Corporations Act, the meeting is taken to be held at the place where the Chairperson of the meeting is and at the time at that place; and*
 - (iii) *all proceedings of the Directors conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were present in person."*



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 am (AEDT) on Wednesday, 23 November 2022.**

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/au and select "Printable Forms".

Lodge your Proxy Form:

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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: I9999999999
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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Traffic Technologies Ltd to be held at the offices of K&L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000 on Friday, 25 November 2022 at 10:00 am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 2, 3 and 4 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 2, 3 and 4 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. Tim Fry as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of the Issue of Options to Mr Con Liosatos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the Issue of Options to Mark Hardgrave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of increased placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Amend Constitution - virtual meetings	<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

